Analysis of Bank Health Assessment Using the RGEC Method (Risk Profile, Good Corporate Governance, Earning, Capital) in Private Banks Listed on the Indonesia Stock Exchange in 2020-2023

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Keywords:	Abstract
Bank Health Non Performing Loan (NPL) *Good Corporate Governance (GCG)* *Return On Assets (ROA)* *Capital Adequacy Ratio (CAR)*	The banking sector is always required to improve its performance. Given the importance of knowing the financial performance, Indonesian banking has made many regulations related to measuring bank health in accordance with Law No. 13 of 2011 concerning bank health. This study aims to determine and analyze bank health through the RGEC method (Risk Profile, Good Corporate Governance, Earning and Capital) in Private Banks Listed on the Indonesia Stock Exchange in 2020-2023. The data source used is secondary data in the form of financial reports for the period 2020-2023. The type of research in this journal is Qualitative research. The results of this study indicate that the condition of the bank is very healthy because it has a very good management capacity in selecting customers who will receive credit loans, is very effective in utilizing its activities to obtain company profits and has very good capital adequacy. Meanwhile, the results of the study using Good Corporate Governance indicate that the condition of the bank is not running well so that it cannot be said to be a trusted bank

INTRODUCTION

The banking sector is always required to improve its performance. Banks are financial institutions that play an important role in increasing national economic growth. Given the importance of knowing the financial performance, Indonesian banking has made many regulations related to measuring bank health in accordance with Law No. 13 of 2011 concerning bank health.

Bank health can be interpreted as the ability of a bank to carry out normal banking operations and be able to fulfill all its obligations properly in a manner that is in accordance with applicable banking regulations. Bank health according to Triandaru and Santoso (2015) is the ability of a bank to carry out its operational activities normally and be able to fulfill all its obligations properly in accordance with applicable regulations.

Financial reports are reports that show the financial condition of a company at the present

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time or in a certain period (Winarno, 2017). In Book V. Wiratna Sujarweni (2019) while according to the Financial Accounting Standards (SAK) 2015, financial reports are part of the financial reporting process. Complete financial reports usually include a balance sheet, income statement, statement of changes in financial position (which can be presented in various ways such as a cash flow statement or cash flow statement), notes and other reports and explanatory materials that are an integral part of the financial statements.

Bank health can be interpreted as the ability of a bank to carry out normal banking operations and be able to fulfill all its obligations properly in a manner that is in accordance with applicable banking regulations. This definition is a very broad limitation because bank health does include the health of a bank to carry out all its banking business activities. Bank health according to Triandaru and Santoso (2015) is the ability of a bank to carry out its operational activities normally and be able to fulfill all its obligations properly in accordance with applicable regulations.

Risk profile is an assessment of inherent risk and the quality of risk management implementation in bank operational activities. The quality of risk management implementation in bank operational activities is carried out on 8 (eight) risks as explained in Bank Indonesia Circular Letter No. 13/1/PBI/DPNP of 2011, (Oktapinanda Putra, 2022)

Good Corporate Governance is a process and structure used by companies to improve business success and corporate accountability in order to realize long-term shareholder value while still considering the interests of other stakeholders, based on laws and regulations and ethical values. Corporate Governance of a company refers to a set of mechanisms and processes that help ensure that a company is directed and managed to create value for its owners while simultaneously fulfilling responsibilities to other stakeholders (e.g. employees, suppliers, the community at large) (Noviantari et al., 2017)

According to Pandia (2012:65) in Pingkan Aprilia Maramis (2019), Profitability (earning) is a tool to measure a bank's ability to generate profits by comparing profits with assets or capital in a certain period. Profitability also shows how company management is responsible for the capital submitted to it by the capital owner, this is indicated by the amount of dividends.

According to Pandia (2012:28), capital is money invested by the owner as a principal to start a business or to expand (the size of) his business that can produce something to increase wealth. Bank capital consists of two elements, namely equity (primary capital) and additional capital (secondary capital). Equity is capital that is classified as "senior capital",

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namely capital obtained from preferred shares and bonds.

Law of the Republic of Indonesia Number 19/4/PBI/2017 concerning Banking as amended by Law of the Republic of Indonesia Number 22/6/PBI/2020 states that "a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and/or other forms of services in order to improve the standard of living of the people."

