

UDC 336

COMMERCIAL BANKS SOUNDNESS RATE LISTED ON THE INDONESIA STOCK EXCHANGE

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ABSTRACT

Bank Soundness Rate is capability of a bank for doing normally operational activities and able to carry out their responsibilities properly according to the banking regulation. This study aim to measure the soundness of the commercial bank which list on IDX (Indonesian Stock Exchange). This study is a descriptive quantitative research by using secondary data obtained from the banking reports listed on Indonesian Stock Exchange which can be accessed on www.idx.co.id for 2016 – 2018 period. In this studies were used 32 banking samples. The result of this study showed that during 2016 – 2018 the soundness of the commercial bank listed on the Indonesian Stock Exchange was soundnessy, where the soundness of commercial bank in 2016 obtained an average composite percentage 83.23%, in 2017 the average composite percentage was also 83.23%, and in 2018 the average composite percentage was 82.92%. By obtaining PK-2 composite rating which reflects the bank's generally healthy condition.

KEY WORDS

Non performing loans (NPL), loan to deposit ratio (LDR), good corporate governance (GCG), return on assets (ROA), net interest margin (NIM), capital adequacy ratio (CAR), bank soundness rate.

One of the factors that contribute to the success of economic development is the stability of the banking sector (Azeharie, et al, 2017). The bank business is full of systemic and massive (endemic) risks, it can even have a contagion effect. When one bank is poor, it can affect other banks (Ruliana, et al, 2016). According to Hakim (2013) bank performance that goes well will be able to support business growth because the role of the bank here is as a provider of investment funds and working capital for business units in carrying out their business operations.

Based on Law no. 10 of 1998 concerning banking, 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 in order to improve the standard of living of the people at large. Based on the type, bank financial institutions according to Law no. 10 of 1998 is divided into two, namely Commercial Banks and Rural Banks. Commercial banks are banks that carry out business activities conventionally and or based on sharia principles which in their activities provide services in payment traffic, while Rural Banks are banks that carry out business activities conventionally or based on sharia principles which in their activities do not provide services in traffic. payment. Commercial banks are divided into two, namely go public commercial banks and non-public commercial banks. Go public commercial banks are banks that have listed their shares in PT. Indonesia stock exchange. The benefit of going public is that banks get additional sources of funding from the sale of stocks and bonds.

Banks are financial institutions whose activities rely on the trust of their customers. To maintain customer trust, banks must always be in good soundness (Gunarsih, et al, 2019). In the banking world, the final results of the banking soundness analysis can be used as a means to determine future business strategies (Daryanto, et al, 2018). The final result of the banking soundness analysis can also be used as a signal or signal made by the company (management) to outsiders in order to increase trust and can also be used as evidence of the manager's (agent) responsibility to the owner (principal). Bank Soundness Rate can be defined as the bank's ability to carry out normal banking operations and be able to fulfill all

obligations in a manner that is in accordance with applicable banking regulations (Zainuddin and Djaelani, 2018).

Bank Indonesia assesses the soundness of a bank using a qualitative approach on various aspects that affect the condition of a bank. This method or method of assessment became known as the CAMELS method, namely Capital, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risk. The Sensitivity to Market Risk criterion is an additional aspect of the previous bank soundness research method, namely CAMEL. CAMEL was first introduced in Indonesia since the issuance of the February 1991 Package regarding the prudent nature of banks. The package was issued on October 27, 1988 (Pakto 1988). CAMEL developed into CAMELS first on January 1, 1997 in America. CAMELS developed in Indonesia at the end of 1997 as a result of the economic and monetary crisis (Fortrania, 2015).

