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ASSESSMENT OF BANK HEALTH LEVELS USING RGEC METHODS ON NATIONAL PRIVATE PUBLIC BANKS

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ABSTRACT

This study aims to determine the level of health of National Private Commercial Banks by using standards set by Central Bank, namely by using the RGEC (Risk Profile, Good Corporate Governance, Earnings, Capital) method.

The period used in this study began in 2016 until 2018. The object of this study was National Private Commercial Banks. This study uses data analysis with ratio analysis: (1) Risk Profile using the NPL ratio (Non Performing Loan), IRR (Interest Rate Risk) and LDR (Loan to Deposit Ratio), (2) Good Corporate Governance (GCG), (3) Earnings using ROA (Return On Assets) and NIM ratios (Net Interest Margin), and (4) Capital using CAR (Capital Adequacy Ratio) financial ratio.

The results of the study during the period 2016 to 2018 show that: (1) Risk Profile aspects of National Private Commercial Banks are very healthy condition with NPL ratios of 0.31%, 0.24%, and 0.19%, respectively. for IRR of 151.30%, 166.94% and 159.30%, and for LDR of 81.26%, 89.68% and 85.16%. (2) GCG aspects show 1.925, 1.925 and 1.85 with healthy criteria. (3) Earnings Aspect shows a healthy condition with ROA values of 2.10%, 2.01%, and 1.34% and NIM shows 4.9%, 5.2%, and 4.7%. (4) Capital aspects show very healthy conditions with CAR values of 9.69%, 11.59%, and 11.43%. (5) The RGEC aspect shows a Composite rating 1 (PK-1) with very healthy criteria.

Keywords: Bank Soundness, National Private Commercial Bank, RGEC Method

I. Introduction

Banking is an institution that has an very important role in the economy of a country that is raising funds from parties who are excess funds and redistributing them to those who lack funds in the form of credits and other banking products.

National Private Commercial Banks is one of the highest-quality commercial banks in Indonesia in asset valuation, profitability, and health level. In its operations to achieve the desired assets and the level of income by the bank's business plan, of course, it must still pay attention to the soundness of the bank.

A healthy bank is a bank that can maintain and maintain public trust, can carry out the intermediary function, can help smooth payment traffic and can be used by the government in implementing various policies, especially monetary policy (Riandi et al, 2016).

All commercial banks in Indonesia are required to use a guideline for evaluating bank soundness based on Central Bank Regulation No.13/1/ PBI / 2011. The guideline is known as the RGEC Method, which stands for Risk Profile, Good Corporate Governance, Earnings, and Capital. This regulation replaces Central Bank Regulation No.6/10/PBI/2004, whose assessment is classified into 6 (six) factors are Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity to Market Risk (CAMELS).

The shift in the valuation method from CAMELS to RGEC shows an improvement in the assessment of bank health. The health of a bank is a measure of success of a bank's performance in a period. Based on the description above, the researcher raised the research with the formulation of the problem: How is the assessment of the health level of a National Private Commercial Bank in terms of RGEC aspect?.

The purpose of this study is to determine the level of health of National Private Commercial Banks by using the standards set by Central Bank/Financial Services Authority, namely by using the RGEC method (Risk Profile, Good Corporate Governance, Earnings, Capital).

II. LITERATURE REVIEW

2.1 Definition of Banks

According to Banking Law number 7 of 1992 concerning banking as amended by Banking Law number 10 of 1998, A bank is a business entity that collects public funds in the form of deposits and distributes them to the public in the form of credit and / or other forms in order to improve the welfare of many people.

The main function of the bank is (1) to raise funds from the community, that is, people who have excess funds desperately need a bank to save their funds safely. (2) channeling credits to the people in need is a very important activity for the bank because the bank will get income for the funds disbursed. (3) provide services in banking services.

Banks also have a very important role in the financial system (Totok and Nuritomo, 2014), these roles are (1) Assets Transfer, (2) Transactions, (3) Liquidity, (4) Efficient.

