

Analysis of the health level of banks using RGEC method (Risk Profile, Good Corporate Governance, Earning, Capital) on private public banks registered in the Indonesia Stock Exchange in 2020-2022

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This research aims to determine the health level of private commercial banks listed on the Indonesian stock exchange for the 2020-2022 time period using the RGEC method in terms of risk profile, good corporate governance, earnings and capital factors. The population used in the research was 10 private banks listed on the Indonesian stock exchange. This type of research is research using a quantitative descriptive approach method. The ratios used in assessing bank health include risk profile using 2 ratios, namely NPL and LDR, GCG factors using self-assessment, Earnings using 2 ratios, namely ROA and NIM, and capital factors using the CAR ratio. The research results show that the health level of private commercial banks from 2020 to 2022 is categorized as "healthy". In this case, private commercial banks are considered capable of improving corporate health from the aspects of credit policy, liquidity, profits and capital and banks are able to maintain customer trust.

1. Introduction

As a driving team in national economic growth, banking institutions have the main objective of improving the welfare of the entire community. According to Maria J.A. (2021) the main role of banks is to provide an efficient and effective platform for collecting and distributing funds, in accordance with the principles of economic democracy. Thus, in general, banks can be considered as legal entities that collect and distribute funds to their owners to support economic financing, which in turn strengthens the economic structure of a country (Zhafira & Ardhani, 2023). Realizing the crucial role played by banks, maintaining bank health is a must because banks are responsible for managing public funds entrusted to them. Public trust in banks can be formed by maintaining the level of bank health, which can be assessed from the condition of whether the bank is very healthy, healthy, quite healthy, less healthy, or unhealthy (Maramis, 2020).

The RGEC method was implemented in Indonesia starting January 1, 2012, specifically to assess the soundness of banks at the end of December 2011, and replaced the CAMELS method. The RGEC method is a bank health assessment method to analyze internal risk or the quality of risk management in banking operations. This method includes several factors, the first is the risk profile factor, the ratios used are Non-performing loan (NPL) and Loan to deposit ratio

(LDR). The second factor is Good Corporate Governance (GCG) which means good corporate governance. The third factor is profitability (Earnings) , the ratios used are return on assets (roa), net interest margin, and return on equity. The last factor in the RGEC method is the Capital factor which uses the capital adequacy ratio (CAR) to assess the health of the bank.

1.1 Background

In the 2014-2021 period, the level of national banking NPLs (non-performing loans) peaked in 2021. Based on statistical data from the Financial Services Authority (OJK), national banking NPLs reached IDR 186.16 trillion in July 2021. This figure increased by 3.01% compared to the previous month and increased by 4.35% compared to July 2020. In ratio, gross NPL increased by 11 bps to 3.35% compared to the previous month, which was 3.24%. Total loans disbursed reached IDR5.56 quadrillion in July 2021(<https://www.fortuneidn.com> accessed on January 30, 2023) The increase in NPLs was due to the growth in total non-performing loans from IDR180.7 trillion in June 2021 to IDR186.2 trillion in July 2021, representing an increase of IDR5.4 trillion. A low NPL ratio indicates that the company's performance has the potential to experience difficulties and can threaten the health of the company's survival (Rositasari & Dailibas, 2022). Credit risk is considered the most serious risk. The increasing NPL reflects the magnitude of credit risk faced by banks (Cantiqka & Rahyuda, 2021). Banks with an increasing NPL ratio will experience an increase in productive and operational costs that can disrupt the bank's performance, indicating the bank's poor credit quality and potentially lowering the company's profits (Khamisah et al., 2020).

Researchers are interested in examining the health of national private commercial banks because the nominal bank deposits are in the highest position compared to BPD, foreign and mixed(<https://databoks.katadata.co.id/>). However, in the period 2020-2021 there was a decline in performance which can be seen from the NPL, LDR, and non-performing loan ratios which continued to increase. With the high nominal deposits reflecting the high customer deposits of national private commercial banks, it is hoped that the results of this study can be used as an evaluation to maintain customer confidence in national private commercial banks amid economic uncertainty.