CAMELS analysis is used to analyze and evaluate the financial performance of commercial banks in Indonesia. CAMELS stands for Capital (C), Asset Quality (A), Management (M), Earning (E), Liability or Liquidity (L), and Sensitivity to Market Risk (S). CAMELS analysis is regulated in Bank Indonesia Regulation Number 6/10/PBI/2004 regarding the rating system for Commercial Bank Soundness. CAMELS's inability to measure the implementation of risk management and GCG that began with the global financial crisis that occurred in the last few years can cause various fundamental problems for banks and for the financial system as a whole. The experience from the global financial crisis has prompted the need to increase the effectiveness of risk management and GCG implementation. The goal is for banks to be able to identify problems early, carry out appropriate and faster follow-up improvements, and implement better GCG and risk management so that the Bank is more resilient in dealing with crises. In line with the above developments, Bank Indonesia refined the method of assessing the Soundness of Commercial Banks by changing the CAMELS system to the Risk Based Bank Rating (RBBR) approach as stipulated in Bank Indonesia Regulation Number: 13/1/PBI/2011 concerning the assessment of soundness level. commercial banks (Sadida, 2018). The ratio used for assessing bank performance is in accordance with Bank Indonesia Circular Letter No.13 / 24 / DPNP dated October 25, 2011 where the ratios used include risk profile (R), good corporate governance (G).), earnings (E), and capital (C) (Nicola, et al, 2017)

Since January 2012 all commercial banks in Indonesia have had to use the latest guidelines for assessing the soundness of banks based on Bank Indonesia Regulation (PBI) No.13/1/PBI/2011 concerning Assessment of the Soundness of Commercial Banks. Since December 31, 2013, the functions, duties, and authority for regulating and supervising Bank Soundness Rate have shifted from Bank Indonesia to the Financial Services Authority (OJK) (Indonesian Banking Booklet, 2014). The Financial Services Authority (OJK) at that time was still adopting and implementing RGEN based on Bank Indonesia Regulation No.13/1/PBI/2011 concerning the Assessment of Commercial Bank Soundness Levels and Circular Letter (SE) No.13/24/DPNP concerning PBI implementation guidelines No. .13/1/PBI/2011. The assessment of Bank Soundness Rate is converted by the Financial Services Authority in the Financial Services Authority Regulation Number 4/POJK.03/2016 and the Financial Services Authority Circular Letter Number 14/SEOJK.03/2017.

Agency theory as one of the theories related to corporate governance is a theory that regulates the relationship between owners as principals and management as agents. The principal provides funds and other resources to meet the company's operating needs, while the agent as the manager of the company is obliged to manage the company as mandated by the company owner (Wahyudin and Solikhah, 2016). Agency theory supports the relationship between the principal providing funds and other resources with the soundness of the bank where the banking function as an intermediary institution can work if both parties have trust in the bank. Banks must improve financial performance which is a formal business that must be carried out by banks to be able to measure the success of banks in generating profits, so that they can see the prospects, growth and development potential of the company by relying on existing resources and always trying to maintain the soundness of the bank to maintain the level of the bank. customer trust.

Banks in carrying out their operations are certainly inseparable from various risks which are often referred to as Risk Profiles (Akbar, 2018). Assessment of risk profile factors is an assessment of the inherent risk and quality of risk management implementation in bank operational activities. The assessed risks consist of 8 (eight) types of risk, namely credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk, and compliance risk.

The assessment of the Good Corporate Governance (GCG) factor is an assessment of the quality of bank management on the application of good governance principles. The principles of good governance and the focus of assessment on implementation are guided by the provisions of the Financial Services Authority regarding the implementation of governance for commercial banks by taking into account the characteristics and complexity of the bank's business.

Earnings factor assessment includes evaluation of profitability performance, its sources, sustainability, and profitability management. The assessment is carried out by taking into account the level, trend, structure, profitability stability, and comparison of bank performance with peer group performance, both through analysis of quantitative and qualitative aspects. In determining peer groups, banks need to pay attention to business scale, characteristics, and/or business complexity as well as the availability of data and information held.

