

Vol. 2 • No. 1 • Desember 2021

Page (Hal.) : 190 – 200

ISSN (online) : 2746 - 4482

ISSN (print) : 2746 - 2250

© LPPM Universitas Pamulang

JL. Surya Kencana No.1 Pamulang, Tangerang Selatan – Banten

Telp. (021) 7412566, Fax (021) 7412491

Email : humanisproceedings@gmail.com



Special Issues:

Websites:

[:http://www.openjournal.unpam.ac.id/index.php/SNH](http://www.openjournal.unpam.ac.id/index.php/SNH)

Risk Based Bank Rating (RBBR) Analysis to Measure The Health of Conventional Banks in Indonesia

Dian Nurhidayat¹⁾; Nardi Sunardi²⁾

Pamulang University, Banten, Indonesia

E-mail: ¹⁾dian.nurhidayat.2702@gmail.com; ²⁾sunardi.unpam@gmail.com

Abstract: In Indonesia's economy, the banking industry plays a critical role.. If the banking industry experiences a crisis, it is likely that other industries will also experience a crisis. To avoid this, the government implements policies to monitor banking performance, including by issuing regulations that serve as guidelines for banking management. The purpose of this study is to determine the current situation of the banking business in Indonesia. The purpose of this research is to determine the situation of Indonesia's banking industry, primarily traditional commercial banks, through a health analysis using the Risk Based Bank Rating (RBBR) method. The objects in this study amounted to 17 banks which were taken using purposive sampling technique. The analysis' findings indicate that the credit risk profile is in a healthy predicate, a very healthy predicate for the liquidity risk profile, good predicate for implementing Good Corporate Governance, and very healthy predicate for income and capital factors. From these results, it can be concluded that the average industrial level in the conventional banking sector obtained a PK value of 1.57 or PK 2 with the title Healthy.

Keywords: Bank Health Analysis, Risk Based Bank Rating

INTRODUCTION

The banking industry in Indonesia is inextricably linked to the country's economy, since it plays a crucial role in aligning and balancing many aspects of development. The bank's principal duty as an entity that can effectively and efficiently collect and distribute public funds based on economic democracy, which supports the implementation of development for the purpose of boosting economic growth and national stability. has given it a strategic significance. Banking is a term that refers to financial institutions, business activities, and the methods and processes used to carry out those activities.

The banking sector is one sector whose operational activities are closely monitored by the government, this is because if the bank is mismanaged, it can cause losses to the wider community. Banking supervision also serves to determine the bank's performance and measure its health. Bank health refers to a bank's capacity to carry out its operational activities and typically meet its commitments in conformity with the rules and regulations in force.

Policies regarding bank health have long been regulated by the government, in this situation, Bank Indonesia serves as Indonesia's central bank. In 2011, the policy regarding

bank soundness assessment was updated by Bank Indonesia by issuing Bank Indonesia Regulation Number 13/1/PBI/2011. Banks must utilize the Risk Based Bank Rating (RBBR) system to assess their health under this clause. This strategy is a refresh of the previous one, which is known as CAMELS (Capital Adequacy, Asset Quality, Earnings of Management, Liquidity, & Sensitivity).

The four components of the Rating Based Bank Rating (RBBR) system are Good Corporate Governance (GCG), earnings, and capital are all factors to consider. Credit risk, market risk, liquidity, operational, strategic, legal, compliance, and reputation risk are all factors that go into determining the risk profile. The factor of GCG is determined by evaluating GCG principles are used to improve the quality of bank management. Revenue factors are performance appraisal, sustainability sources, and profitability management. Return on Asset (ROA) & Net Interest Margin (NIM) are two profitability ratio. Capital adequacy and management capital are two factors to consider when assessing capital factors.

There are 2 banking sectors in Indonesia, namely conventional and sharia. Conventional commercial banks dominate the banking sector in Indonesia. The 98 conventional banking firms include state-owned banks, regional development banks, national private banks, & offices in international bank branches. (Cahyono, Rani, & Mardianto, 2021) revealed that customers who choose conventional banks to save their funds have a larger percentage. As a result, conventional banks are needed to preserve their health in this instance. As a result of a sudden withdrawal of cash, the liquidation or bankruptcy of a significant bank might lead to the insolvency of another bank (Latumaerissa, 2011). Based on the context of the problem, the researcher proposes the term "Risk-Based Bank Rating (RBBR) Analysis To Measure The Health Of Conventional Banks In Indonesia".