2.2 Financial Statements

The bank's financial statements indicate the financial condition of the bank in a period. This report also shows the performance of bank management for one period (Kasmir, 2014). The type of bank financial statements according to Taswan (2017: 37-66) consists of Monthly Financial Reports, Quarterly Financial Reports, Semester Financial Reports, and Annual Financial Reports.

The objectives of the bank's financial statements are: (1) Providing financial information about the bank's financial position at any given time. (2) Providing financial information regarding the bank's business results during a certain accounting period. (3) Providing information to interested parties to assess or interpret the condition and potential of a bank. (4) Providing other important information that is relevant to the parties concerned with the financial statements in question.

2.3 Bank Soundness

According to the Indonesian Bankers Association (2016:10), the bank's soundness is the result of an evaluation of various aspects that affect the condition or performance of a bank. By Central Bank regulation number 13/1/PBI/2011 concerning the assessment of the healthy level of Commercial Banks, Banks are required to conduct a rating of the Health Level using a Risk-based Bank Rating approach.

Risk profile assessment by Central Bank circular letter number 13/24/DPNP is an assessment of inherent risk consisting of eight types of risk, namely Loan Risk, Market Risk, Operation Risk, Liquidity Risk, Legal Risk, Strategic Risk, Strategic Risk, Compliance Risk, Reputation Risk. Determination of the level of inherent health for each type of risk is divided into five categories, namely, Rank 1 (low), Rank 2 (low to moderate), Rank 3 (moderate), Rank 4 (moderate to high), Rank 5 (high).

2.4 Assessment of GCG (Good Corporate Governance)

Assessment of GCG is guided by Central Bank regulations by taking into the characteristics and complexity of the Bank's business. The GCG factor rating is categorized into five ratings, namely: Rank 1, Rating 2, Ranking 3, Ranking 4, and Ranking 5. The ranking of the smaller GCG factors reflects better GCG implementation.

2.5 Assessment of Rentability (Earning)

Earnings assessment is carried out by considering the level, structure, sustainability of Bank rentability, and comparison of the Bank's performance with a group performance, both through analysis of quantitative and qualitative aspects. Banks in assessing rentability factors use indicators of Bank Performance in Producing Profit.

2.6 Capital Assessment

In assessing capital adequacy, the Bank must link capital adequacy ratio with the Bank's Risk Profile. The higher the Bank's Risk, the more capital must be provided to anticipate the Risk.

Puspita (2014), Alawiyah (2016) conducted a study on the soundness of banks using the RGEC method on state-owned banks listed on the Indonesia Stock Exchange, the results showed that the overall soundness of banks had a very healthy predicate. Likewise, Riadi et al. (2016), and Susanto, et al. (2016) researched on the level of health the Bank using the RGEC method at Bank Mandiri. The results of the study shows that; the soundness of the bank in terms of aspects of RGEC classified as very healthy.

Wulandari (2017) Research, Artyka (2015), concerning Bank Soundness Rating at Bank Rakyat Indonesia. using the RGEC method resulted in the soundness of Bank Rakyat Indonesia obtaining a composite value of 1 with very healthy criteria. Minarrohmah (2014) conducted a study on Bank Soundness Rating at Bank Central Asia using the RGEC. The results showed that BCA is a bank that is worthy of being trusted as a place to store public funds because BCA has a very healthy bank category.

Putri (2017) researches on the soundness of the Bank at the State Savings Bank. The overall results of the study indicate that BTN Bank obtained a fairly healthy predicate there is still a calculation of the NPL ratio, the proportion of non-performing loans is high which causes the NPL ratio value to be unhealthy as well as the LDR ratio is still below the standard with an unhealthy predicate.

Wijayanti (2018) conducted a study about the analysis of the Bank's health level using the RGEC method in BNI Syariah. The results showed that the soundness of the bank in terms of the risk profile aspect was "adequate", in terms of GCG aspects in the criteria of "good", from the aspect of earning aspect is "adequate", and from the Capital aspect, it was very adequate.