1.2 Problem Statement

Based on the background description of the problem, the problems in this study are:

1. How is the health level of private commercial banks in Indonesia in terms of Risk profile factors in 2020-2022?
2. What is the health level of private commercial banks in Indonesia in terms of the Good corporate governance factor in 2020-2022?
3. What is the health level of private commercial banks in Indonesia in terms of Earnings factors in 2020-2022?
4. What is the health level of private commercial banks in Indonesia in terms of Capital factors in 2020-2022?

1.3 Objectives and Scope

Based on the identification of research problems, the research objectives

1. To assess the health level of private commercial banks in Indonesia in terms of Risk profile factors in 2020-2022?
2. To assess the health level of private commercial banks in Indonesia in terms of the Good corporate governance factor in 2020-2022?
3. To assess the health level of private commercial banks in Indonesia in terms of Earnings factors in 2020-2022?
4. To assess the health level of private commercial banks in Indonesia in terms of the Capital factor in 2020-2022?

2. Literature Review

Signal theory was first introduced by Spence in his research entitled Job Market Signaling. Spence (1973) suggests that a signal provides a signal, the sender (owner of the information) tries to provide relevant pieces of information that can be utilized by the recipient. Signaling theory explains the importance of information released by the company to the investment decisions of parties outside the company. If a company wants its shares to be bought by investors, then the company must disclose its financial statements openly and transparently. The company must disclose financial statements openly and transparently. One of the information that investors consider in predicting stocks is the level of bank health.

According to Totok Budisantoso (2017: 73) says that “The health of a bank can be interpreted as the ability of a bank to carry out operational activities; banking normally and being able to fulfill all its obligations properly in a manner that is in accordance with applicable banking regulations”. The standard RGEC method for determining the assessment of bank health levels has been determined by the government through Bank Indonesia, which has now shifted responsibility to the Financial Services Authority (Sarra et al., 2022).

Based on PBI No. 13 / 1 / PBI / 2011 and SE No. 13 / 24 / DPNP regarding the Assessment of the Health Level of Commercial Banks, the assessment of the health level of banks includes an assessment of factors, namely Risk profile, Good corporate governance (GCG), Profitability (Earnings) and Capital (Capital) or abbreviated as RGEC.

2.1 Related Work

Scientific research to analyze the health level of banks has been several other authors, on different objects, different periods, and with various research results. Among others by (Maramis, 2020) with the object of the financial statements of PT Bank Mandiri Tbk. period 2015-2018. Based on the results of the research analysis, it is concluded that the results of the research that have been carried out show that Bank Mandiri during the 2015-2018 period on the Risk Profile factor with the NPL ratio gets Healthy criteria, with the LDR ratio getting Fairly Healthy criteria, on the GCG factor getting Very Good criteria, on the Earnings factor getting Very Healthy criteria, and the Capital factor getting Very Healthy criteria. (Gultom & Siregar, 2022) Composite / Islamic banking health level for the 2014-2018 period is in a “Healthy” condition because the results of the bank's health assessment in terms of risk profile and good corporate governance factors are in a healthy condition. While the earning factor of Islamic banking is in an unhealthy condition, and in terms of the capital factor, Islamic banking is in a healthy condition.

2.2 Research Gap

For this study, the authors want to know the results of bank health analysis using the RGEC method in a newer time period and the object is the financial statements of private commercial banks in

Indonesia. So that the authors chose private banks listed on the Indonesia stock exchange with the research data period from 2020 to 2022.