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Bank

A bank, according to Undang-Undang RI No. 10 of 1998 on banking, is a financial institution that receives and distributes funds from the general public in the form of savings them to the credit or other kinds of payment to the general public that are useful for improving people's living conditions. In his book "Bank dan Lembaga Keuangan Lainnya," (Kasmir, 2008) argues that a bank is a financial institution that collects monies from the general public, routes them back to the general public, and provides other banking services.

Financial Statements

The financial report is the result of a summary of the process of recording financial transactions of a company that is made systematically which aims to describe the financial condition of a company in a certain period. Financial statements can be regarded as a useful information tool to assess management performance.

Bank Health Level

In order to give outstanding service to its consumers, the health of banking companies must be examined on a regular basis. The health of a bank is critical since it incorporates shared interests from the bank's owner, manager, customers, and Bank Indonesia, the bank's supervisory authority. The health of a bank is determined by an assessment of the bank's condition based on the risk & performance of the bank, according to POJK No.4/POJK.03/2016 concerning the examination of the health of commercial banks. A credit rating and a ratio value scale are used in the scoring system for determining a bank's health. There are five types of composite health ratings:

Risk Based Bank Rating Method

Individual and consolidated soundness assessments must be conducted using a risk approach, according to BI Regulation No.13/1/PBI/2011 article 2. (Risk-based Bank Rating). The former regulation controlling the use of the CAMEL factor to assess the health of banks has been replaced by this one. The RBBR strategy incorporates the following four criteria, according to SE BI No.13/24/DPNP:

Risk Profile

According to article 7 paragraph 1 of BI Regulation No.13/1/PBI/2011, Credit risk, market, liquidity, operational, legal, strategic, compliance, and reputation are all factors that banks consider when assessing the inherent risk and quality of risk management implementation in their operations. This study only looks at two types of risk from these diverse risk profiles: credit risk & liquidity risk, as defined by the Non-Performing Loan (NPL) ratio and the Loan to Deposit Ratio (LDR), respectively.

Good Corporate Governance

According to Bank Indonesia Regulation No.13/1/PBI/2011 article 7 paragraph 2, the assessment of the GCG factor is an assessment of bank management on the implementation of GCG principles. Banks are required to do their own risk assessments of their own financial situation (Risk Based Bank Rating).

Profitability (Earnings)

The analysis of the profitability component (earnings) comprises a study of earnings performance, profit sources, and bank profits sustainability, according to Bank Indonesia Regulation No. 13/1/PBI/2011 article 7 paragraph 3. The Return on Assets (ROA), Net Interest Margin (NIM), and Operational Efficiency Ratio (OER) measurements are used in this study to describe a bank's profitability.

Capital (Capital)

The Capital Adequacy Ratio (CAR) is a measure of a bank's capital adequacy and compliance with the Minimum Capital Adequacy Requirement. This ratio can be calculated using the formula below:

$$\text{Capital Adequacy Ratio} = \frac{\text{Capital}}{\text{Risk Weighted Assets (RWA)}} \times 100\%$$

METHODS

Purposive sampling was used to choose a sample of banks registered on the Indonesia Stock Exchange from the entire population. 17 Banks became the subject of inquiry as a result of these procedures. The following criteria were used to select the sample for this study:

1. Commercial Banks listed in Indonesia Stock Exchange are Conventional In the year 2015-2020
2. Commercial Banks must continue to operate during the 2015-2020 research period
3. Banks that have a complete annual report financial data, including NPL, LDR, ROA, NIM, OER, CAR, and reports on the implementation of the results of the Good Corporate Governance self-assessment in 2015-2020

The researcher relies on secondary data, specifically the Annual Reports of each bank for the years 2015-2020, to get the essential information. To gather the requisite secondary data, this study employs a documentation study technique. The information was gathered from each bank's official website as well as the Indonesia Stock Exchange (IDX).

Data Analysis

1. Measuring the health of banks in 2015-2020 using the Risk Based Bank Rating (RBBR) method.
2. Analyzing the comparison of banking soundness levels using the quantitative descriptive method of Risk Based Bank Rating in 2015-2020

RESULT AND DISCUSSION

Credit Risk

The data in table 9 shows that the overall average NPL of Conventional Commercial Banks is 2.86% with the predicate **Healthy**. The highest NPL is owned by Bank Pan Indonesia with an average value of 10.12% with the predicate of **Less Healthy**. This happened because in 2015 Bank Pan Indonesia's NPL was quite high at 24.71% but over time Bank Pan Indonesia managed to reduce the NPL figure to 1.90% in 2020. The lowest NPL was owned by Bank Nationalnubu with an NPL value of 0.12% with the predicate **Very Healthy**. This is due to the Bank's small quantity of NPL.