Kartika (2016) researches Bank Health Level Comparison Analysis between Mandiri Bank and Central Asia Bank. By using the RGEC. The results showed that, as a whole, the soundness of Mandiri Bank and Central Asia Bank can be said to be a healthy bank. Wati (2018) in his research on the soundness of the Bank using the RGEC method at Muamalat Bank. The results of his research show that overall the health level of Muamalat Bank has healthy criteria

The similarity of research conducted by researchers is to both use descriptive data analysis techniques by describing the problem intensively and in detail to the bank. While what distinguishes current research with previous research are located on the object and period of the study.

III RESEARCH METHOD

This study aims to determine whether the National Private Commercial Bank is a bank that is categorized as healthy or not with the research period of 2016 to 2018 (Sugiyono, 2012).

3.1 Research Populations and Samples

The population of this study is the National Private Commercial Bank. For the sample in this study are the Financial Statements of National Private Commercial Banks with a research period of 2016-2018. The sampling technique in this study was purposive sampling. The bank health assessment indicator is an RGEC. Assessment using scale of 1 to 5 with the category the smaller the points received indicate the health of the bank the better.

3.2 Sources and Data Collection

Based on Data Sources, this study uses secondary data sources obtained from the financial statements of National Private Commercial Banks Listed on the IDX official for the period 2016-2018. Secondary data sources were obtained from the IDX official website (www.idx.co.id).

3.3 Data Analysis

In this study using Cultural Theme Analysis because it only analyzes, understands and expresses. From the RGEC method, it can be seen the soundness of the bank.

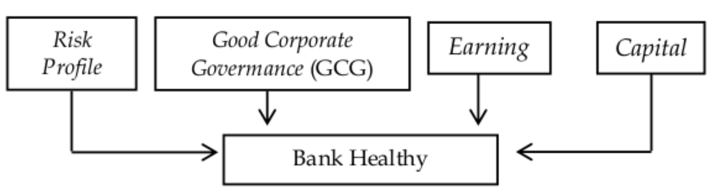

Figure 3.1 Analysis of Cultural Themes

Source : PBI No.13/1/PBI/2011 and SE BI No/13/24/DPNP

3.4 Data Analysis Techniques

The data analysis technique in this study was to use financial statement analysis with the approach of Central Bank Regulation number 13/1/PBI/2011 concerning the Commercial Bank Soundness Rating of the RGEC method.

Assessments of the RGEC indicators include:

1. Assessment of Risk Profile

Risk profile assessment is an assessment of risk in bank operations. In these study researchers measured risk with indicators: Credit/loan Risk, Market Risk, and Liquidity Risk.

a. Credit Risk

Credit risk is calculated using the Non-Performing Loan) ratio.

b. Market Risk

A risk that arises because of the decline in investment value due to the movement of market factors. The market risk is calculated using the Interest Rate Risk ratio.

c. Liquidity Risk

Liquidity risk occurs because of the rush, namely the simultaneous withdrawal of public funds that could result in bankruptcy of banks. The liquidity ratio is calculated using LDR and LAR calculations

In this study, the researchers used the Credit Risk Rating Component Matrix, Market Risk Rating Component Matrix, and Liquidity Risk Component Ranking Matrix.

2. Good Corporate Governance Assessment

The GCG principle and the focus of assessment on its implementation are guided by Central Bank regulations regarding GCG Implementation for Commercial Banks by taking into account the characteristics and complexity of the Bank's business.

Then based on the composite value of the results of the self-assessment of the implementation of bank GCG, by setting a composite rating classification.

3. Assessment of Earnings (Rentability)

In assessing the factors of Rentability using indicators: ROA, NIM

4. Capital Assessment

Indicators in assessing capital include: CAR and TIER 1 ratio

IV RESEARCH RESULTS AND DISCUSSION

4.1 Research Results

1. Risk Profile (Risk Profile)

In this study, the researchers measured the Risk Assessment factor with indicators: Credit Risk with NPL calculation, Market Risk with the calculation of IRR, and Liquidity Risk with LDR calculations.

a. Credit Risk

The NPL (Non-Performing Loan) ratio is obtained by calculating that loans to third parties which are categorized as substandard, doubtful, and bad credit are divided by total loans to third parties not banks.