Private banks are banks whose capital and activities are run by the private sector. Part or all of the ownership of private banks is managed by entrepreneurs with Indonesian citizenship status or leaders of a legal entity. Therefore, the profits obtained by private banks belong to the private sector, not the government .

METHOD

The type of research in this journal is Qualitative research. According to Sugiyono (2019) a qualitative approach is carried out during data collection and after data collection is completed within a certain period.

The object of this research consists of Private Banks that have been listed on the Indonesia Stock Exchange during 2020-2023. The subject of this research is the published financial reports of private banks listed on the Indonesia Stock Exchange consisting of financial position reports, profit and loss reports, and bank annual report notes that have been audited by independent auditors and have been published on the website www.idx.co.id in the period 2020-2023.

RESULTS AND DISCUSSION

1. Risk Profile

$$NPL = \frac{\text{Kredit Bermasalah}}{\text{Total Kredit}} \times 100\%$$

Source: Attachment to SE BI No. 13/24/DPNP/2011

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Component Rating Table
Non Performing Loan (NPL)

Period	Private Bank	Non-Performing Loans	Total Credit	NPL %	Criteria
2020	PT Bank China Bank Construction Indonesia Tbk	Rp371,205,000,000	Rp14,729,081,000,000	2.52	S
	PT Bank OCBC NISP Tbk	Rp1,049,225,000,000	Rp114,549,272,000,000	0.92	SS
	PT Bank Central Asia Tbk	Rp7,188,552,000,000	Rp547,643,666,000,000	1.31	SS
	PT Allo Bank Indonesia Tbk	Rp27,048,052,287	Rp1,275,826,693,710	2.12	S
	Average			1.72	SS
2021	PT Bank China Bank Construction Indonesia Tbk	Rp348,186,000,000	Rp13,772,663,000,000	2.53	S
	PT Bank OCBC NISP Tbk	Rp1,957,625,000,000	Rp120,500,106,000,000	1.62	SS
	PT Bank Central Asia Tbk	Rp10,928,373,000,000	Rp589,813,578,000,000	1.85	SS
	PT Allo Bank Indonesia Tbk	Rp10,873,763,767	Rp2,198,242,600,699	0.49	SS
	Average			1.63	SS
2022	PT Bank China Bank Construction Indonesia Tbk	Rp329,073,000,000	Rp16,687,285,000,000	1.97	SS
	PT Bank OCBC NISP Tbk	Rp2,100,782,000,000	Rp137,161,734,000,000	1.53	SS
	PT Bank Central Asia Tbk	Rp10,547,881,000,000	Rp660,989,004,000,000	1.6	SS
	PT Allo Bank Indonesia Tbk	Rp904,488,011	Rp7,205,558,228,374	0.01	SS
	Average			1.28	SS
2023	PT Bank China Bank Construction Indonesia Tbk	Rp272,566,000,000	Rp19,359,978,000,000	1.41	SS
	PT Bank OCBC NISP Tbk	Rp2,231,980,000,000	Rp153,496,829,000,000	1.45	SS
	PT Bank Central Asia Tbk	Rp5,464,297,000,000	Rp758,887,839,000,000	0.72	SS
	PT Allo Bank Indonesia Tbk	Rp6,000,416,632	Rp7,385,707,867,283	0.08	SS
	Average			0.92	SS

Based on table 4.2 above, it is known that in 2020-2023 the average NPL value of private banks listed on the Indonesia Stock Exchange was 1.72%, 1.62%, 1.29% and 0.92%. The best NPL in 2020 was PT Bank OCBC NISP Tbk at 0.92%. While the NPL The best in 2021-2023, namely PT Allo Bank Indonesia Tbk at 0.49%, 0.01% and 0.08%. This shows the ability of a bank to manage problematic credit it's good.

