

An Analysis of the Health of SOE Bank (Conventional) With the Methodcamels Listed on BEI

Dessy Adriana Pakpahan¹, Rahima Boru Purba², Oktarini Khamilah Siregar³

^{1,2,3}Faculty of Social and Science, Universitas Pembangunan Panca Budi Medan, Indonesia

dessyadrianapakpahan@gmail.com

Abstract

This study aims to test and analyze the soundness of state-owned banks using the Capital, Assets, Management, Earning and Liquidity methods and sensitivity to market risk listed on the Indonesia Stock Exchange for the 2018-2020 period. This type of research is descriptive qualitative. The population of this study is state-owned banks listed on the Indonesia Stock Exchange from 2018 to 2020. The sampling method is census. The results showed that the soundness of Bank Negara Indonesia (Persero), Tbk, the soundness of Bank Rakyat Indonesia (Persero), Tbk, Bank Mandiri (Persero), Tbk, State Savings Bank (Persero), Tbk calculated by the CAMELS method as a whole showed that Healthy predicate.

Keywords

capital; assets; management; earning; liquidity; sensitivity to market risk



I. Introduction

Bank is one of the financial institutions that have an important role in the economy of a country as a financial intermediary institution. This is because banking is one of the financial systems that functions as a Financial Intermediary, which is an institution that has a role to bring together owners and users of funds.

In Article 1 paragraph (2) of Law no. 10 of 1998 concerning amendments to Law no. 7 of 1992 concerning banking explains 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 in order to improve the standard of living of the people at large.

With the development of the business world and the increasing number of large banking businesses, the financial factor has a very important meaning. Therefore, the application of sound principles of proper implementation of financial functions will greatly support the achievement of the company's objectives. As a financial institution, banks need to maintain their performance in order to operate optimally. The bank's financial performance is part of the bank's overall performance. The performance (financial condition) of the bank is important to measure the bank's ability to manage and empower existing resources to get targeted profit.

Banking is one of the financial institutions that play an important role in the economy of a country, this is because banking is one of the financial systems that function as a financial intermediary, an institution that has a role to bring together fund owners and users of funds. On a macro or micro scale.

Banks can be said to be the blood of a country's economy. Therefore, the progress of a bank in a country can be used as a measure of the progress of the country concerned. The more advanced a country is, the greater the role of banks in controlling the country. This means that the existence of the banking world is increasingly needed by the government and society. In 1997-1998 Southeast Asia experienced a monetary crisis that was able to

turn Indonesia's economy into a downturn. This has an impact on companies in the country, especially in the banking sector.

This global crisis also occurred again in 2008-2009 so that the finances of countries around the world again experienced difficulties in which the banking industry was affected quite severely, namely experiencing liquidation difficulties, deteriorating asset quality, unable to create earnings and ultimately capital depleted very fast time. Many banks are not able to pay off debts due to bad credit so they are liquidated. Thus, the function of banks as intermediary and driving the economy is not optimal because the world financial system experiences a crisis. On October 25, 2011 Bank Indonesia issued a new regulation on health assessment using a risk approach (RiskBased Bank Rating) which includes four measurement factors, namely risk profile (risk profile), good corporate governance (GCG), profitability (earnings), and capital (capital) which is then abbreviated as RGEC. RGEC is a method of evaluating bank financial performance that refers to Bank Indonesia Regulation No. 13/1 / PBI / 2011 concerning the evaluation of the financial performance of commercial banks. The RGEC method is a bank valuation procedure that replaces the previous bank valuation procedure, namely CAMEL. The soundness of the bank is an assessment of a condition of the bank's financial statements for a certain period and time in accordance with Bank Indonesia standards, banks must maintain and improve their level of health by applying prudential principles and risk management in carrying out their business activities including self-assessment periodically to the level of health and take corrective steps effectively according to Daniswara and Sumarta.

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II. Review of Literature

2.1 Bank Health

According to Lubis (2010) bank health is the ability of a bank to be able to carry out normal operational activities and be able to fulfill all its obligations properly in accordance with applicable banking regulations and provisions. Meanwhile, according to Santoso and Triandaru (2012) bank health has the meaning "the ability of a bank to carry out normal banking operations or activities and be able to fulfill all its obligations properly in ways that are in accordance with applicable banking regulations and provisions."

So it can be said that a healthy bank is a bank that can maintain and maintain the trust of customers and prospective customers, can carry out intermediary functions, can assist payment traffic and can be used by the government in implementing various policies, especially monetary policy.

