ABSTRACT

This study aims to analyze the influence of Capital Adequacy Ratio (CAR), Loan Loss Provision (LLP), Financing to Deposit Ratio (FDR), Cash Ratio (CR) and Non Peforming Financing (NPF) to financial sustainability as measured by the Financial Sustainability Ratio (FSR)

The population used in this study consisted of islamic rural banks (BPRS) in Indonesia during the period 2012 –2017, bringing the total population consist of 159 banks. The sampling in this study using purposive sampling, so that the total samples are 61 banks. The data analysis methods which are used are multiple regression analysis, statistical F-test, statistical t-test, and classical assumption tests.

The result shows that Capital Adequacy Ratio (CAR) has negative and not significant effect to Financial Sustainability, Loan Loss Provision (LLP) has negative and significant effect to Financial Sustainability, Financing to Deposit Ratio (FDR) has positive and significant effect to Financial Sustainability, Cash Ratio (CR) has negative and not significant effect to Financial Sustainability, Non Performing Financing (NPF) has negative and significant effect to Financial Sustainability. The result of the regression estimation shows the predictive ability of the model is 19,8% while the remaining 80,2% is influenced by other factors outside the model.

Keywords: ***Capital Adequacy Ratio (CAR), Loan Loss Provision (LLP), Financing to Deposit Ratio (FDR), Cash Ratio (CR), Non Peforming Financing (NPF), Financial Sustainability Ratio (FSR)***