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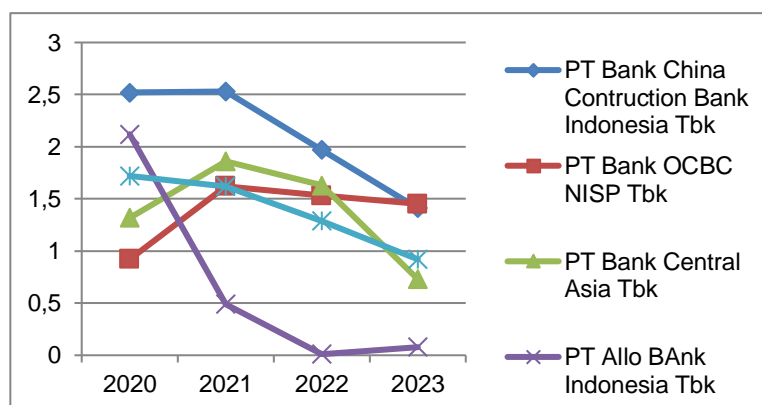
2. *Good Corporate Governance*

Based on table 4.4 above, it can be concluded that the average GCG value in 2020-2023 was 50.99%, 55.69%, 53.91% and 53.91%. The best GCG value in 2020-2023 respectively, namely PT Bank OCBC NISP Tbk at 0.02%. The lowest GCG in 2020 was PT Bank China Construction Bank Indonesia Tbk at 75.1%. The lowest GCG in 2021-2023 was PT Allo Bank Indonesia Tbk at 90 ,04%, 85.41% and 85.42%.
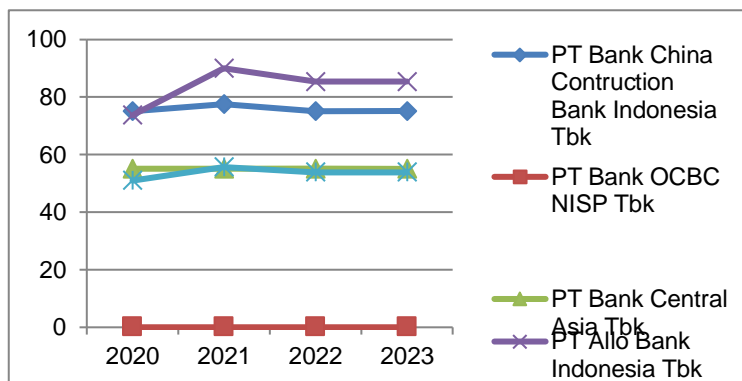
Period	Private Bank	Total Management Shares	Total Shares Outstanding	KM %	Criteria
2020	PT Bank China Bank Construction Indonesia Tbk	28,476,060,068	37,919,730,514	75.1	TS
	PT Bank OCBC NISP Tbk	4,186,362	22,945,296,972	0.02	SS
	PT Bank Central Asia Tbk	13,590,664,462	24,655,010,000	55.12	TS
	PT Allo Bank Indonesia Tbk	3,084,461,000	4,184,431,795	73.71	TS
	Average			50.99	TS
2021	PT Bank China Bank Construction Indonesia Tbk	29,409,299,768	37,919,730,514	77.56	TS
	PT Bank OCBC NISP Tbk	4,586,362	22,945,296,972	0.02	SS
	PT Bank Central Asia Tbk	67,948,718,210	123,275,050,000	55.12	TS
	PT Allo Bank Indonesia Tbk	10,518,914,811	11,682,933,571	90.04	TS
	Average			55.69	TS
2022	PT Bank China Bank Construction Indonesia Tbk	28,478,060,068	37,919,730,514	75.1	TS
	PT Bank OCBC NISP Tbk	4,842,362	22,945,296,972	0.02	SS
	PT Bank Central Asia Tbk	67,911,535,191	123,275,050,000	55.09	TS
	PT Allo Bank Indonesia Tbk	18,560,132,034	21.730.256.442	85.41	TS
	Average			53.91	TS
2023	PT Bank China Bank Construction Indonesia Tbk	28,495,560,068	37,919,730,514	75.15	TS
	PT Bank OCBC NISP Tbk	5,172,362	22,945,296,972	0.02	SS
	PT Bank Central Asia Tbk	67,886,822,403	123,275,050,000	55.07	TS
	PT Allo Bank Indonesia Tbk	18,561,674,434	21.730.256.442	85.42	TS
	Average			53.92	TS