The assessment of the capital factor includes an evaluation of the adequacy of capital and the adequacy of capital management. In calculating capital, including linking capital adequacy with risk profile, banks refer to the provisions of the Financial Services Authority which regulates the minimum capital requirement for commercial banks. The higher the risk of the bank, the greater the capital that must be provided to anticipate this risk.

The measurement of bank soundness using the Risk Based Bank Rating method which has used the RGEC Factor is considered better than the CAMELS method. (Permana, 2012) in their analysis of assessing the soundness of banks using the CAMELS method and RGEC concluded that the factors in the CAMELS method could not produce the same conclusion or that the factors in the CAMELS method gave different conclusions. This statement is also supported by research by Amelia and Aprilianti (2019) which assessed the different soundness of Maybank Syariah Indonesia in 2011 - 2016 using the CAMELS and RGEC methods. This is because the CAMELS method focuses more on achieving profit while the RGEC method focuses more on risk minimization.

Based on the findings from previous studies that have been described, this study aims to measure the soundness of commercial banks listed on the Indonesia Stock Exchange in 2016 – 2018 based on the RBBR method with the RGEC factor.

METHODS OF RESEARCH

This type of research includes descriptive research. The scope of this research is Risk, Good Corporate Governance, Earning, and Capital (RGEC) in banking companies listed on the Indonesia Stock Exchange. This research was conducted on banking companies listed on the Indonesia Stock Exchange (IDX) which can be accessed at [ww.idx.co.id](http://www.idx.co.id). The data period used in this study is three years, namely data from 2016 to 2018.

The population used in this study are banking companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2018 period, as many as 43 banking companies. The sample of this study used a non-probability sampling technique with the method of determining the sample using purposive sampling. The sample used in this study were 33 banking companies

This study uses a descriptive analysis technique where the data in the form of financial statements that have been obtained from the Indonesia Stock Exchange website are analyzed using the approach that has been regulated in the Financial Services Authority Regulation No. 4/POJK.03/2016 concerning the Soundness of Commercial Banks.

RESULTS AND DISCUSSION

To measure the soundness of a bank in the risk profile factor, there are eight risks where the first two risks will be used, namely credit risk which will use the Non-Performing Loan (NPL) ratio or the ratio of non-performing loans and the second, namely the liquidity ratio which will use Loan to Deposit. Ratio (LDR). The following are the results of the NPL ranking analysis for 2016 – 2018 where a lower ranking number indicates a better NPL performance.

The highest NPL result was obtained by BSWD in 2016 of 15.82% with a rating of 5. This was due to credit problems in the working capital and industrial sectors (Yudistira, 2016). Throughout 2017 BSWD focused on increasing credit quality so that this year BSWD was able to record a very significant decrease in NPL to 4.88% by establishing a Bad Loans Task Force Team which regularly monitors lending operations (Bank of India, 2017).

Furthermore, the minimum NPL value obtained by NOBU in 2016 was 0.03%. NOBU was able to maintain its NPL value for three consecutive years below 1%. Although it has increased every year, it does not have a significant effect because it is still within very soundness limits.