2.2 Bank Health Rules

The government has issued Law Number 10 of 1998 concerning Amendments to Law No. 7 of 1992 concerning Banking, where Bank Indonesia's supervision and supervision is carried out. The law regulates several things including:

- 1) Banks are required to maintain the sustainability or sustainability of the bank's soundness level in accordance with provisions covering capital adequacy, asset quality, management quality, liquidity, profitability, solvency, and other aspects related to the

bank's business, and banks are required to conduct business activities in accordance with prudential principles. specified caution.

- 2) In disbursing credit or financing that adheres to sharia principles and carrying out other business activities, banks are required to take methods that do not harm the bank and the interests of customers.
- 3) Banks are required to submit an explanation regarding their business according to the established procedures to Bank Indonesia.
- 4) Banks are required to submit to Bank Indonesia the balance sheet, annual profit and loss calculation and its explanation, as well as other periodic reports, within the time and form determined by Bank Indonesia.
- 5) Banks are required to disclose balance sheets and income statements in the time and form determined by Bank Indonesia.

2.3 Benefits of Bank Soundness Level Assessment

Bank Indonesia in carrying out supervision of banks in accordance with the law mentioned above and as an implication will relate to the provisions on performance appraisal or bank soundness. In terms of the performance or soundness of the bank, it is intended for the benefit of the owner and manager of the bank, the public who use bank services as well as for bank supervisors and supervisors. Provisions for the assessment of bank soundness are intended to be used as:

- 1) Standards for bank management to assess whether bank management is in accordance with sound banking principles and applicable regulations.
- 2) Standards to determine the direction of bank development and development individually as well as for the banking industry as a whole.

III. Research Method

This research uses descriptive qualitative research. Mukhtar (2013) defines qualitative descriptive method as a method to explore data or numbers and find knowledge within a certain period of time. This study analyzes the soundness of state-owned banks using the Capital, Assets, Management, Earning and Liquidity methods and sensitivity to market risk listed on the Indonesia Stock Exchange for the 2018-2020 period.

The purpose of this study is to provide answers to the questions in the formulation of existing problems. The objectives of the study include:

- To find out and analyze differences in bank soundness through the capital by using CAR ratios at state-owned banks and private banks listed in the Indonesia Stock Exchange period of 2012-2016.
- To find out and analyze differences in bank soundness through risk profile by using the NPL ratio at stateowned banks and private banks listed in the Indonesia Stock Exchange period of 2012-2016.
- To find out and analyze differences in bank soundness through risk profiles by using the LDR ratio at stateowned banks and private banks listed in the Indonesia Stock Exchange period of 2012-2016.
- To find out and analyze differences in the level of bank health through earnings by using ROA ratios at stateowned banks and private commercial banks listed listed in the Indonesia Stock Exchange period of 2012-2016.
- To find out and analyze differences in the level of bank soundness through earnings by using the NIM ratio at state-owned banks and private banks listed in the Indonesia Stock Exchange period of 2012-2016.

The contributions of this study include:

- 1) Practical contribution: For companies, the results of this study are expected to be input and evaluation for stateowned banks as well as private banks in analyzing what factors affect the soundness of the bank before making policy decisions on banking companies.
- 2) Academic contribution: For the next researcher, the results of this study are expected to be a reference or comparative material to expand research in the future.

IV. Result and Discussion

4.1 Result of Calculation of CAMELS Factor at Bank Negara Indonesia (Persero), Tbk a. Capital

Table 1. Capital Adequacy Ratio (CAR)

Year	Total Equity	Third-party funds	CAR %
2018	100,903,304	504.430.731	20%
2019	104,019,888	522,972,687	19.8%
2020	112.872.000	642.469.280	17.5%

Source: Processed Data, 2021

In 2018 Bank Negara Indonesia (Persero), Tbk. obtaining a CAR of 20% with an equity of Rp 100,903,304 and third party funds of Rp 504,430,731 means every Rp 100 third party funds compared to Rp 20 equity. In 2019 the CAR obtained was 19% with an equity of Rp. 104,019,888 and third party funds of Rp. 522,972,687 means every IDR 100 third party funds compared to IDR 19.8 equity. In 2020 the CAR obtained is 17.5% with an equity of Rp. 112.872,000 and third party funds of Rp. 642,469,280 means every IDR 100 third party funds compared to IDR 17.5 equity. Increase in equity, increase in third party funds,

b. Asset Quality

Table 2. Non-Performing Loans (NPL)