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Based on table 4.4 above, it can be concluded that the average GCG value in 2020-2023 was 50.99%, 55.69%, 53.91% and 53.91%. The best GCG value in 2020-2023 respectively, namely PT Bank OCBC NISP Tbk at 0.02%. The lowest GCG in 2020 was PT Bank China Construction Bank Indonesia Tbk at 75.1%. The lowest GCG in 2021-2023 was PT Allo Bank Indonesia Tbk at 90 ,04%, 85.41% and 85.42%.
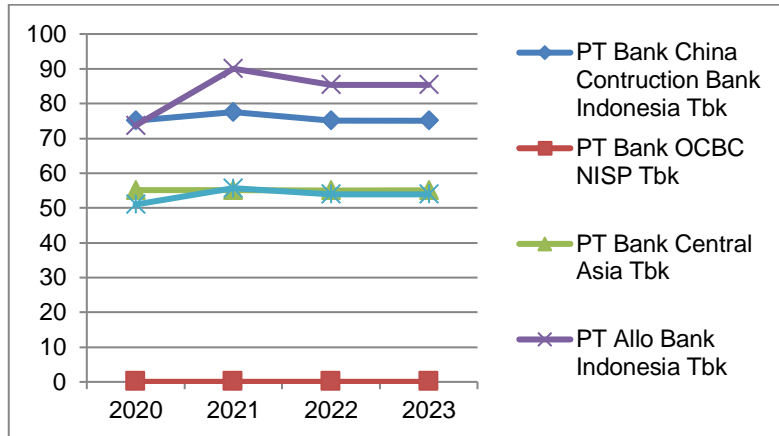
3. *Return On Asset*

$$ROA = \frac{\text{Laba sebelum pajak}}{\text{Rata-rata total aset}} \times 100\%$$

Source: Attachment to SE BI No. 13/24/DPNP/2011

Return On Asset Composite Rating Table

Period	Private Bank	EBIT	Average Total Assets	ROA %	Criteria
2020	PT Bank China Bank Construction Indonesia Tbk	Rp63,703,000,000	Rp26,076,255,000,000	0.24	KS
	PT Bank OCBC NISP Tbk	Rp2,784,855,000,000	Rp227,237,126,750,000	1.23	CS
	PT Bank Central Asia Tbk	Rp33,568,507,000,000	Rp1,256,688,405,000,000	2.67	SS
	PT Allo Bank Indonesia Tbk	Rp45,826,728,419	Rp7,761,352,903,247	0.59	CS
	Average			1.18	CS
2021	PT Bank China Bank Construction Indonesia Tbk	Rp104,014,000,000	Rp26,076,255,000,000	0.4	KS
	PT Bank OCBC NISP Tbk	Rp3,203,792,000,000	Rp227,237,126,750,000	1.41	S
	PT Bank Central Asia Tbk	Rp38,841,174,000,000	Rp1,256,688,405,000,000	3.09	SS
	PT Allo Bank Indonesia Tbk	Rp219,999,042,348	Rp7,761,352,903,247	2.83	SS
	Average			1.93	SS
2022	PT Bank China Bank Construction Indonesia Tbk	Rp175,742,000,000	Rp26,076,255,000,000	0.67	CS

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	PT Bank OCBC NISP Tbk	Rp4,218,016,000,000	Rp227,237,126,750,000	1.86	SS
	PT Bank Central Asia Tbk	Rp50,467,033,000,000	Rp1,256,688,405,000,000	4.02	SS
	PT Allo Bank Indonesia Tbk	Rp352,311,928,217	Rp7,761,352,903,247	4.54	SS
	Average			2.77	SS
2023	PT Bank China Bank Construction Indonesia Tbk	Rp309,801,000,000	Rp26,076,255,000,000	1.19	CS
	PT Bank OCBC NISP Tbk	Rp5,184,463,000,000	Rp227,237,126,750,000	2.28	SS
	PT Bank Central Asia Tbk	Rp60,179,757,000,000	Rp1,256,688,405,000,000	4.79	SS
	PT Allo Bank Indonesia Tbk	Rp575,274,274,135	Rp7,761,352,903,247	7.41	SS
	Average			3.92	SS

Source: Data processed by researchers (2024)

Based on table 4.6 above, it can be concluded that the average ROA ratio for the 2020-2023 period was 1.18%, 1.93%, 2.77% and 3.92% respectively. The best ROA ratio in 2020-2021 was PT Bank Central Asia Tbk, which was 2.67% and 3.09%. In 2022, the best ROA ratio was PT Allo Bank Indonesia Tbk at 4.54%, followed by PT Bank Central Asia Tbk at 4.02%, and PT Bank OCBC NISP Tbk at 1.86%. In 2023, the best ROA ratio was PT Allo Bank Indonesia Tbk at 7.41%, followed by PT Bank Central Asia Tbk at 4.79%, and PT Bank OCBC NISP at 2.28%.

