ABSTRACT

This study is performed to examine the effect of NPL, BOPO, LDR, and IRR, toward financial distress (FD) in general banking in Indonesia. The objective of this study is to scale and analyze the effect of the company financial ratios performance (NPL, BOPO, LDR, and IRR) toward FD in general banking Java over period 2010-2012.

Sampling technique used here is pusposive sampling. The data is obtained based on Directory Perbankan Indonesia 2010-2012. It is gained sample amount of 32 data. The analysis technique used here is multiple regression with the least square difference and hypothesis test using t-statistic to examine partial regression coefficient and f-statistic to examine the mean of mutual effect with level of significance 5%. In addition, classical assumption is also performed including normality test, multicolinearity test, and heteroscedasticity test.

During 2010-2012 period show as deviation has not founded this indicate clasiccal assumption that the available data has fulfill the condition to use multi linier regression model. Empirical evidence show NPL, BOPO LDR and IRR to have influence toward FD at level of significance less than 5%.

Keywords: NPL, BOPO, LDR, and IRR, toward financial distress (FD)