Table 4.1

Credit Risk Aspect Assessment (NPL)

Year	Ratio Value	Rating	Information
2016	0,31%	1	Very Healthy
2017	0,24%	1	Very Healthy
2018	0,19%	1	Very Healthy

Source: Data processed

Based on the table above, from the calculation and assessment above, these results show a decrease in NPL (Non-Performing Loans) from 2016 to 2018. In 2016 the NPL ratio was 0.31%, in 2017 the NPL ratio was 0.24%, and in 2018 it decreased up to 0.19%. So that the National Private Commercial Bank gets a very healthy predicate because it has an NPL ratio below 2%. The reduced NPL (Non-Performing Loan) ratio from 2016 to 2018 indicates that the management of credit risk of National Private Commercial Banks is very good.

b. Market Risk

Market risk is a risk caused by a decrease in the value of an investment due to movements in market factors. The market risk is calculated using the Interest Rate Risk Ratio.

Table 4.2

Assessment of Market Risk Aspects (IRR)

Year	Ratio Value	Rating	Information
2016	151,30%	1	Very Healthy
2017	166,94%	1	Very Healthy
2018	159,30%	1	Very Healthy

Source: Data processed

Based on the IRR calculation and assessment results above, it can be stated that fluctuations occurred from 2016 to 2018. In 2017 the IRR ratio of National Private Commercial Banks was very high compared to 2016 and 2018. The high IRR ratio in 2017 means National Private Commercial Banks has a substantial risk of falling interest rates, or the possibility of a loss if the interest rate decreases if the interest rate rises, a very large profit can be obtained by the National Private Commercial Bank that year.

c. Liquidity Risk

Liquidity risk occurs because of a rush, that is the withdrawal of public funds simultaneously which can subsequently result in bankruptcy of banks. The liquidity ratio is calculated using the following calculations:

Table 4.3

Assessment of the Aspect of Loan to Deposit Ratio (LDR)

Year	Ratio Value	Rating	Information
2016	81,26%	3	Healthy enough
2017	89,68%	3	Healthy enough
2018	85,16%	3	Healthy enough

Source: Data processed

Based on the analysis in the table 4.3 above, it can be stated that the level of liquidity risk of National Private Commercial Banks using LDR calculation for 2016 up to 2018 has fluctuated and gained a fairly healthy rating.

This shows a decrease, because the higher the LDR indicates the lower the liquidity. This is because the amount of funds needed to finance credit is getting bigger.

Table 4.4

Risk Profile Aspect Assessment

Information	2016	2017	2018
Credit Risk	1	1	1
Market Risk	1	1	1
Liquidity Risk	3	3	3
Composite Value	**1**	**1**	**1**

Source: Data processed

From the Risk Profile assessment of the National Private Commercial Banks using 3 indicators, namely, Credit Risk using the NPL ratio (Non-Performing Loans), Market Risk using the Ratio of IRR (Interest Rate Risk), Liquidity Risk using the LDR ratio (Loan to Deposit Ratio). Credit Risk and Market Risk from 2016 to 2018 are in a very healthy condition. While Liquidity Risk fluctuates so that it is in a fairly healthy condition because the amount of funds needed to finance credit is getting bigger.

2. Good Corporate Governance (GCG)

The GCG principles and focus of assessment of the implementation of GCG are guided by Central Bank regulations by considering the characteristics and complexity of the Bank's business.

Table 4.5

Assessment of Aspects of Good Corporate Governance (GCG)

No	GCG Aspects	2016	2017	2018
1	The implementation of the duties and responsibilities of the Board Commissioners	0,2	0,2	0,2
2	Implementation of the duties and responsibilities of the Board Directors	0,4	0,4	0,4
3	Completeness and implementation of Committee duties	0,2	0,2	0,2
4	Handling conflicts of interest	0,2	0,2	0,2
5	Application of the compliance function	0,1	0,1	0,1
6	Application of the internal audit function	0,1	0,1	0,1
7	Application of the external audit function	0,1	0,1	0,05
8	Application of risk management including internal control system	0,15	0,15	0,15
9	Provision of funds to related parties and provision of large funds *(large exposure)*	0,075	0,075	0,075
10	Transparency of financial and non-financial conditions Bank, GCG implementation report	0,3	0,3	0,275
11	The Bank's strategic plan	0,1	0,1	0,1
	Composite value	1,925	1,925	1,85
	Composite predicate	Good	Good	Good

Source: www.idx.co.id

Based on results from GCG implementation, starting from 2016 to 2018 it is carried out by the applicable provisions and runs effectively and efficiently. National Private Commercial Banks reflect that the implementation of GCG is ranked 2 which generally means good. This is reflected in the inadequate fulfillment of the principles of GCG.

