Bank's Performance: How It Is Driven by Sustainability and Soundness

Edited by:
Dr. Samuel PD Anantadjaya, Dr. Satiri & Dr. Prianggada Indra Tanaya

Raditya Ramaganesha Djualiardhie, SM

Banks are businesses that need to run and perform well for its shareholders. With the rise of the economy banks play vital role in facilitating the rise and foster economic consumption in society. These leave an environmental impact and which also triggers environmental awareness from the society. Bank's significance market presence is expected to make positive impact towards the environment. Simultaneously, due to its high stakes banks are required to become prudent. Bank's prudence can be reflected through CAMEL ratio, the ratio that reflects the bank's health and its safety margin from risks. The objective of this study is to draw the line and see the degree of influence of sustainability report on the bank's performance and CAMEL ratios on the bank's performance. Previous studies have been referred to cover notable perspectives. This study depends on secondary data regarding financial statements and reports of numerous Publicly Listed Banks in Indonesia. In support of this study, data are acquired from annual reports and sustainability report. With the help of SPSS and AMOS, the outcome of this study is a Structured Equation Modeling (SEM). SEM depicts the degree of relation from the sustainability on performance and CAMEL ratios on performance. This study aims to convey how bank's performance is driven by sustainability and soundness.

ISBN 978-602-74500-3-5

9 786027 450035