ABSTRACT

A company must survive and had a high scale of sustainability. This research is to aimed the consistency of how Indonesia banking financial prediction model formulation equation in order to detect bank condition and performance. If the performance of a bank itself is good, the bank can be operate well and operating their functional activities to be a financial institution that run an intermediary function to provide saving and fund as well. This concistency model is using Financial Sustainability Ratio (FSR).

This study aims to examine the influence of Capital Adequacy Ratio (CAR), Non Performing Loan (NPL) and Loan to Deposit Ratio (LDR) to Financial Sustainability Ratio (FSR) at National and Non-National Bank listed on Indonesia Stock Exchange (BEI) in the period 2011-2015. The data used in this study was obtained from financial statement data.

The population in this study are the commercial bank listed on the Stock Exchange. Sample selection technique used is purposive sampling and acquired 31 commercial banks with the 2011-2015 study period. Methods of data analysis in this research is panel data regression analysis using Eviews software version 8.

The results showed that simultaneous Capital Adequacy Ratio (CAR), Non Performing Loan (NPL) and Loan to Deposit Ratio (LDR) have a significant effect on Financial Sustainability Ratio. While partially, CAR significant positive effect on FSR, NPL has no effect on FSR and LDR have a significant negative effect on FSR.

Based on these results, then if the banking wanting to improve their sustainability ratio, the bank needs to increase the CAR and pressing LDR

Keywords: Capital Adequacy Ratio (CAR), Loan Deposit Ratio (LDR), Non Performing Loan (NPL), Financial Sustainability Ratio (FSR)