Table 1 – NPL Rating Analysis

No	Bank	2016		2017		2018		Average	
		V	R	V	R	V	R	V	R
1	AGRO	2.88	2	2.59	2	2.86	2	2.78	1
2	BABP	2.77	2	7.23	3	5.72	3	5.24	3
3	BACA	3.17	2	2.77	2	2.95	2	2.96	2
4	BBCA	1.31	1	1.50	1	1.40	1	1.40	1
5	BBKP	3.77	2	8.54	4	6.67	3	6.33	3
6	BBMD	3.59	2	2.58	2	2.33	2	2.83	2
7	BBNI	2.96	2	2.30	2	1.90	1	2.39	2
8	BBRI	2.03	2	2.10	2	2.14	2	2.09	2
9	BBTN	2.84	2	2.66	2	2.82	2	2.77	2
10	BCIC	6.98	3	2.94	2	4.26	2	4.73	2
11	BDMN	3.09	2	2.80	2	2.70	2	2.86	2
12	BEKS	5.71	3	5.37	3	5.90	3	5.66	3
13	BGTG	1.32	1	0.81	1	4.25	2	2.13	2
14	BJBR	1.69	1	1.50	1	1.65	1	1.61	1
15	BKSW	6.86	3	1.85	1	2.49	2	3.73	2
16	BMAS	0.91	1	1.52	1	2.14	2	1.52	1
17	BMRI	3.96	2	3.45	2	2.79	2	3.40	2
18	BNBA	1.82	1	1.70	1	1.51	1	1.68	1
19	BNGA	3.89	2	3.75	2	3.11	2	3.58	2
20	BNII	3.42	2	2.81	2	2.59	2	2.94	2
21	BNLI	8.80	4	4.60	2	4.40	2	5.93	3
22	BSWD	15.82	5	4.88	2	4.90	2	8.53	4
23	BTPN	0.79	1	0.90	1	1.20	1	0.96	1
24	BVIC	3.89	2	3.05	2	3.48	2	3.47	2
25	INPC	2.77	2	6.11	3	5.99	3	4.96	2
26	MAYA	2.11	2	5.68	3	5.54	3	4.44	2
27	MCOR	3.03	2	3.07	2	2.54	2	2.88	2
28	MEGA	3.44	2	2.01	2	1.60	1	2.35	2
29	NISP	1.88	1	1.79	1	1.73	1	1.80	1
30	NOBU	0.03	1	0.05	1	0.97	1	0.35	1
31	PNBN	2.81	2	2.84	2	3.04	2	2.90	2
32	SDRA	1.53	1	1.53	1	1.72	1	1.59	1

Info: V= NPL Value (%), R = Rating

Source: Processed data (2022).

The second ratio used in the risk profile analysis is the Loan to Deposit Ratio (LDR). The highest LDR value was obtained by SDRA in 2018 of 145.26% where this figure has exceeded the LDR upper limit of 92%. By getting a rating of 5, the risk of loss that may be faced by the bank in a certain period in the future will also be high. Meanwhile, the lowest LDR rating was obtained by BACA in 2017 at 50.61%. This figure has exceeded the lower limit of 78%, which means that banks are able to channel credit on funds from third parties, so that they can have a positive influence on bank profits. This study will use the results of self-assessment from the governance report of each bank to assess the rating of GCG. Lower rating numbers indicate better GCG implementation. The highest GCG value was obtained by BEKS each year, respectively, at 3.14, 3.02, and 3.01.

Table 2 – LDR Rating Analysis

No	Bank	2016		2017		2018		Average	
		V	R	V	R	V	R	V	R
1	AGRO	88.25	3	88.33	3	86.73	3	87.77	3
2	BABP	77.20	2	88.30	3	86.83	3	84.11	2
3	BACA	55.34	1	50.61	1	51.96	1	52.64	1
4	BBCA	77.12	2	78.20	2	81.60	2	78.97	2
5	BBKP	86.04	3	81.34	2	86.18	3	84.52	2
6	BBMD	80.93	2	81.02	2	86.93	3	82.96	2
7	BBNI	90.41	3	85.60	3	88.80	3	88.27	3
8	BBRI	87.77	3	88.13	3	89.57	3	88.49	3
9	BBTN	102.66	4	103.13	4	103.25	4	103.01	4
10	BCIC	96.33	3	88.87	3	77.43	2	87.54	3
11	BDMN	91.00	3	93.30	3	95.00	3	93.10	3
12	BEKS	83.85	2	91.95	3	82.86	2	86.22	3
13	BGTG	87.94	3	85.55	3	87.81	3	87.10	3
14	BJBR	86.70	3	87.27	3	91.89	3	88.62	3
15	BKSW	94.54	3	70.28	1	72.59	1	79.14	2
16	BMAS	99.88	3	91.14	3	100.87	4	97.30	3
17	BMRI	85.86	3	87.16	3	95.46	3	89.49	3
18	BNBA	79.03	2	82.10	2	84.26	2	81.80	2
19	BNGA	98.38	3	96.24	3	97.18	3	97.27	3
20	BNII	94.14	3	99.87	3	109.75	4	101.25	4
21	BNLI	80.50	2	87.50	3	90.10	3	86.03	3
22	BSWD	82.70	2	67.78	1	99.48	3	83.32	2
23	BTPN	95.42	3	96.20	3	96.20	3	95.94	3
24	BVIC	68.38	1	70.25	1	73.61	1	70.75	1
25	INPC	86.39	3	82.89	2	77.18	2	82.15	2
26	MAYA	91.40	3	90.08	3	92.83	3	91.44	3
27	MCOR	86.43	3	79.49	2	88.35	3	84.76	2
28	MEGA	55.35	1	56.47	1	67.23	1	59.68	1
29	NISP	89.86	3	93.42	3	93.51	3	92.26	3
30	NOBU	53.00	1	51.57	1	73.35	1	59.31	1
31	PNBN	94.37	3	92.10	3	104.15	4	96.87	3
32	SDRA	110.45	4	111.07	4	145.26	5	122.26	5