3. Methodology

This research is a descriptive analysis research with a quantitative approach that provides facts can use correct explanations. Quantitative descriptive research aims to describe, examine, and explain the phenomena observed using data in the form of numbers. Quantitative descriptive research aims to describe, examine, and explain observed phenomena using data in the form of numbers (Listiani, 2017). This research only describes the content of the variables in the study without the intention of testing certain hypotheses. This research was conducted in accordance with the RGEC method (Risk profile, Good corporate governance, Earnings, Capital) in accordance with Bank Indonesia Regulation No.13/PBI/2011.

3.1 Data Collection

The data used in this study are secondary data. Secondary data is data that is not collected by researchers themselves. This research data is in the form of financial reports published by go public private banking companies published on the Indonesia Stock Exchange (IDX). The data used in this study are audited annual financial statements from 2020 to 2022 during the observation period issued by the sample companies.

The population in this study were all private banks listed on the Indonesia Stock Exchange (IDX) as many as 46 banks.

In this study, the sampling technique used purposive sampling technique, the criteria are as follows:

1. Private banks listed on the Indonesia Stock Exchange
2. Private banks that publish annual financial reports for the period 2020-2022
3. Private banks that publish annual reports for the period 2020-2022

Based on the sample criteria above, the number of private banks sampled amounted to 10 companies:

3.2 Analysis Techniques

In this study, data collection was carried out using the documentation study technique, where data collection was obtained from the internet media by downloading through the official website of the Indonesia Stock Exchange and the Company's Financial Statements to obtain data on published financial reports.

3.3 Validation

The method of data analysis in this study is the assessment of the health level of commercial banks which refers to SE BI No. 13/24 / DNPN / 2011 which describes the assessment of the health level of banks using the RGEC method. The rating assessment of each component utilizes several ratios that are considered capable of representing the components of the RGEC method itself.

- a Risk profile analysis consists of:

Credit risk

By calculating the Non-performing loan ratio:

$$Npl = \frac{\text{non performing loans}}{\text{total credit}} \times 100$$

Liquidity Risk

By calculating the Loan deposit ratio

$$LDR = \frac{\text{total credit}}{\text{third party funds}}$$

- b Good corporate governance (GCG) analysis
To analyze the good corporate governance report based on the assessment aspects that refer to the provisions of Bank Indonesia.

- c Earning
By calculating the ratios as follows
Return Of Assets

$$ROA = \frac{\text{earnings before tax}}{\text{average total assets}} \times 100$$

Net Interest Margin

$$NIM = \frac{\text{net interest income}}{\text{average earning assets}} \times 100$$

- d Capital
By calculating the ratio as follows

$$CAR = \frac{\text{capital}}{\text{risk - weighted assets}} \times 100$$

4. Results and Discussion

Risk profile
Non Performing Loan

Table 4. 1
Health Level of Private Commercial Banks Based on NPL Ratio

Year	Bank	NPL	Criteria
2020	PT Bank Central Asia Tbk	1,89	Very Healthy
	PT Bank KB Bukopin Tbk	5,33	Quite Healthy
	PT Bank BTPN Syariah Tbk	0,50	Very Healthy
	PT Bank Neo Commerce Tbk	2,75	Healthy
	PT Bank CIMB Niaga Tbk	3,59	Healthy
	PT Bank Danamon Tbk	3,01	Healthy
	PT Bank Maybank Indonesia Tbk	2,49	Healthy
	PT Bank Mega Tbk	1,39	Very Healthy
	PT Bank OCBC NISP Tbk	1,92	Very Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	0,55	Very Healthy
	Average	2,34	Healthy
2021	PT Bank Central Asia Tbk	2,27	Healthy
	PT Bank KB Bukopin Tbk	4,80	Healthy
	PT Bank BTPN Syariah Tbk	0,37	Very Healthy
	PT Bank Neo Commerce Tbk	1,75	Very Healthy
	PT Bank CIMB Niaga Tbk	3,76	Healthy
	PT Bank Danamon Tbk	2,93	Healthy
	PT Bank Maybank Indonesia Tbk	2,56	Very Healthy
	PT Bank Mega Tbk	1,12	Healthy
	PT Bank OCBC NISP Tbk	2,35	Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	0,56	Very Healthy
	Average	2,25	Healthy
2022	PT Bank Central Asia Tbk	1,78	Very Healthy