Table 1. Predicate of Bank Health Based on NPL Ratio

Code of Indonesian Commercial Bank	Non-Performing Loan (NPL)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
BMRI	0.41	0.41	0.20	0.30	0.26	0.30	0.32	Very healthy	1
BBNI	0.33	0.24	0.40	0.34	0.55	0.42	0.38	Very healthy	1
BBRI	0.75	0.72	0.73	0.77	0.74	0.96	0.78	Very healthy	1
BBTN	9.30	6.15	8.67	8.71	12.51	7.82	8.86	Less healthy	4
BBCA	0.41	1.11	0.96	0.93	1.08	1.35	0.97	Very healthy	1
BABP	2.21	2.34	4.61	3.95	4.55	4.68	3.72	Healthy	2
BBKP	1.38	1.89	2.64	3.05	3.12	3.61	2.62	Healthy	2
BDMN	1.78	2.35	1.44	2.19	2.34	2.29	2.07	Healthy	2
BNII	2.90	2.93	2.08	1.58	2.05	3.30	2.47	Healthy	2
BNLI	5.28	5.96	5.81	7.64	15.14	6.97	7.80	Healthy enough	3
BSIM	1.81	1.71	2.45	1.47	2.11	3.69	2.21	Healthy	2
BTPN	0.12	0.11	0.08	0.23	0.17	0.59	0.22	Very healthy	1
BVIC	3.03	3.14	2.68	3.01	4.10	5.84	3.63	Healthy	2
MEGA	1.49	1.17	1.07	1.09	0.84	1.12	1.13	Very healthy	1
NISP	0.74	1.38	1.53	1.07	1.42	0.92	1.18	Very healthy	1
NOBU	-	-	0.05	0.42	0.11	0.13	0.12	Very healthy	1
PNBN	24.71	6.59	7.47	10.98	9.05	1.90	10.12	Less healthy	4
AVERAGE	3.33	2.25	2.52	2.81	3.54	2.70	2.86	Healthy	2

Source: Processed data (2021)

Liquidity Risk

The data in table 10 shows that the overall average LDR of Conventional Commercial Banks is 54.66% with the predicate of **Very Healthy**. Bank Tabungan Pensiunan Nasional has the highest LDR, with an average value of 76.27 percent and the predicate **Healthy**, while Bank Pan Indonesia has the lowest LDR, with an average value of 5.82 percent and the predicate **Very Healthy**.

Table 2. Predicate of Bank Health Based on LDR Ratio

Code of Indonesian Commercial Bank	Loan to Deposit Ratio (LDR/FDR)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
BMRI	65.91	64.09	65.49	69.42	70.31	61.14	66.06	Very healthy	1
BBNI	70.12	70.32	66.79	68.29	70.77	71.10	69.57	Very healthy	1
BBRI	68.57	68.73	68.38	67.71	67.06	63.85	67.38	Very healthy	1
BBTN	2.50	4.08	5.31	7.15	8.95	20.92	8.15	Very healthy	1
BBCA	64.33	59.82	60.79	64.41	63.45	51.60	60.73	Very healthy	1
BABP	60.41	63.78	69.22	74.25	79.94	67.84	69.24	Very healthy	1
BBKP	72.35	71.20	73.60	76.83	78.84	82.96	75.96	Healthy	2
BDMN	51.49	56.32	53.12	58.35	54.77	55.87	54.99	Very healthy	1
BNII	69.63	69.50	69.22	72.59	69.96	59.31	68.37	Very healthy	1
BNLI	5.41	9.81	9.17	8.22	3.35	8.72	7.45	Very healthy	1
BSIM	68.51	68.07	68.61	72.69	71.94	52.49	67.05	Very healthy	1
BTPN	77.47	74.91	73.99	71.99	81.26	78.00	76.27	Healthy	2
BVIC	59.78	57.68	56.50	56.09	58.65	58.34	57.84	Very healthy	1
MEGA	54.00	45.24	47.34	56.68	58.14	47.62	51.50	Very healthy	1
NISP	73.04	70.10	71.74	70.44	68.47	57.62	68.57	Very healthy	1
NOBU	53.76	45.98	56.66	57.29	56.25	55.93	54.31	Very healthy	1
PBNB	1.73	1.96	3.51	4.29	4.53	18.91	5.82	Very healthy	1
AVERAGE	54.06	53.03	54.08	56.28	56.86	53.66	54.66	Very healthy	1