Non Return On Asset Chart
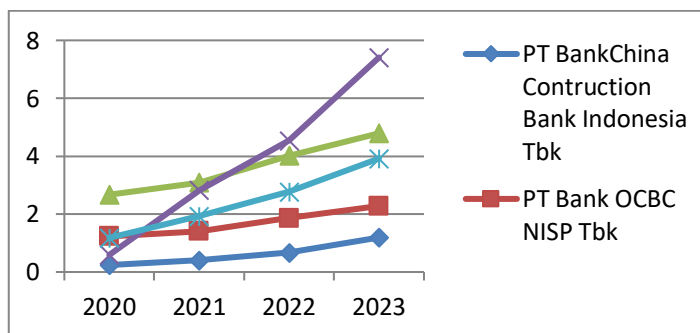
4. Capital Adequacy Ratio (CAR)

$$CAR = \frac{Modal}{Aktiva\ Tertimbangan\ Menurut\ Risiko}\ 00\%$$

Source: Appendix SE BI No.13/24/DPNP/2011

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Period	Private Bank	Capital	Risk Weighted Assets	CAR %	Criteria
2020	PT Bank China Bank Construction Indonesia Tbk	Rp5,973,602,000,000	Rp16,929,677,000,000	35.28	SS
	PT Bank OCBC NISP Tbk	Rp30,235,729,000,000	Rp137,572,646,000,000	21.98	SS
	PT Bank Central Asia Tbk	Rp174,351,119,000,000	Rp674,968,017,000,000	25.83	SS
	PT Allo Bank Indonesia Tbk	Rp307,664	Rp2,895,884	10.62	S
	Average			23.43	SS
2021	PT Bank China Bank Construction Indonesia Tbk	Rp5,915,204,000,000	Rp15,582,937,000,000	37.96	SS
	PT Bank OCBC NISP Tbk	Rp32,466,042,000,000	Rp141,524,657,000,000	22.94	SS
	PT Bank Central Asia Tbk	Rp188,505,072,000,000	Rp734,522,161,000,000	25.66	SS
	PT Allo Bank Indonesia Tbk	Rp1,296,015	Rp5,104,779	25.39	SS
	Average			27.99	SS
2022	PT Bank China Bank Construction Indonesia Tbk	Rp5,992,483,000,000	Rp18,310,609,000,000	32.73	SS
	PT Bank OCBC NISP Tbk	Rp34,088,250,000,000	Rp159,357,216,000,000	21.39	SS
	PT Bank Central Asia Tbk	Rp204,705,741,000,000	Rp794,395,454,000,000	25.77	SS
	PT Allo Bank Indonesia Tbk	Rp6,404,050	Rp15,827,554	40.46	SS
	Average			30.09	SS
2023	PT Bank China Bank Construction Indonesia Tbk	Rp6,209,630,000,000	Rp16,581,331,000,000	37.45	SS
	PT Bank OCBC NISP Tbk	Rp36,995,826,000,000	Rp157,548,328,000,000	23.48	SS
	PT Bank Central Asia Tbk	Rp226,426,139,000,000	Rp769,200,928,000,000	29.44	SS
	PT Allo Bank Indonesia Tbk	Rp6,899,332	Rp16,241,098	42.48	SS
	Average			33.21	SS

Source: Data processed by researchers (2024)

Based on table 4.8 above, it can be concluded that the average CAR ratio for the 2020-2023 period was 23.43%, 27.99%, 30.09% and 33.21% respectively. The best CAR ratio in 2020-2021 was PT Bank China Construction Bank Indonesia at 35.28% and 37.96%. In 2022-2023 the best CAR ratio was PT Allo Bank Indonesia Tbk at 40.46% and 42.48%.