Year	Bank	NPL	Criteria
	PT Bank KB Bukopin Tbk	4,96	Healthy
	PT Bank BTPN Syariah Tbk	0,44	Very Healthy
	PT Bank Neo Commerce Tbk	2,56	Healthy
	PT Bank CIMB Niaga Tbk	3,03	Very Healthy
	PT Bank Danamon Tbk	2,85	Healthy
	PT Bank Maybank Indonesia Tbk	2,34	Very Healthy
	PT Bank Mega Tbk	1,22	Healthy
	PT Bank OCBC NISP Tbk	2,39	Very Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	0,75	Healthy
	Average	2,23	Healthy

Based on the table above, the highest NPL value occurred at KB Bukopin bank in 2020 amounting to 5.33 High NPLs occur due to an increase in non-performing loans, this can cause the performance of a bank to decline. Conversely, the lowest NPL value occurred at BTPN Syariah bank in 2020-2022 amounting to (0.5, 0.30, 0.44) and Bank Woori Saudara Indonesia 1906 in 2020-2022 amounting to (0.55, 0.56, 0.75) The lower NPL value indicates that the bank is getting better at dealing with non-performing loans so that the number of loans classified as substandard, doubtful and bad is reduced.

Loan to deposit ratio

Table 4. 2
Health Level of Private Commercial Banks Based on LDR Rasio

Year	Bank	LDR	Criteria
2020	PT Bank Central Asia Tbk	70,63	Very Healthy
	PT Bank KB Bukopin Tbk	128,09	Unhealthy
	PT Bank BTPN Syariah Tbk	154,04	Unhealthy
	PT Bank Neo Commerce Tbk	107,17	Less Healthy
	PT Bank CIMB Niaga Tbk	82,87	Healthy
	PT Bank Danamon Tbk	84,20	Very Healthy
	PT Bank Maybank Indonesia Tbk	51,64	Very Healthy
	PT Bank Mega Tbk	64,16	Very Healthy
	PT Bank OCBC NISP Tbk	72,70	Unhealthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	162,43	Quite Healthy
	Average	97,79	Quite Healthy
2021	PT Bank Central Asia Tbk	61,07	Less Healthy
	PT Bank KB Bukopin Tbk	109,56	Unhealthy
	PT Bank BTPN Syariah Tbk	140,92	Very Healthy
	PT Bank Neo Commerce Tbk	54,93	Very Healthy
	PT Bank CIMB Niaga Tbk	68,10	Healthy
	PT Bank Danamon Tbk	83,23	Very Healthy
	PT Bank Maybank Indonesia Tbk	43,37	Very Healthy
	PT Bank Mega Tbk	63,53	Very Healthy
	PT Bank OCBC NISP Tbk	72,42	Very Healthy

Year	Bank	LDR	Criteria
	PT Bank Woori Saudara Indonesia 1906 Tbk	141,61	Unhealthy
Average		83,87	Healthy
2022	PT Bank Central Asia Tbk	64,30	Very Healthy
	PT Bank KB Bukopin Tbk	94,81	Very Healthy
	PT Bank BTPN Syariah Tbk	140,58	Unhealthy
	PT Bank Neo Commerce Tbk	73,46	Healthy
	PT Bank CIMB Niaga Tbk	78,35	Very Healthy
	PT Bank Danamon Tbk	92,33	Quite Healthy
	PT Bank Maybank Indonesia Tbk	63,85	Unhealthy
	PT Bank Mega Tbk	69,96	Very Healthy
	PT Bank OCBC NISP Tbk	78,77	Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	138,32	Quite Healthy
Average		89,47	Quite Healthy