Source: Processed data (2021)

Good Corporate Governance (GCG) Analysis

According to the results of the bank's self-assessment analysis, the composite value of GCG for Conventional Commercial Banks was 1.87 percent with a Good predicate on average across the study period. The highest GCG is owned by Bank MNC Internasional with an average value of 2.67% with the title **Pretty Good** and the lowest GCG is owned by Bank Mandiri and Bank OCBC NISP with a composite value of 1.00% with the predicate **Very Good**.

Table 3. Predicate of Bank Health Based on GCG Ratio

Code of Indonesian Commercial Bank	Good Corporate Governance (GCG)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
BMRI	1.00	1.00	1.00	1.00	1.00	1.00	1.00	Very good	1
BBNI	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Good	2
BBRI	1.00	1.00	2.00	2.00	2.00	2.00	1.67	Good	2
BBTN	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Good	2
BBCA	1.00	1.00	1.00	1.00	2.00	1.00	1.17	Very good	1
BABP	3.00	3.00	3.00	3.00	2.00	2.00	2.67	Pretty good	3
BBKP	2.00	2.00	2.00	2.00	2.00	3.00	2.17	Good	2
BDMN	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Good	2

Code of Indonesian Commercial Bank	Good Corporate Governance (GCG)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
BNII	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Good	2
BNLI	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Good	2
BSIM	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Good	2
BTPN	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Good	2
BVIC	2.00	2.00	2.00	2.00	2.00	3.00	2.17	Good	2
MEGA	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Good	2
NISP	1.00	1.00	1.00	1.00	1.00	1.00	1.00	Very good	1
NOBU	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Good	2
PNBN	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Good	2
AVERAGE	1.82	1.82	1.88	1.88	1.88	1.94	1.87	Good	2

Source: Processed data (2021)

Return On Assets

The data in table 4, shows that the overall average value of Return On Assets for Conventional Commercial Banks is 1.07% with the predicate of **Healthy Enough** with a PK value of 3. The highest ROA is owned by Bank Central Asia with an average value of 2.99% with the predicate of **Very Healthy** and PK 1. Bank Permata has the lowest ROA, with an average of -0.23 percent, an Unhealthy predicate, and a PK value of 5.

Table 4. Predicate of Bank Health Based on ROA Ratio

Code of Indonesian Commercial Bank	Return On Assets (ROA)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
BMRI	2.32	1.41	1.91	2.15	2.16	1.23	1.86	Healthy	2
BBNI	1.80	1.89	1.94	1.87	1.83	0.37	1.62	Healthy	2
BBRI	2.89	2.61	2.58	2.50	2.43	1.23	2.37	Very healthy	1
BBTN	1.08	1.22	1.16	0.92	0.07	0.44	0.81	Healthy enough	3
BBCA	3.03	3.05	3.11	3.13	3.11	2.52	2.99	Very healthy	1
BABP	0.07	0.07	-6.40	0.53	0.19	0.09	-0.91	Unhealthy	5
BBKP	1.02	0.17	0.13	0.20	0.22	-4.08	-0.39	Unhealthy	5
BDMN	1.31	1.60	2.15	2.20	2.19	0.54	1.67	Healthy	2
BNII	0.73	1.18	1.07	1.27	1.14	0.74	1.02	Healthy enough	3
BNLI	0.14	-3.92	0.50	0.59	0.93	0.36	-0.23	Unhealthy	5
BSIM	0.66	1.19	1.05	0.16	0.02	0.27	0.56	Healthy enough	3
BTPN	2.16	2.05	1.49	2.22	1.65	1.10	1.78	Healthy	2
BVIC	0.40	0.39	0.47	0.26	-0.05	-0.96	0.09	Less healthy	4
MEGA	1.54	1.64	1.58	1.91	1.99	2.68	1.89	Healthy	2
NISP	1.25	1.30	1.41	1.52	1.63	1.02	1.35	Healthy	2
NOBU	0.27	0.34	0.39	0.38	0.35	0.39	0.35	Less healthy	4
PNBN	0.86	1.26	0.94	1.54	1.66	1.43	1.28	Healthy	2
AVERAGE	1.27	1.03	0.91	1.37	1.26	0.55	1.07	Healthy enough	3

Source: Processed data (2021)

Net Interest Margin

Table 5 reveals that the overall average value of Conventional Commercial Banks' Net Interest Margin is 8.36 percent, with a **Very Healthy** predicate. Bank Danamon has the highest NIM, with an average value of 11.99 percent. Bank Negara Indonesia has the lowest NIM, with an average value of 4.93 percent.

