

ABSTRACT

The Economic growth is an indicator of development in a country or region within a certain period. Increased economic activity can be seen from an increase in national income. Gross Domestic Product (GDP) is one of the concepts of national income that is often used to determine economic growth. An increase in GDP is an indication that the country's economy is performing better than in the previous year. One important element in economic growth is the availability of capital to drive the real business sector in a country. Banking as one of the pillars of the country's economy has an important role in driving the growth of the real sector. In 2011-2016 Indonesia's banking performance experienced a decline. A decline in profit or bank's ROA has been noted, as non-performing loans (NPL) experienced an increasing trend when credit growth and third-party fund collection (DPK) declined.

The phenomenon of decreasing ROA, increasing NPL and slowing credit growth caused the banking business to experience contraction. If the company's financial conditions have decreased, the company experiences financial distress. Financial distress is the initial stage of a company's bankruptcy. To detect the condition of financial distress of the banking sector, several models can be used. Such models are the Altman Z-Score Modification, Springate, Zmijewski, Bankometer, Grover, and RGEC. After that, the results of the models are compared.

The samples of this study are 30 banking sector companies listed on the Indonesia Stock Exchange period 2011-2016. This study uses quantitative data in the form of financial statement data from the sample company. Based on the results of the study, Altman Z-Score Modification, Springate, and Zmijewski models overall lead to similar analysis results, concluding that all samples were within the distress category. On the other hand, Bankometer, Grover, and RGEC models conclude the samples to be within the non distress category. Thus, these results opposed the results of the analysis of the previous three models.

Keywords : *Altman Z-Score Modification, Bankometer, Financial Distress, Grover, RGEC, Springate, Zmijewski*