Based on the table above, it is known that the highest LDR ratio occurred at Woori Saudara Indonesia bank, which in 2020-2022 was in an unhealthy predicate. This happened because the growth in loans disbursed was not matched by adequate growth in third party funds. Meanwhile, the lowest LDR ratio occurred at Maybank Indonesia bank (2020: 51.64; 2021: 43.37; 2022: 63.85) this shows that the bank has channeled its credit well and adequate third party fund growth. Good Corporate Governance

Table 4. 3
Health Level of Private Commercial Banks Based on GCG Score

Year	Bank	GCG	criteria
2020	PT Bank Central Asia Tbk	1	Very healthy
	PT Bank KB Bukopin Tbk	2	healthy
	PT Bank BTPN Syariah Tbk	2	healthy
	PT Bank Neo Commerce Tbk	2	healthy
	PT Bank CIMB Niaga Tbk	2	healthy
	PT Bank Danamon Tbk	2	healthy
	PT Bank Maybank Indonesia Tbk	2	healthy
	PT Bank Mega Tbk	2	Very healthy
	PT Bank OCBC NISP Tbk	1	healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	2	healthy
Average		2	Healthy
2021	PT Bank Central Asia Tbk	1	Quite healthy
	PT Bank KB Bukopin Tbk	3	healthy
	PT Bank BTPN Syariah Tbk	2	healthy
	PT Bank Neo Commerce Tbk	2	healthy
	PT Bank CIMB Niaga Tbk	2	healthy
	PT Bank Danamon Tbk	2	healthy
	PT Bank Maybank Indonesia Tbk	2	healthy
	PT Bank Mega Tbk	2	Very healthy

Year	Bank	GCG	criteria
	PT Bank OCBC NISP Tbk	1	healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	2	healthy
Average		2	Healthy
2022	PT Bank Central Asia Tbk	1	healthy
	PT Bank KB Bukopin Tbk	2	healthy
	PT Bank BTPN Syariah Tbk	2	Healthy
	PT Bank Neo Commerce Tbk	2	Healthy
	PT Bank CIMB Niaga Tbk	2	Very healthy
	PT Bank Danamon Tbk	2	Healthy
	PT Bank Maybank Indonesia Tbk	2	Healthy
	PT Bank Mega Tbk	2	Healthy
	PT Bank OCBC NISP Tbk	1	Very healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	2	Healthy
Average		2	Healthy

Based on the table above, it is known that in 2020, 2021, 2022 private commercial banks obtained a GCG score of 2 with a healthy predicate. This shows that the Company has implemented GCG principles well.

Earning

Return On Assets (ROA)

Table 4. 4
Health Level of Private Commercial Banks Based on ROA Ratio

Year	Bank	ROA	Criteria
2020	PT Bank Central Asia Tbk	3,12	Very Healthy
	PT Bank KB Bukopin Tbk	-4,91	Not Healthy
	PT Bank BTPN Syariah Tbk	1,44	Healthy
	PT Bank Neo Commerce Tbk	0,34	Less Healthy
	PT Bank CIMB Niaga Tbk	4,44	Very Healthy
	PT Bank Danamon Tbk	1,03	Quite Healthy Healthy
	PT Bank Maybank Indonesia Tbk	1,05	Quite Healthy Healthy
	PT Bank Mega Tbk	3,31	Very Healthy
	PT Bank OCBC NISP Tbk	1,35	Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	1,82	Very Healthy
Average		1,30	Healthy
2021	PT Bank Central Asia Tbk	3,16	Very Healthy
	PT Bank KB Bukopin Tbk	-3,46	Not Healthy
	PT Bank BTPN Syariah Tbk	2,09	Very Healthy
	PT Bank Neo Commerce Tbk	-8,74	Not Healthy
	PT Bank CIMB Niaga Tbk	1,67	Very Healthy
	PT Bank Danamon Tbk	1,19	Quite Healthy Healthy
	PT Bank Maybank Indonesia Tbk	1,31	Healthy

