ABSTRACT

Analysis Financial Ratio in Determining Financial Distress Of Bank Enlist in Stock Exchanges Indonesia (BEI)

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The objective of this research are: (1) To study influence of financial ratios on financial distress of public bank listed on the BEI, (2) To study the dominant ratio of finance that determining financial distress in banking, (3) Determining managerial implication. The study method was descriptive and quantitative analysis using data of annual financial statement of go public bank in Indonesia. From the Analysis of regression logistics conducted by independent variable shows same influence in each equation. The Influence of each independent variable to financial distress is: (1) Variable NIM (Nett Interest Margin) shows a negative effect to the happening of financial distress in a bank, (2) BOPO (Operating Expenses to Operational Earnings) shows a positive influence to the happening of financial distress in bank enlisted in BEI, (3) LDR (Loan To Deposit Ratio) shows a negative effect to the happening of financial distress in banking. The research also shows that the most dominant financial ratio in determining financial distress of a bank is: (1) Loan to Deposit Ratio (LDR), (2) Operating Expenses to Operational Earnings (BOPO), (3)Nett Interest Margin (NIM), (4) PPPAP. Several points which can be submitted as suggestion is: (1) Client can see the condition of bank is in good condition or not based on BOPO, LDR, NIM and PPPAP, (2) Bank better improve value of LDR owned by improving gift of credit to society. Channeling of Credit from fund of the third party of course must be done with good observation and as according to existing regulation in order to protect from unrighteous problem financial distress.

Keywords: Financial distress, Financial ratio, Regression logistic analysis, Discriminant analysis.