3. Earnings (Rentability)

In assessing Rentability using ROA and NIM calculation indicators with results as in the following table:

Table 4.6

Assessment of Earning Aspects

Information	2016	2017	2018
Pre-tax profit / Average total assets	2,10%	2,01%	1,34%
Net interest income / average earning assets	4,9%	5,2%	4,7%
Net interest income / average total assets	4,06%	4,47%	3,83%
Other operating income / total assets	0,11%	0,76%	0,72%
Mean	**2,79%**	**3,11%**	**2,64%**
Composite Value	**1**	**1**	**1**

Source: Data processed

Based on the table above, it can be stated that the average ROA ratio for the 2016-2018 period is 2.10%, 2.01%, and 1.34%, respectively. The best ROA ratio in 2016 at National Private Commercial Banks and categorized as very healthy. In 2017 and 2018, the percentage decreased due to a decrease in performance in generating income. This is evident in 2016 amounting to 2.10% to 2.01% in 2017 and 1.34% in 2018. The decline in this percentage does not have a negative effect because it is still categorized as healthy.

The NIM in National Private Commercial Banks in 2016 was ranked 2 with a healthy predicate with a percentage of 4.9%. In 2017 the percentage increased to 5.2%, in 2018 it declined again to 4.7%. The decline in this percentage did not have a negative effect because it was still categorized as a healthy bank.

4. Capital (capital)

Indicators in assessing capital include CAR and TIER 1 and the results as shown in the following table:

Table 4.7

Capital Aspect Assessment

Information	2016	2017	2018
Capital / Risk-Weighted Assets	**9,69%**	**11,59%**	**11,43%**
Capital Tier 1 / Risk-Weighted Assets	**8,40%**	**14,68%**	**13,88%**
Mean	**9,04%**	**13,13%**	**12,65%**
Composite Value	**1**	**1**	**1**

Source: Data processed

Based on the table above, it can be concluded that the average CAR ratio for the 2016-2018 period is 9.69%, 11.59%, and 11.34%, respectively. This shows that the National Private Commercial Bank, Tbk is categorized as very healthy. This shows that management's ability to manage capital properly. In 2018 the percentage decreased to 11.43%. The occurrence of this percentage decrease does not have a negative effect because it is still categorized as adequate.

Tier 1 Capital Ratio 1 National Private Commercial Bank, Tbk in 2016 to 2018 experienced fluctuations but did not reduce the condition of the bank's soundness level because tier 1 capital was more than 10%.

5. RGEC aspects

Based on results from assessment of the health level of a National Private Commercial Bank based on the RGEC Method in 2016 to 2018, it can be presented in the following table:

Table 4.8

RGEC assessment

Variable	Composite Value		
	2016	**2017**	**2018**
Risk Profile	**1**	**1**	**1**
GCG	**1**	**2**	**2**
Rentability	**1**	**1**	**1**
Capital	**1**	**1**	**1**
Composite Rating	**1**	**1**	**1**
Health Level	**SS***	**SS***	**SS***

Source: Data processed
Remarks (*): SS = Very Healthy.

The results of the analysis of the level of health of National Private Commercial Banks based on the RGEC method in 2016-2018 indicate that the bank's performance is in Composite Rating 1 (PK-1) which is seen from the four aspects measured in the form of Risk Profile, GCG, Earnings, and Capital as a whole. A very healthy ranking.