Year	Bank	ROA	Criteria
	PT Bank Mega Tbk	3,73	Very Healthy
	PT Bank OCBC NISP Tbk	1,49	Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	1,87	Very Healthy
	Average	0,43	Less Healthy
2022	PT Bank Central Asia Tbk	3,84	Very Healthy
	PT Bank KB Bukopin Tbk	-5,72	Not Healthy
	PT Bank BTPN Syariah Tbk	2,23	Very Healthy
	PT Bank Neo Commerce Tbk	-3,99	Not Healthy
	PT Bank CIMB Niaga Tbk	2,14	Very Healthy
	PT Bank Danamon Tbk	2,23	Very Healthy
	PT Bank Maybank Indonesia Tbk	1,27	Healthy
	PT Bank Mega Tbk	3,55	Very Healthy
	PT Bank OCBC NISP Tbk	1,77	Very Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	2,16	Very Healthy
	Average	0,95	Healthy

Based on the table above, it can be seen that a significant change in the ROA ratio occurred at neo commerce bank, which was previously in a less healthy predicate, then experienced a decline in 2021-2022 and was in an unhealthy predicate, this was due to an increase in operating expenses so that operating profit decreased with decreasing operating profit, non-operating expenses increased so that total profit before tax experienced a very significant decrease.

Net Interest Margin (NIM)

Table 4. 5
Health Level of Private Commercial Banks Based on NIM Rasio

Year	Bank	NIM	Criteria
2020	PT Bank Central Asia Tbk	5,47	Very Healthy
	PT Bank KB Bukopin Tbk	0,80	Not Healthy
	PT Bank BTPN Syariah Tbk	6,10	Very Healthy
	PT Bank Neo Commerce Tbk	4,03	Very Healthy
	PT Bank CIMB Niaga Tbk	4,75	Very Healthy
	PT Bank Danamon Tbk	7,52	Very Healthy
	PT Bank Maybank Indonesia Tbk	4,73	Very Healthy
	PT Bank Mega Tbk	3,98	Very Healthy
	PT Bank OCBC NISP Tbk	3,40	Very Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	3,49	Very Healthy
	Average	4,43	Very Healthy
2021	PT Bank Central Asia Tbk	5,06	Very Healthy
	PT Bank KB Bukopin Tbk	1,07	Less Healthy
	PT Bank BTPN Syariah Tbk	6,09	Very Healthy
	PT Bank Neo Commerce Tbk	5,15	Very Healthy
	PT Bank CIMB Niaga Tbk	4,42	Very Healthy
	PT Bank Danamon Tbk	7,88	Very Healthy
	PT Bank Maybank Indonesia Tbk	4,78	Very Healthy

	PT Bank Mega Tbk	4,20	Very Healthy
	PT Bank OCBC NISP Tbk	3,67	Very Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	3,64	Very Healthy
	Average	4,59	Very Healthy
2022	PT Bank Central Asia Tbk	5,39	Very Healthy
	PT Bank KB Bukopin Tbk	1,42	Less Healthy
	PT Bank BTPN Syariah Tbk	5,89	Very Healthy
	PT Bank Neo Commerce Tbk	13,83	Very Healthy
	PT Bank CIMB Niaga Tbk	4,67	Very Healthy
	PT Bank Danamon Tbk	7,76	Very Healthy
	PT Bank Maybank Indonesia Tbk	5,13	Very Healthy
	PT Bank Mega Tbk	4,87	Very Healthy
	PT Bank OCBC NISP Tbk	3,78	Very Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	3,83	Very Healthy
	Average	5,66	Very Healthy

Based on the table above, it can be seen that the average value of the NIM ratio in private banks in 2020 is 4.43 with a very healthy predicate, in 2021 it is 4.59 (very healthy), and in 2022 it is 5.66% (very healthy). With an increasing NIM value and being in very healthy criteria (PK-1), it shows that Private Commercial Banks as a whole have been able to manage their productive assets so as to generate good total interest income.

