ABSTRACT

The bank must maintain its business because the banking industry is an industry that must be understood as a going concern where a company or industry is not created just because of a momentary interest. Banks are institutions that have a major role in the development of a country and greatly affect the economic activities of a country so that the bank must always improve its performance. Banking financial performance in this study uses a business sustainability ratio from the financial side or the Financial Sustainability Ratio.

This study aims to determine the variables that affect the Financial Sustainability Ratio in the Bank companies that listed on the Indonesia Stock Exchange for the period 2014-2017. The independent variables used are Independent Commissioners, Board Size, Capital Adequacy Ratio, Debt to Equity Ratio, and Non Performing Loans with the dependent variable namely Financial Sustainability Ratio.

The samples were selected using the purposive sampling method. The sample used in this study was 32 banks with a span of 4 years. The method used in this study is descriptive statistics and panel data regression using eViews version 10.

The results of this study indicate that Non Performing Loans have a negative and significant influence on the Financial Sustainability Ratio. While the Independent Commissioner, Board Size, Capital Adequacy Ratio, Debt to Equity Ratio, and Non Performing Loans do not have a significant effect on the Financial Sustainability Ratio.

Keywords:Financial Sustainability Ratio, Corporate Governance, Capital Adequacy Ratio, Debt to Equity Ratio, Non Performing Loan