ABSTRACT

Sharia Commercial Bank in Indonesia has great potential to grow and develop because Indonesia is known as the country with the largest Muslim population, therefore Indonesia should be the pioneer and qibla in the development in the field of sharia, one proof of the performance success of Sharia Commercial Bank can be seen from the corporate sustainable capability in Sharia Commercial Banks in the future. In this research, the corporate sustainable capability is measured by using Financial Sustainability Ratio (FSR).

This study aims to investigate the financial performance and corporate sustainable capability, and investigate the effect of financial performance measured by profitability, capital adequacy, operational performance efficiency, liquidity, and problem financing on the corporate sustainable capability as measured by Financial Sustainability Ratio (FSR) at Sharia Commercial Bank in Indonesia period 2012-2016. The data used in this research is obtained from financial statement data.

The population in this study is the Sharia Commercial Bank. The sampling technique used is purposive sampling and obtained 11 Sharia Commercial Banks with research period in 2012-2016. Data analysis method in this research is panel data regression analysis by using software Eviews version 9.

The result of t test shows that profitability has significant negative effect, capital adequacy has significant positive effect, operational performance efficiency has significant negative effect, liquidity has significant negative effect, non performing financing has significant negative effect. The result of F test shows that simultaneously the financial performance has significant effect on corporate sustainable capability with adjusted R^2 of 0.581292.

Based on the results of this study, if the Sharia Bank wants to increase the corporate sustainable capability, Sharia Commercial Banks need to increase their financial income pressing the financial cost, in addition Sharia Commercial Bank can also increase profitability and capital adequacy, and pressing operational performance efficiency, liquidity and non performing financing so that achieved Sharia Commercial Bank that can improve the business continuity.

Keywords: profitability, capital adequacy, operational performance efficiency, liquidity, non performing financing, corporate sustainable capability.