Table 5. Predicate of Bank Health Based on NIM Ratio

Code of Indonesian Commercial Bank	Net Interest Margin (NIM)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
BMRI	7.75	7.39	6.86	6.73	6.94	6.06	6.96	Very healthy	1
BBNI	5.50	5.36	4.83	4.72	4.65	4.51	4.93	Very healthy	1
BBRI	10.08	9.84	9.52	8.96	8.92	7.99	9.22	Very healthy	1
BBTN	8.66	8.02	7.34	7.05	7.73	6.61	7.57	Very healthy	1
BBCA	8.48	7.99	7.59	7.34	7.41	6.43	7.54	Very healthy	1
BABP	8.02	8.36	10.14	9.39	10.98	9.01	9.32	Very healthy	1
BBKP	8.74	9.18	9.50	8.94	8.47	7.30	8.69	Very healthy	1
BDMN	12.68	12.66	12.00	11.58	12.22	10.80	11.99	Very healthy	1
BNII	8.64	8.56	9.00	8.80	9.70	7.84	8.76	Very healthy	1
BNLI	8.55	8.44	7.10	6.90	6.76	5.61	7.23	Very healthy	1
BSIM	8.23	9.04	9.91	9.54	8.89	6.75	8.73	Very healthy	1
BTPN	15.09	13.58	12.62	11.37	8.19	7.08	11.32	Very healthy	1
BVIC	9.19	8.57	8.18	7.80	7.48	7.04	8.04	Very healthy	1
MEGA	10.74	9.83	8.59	9.08	8.17	7.88	9.05	Very healthy	1
NISP	7.66	7.51	7.30	7.18	7.56	6.08	7.22	Very healthy	1
NOBU	7.70	6.48	7.23	6.60	6.51	5.99	6.75	Very healthy	1
PNBN	9.68	9.14	8.52	8.71	8.83	7.87	8.79	Very healthy	1
AVERAGE	9.14	8.82	8.60	8.28	8.20	7.11	8.36	Very healthy	1

Source: Processed data (2021)

Operational Efficiency Ratio (OER)

The data in table 6 shows that the overall average value of OER for Conventional Commercial Banks is 74.33% with the predicate of **Very Healthy**. The highest OER is owned by Bank Victoria International with an average value of 201.85% with the title **Unhealthy**. The lowest OER is owned by Bank Central Asia with an average value of 20.81% with the title **Very Healthy**.

Table 6. Predicate of Bank Health Based on OER Ratio

Code of Indonesian Commercial Bank	Operational Efficiency Ratio (OER)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
BMRI	36.62	32.44	32.73	32.56	35.06	35.29	34.11	Very healthy	1
BBNI	30.72	31.47	33.71	34.53	37.47	33.86	33.63	Very healthy	1
BBRI	31.78	28.71	29.05	30.40	32.89	32.26	30.85	Very healthy	1
BBTN	54.49	52.37	53.51	55.85	65.16	64.49	57.64	Very healthy	1
BBCA	23.82	20.52	22.21	20.22	20.93	17.19	20.81	Very healthy	1