Year	Troubled Credit (Million)	Total Credit (Million)	NPL %
2018	44,722.165	441.313.566	1.01%
2019	54,645,353	472,238,233	1.15%
2020	5,369,100	586,207,000	0.9%

Source: Processed Data, 2021

In 2018 Bank Negara Indonesia (Persero), Tbk. obtained NPL of 1.01% with non-performing loans amounting to Rp 44,722,165 and loans disbursed amounting to Rp 441,313,566. In 2019 the NPL obtained was 1.15% with non-performing loans of Rp. 54,645,353 and the loan disbursed was Rp. 472,238,233. In 2020 NPL decreased by 0.9% with non-performing loans of Rp. 5,369,100 and the credit disbursed is Rp. 586,000,000.

c. Management

Table 3. Net Profit Margin (NPM)

Year	NPM %
2018	28.58%
2019	29.03%
2020	28.3%

In 2018 Bank Negara Indonesia (Persero), Tbk. obtained an NPM of 28.58%, in 2019 the NPM obtained was 29.03% while in 2020 the NPM obtained was 28.3%.

d. Profitability (Earnings)

Table 4. Return On Assets (ROA)

Year	ROA %
2018	1.94%
2019	1.5%
2020	0.5%

Source: Processed Data, 2021

In 2018 Bank Negara Indonesia (Persero), Tbk. obtained an ROA of 1.94%, in 2019 the ROA obtained was 1.5%. while in 2020 the ROA obtained was 0.5%.

e. Liquidity

Table 5. Loan to Deposit Ratio (LDR)

Year	Total Credit	Third-party funds	LDR %
2018	441.313.566	504.430.731	87%
2019	472,238,233	522,972,687	90%
2020	586,207,000	642.469.280	91%

Source: Processed Data, 2021

In 2018 Bank Negara Indonesia (Persero), Tbk. obtained an LDR of 87% by disbursing Rp 441,313,566, third party funds of Rp 504,430,731 . In 2019 the LDR obtained was 90% with a loan disbursed of Rp. 472,238,233. third party funds of Rp. 522,972,687. While in 2020 the LDR obtained was 91% with loans disbursed of Rp. 586,000,000. third party funds of Rp. 642,469,280.

f. Sensitivity to market risk (sensitivity to market risk)

Table 6. Interest Rate Risk (IRR)

Year	IRR %
2018	94%
2019	95%
2020	100%

Source: Processed Data, 2021

In 2018 Bank Negara Indonesia (Persero), Tbk. obtained an IRR of 94%, in 2019 the IRR obtained was 95%. while in 2020 the IRR obtained is 100%. Based on the CAMELS calculation above, it can be seen in table 8 below regarding the soundness of banks at Bank Negara Indonesia (Persero), Tbk.

Table 7. Bank soundness level at Bank Negara Indonesia (Persero), Tbk.

CAMELS	Score			Predicate		
Ratio	2018	2019	2020	2018	2019	2020
CAR	20%	19%	17.5%	Very healthy	Very healthy	Very healthy
NPL	1.01%	1.15%	0.9%	Healthy	Healthy	Very healthy
NPM	28.58%	29.03%	28.3%	Healthy	Healthy	Healthy
ROA	1.94%	1.5%	0.5%	Healthy	Healthy	Very healthy
LDR	87%	90%	91%	Healthy	Healthy	Healthy
IRR	94%	95%	100%	Healthy	Healthy	Healthy

Source: Processed Data, 2021

4.2 Result of Calculation of CAMELS Factor at Bank Rakyat Indonesia (Persero), Tbk

a. Capital

Table 8. Capital Adequacy Ratio (CAR)

Year	Total Equity	Third-party funds	CAR %
2018	167,347,494	847,249,817	19.7%
2019	166,679,645	846,200,528	19.6%
2020	199,911,376	1,052,663,880	18.9%