Info: V= LDR Value (%),R = Rating

Source: Processed data (2022).

Table 3 – GCG Rating Analysis

No	Bank	2016		2017		2018		Rata-Rata	
		V	R	V	R	V	R	V	R
1	AGRO	2.00	2	2.00	2	2.00	2	2.00	2
2	BABP	3.00	3	3.00	3	3.00	3	3.00	3
3	BACA	2.00	2	2.00	2	2.00	2	2.00	2
4	BBCA	1.00	1	1.00	1	1.00	1	1.00	1
5	BBKP	2.00	2	2.00	2	2.00	2	2.00	2
6	BBMD	3.00	3	2.00	2	2.00	2	2.33	2
7	BBNI	2.00	2	2.00	2	2.00	2	2.00	2
8	BBRI	2.00	2	2.00	2	2.00	2	2.00	2
9	BBTN	2.00	2	2.00	2	2.00	2	2.00	2
10	BCIC	3.00	3	3.00	3	3.00	3	3.00	3
11	BDMN	1.55	2	1.55	2	1.75	2	1.62	2
12	BEKS	3.14	3	3.02	3	3.01	3	3.06	3
13	BGTG	3.00	3	3.00	3	2.00	2	2.67	3
14	BJBR	2.00	2	2.00	2	2.00	2	2.00	2
15	BKSW	1.81	2	1.27	1	1.36	1	1.48	1
16	BMAS	2.00	2	2.00	2	2.00	2	2.00	2
17	BMRI	2.00	2	1.00	1	1.00	1	1.33	1
18	BNBA	2.00	2	2.00	2	2.00	2	2.00	2
19	BNGA	2.00	2	2.00	2	2.00	2	2.00	2
20	BNII	2.00	2	2.00	2	2.00	2	2.00	2
21	BNLI	3.00	3	2.00	2	2.00	2	2.33	2
22	BSWD	3.00	3	3.00	3	3.00	3	3.00	3
23	BTPN	2.00	2	2.00	2	2.00	2	2.00	2
24	BVIC	2.00	2	2.00	2	2.00	2	2.00	2
25	INPC	1.55	2	1.51	2	1.91	2	1.66	2
26	MAYA	2.00	2	2.00	2	2.00	2	2.00	2
27	MCOR	2.00	2	3.00	3	2.00	2	2.33	2
28	MEGA	2.00	2	2.00	2	2.00	2	2.00	2
29	NISP	1.00	1	1.00	1	1.00	1	1.00	1
30	NOBU	2.00	2	2.00	2	2.00	2	2.00	2
31	PNBN	1.85	2	1.85	2	1.85	2	1.85	2
32	SDRA	2.00	2	2.00	2	2.00	2	2.00	2

Info: V= GCG Value , R = Rating

Source: Processed data (2022).

