ABSTRACT

Bankruptcy is a condition when a company does not have enough funds to run its business. Bankruptcy usually relates to financial difficulties. The discriminant analysis is useful for company to get a first warning of bankruptcy and the continuance of the business. Financial ratio is one of the information which can be used as a tool to predict the company's performance. One of the techniques which can be used in analyzing the company's bankruptcy is discriminant analysis using a model evaluated through (Z) Z-score. Z-score is a score which is determined from the probability level of company's bankruptcy. The purpose of this research is to predict the potency of company's bankruptcy by using Altman Z-score method on the banking company listed in Indonesia Stock Exchange in 2009-2011.

The research method is a qualitative research method using descriptive approach. This object is fifteen banking companies which issue financial statement for last three years. The data collected is secondary data in the form of company's financial statement. In this research, the data collection method is documentation and library research.

Research result shows that all of the banking companies which become the research object are unhealthy companies or are predicted will experience bankruptcy (Z-score value is below 1,81 and even negative), the companies are Bank Agroniaga Tbk, Bank Central Asia Tbk, Bank Negara Indonesia (Persero) Tbk, Bank Rakyat Indonesia (Persero) Tbk, Bank Tabungan Pensiunan Nasional Tbk, Bank Bukopin Tbk, Bank Bumi Arta Tbk, Bank CIMB Niaga Tbk, Bank Danamon Indonesia Tbk, Bank ICB Bumiputera Tbk, Bank Internasional Indonesia Tbk, Bank Mayapada Internasional Tbk, Bank Nusantara Parahyangan Tbk, Bank OCBC NISP Tbk, and Bank Pan Indonesia Tbk. However, those banks are still operating because those banks still have high CAR value, which mostly achieve 16%. According to Bank Indonesia's Policy, a bank which has CAR value above 8% can keep operating.