Code of Indonesian Commercial Bank	Operational Efficiency Ratio (OER)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
BABP	69.79	65.41	66.26	59.65	62.33	62.00	64.24	Very healthy	1
BBKP	65.11	61.96	67.44	67.51	25.94	10.40	49.73	Very healthy	1
BDMN	64.28	49.90	42.23	41.65	50.69	46.37	49.19	Very healthy	1
BNII	116.79	105.01	92.19	82.60	89.52	76.68	93.80	Very healthy	1
BNLI	96.48	205.91	205.91	228.03	79.11	81.75	149.53	Unhealthy	5
BSIM	86.66	79.64	83.47	97.32	98.07	96.99	90.36	Very healthy	1
BTPN	77.21	77.41	84.15	74.19	78.02	91.14	80.35	Very healthy	1
BVIC	130.99	175.16	160.85	161.33	240.89	341.85	201.85	Unhealthy	5
MEGA	95.54	76.39	82.23	92.74	108.01	105.61	93.42	Very healthy	1
NISP	63.78	58.42	55.68	55.08	58.53	56.24	57.95	Very healthy	1
NOBU	92.50	91.19	97.09	100.44	106.87	106.01	99.02	Unhealthy	5
PNBN	61.53	53.58	54.75	56.31	54.25	62.18	57.10	Very healthy	1
AVERAGE	70.48	74.44	74.32	75.91	73.16	77.67	74.33	Very healthy	1

Source: Processed data (2021)

Capital Analysis

The data in table 7 shows that the overall average value of CAR for Conventional Commercial Banks is 23.10% with the predicate of **Very Healthy**. Bank Danamon has the highest CAR, with an average value of 38.48 percent and the designation **Very Healthy**. Bank Bukopin has the lowest CAR with an average score of 12.85% with the title **Very Healthy**.

Table 7. Predicate of Bank Health Based on CAR Ratio

Code of Indonesian Commercial Bank	Capital Adequacy Ratio (CAR)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
BMRI	20.70	23.84	24.02	23.14	23.68	23.42	23.13	Very healthy	1
BBNI	20.72	20.50	19.61	19.59	23.01	20.38	20.64	Very healthy	1
BBRI	21.06	23.53	23.85	22.63	24.03	22.47	22.93	Very healthy	1
BBTN	16.93	19.24	18.50	18.61	17.68	15.46	17.74	Very healthy	1
BBCA	19.02	22.40	23.68	23.95	24.77	27.37	23.53	Very healthy	1
BABP	20.37	21.62	15.73	19.98	18.64	19.22	19.26	Very healthy	1
BBKP	15.52	10.93	9.12	13.21	13.62	14.70	12.85	Very healthy	1
BDMN	33.10	36.65	38.40	39.53	40.62	42.59	38.48	Very healthy	1
BNII	14.55	16.46	17.96	16.99	24.22	27.78	19.66	Very healthy	1
BNLI	14.67	19.89	23.78	23.37	24.31	33.54	23.26	Very healthy	1
BSIM	18.65	20.93	23.55	22.31	18.45	17.66	20.26	Very healthy	1
BTPN	37.12	39.55	40.03	43.47	26.82	28.09	35.85	Very healthy	1
BVIC	16.62	26.30	19.59	15.42	15.04	15.89	18.15	Very healthy	1
MEGA	33.96	36.17	26.09	23.59	25.06	29.36	29.04	Very healthy	1
NISP	16.25	17.56	17.00	17.20	18.74	21.68	18.07	Very healthy	1
NOBU	27.63	26.18	27.02	23.91	22.66	22.47	24.98	Very healthy	1
PNBN	19.71	20.68	24.03	25.71	26.59	32.73	24.91	Very healthy	1

Code of Indonesian Commercial Bank	Capital Adequacy Ratio (CAR)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
AVERAGE	21.56	23.67	23.06	23.09	22.82	24.40	23.10	Very healthy	1

Source: Processed data (2021)

The Risk-Based Bank Rating Method: An Analysis

Table 8 shows that the average industry level in the conventional banking sector listed on the Indonesia Stock Exchange during the study period achieved a PK value of 1.57 or PK 2 with a Healthy predicate using the Risk Based Bank Rating Method for Conventional Banks. In compliance with Bank Indonesia Regulation No. 13/1/PBI/2011 concerning the Assessment of the Health of Commercial Banks, the Risk Based Bank Rating approach emphasizes the health of commercial banks based on the principles of prudence and risk management.