Table 4 – ROA Rating Analysis

No	Bank	2016		2017		2018		Rata-Rata	
		V	R	V	R	V	R	V	R
1	AGRO	1.49	2	1.45	2	1.54	1	1.49	2
2	BABP	0.11	4	-7.47	5	0.74	3	-2.21	5
3	BACA	1.00	3	0.79	3	0.90	3	0.90	3
4	BBCA	3.96	1	3.90	1	4.00	1	3.95	1
5	BBKP	1.38	2	0.09	4	0.22	4	0.56	3
6	BBMD	2.30	1	3.19	1	2.96	1	2.82	1
7	BBNI	2.69	1	2.70	1	2.70	1	2.70	1
8	BBRI	3.84	1	3.69	1	3.68	1	3.74	1
9	BBTN	1.76	1	1.71	1	1.34	2	1.60	1
10	BCIC	-5.02	5	6.73	1	-2.25	5	-0.18	5
11	BDMN	2.48	1	3.10	1	3.10	1	2.89	1
12	BEKS	-9.58	5	-1.43	5	-1.57	5	-4.19	5
13	BGTG	1.62	1	1.14	3	0.12	4	0.96	3
14	BJBR	2.22	1	2.01	1	1.71	1	1.98	1
15	BKSW	-3.34	5	-3.72	5	0.12	4	-2.31	5
16	BMAS	1.67	1	1.60	1	1.54	1	1.60	1
17	BMRI	1.95	1	2.72	1	3.17	1	2.61	1
18	BNBA	1.52	1	1.70	1	1.51	1	1.58	1
19	BNGA	1.20	3	1.70	1	1.85	1	1.58	1
20	BNII	1.60	1	1.48	2	1.74	1	1.61	1
21	BNLI	-4.90	5	0.60	3	0.80	3	-1.17	5
22	BSWD	-11.15	5	-3.39	5	0.24	4	-4.77	5
23	BTPN	3.06	1	2.10	1	3.10	1	2.75	1
24	BVIC	0.52	3	0.64	3	0.33	4	0.50	4
25	INPC	0.35	4	0.31	4	0.27	4	0.31	4
26	MAYA	2.03	1	1.30	2	0.73	3	1.35	2
27	MCOR	0.69	3	0.54	3	0.86	3	0.70	3
28	MEGA	2.36	1	2.24	1	2.47	1	2.36	1
29	NISP	1.75	1	1.96	1	2.10	1	1.94	1
30	NOBU	0.53	3	0.48	4	0.42	4	0.48	4
31	PNBN	1.69	1	1.61	1	2.16	1	1.82	1
32	SDRA	1.93	1	2.37	1	2.59	1	2.30	1

Info: V= ROA Value (%),R = Rating

Source: Processed data (2022).