Capital Capital Adequacy Rasio

Table 4. 6
Health Level of Private Commercial Banks Based on CAR Rasio

Year	Bank	CAR	Criteria
2020	PT Bank Central Asia Tbk	25,83	Very Healthy
	PT Bank KB Bukopin Tbk	12,08	Very Healthy
	PT Bank BTPN Syariah Tbk	49,44	Very Healthy
	PT Bank Neo Commerce Tbk	32,78	Very Healthy
	PT Bank CIMB Niaga Tbk	21,66	Very Healthy
	PT Bank Danamon Tbk	25,59	Very Healthy
	PT Bank Maybank Indonesia Tbk	24,31	Very Healthy
	PT Bank Mega Tbk	31,04	Very Healthy
	PT Bank OCBC NISP Tbk	21,98	Very Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	19,99	Very Healthy
	Average	26,47	Very Healthy
2021	PT Bank Central Asia Tbk	25,66	Very Healthy
	PT Bank KB Bukopin Tbk	20,26	Very Healthy
	PT Bank BTPN Syariah Tbk	58,27	Very Healthy
	PT Bank Neo Commerce Tbk	55,49	Very Healthy
	PT Bank CIMB Niaga Tbk	22,29	Very Healthy

Year	Bank	CAR	Criteria
	PT Bank Danamon Tbk	26,45	Very Healthy
	PT Bank Maybank Indonesia Tbk	27,10	Very Healthy
	PT Bank Mega Tbk	27,30	Very Healthy
	PT Bank OCBC NISP Tbk	22,94	Very Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	24,48	Very Healthy
	Average	31,02	Very Healthy
2022	PT Bank Central Asia Tbk	25,77	Very Healthy
	PT Bank KB Bukopin Tbk	19,72	Very Healthy
	PT Bank BTPN Syariah Tbk	53,66	Very Healthy
	PT Bank Neo Commerce Tbk	36,79	Very Healthy
	PT Bank CIMB Niaga Tbk	22,18	Very Healthy
	PT Bank Danamon Tbk	25,34	Very Healthy
	PT Bank Maybank Indonesia Tbk	26,65	Very Healthy
	PT Bank Mega Tbk	25,41	Very Healthy
	PT Bank OCBC NISP Tbk	21,39	Very Healthy
	PT Bank Woori Saudara Indonesia 1906 Tbk	23,65	Very Healthy
	Average	28,06	Very Healthy

Based on the table above, capital adequacy measured using the CAR ratio shows a positive trend. It can be seen that all private commercial banks are at a CAR value of $\geq 12\%$, thus showing that all of them are in a very healthy predicate (PK-1). In 2020 the CAR ratio was 26.47% with a very healthy predicate (PK-1), in 2021 the CAR ratio was 31.02% with a very healthy predicate (PK-1) or an increase, and in 2022 the CAR ratio was 28.06%. This shows that the bank has been able to anticipate potential losses by managing its assets including its capital well.

4.1 Key Findings

The results of the analysis of the health level of private commercial banks based on the RGEC method during 2020-2022 show that the bank's performance is in a composite rating of 2 (PK - 2), which can be seen from the 4 aspects measured in the form of Risk Profile, Good Corporate Governance, Earnings, Capital as a whole are in a healthy rating.

A banking company is said to be healthy if it has strong capital, where with this capital the bank is able to run its operations and guarantee assets. And the Bank is said to be healthy if the value determined by the company is in accordance with the value determined by the company.