Table 8. Bank Health Risk Based Bank Rating Method Based on Conventional Banking Industry in Indonesia

Financial Measurement	Risk Based Bank Rating (RBBR)						Average	Predicate	PK
	2015	2016	2017	2018	2019	2020			
NPL	3.33	2.25	2.52	2.81	3.54	2.70	2.86	Healthy	2
LDR	54.06	53.03	54.08	56.28	56.86	53.66	54.66	Very Healthy	1
GCG	1.82	1.82	1.88	1.88	1.88	1.94	1.87	Good	2
ROA	1.27	1.03	0.91	1.37	1.26	0.55	1.07	Healthy Enough	3
NIM	9.14	8.82	8.60	8.28	8.20	7.11	8.36	Very Healthy	1
OER	70.48	74.44	74.32	75.91	73.16	77.67	74.33	Very Healthy	1
CAR	21.56	23.67	23.06	23.09	22.82	24.40	23.10	Very Healthy	1
INDUSTRIAL HEALTH								Healthy	1.57

Source: Processed data (2021)

CONCLUSIONS

Based on the examination of the health of Indonesian conventional commercial banks using the Risk Based Bank Rating (RBBR) technique and the ratios of NPL, LDR, ROA, NIM, OER, and CAR, as well as the publication of the GCG self-assessment result, the following conclusions can be drawn:

1. The loan-to-deposit ratio (LDR) and the non-performing loan (NPL) ratio were used to assess the health of Indonesian conventional commercial banks using risk profile factors. The overall average NPL of Conventional Commercial Banks is 2.86 percent with the title **Healthy**, according to credit risk. Bank Pan Indonesia has the largest NPL with a predicate of **Less Healthy**, while Bank Nationalnubu has the lowest NPL with a predicate of **Very Healthy**. According to Liquidity Risk, the total average LDR of Conventional Commercial Banks is 54.66 percent, with a **Very Healthy** predicate. Bank Tabungan Pensiunan Nasional has the highest LDR with the label **Healthy**, while Bank Pan Indonesia has the lowest LDR with the title **Very Healthy**.
2. Analysis of the Health of Conventional Commercial Banks in Indonesia with the Good Corporate Governance (GCG) factor obtained the overall average result with a composite value of 1.87% with the predicate **Good** during the study period. The highest GCG is owned by Bank MNC Internasional with the **Pretty Good** predicate and the lowest GCG is owned by Bank Mandiri and Bank OCBC NISP with the **Very Good** predicate.

3. The Earning (Rentability) factor was used to assess the health of Indonesian conventional commercial banks using the ratios of Return On-Assets (ROA), Net Interest Margin (NIM), and Operational Efficiency Ratio (OER). ROA analysis shows that the overall average ROA value for Conventional Commercial Banks is 1.07% with the predicate of **Healthy Enough**. Bank Central Asia has the highest ROA with the predicate of Very Healthy, whereas Bank Permata has the lowest ROA with the criterion of Unhealthy. NIM analysis shows that the overall average NIM of Conventional Commercial Banks is 8.36% with the predicate of **Very Healthy**. The highest NIM is owned by Bank Danamon while the lowest NIM is owned by Bank Negara Indonesia, both of which have the predicate of **Very Healthy**. OER analysis shows that the overall average OER for Conventional Commercial Banks is 74.33% with the predicate **Very Healthy**. Bank Victoria International has the highest OER with the title Unhealthy, while Bank Central Asia has the lowest OER with the title Very Healthy.
4. The Capital Adequacy Ratio (CAR) is used to assess the health of conventional commercial banks in Indonesia, and the overall average CAR of conventional commercial banks is 23.10 percent, indicating that they are **Very Healthy**. Bank Danamon has the highest CAR and Bank Bukopin has the lowest CAR, both of which have the predicate of **Very Healthy**.
5. The industrial level in the conventional banking sector in Indonesia has an average score of PK 1.57 or PK 2 with the title **Healthy**, according to a study of the health of Indonesia's conventional commercial banking.