4.2 Discussion

The bank in assessing the level of health refers to Central Bank Regulation number 13/1/PBI/2011 and SE No. 13/24/DPNP, dated October 25, 2011, concerning the Commercial Bank Soundness Rating System which includes the following factors:

4.2.1 Risk Profile (Risk Profile)

The financial ratio used in assessing the soundness of a National Private Commercial Bank reviewed from the aspect of risk profile using 3 indicators, namely credit risk factors using the NPL formula, market risk using the IRR formula and liquidity risk with the LDR formula.

For NPLs of National Private Commercial Banks in 2016 to 2018 they are 0.31%, 0.24% and 0.19%. The NPL value indicates that the National Private Commercial Banks credit quality is in a very healthy condition. This is by the NPL ranking matrix where the NPL ratio of <2% falls into the very healthy category. This shows that management's efforts in managing the collectability level and maintaining credit quality each year are getting better and giving positive results, so they can produce quality credit growth and not just high credit growth.

For IRR National Private Commercial Banks in 2016 to 2018 are 151.30%, 166.94%, and 159.30%. In 2018 the IRR value declined, but still in the same rank as the previous year, which was very healthy. From 2016 to 2017 the IRR value of National Private Commercial Banks experienced a very high increase. The high ratio in 2017 states that a National Private Commercial Bank has a considerable risk of falling interest rates, or the possibility of a loss if the interest rate decreases, but if the interest rate rises then a very large profit can be obtained by the Bank National Public General that year.

For LDR National Private Commercial Banks in 2016 to 2018 are 81.26%, 89.68%, and 85.16%. It is seen that in 2018 the LDR value declined, but was still in the same rank as previous years, which was quite healthy. So that shows that during this period the National Private Commercial Bank has a fairly good ability to fulfill its short-term obligations when billed by depositors by relying on loans provided as a source of liquidity. However, overall, it is better if the National Private Commercial Bank needs to tighten the amount of credit disbursed and maintain the principle of prudence in the coming years, because if it has an LDR value that is too high it will show that banks are too aggressive in lending so they can increase the risk faced with. If the LDR value is too low, it will affect the profits obtained. Therefore the bank needs to maintain the LDR at the ideal range set by Central Bank, which is 78% -92%. During 2016-2018 the National Private Commercial Bank was seen as able to maintain the LDR in the ideal range set by Bank Indonesia.

4.2.2 GCG (Good Corporate Governance)

The soundness of the bank in terms of the average value of GCG in the 2016-2018 National Private Commercial Banks, respectively: 1.925%, 1.925% and 1.85% categorized as healthy. This shows that in 2016-2018 the management quality of the National Private Commercial Banks for the implementation of the GCG principles has been running well so that the National Private Commercial Banks are classified as trusted banks. Good GCG implementation will increase stakeholder confidence in conducting transactions at the bank concerned because by looking at the GCG value of a bank, stakeholders can find out the risks that might occur when conducting transactions with the bank.

For the Earnings aspect in this study using 2 indicators namely the ROA and NIM formulas. For ROA of National Private Commercial Banks in 2016 up to 2018 are 2.10%, 2.01%, and 1.34%. Overall, the ROA owned by National Private Commercial Banks during that period was in a very healthy category. This shows that the ability of banks to earn profits by relying on their assets has gone well. This is by the ROA ranking matrix, where the ROA ratio above 2% falls into the very healthy category and the ROA ratio of 1.26% to 2% falls into the healthy category.

For NIM of National Private Commercial Banks in 2016 to 2018 are 4.9%, 5.18%, and 4.7%. In 2018 the NIM declined, this was due to an increase in interest rates which caused high-interest costs borne by National Private Commercial Banks that year. Overall, the NIM value indicates that the bank's ability to obtain net interest income for the past two years is good. This is by the NIM ranking matrix where the NIM ratio is between 2.01% and 5% in the healthy category, so it can be concluded that during 2016-2018 the National Private Commercial Bank has good management capability in managing its productive assets to produce net interest income of the company.