4.2 Interpretation of Results

Health level assessment of private commercial banks using the RGEC method, namely by looking at aspects of Risk Profile, Good Corporate Governance, Earnings, Capital during 2020-2022 is at a composite level 2 (PK-2) with healthy criteria. The effect of a company's financial performance can be seen from the ups and downs of a company's profits, in accordance with signal theory (Spence 1973) which explains that if the profit earned by the company increases, an information or signal is obtained that indicates the company's condition is good and vice versa if the company's profit decreases, a signal or information about the company's condition..

5. Discussion.

5.1 Comparison with Prior Research

For this research, the author wants to know the results of bank health analysis using the RGEC method in a more recent time period and the object is the financial reports of private commercial banks in Indonesia.

Profitability measurement in previous research used the BOPO ratio, while in this research the ratio used was the net interest margin ratio.

5.2 Limitations

In bank health analysis research using the RGEC (Risk Profile, Good Corporate Governance, Earnings, Capital) method, several limitations that are often encountered include:

Data Limitations: Available data is often limited or inconsistent between banks, and does not always reflect current conditions. **Subjectivity:** Assessment of GCG and risk can be subjective, depending on the analyst's interpretation. **Simplified Model:** RGEC may not fully cover all factors that influence bank health, such as systemic risk or macroeconomic dynamics. **Economic Fluctuations:** Rapidly changing economic conditions can have an impact on a bank's health that is not fully reflected in the analysis. **Regulation:** Regulatory changes or government intervention can significantly change bank conditions, but this is not covered in this model.

5.3 Future Research

For further research and improvement of bank health analysis using the RGEC method, several steps that can be taken are:

Data Improvements: Collect more complete data, including macroeconomic and non-financial data, for more comprehensive analysis.

Indicator Development: Adding more in-depth GCG indicators and using more sophisticated risk models (such as stress tests or Value at Risk).

Regulatory Adjustment: Adapts the analysis to international standards (e.g. Basel III) and takes into account recent regulatory changes.

Leveraging Technology: Using big data and AI for real-time analysis and more accurate risk predictions.

6. Conclusion

Based on the formulation of problems, research results, and discussions that have been carried out, it can be concluded that the level of health of private commercial banks using the RGEC method in 2020-2022 is as follows:

1. The results of the risk profile assessment of private commercial banks using 2 indicators, namely the credit risk factor using the NPL ratio and liquidity risk using the LDR ratio during 2020-2022 are in a healthy condition. This is evidenced by the average value of private commercial bank NPLs during 2020-2022 is categorized as healthy. And the average value of LDR of private commercial banks during 2020-2022 is in healthy criteria.
2. The results of the assessment of Good Corporate Governance (GCG) of private commercial banks in 2020-2022 obtained an average value of healthy GCG, meaning that the implementation of GCG principles in that year was well implemented.
3. The results of the assessment of Rentability (Earnings) of private commercial banks during 2020-2022 using 3 ratios, namely ROA, NIM and ROE, are in a healthy condition. This is evidenced by the average value of ROA being in a healthy condition, the average value of NIM being in a very healthy condition, and the average value of ROE being in a fairly healthy condition. With this average value, it shows that private commercial banks have succeeded in carrying out the Company's operational activities well so as to generate high profitability.
4. The results of the capital assessment (Capital) of private commercial banks during 2020-2022 are in a very healthy condition. This is evidenced by the average value of CAR consecutively during 2020-2022, which is more than 12 percent in accordance with the rating issued by Bank Indonesia.

Recommendation

The results of the conclusions of this study, the researcher provides a suggestion, namely: Assessing the risk profile factor, from a credit risk perspective, bank management must be more selective and careful in lending to customers and comply with credit rules set by Bank Indonesia to avoid non-performing loans.

Assessing the profitability factor (earnings) , private commercial banks that have an ROA ratio that exceeds the maximum limit of the provisions set by Bank Indonesia should pay more attention to all uses of equity owned to generate profits.

As a private commercial bank should be able to maintain and continue to improve bank health in the following years. A very healthy bank health level will increase public trust, customers, employees, shareholders, and also other parties to the bank.

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