ABSTRACT

This research was conducted to examine the measurement of the financial ratios CAR (Captal Adequacy Ratio), NPL (Non Performing Loan), ROA (Return on Assets), BOPO (Biaya Operasional/Pendapatan Operasional), and LDR (Loan to Deposit Ratio) of predictive problematic conditions at bank and private national banks in the period 2004 to 2007. Problems of this research is that the contradiction (the research gaps) from previous research.

The sample of this research was extracted with method of purposive sampling with 60 sample banks that adjusted with determined criterias for 2004-2007. Data come from Directory of Banks and Infobank Magazine. The analitical method used to test the research hypothesis is the logistic regression.

The results show that financial ratios CAR, NPL, ROA, BOPO, and LDR have classification power to predict that banks experiencing financial difficulties, banks which had merger, and the bank that went bankrupt. Regression equation is Y = -6,405 – 0,039 CAR + 0,022 NPL – 0,804 ROA + 0,053 BOPO + 0,005 LDR. According to analysis indicates that the partial results of CAR and ROA variables significantly and negatively related to problematic conditions. While the NPL, BOPO, and LDR variables have positive but not significant effect on the troubled condition of the banking sector. Then the results of logistic regression estimates show the prediction ability of the five independent variables on the troubled condition of the banking sector amounted to 49,1% and 50,9% remains are affected from other factors outside of this model.

Keyword : Financial Distress, Mergers, Bankruptcies, Financial Ratios, Logistic Regression