For Capital, which is reflected in the CAR of National Private Commercial Banks in 2016-2018, the CAR value is 9.69%, 11.59%, and 11.43% respectively with very healthy criteria. Overall, the CAR of the National Private Commercial Bank is by the provisions stipulated by Central Bank namely banks must provide a total capital of at least 8% of RWA. A large CAR indicates that banks can support operational losses if they occur and can support large loans. A large CAR can also increase public confidence in placing funds into a National Private Commercial Bank. The value of CAR held by National Private Commercial Banks during 2016-2018 is above the set standard so that banks are considered to have been able to fulfill the Minimum Capital Requirement properly.

4.2.3 RGEC aspects (Risk Profile, Good Corporate Governance, Earnings, and Capital)

The rating of the level of health of a National Private Commercial Bank using the RGEC method is by looking at the aspects of RGEC during 2016-2018 in the composite rating 1 (PK-1) with very healthy criteria. Reflecting the condition of banks that are generally very healthy so that they are considered very capable of facing significant negative effects from changes in business conditions.

This information is used as a basis for measuring bank performance more accurately, assessing the risk of bank business activities, and creating a strong risk management infrastructure to improve competitiveness. As for the banking supervision authority, the implementation of risk management will make it easier to assess in terms of risk of losses faced by banks that can affect capital and as a basis for evaluating bank supervision strategies.

V Conclusion

Based on the results of the research and data analysis that has been carried out, the following conclusions can be taken:

1. Results of the Risk Profile of National Private Commercial Banks using 3 indicators, namely Credit Risk using the NPL ratio (Net Performing Loan), Market Risk using the IRR (Interest Rate Risk) ratio. And for liquidity risk use the LDR (Loan to Deposit Ratio) ratio. Credit Risk and Market Risk in 2016 until 2018 are in a very healthy condition. While the Liquidity Ratio calculated using the LDR (Loan to Deposit Ratio) ratio in 2016-2018 has fluctuated so that it is in a fairly healthy condition because the amount of funds needed to finance credit is getting bigger.

2. The results of the assessment of GCG of National Private Commercial Banks in 2016 to 2018 obtain the same ratio value and are ranked 2, namely good. This shows that in 2016-2018 the management quality of the National Private Commercial Banks for

the implementation of the GCG principles has been running well so that the National Private Commercial Banks are classified as trusted banks.

3. Results of the assessment of Rentability (Earnings) of National Private Commercial Banks using 2 indicators, namely bank performance in generating profit (profitability) and sources that support Rentability, during 2016 to 2018 National Private Commercial Banks are a healthy condition. This reflects that with adequate profitability, high enough profits will support the growth of bank capital.

4. The results assessment of the Capital of National Private Commercial Banks in 2016 to 2018 are in a very healthy condition. This is evidenced by the overall CAR position of National Private Commercial Banks which is always above the minimum CAR limit set by Central Bank at 8%. This means that the National Private Commercial Bank has a good level of capital adequacy to fulfill its obligations. Based on the results of capital calculations of the National Private Commercial Bank is ranked 1 which reflects that the National Private Commercial Bank has very adequate quality and capital adequacy.

5. Results The assessment of the health level of National Private Commercial Banks using the RGEC method during 2016-2018 is in the composite rating 1 (PK-1). So that it is considered very capable of dealing with the negative effects from changes in business conditions and external factors which are reflected in the profile of risk, profitability, and capital, in general, can be stated to be very good.

VI Suggestion

From the above conclusions, suggestions can be given to the National Private Commercial Bank relating to the health of the bank, suggestions that the researcher can give are as follows:

1. National Private Commercial Banks must maintain the soundness of banks in the future so that stakeholder trust in National Private Commercial Banks increases.
2. The existence of several assessment indicators that have fluctuated, this needs to be taken into consideration so that in the future the indicators will remain stable so as not to adversely affect the performance of National Private Commercial Banks.
3. National Private Commercial Banks need to improve liquidity from rank 3 fairly healthy to rank 1 very healthy and can maintain third party funds collection and pay attention

to the prudential banking principle in granting loans so that the risk of bad credit that can disrupt the liquidity of National Private Commercial Banks can be avoided.

4. For further researchers, it is expected to be able to add to the research period and increase the financial ratios used to obtain a good and accurate calculation of bank performance by the RGEC method.

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