REFERENCE

- Abdul Kadim, K., & Nardi Sunardi, S. (2018). Determinant Of Company's Likuidity And It's Implications On Financial's Performance Of Retail Trade Company's In Indonesia At The Period Of 2008–2017. *Global and Stockhastic Analysis*, 5(7), 235-247.
- Abdul Kadim, K., Nardi Sunardi, S., Hendro Waryanto, W., Dessy Adelin, A., & Endang Kusmana, K. (2018). The Effects Of Bank Soundness With The RGEC Approach (Risk Profile, Good Corporate Governance, Earnings, Capital) Of Leverage And Its Implications On Company's Value Of State Bank In Indonesia For The Period Of 2012-2016. *IJER (International Journal of Economic Research)*, 15(11), 41-52.
- Bank Indonesia. (2011). Peraturan Bank Indonesia Nomor 13/1/PBI/2011 tentang Penilaian Tingkat Kesehatan Bank Umum. Jakarta.
- Bank Indonesia. (2011). Surat Edaran Bank Indonesia Nomor 13/24/DPNP/2011 tentang Penilaian Tingkat Kesehatan Bank Umum. Jakarta.
- Cahyono, E. F., Rani, L. N., & Mardianto, M. F. (2021). Determinants of Indonesian Conventional and Islamic Bank Depositor Trust During the Covid-19 Pandemic. *Journal of Islamic Monetary Economics and Finance*, 1-32.
- Fajri, C., Rahman, Y. T., & Wahyudi, W. (2021). MEMBANGUN KINERJA MELALUI LINGKUNGAN KONDUSIF, PEMBERIAN MOTIVASI DAN PROPORSIONAL BEBAN KERJA. *SCIENTIFIC JOURNAL OF REFLECTION: Economic, Accounting, Management and Business*, 4(1), 211-220.
- Hakim, L., Sunardi, N. (2017). Determinant of leverage and it's implication on company value of real estate and property sector listing in IDX period of 2011-2015. *Man in India*, 97(24), pp. 131-148.
- Kadim, A., Sunardi, N & Husain, T. (2020). The modeling firm's value based on financial ratios, intellectual capital and dividend policy. *Accounting*, 6(5), 859-870.
- Husain, T., & Sunardi, N. (2020). Firm's Value Prediction Based on Profitability Ratios and Dividend Policy. *Finance & Economics Review*, 2(2), 13-26.

- Nardi Sunardi Et Al (2020). Determinants of Debt Policy and Company's Performance, International Journal of Economics and Business Administration Volume VIII Issue 4, 204-213
- Harras, H., Sugiarti, E., & Wahyudi, W. (2020). Kajian Manajemen Sumber Daya Manusia Untuk Mahasiswa.
- Wahyu, W., & Salam, R. (2020). KOMITMEN ORGANISASI (Kajian: Manajemen Sumber Daya Manusia).
- Fadhila, A., Saifi, M., & Z.A, Z. (2015). Analisis Tingkat Kesehatan Bank dengan Menggunakan Metode Risk Based Bank Rating (RBBR). *Jurnal Administrasi Bisnis*.
- Kasmir. (2008). Bank dan Lembaga Keuangan Lainnya. In Kasmir. Jakarta: PT Raja Grafindo Persada.
- Latumaerissa, J. R. (2011). *Bank dan Lembaga Keuangan Lain*. Jakarta: Salemba Empat.
- Otoritas Jasa Keuangan. (2016). Peraturan Otoritas Jasa Keuangan Nomor 4/PJOK.03/2016 tentang Penilaian Tingkat Kesehatan Bank Umum. Jakarta.
- Otoritas Jasa Keuangan. (2017). *Perbankan*. Retrieved from Otoritas Jasa Keuangan: <https://www.ojk.go.id/id/kanal/perbankan/pages/Bank-Umum.aspx>
- Otoritas Jasa Keuangan. (2017). Surat Edaran Otoritas Jasa Keuangan Nomor 14/SEOJK.03/2017 tentang Penilaian Tingkat Kesehatan Bank Umum. Jakarta.
- Republik Indonesia. (1998). Undang-Undang Republik Indonesia Nomor 10 Tahun 1998 tentang Perubahan atas Undang-Undang Nomor 7 Tahun 1992 tentang Perbankan. Jakarta.
- Ruliana, T., Hariyadi, R. M., & Winarsih, S. (2016). Analisis Tingkat Kesehatan Bank dengan Menggunakan Metode Risk Based Bank Rating (RBBR). *Health Level of Bank using Risk Based Bank Rating*.
- Sunardi, N. (2018). Analisis Risk Based Bank Rating (RBBR) untuk Mengukur Tingkat Kesehatan Bank Syariah di Indonesia. *Jurnal Ilmiah Manajemen Forkamma*, 50-66.
- unardi, N., & Lesmana, R. (2020). Konsep Iceptower (Wiramadu) sebagai Solusi Wirausaha menuju Desa Sejahtera Mandiri (DMS) pada Masa Pandemi Covid-19. *JIMF (Jurnal Ilmiah Manajemen Forkamma)*, 4(1).
- Wijaya, B. (2018). Analisis Tingkat Kesehatan Bank dengan Menggunakan Metode Risk-Based Bank Rating (RBBR). *Jurnal Akuntansi Maranatha*, 85-97.