Table 5 – NIM Rating Analysis

No	Bank	2016		2017		2018		Rata-Rata	
		V	R	V	R	V	R	V	R
1	AGRO	4.35	1	3.76	1	3.50	1	4	1
2	BABP	3.28	1	3.04	2	4.10	1	3	1
3	BACA	4.37	1	4.21	1	4.20	1	4	1
4	BBCA	6.81	1	6.20	1	6.10	1	6	1
5	BBKP	3.88	1	2.89	2	2.83	2	3	1
6	BBMD	7.48	1	7.40	1	6.41	1	7	1
7	BBNI	6.17	1	5.50	1	5.30	1	6	1
8	BBRI	8.27	1	8.00	1	7.45	1	8	1
9	BBTN	4.98	1	4.76	1	4.32	1	5	1
10	BCIC	2.26	2	2.41	2	2.28	2	2	2
11	BDMN	8.93	1	9.30	1	8.90	1	9	1
12	BEKS	1.93	3	3.07	2	1.96	3	2	2
13	BGTG	5.33	1	5.61	1	5.39	1	5	1
14	BJBR	7.40	1	6.76	1	6.37	1	7	1
15	BKSW	2.25	2	1.12	4	1.73	3	2	3
16	BMAS	5.23	1	4.95	1	4.75	1	5	1
17	BMRI	6.29	1	5.63	1	5.52	1	6	1
18	BNBA	4.74	1	4.81	1	4.45	1	5	1
19	BNGA	5.64	1	5.60	1	5.12	1	5	1
20	BNII	4.61	1	5.17	1	5.24	1	5	1
21	BNLI	3.90	1	4.00	1	4.10	1	4.00	1
22	BSWD	3.69	1	3.39	1	3.84	1	4	1
23	BTPN	11.98	1	11.60	1	11.30	1	12	1
24	BVIC	1.53	4	2.13	2	1.82	3	2	3
25	INPC	4.65	1	5.15	1	5.39	1	5.06	1
26	MAYA	5.16	1	4.26	1	4.09	1	5	1
27	MCOR	4.48	1	4.69	1	4.26	1	4	1
28	MEGA	7.01	1	5.80	1	5.19	1	6	1
29	NISP	4.62	1	4.47	1	4.15	1	4	1
30	NOBU	4.31	1	4.22	1	4.62	1	4	1
31	PNBN	5.03	1	4.68	1	4.84	1	5	1
32	SDRA	4.74	1	4.86	1	5.04	1	5	1

Info: V= NIM Value (%),R = Rating

Source: Processed data (2022).

This shows that the bank's management has implemented good governance in general, but in the event that there are weaknesses in the implementation of governance

principles, which are quite significant and require sufficient attention from bank management. The GCG score of 1 was obtained by BBCA and NISP respectively, which reflects that in general the management has implemented very good governance principles. In the event that there are weaknesses in the application of governance principles, it is not significant and can be immediately corrected by the bank's management.

In this study, the profitability factor will use the ratio of Return on Assets (ROA) and Net Interest Margin (NIM). The lowest ROA value was obtained by BSWD in 2016 of -11.15% this was due to the increase in the number of CKPN from 198 billion to 679 billion and a significant loss (Bank of India Indonesia, 2016). While the highest ROA value was obtained by BBCA in 2016 of 3.96%. It can also be seen that BEKS experienced an ROA value below 0% for three consecutive years. This is due to the high value of losses before tax (Banten Regional Development Bank, 2018).

The highest NIM value was obtained by BTPN at 11.98% in 2016. The maximum NIM limit that has been set is 5%, meaning that the higher the NIM value, the greater the profit from interest income generated by the bank. The lowest NIM rating was obtained by BKSW in 2017, which was 1.12%.

In this study the capital factor is projected in the CAR (Capital Adequacy Ratio). The highest CAR value fell to BSWD at 42.64% in 2017. This value shows that BSWD's capital capacity is getting stronger in supporting all of its operational activities. While the lowest CAR value was obtained by BEKS in 2018 of 10.04%, but this value is still in the soundness category because it has not passed 8% of the minimum CAR value.

