ABSTRACT

A Financial Institutions and Banking Company is known as the company that used to maintain the economical for the county where it stand, and maintain it function as intermediary company for the development of the country itself. Thus, the research is aimed to see the consistency of the banking performance by using Financial Sustainability Ratio.

This study aims to examine the influence of Capital Adequacy Ratio, Non Performing Loan, Loan to Deposit Ratio, Return On Asset, Operational Cost Ratio to Operational Income and Bank Size to Financial Sustainability Ratio on Private and Public Bank that listed on Indonesia Stock Exchange on 2012-2016.

The sample selection technique is using purposive sampling and could be obtained that 26 banks. Methods of data analysis in this research is panel data regression using the software Eviews 9

The results showed that simultaneous Capital Adequacy Ratio, Loan to Deposit Ratio, Non Performing Loan, Return On Asset, Operational Cost Ratio to Operational Income and Bank Size have a significant effect on Financial Sustainability Ratio. While partially, Return On Asset significant positive effect on Financial Sustainability Ratio, Non Performing Loan and Operational Cost Ratio to Operational Income significant negative effect on Financial Sustainability Ratio. Capital Adequacy Ratio, Loan to Deposit Ratio, and Bank Size has no effect Financial Sustainability Ratio.

Based on these results, then if the banking wanting to improve their Financial Sustainability Ratio, the bank needs to increase the Return On Asset and pressing Non Performing Loan and Operational Cost Ratio to Operational Income.

Keywords*: Financial Sustainability Ratio, Capital Adequacy Ratio, Loan to Deposit Ratio, Non Performing Loan, Return on Asset, Operational Cost Ratio to Operational Income, Bank Size*