ABSTRACT

This research aims to analyze the influence of CAMEL ratio projected with Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), Net Profit Margin (NPM), Operating Ratio to Operating Revenue (BOPO) and Loan to Deposit Ratio (LDR) to financial distress.

Financial distress is a condition of financial difficulties so the company unable to perform their operations. Altman Z Score is useful to predict the company's financial performance and can be used to measure bank's health and financial performance results.

Hypothesis testing in research used multivariate analysis using logistic regression, because the model of dependent variable is binary or dummy, with value 1 for bank in financial distress condition and value 0 for bank at financial distress condition.

This research is included the type of descriptive verification research. The population in this research are 11 Syariah common Banks in Indonesia at period 2011-2015. Sampling technique applying purposive sampling for 45 samples. Statistical methods applied to examine the hypothesis using logistic regression analysis techniques.

The results of this research show the effect of independent variables with CAMEL ratio simultaneously have no effect on the Financial Distress. The influence of independent variable to the dependent variable partially is Capital Adequacy Ratio has no effect on Financial Distress. Non Performing Loan has no effect on Financial Distress. Net Profit Margin has no effect on Financial Distress. Operational Cost Operating Income has no effect on Financial Distress. Loan to Deposit Ratio has no effect on Financial Distress.

Key words : CAMEL, Financial Distress, Altman Z Score, Dummy Variable, Logistic Regresion