Capital Chart
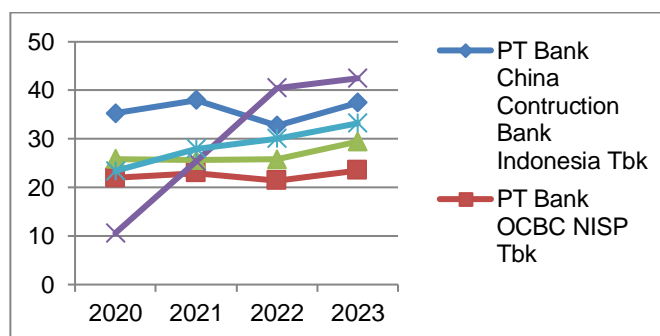
CONCLUSION AND SUGGESTION

Conclusion

Based on the results of the research that has been conducted, it can be concluded that the

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Health Level Assessment of Private Banks Listed on the Indonesia Stock Exchange in 2020-2023 is as follows:

1. The results of the Risk Profile assessment of private banks listed on the Indonesia Stock Exchange using the NPL ratio during 2020-2023 were in a very healthy condition. This is evidenced by the average NPL value of private banks listed on the Indonesia Stock Exchange during 2020-2023, respectively, being 1.87%, 1.49%, 1.06% and 0.97% in a very healthy condition.

2. The results of the Good Corporate Governance (GCG) assessment of private banks listed on the Indonesia Stock Exchange in 2020-2023 obtained an average GCG value of 50.99%, 55.69%, 53.91% and 53.91%, which means that the implementation of GCG principles in that year was not carried out properly because there was an increase in the composite value. The higher the composite value, the worse the management's ability to implement GCG principles.

3. The results of the Rentability Assessment (Earnings) of private banks listed on the Indonesia Stock Exchange using the ROA ratio for 2020-2023 are in a very healthy condition. This is proven by the average ROA value of private banks listed on the Indonesia Stock Exchange for 2020-2023, respectively, which are 1.18%, 1.93%, 2.77% and 3.92%, which are in a very healthy condition. The average ROA value obtained by private banks listed on the Indonesia Stock Exchange shows that private banks listed on the Indonesia Stock Exchange have succeeded in carrying out company operational activities effectively so that they are able to generate high profitability during 2020-2023.

4. The results of the Capital assessment of private banks listed on the Indonesian Stock Exchange in 2020-2023 are in a very healthy condition. This is evidenced by the average CAR value of private banks listed on the Indonesian Stock Exchange for the four years, respectively, which were 23.43%, 27.99%, 30.09% and 33.21% with very healthy criteria. The average CAR value is above the minimum CAR standard set by Bank Indonesia, which is 8%. This shows that during this period, private banks listed on the Indonesian Stock Exchange have been able to manage their company capital very well.

5. The results of the assessment of the health level of private banks listed on the Indonesian stock exchange seen from the RGEC aspect (Risk profile, Good Corporate Governance, Earnings, and Capital) in 2020-2023 occupied Composite Rank 1 (PK 1) for the Risk Profile, Earnings and Capital aspects. Meanwhile, the Good Corporate Governance aspect

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occupied Composite Rank 5 (PK 5). Private banks listed on the Indonesian stock exchange during this period were considered very capable of facing significant negative impacts from changes in business conditions and other external factors as reflected in the criteria for assessment factors, including risk profile, earnings, and capital which were generally very good. Meanwhile, the implementation of GCG was generally not good. If there are weaknesses, generally these weaknesses are not significant.

Suggestion

Based on the conclusions from the research results that have been presented, the researcher suggest as follows:

1. For the Bank

    a. The assessment of GCG (Good Corporate Governance) factors in Private Banks is expected to increase public trust in the performance of private banks, especially in the management of banking shares by increasing the total percentage of shares owned by the public in banking.

    b. As a bank with the status of a Private Enterprise, it should be able to maintain and continue to improve the health of the bank in the following years. A very healthy level of bank health will increase the trust of the public, customers, employees, shareholders, and other parties towards the bank.

2. For further research

    For further researchers, it is expected to increase the research period and add financial ratios used in order to obtain more comprehensive and accurate calculations and analysis in calculating bank performance using the RGEC method.

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