Table 6 – CAR Rating Analysis

No	Bank	2016		2017		2018		Rata-Rata	
		V	R	V	R	V	R	V	R
1	AGRO	23.68	1	29.58	1	28.34	1	27.20	1
2	BABP	19.54	1	12.58	1	16.27	1	16.13	1
3	BACA	20.64	1	22.56	1	18.66	1	20.62	1
4	BBCA	21.90	1	23.10	1	23.40	1	22.80	1
5	BBKP	15.03	1	10.52	2	13.41	1	12.99	1
6	BBMD	35.12	1	34.68	1	34.58	1	34.79	1
7	BBNI	19.36	1	18.50	1	18.50	1	18.79	1
8	BBRI	22.91	1	22.96	1	21.21	1	22.36	1
9	BBTN	20.34	1	18.87	1	18.21	1	19.14	1
10	BCIC	15.28	1	14.15	1	14.03	1	14.49	1
11	BDMN	20.93	1	21.30	1	21.40	1	21.21	1
12	BEKS	13.22	1	10.22	2	10.04	2	11.16	2
13	BGTG	34.93	1	30.10	1	31.85	1	32.29	1
14	BJBR	18.43	1	18.77	1	18.63	1	18.61	1
15	BKSW	16.46	1	20.27	1	26.50	1	21.08	1
16	BMAS	24.32	1	21.59	1	21.28	1	22.40	1
17	BMRI	21.36	1	21.64	1	20.96	1	21.32	1
18	BNBA	25.15	1	25.67	1	25.52	1	25.45	1
19	BNGA	17.96	1	18.60	1	19.66	1	18.74	1
20	BNII	16.77	1	17.53	1	19.04	1	17.78	1
21	BNLI	15.60	1	18.10	1	19.40	1	17.70	1
22	BSWD	34.50	1	42.64	1	39.46	1	38.87	1
23	BTPN	25.03	1	24.60	1	25.30	1	24.98	1
24	BVIC	24.58	1	18.17	1	16.73	1	19.83	1
25	INPC	19.92	1	17.44	1	19.80	1	19.05	1
26	MAYA	13.34	1	14.11	1	15.82	1	14.42	1
27	MCOR	19.43	1	15.75	1	15.69	1	16.96	1
28	MEGA	26.21	1	24.11	1	22.79	1	24.37	1
29	NISP	18.28	1	17.51	1	17.63	1	17.81	1
30	NOBU	26.18	1	26.83	1	23.27	1	25.43	1
31	PNBN	20.49	1	21.99	1	23.33	1	21.94	1
32	SDRA	17.20	1	24.86	1	23.04	1	21.70	1

Info: V= CAR Value (%),R = Rating

Source: Processed data (2022).

After conducting a ranking analysis for each ratio of the four determinants of bank soundness, an assessment of the ratings of each of these factors will be carried out which

will later be used to calculate the composite rating of the bank's soundness level. The average composite percentage of banks in 2016 was 83.23% with a composite rating of bank soundness level of PK-2, which reflects the bank's generally soundness condition so that it is considered capable of facing significant negative effects from changes in business conditions and other external factors reflected in the rating. assessment factors include risk profile, implementation of good governance, profitability, and generally good capital. In the event that there are weaknesses, in general these weaknesses are less significant.

In 2017 the average composite percentage was also 83.23% with a composite rating of PK-2 bank soundness level, which reflects the bank's generally soundness condition so that it is considered capable of facing significant negative effects from changes in business conditions and other external factors reflected in the rating factors. assessment includes risk profile, implementation of governance, profitability, and generally good capital. In the event that there are weaknesses, in general these weaknesses are less significant.

In 2018 the average composite percentage showed a figure of 89.92% with a composite rating of bank soundness level PK-2, which reflects the condition of the bank in general soundness so that it is considered capable of facing significant negative effects from changes in business conditions and other external factors reflected in the rating factor ratings. including risk profile, implementation of governance, profitability, and generally good capital.

CONCLUSION

Based on the results of the discussion, it can be concluded that during 2016 – 2018 the soundness of commercial banks listed on the Indonesia Stock Exchange is soundness, where the soundness of commercial banks in 2016 obtained an average composite percentage of 83.23%, in 2017 the average percentage composites was also 83.23%, and in 2018 the average composite percentage was 82.92%. by obtaining a PK-2 Composite rating which reflects the condition of the bank in general soundness so that it is considered capable of facing significant negative effects from changes in business conditions and other external factors reflected in the rating of assessment factors including risk profile, implementation of governance, profitability, and capital which are generally general good. In the event that there are weaknesses, in general these weaknesses are less significant. Based on the conclusions above, several suggestions can be put forward that are expected to be useful for further research, namely adding the amount of data in the year of research and adding the number of indicators for assessing the soundness of commercial banks so that the results of the cumulative rating of the soundness of banks can be more accurate.

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