Source: Processed Data, 2021

In 2018 Bank Rakyat Indonesia (Persero), Tbk. obtained a CAR of 19.7% with equity of Rp. 167,347,494 and third party funds of Rp. 847,249,817, which means that every Rp. 100 of third party funds is equal to Rp. 19.7 equity. In 2019 the CAR obtained was 19.6 with an equity of Rp. 166,679,645 and third party funds of Rp. 846,200,528 means every Rp. 100 third party funds compared to Rp. 19.6 equity. While in 2020 the CAR obtained was 18.9 with an equity of Rp. 199,911,376 and third party funds of Rp. 1,052,663,880 means that every IDR 100 third party funds is compared to IDR 18.9. The increase in equity, the increase in third party funds, and the decrease in CAR from 2018 to 2020 were due to the increase in equity not being proportional to the increase in third party funds, causing the CAR to decrease.

b. Asset Quality

Table 9. Non-Performing Loans (NPL)

Year	Troubled Credit	Total Credit	NPL (%)
2018	29,403,009	689,559,288	4.2%
2019	34,878,883	804,673,435	4.3%
2020	24,528,220	834,293,205	2.94%

Source: Processed Data, 2021

In 2018 Bank Rakyat Indonesia (Persero), Tbk. obtained an NPL of 4.2% with non-performing loans amounting to Rp 29,403,009 and loans disbursed amounting to Rp 689,559,288. In 2019 the NPL obtained was 4.3% with non-performing loans of Rp. 34,878,883 and loans disbursed of Rp. 804,673,435. Meanwhile, in 2020, NPL decreased from the previous year, which was 2.94% with non-performing loans amounting to Rp. 24,528,220 and loans disbursed amounting to Rp. 834,293,205.

c. Management

Table 10. Net Profit Margin (NPM)

Year	NPM (%)
2018	26.97%
2019	27.73%
2020	15.9%

Source: Processed Data, 2021

In 2018 Bank Rakyat Indonesia (Persero), Tbk. obtained a Net Profit Margin (NPM) of 26.97%, in 2019 the NPM obtained was 27.73%. while in 2020 NPM decreased by 15.9%.

d. Profitability (Earnings)

Table 11. Return On Assets (ROA)

Year	ROA %
2018	2.58%
2019	1.15%
2020	1.98%

Source: Processed Data, 2021

Based on table 11 above, it is stated that in 2018 Bank Rakyat Indonesia (Persero), Tbk. obtained an ROA of 2.58%, in 2019 the ROA obtained was 1.15%. while in 2020 ROA increased by 1.98%.

e. Liquidity

Table 12. Loan to Deposit Ratio(LDR)

Year	Total Credit	Third-party funds	LDR %
2018	689,559,288	847,249,817	81%
2019	804,673,435	846,200,528	95%
2020	834,293,205	1,052,663,880	79%

Source: Processed Data, 2021

In 2018 Bank Negara Indonesia (Persero), Tbk. obtained an LDR of 81% by disbursing Rp 689,559,288, third party funds of Rp 847,249,817. In 2019 the LDR obtained was 95% with loans disbursed amounting to Rp 804,673,435. third party funds amounting to Rp 846,200,528. While in 2020 the LDR obtained was 79% with loans disbursed of Rp. 834,293,205 and third party funds of Rp. 1,052,663,880.

V. Conclusion

Based on the data processing and analysis of state-owned (conventional) bank financial statements for the period 2018-2020, the following results were obtained.

1. Based on the results of the study, it can be concluded that the soundness level of a bank is assessed based on the CAMELS method (Capital, Assets, Management, Earning and Liquidity and Sensitivity to market risk) at PT Bank BNI for the period 2018-2020 as a whole that PT Bank BNI shows a healthy predicate. .
2. Based on the results of the study, it can be concluded that the soundness of a bank is assessed based on the CAMELS method (Capital, Assets, Management, Earning and Liquidity and Sensitivity to market risk) at PT Bank BRI for the period 2018-2020 as a whole that PT Bank BRI shows a healthy predicate. .
3. Based on the results of the study, it can be concluded that the soundness of a bank is assessed based on the CAMELS method (Capital, Assets, Management, Earning and Liquidity and Sensitivity to market risk) at PT Bank Mandiri for the period 2018-2020 as a whole that PT Bank Mandiri shows a healthy predicate. .
4. Based on the results of the study, it can be concluded that the soundness level of a bank is assessed based on the CAMELS method (Capital, Assets, Management, Earning and Liquidity and Sensitivity to market risk) at PT Bank BTN for the period 2018-2020 as a whole that PT Bank BTN shows a healthy predicate. although in 2018, the NPL value was at 6%. However, in 2019 and 2020, BTN showed a fairly good NPL performance. Likewise in 2020, PT Bank BTN showed an unhealthy CAR performance at 7%.

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