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ANALYSIS OF BANK HEALTH LEVELS USING THE RGEC APPROACH ON COMPANY VALUE OF DIGITAL BANKS REGISTERED WITH THE FINANCIAL SERVICES AUTHORITY (OJK)

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ABSTRACT

The banking sector in the digital banking industry in Indonesia is experiencing significant growth, this is due to technological developments. This research aims to determine the analysis of the level of bank health using the RGEC approach to the company value of digital banks registered with the financial services authority (OJK) in 2021 - 2023. This research takes four independent variables including Risk Profile, Good Corporate Governance, Earnings and Capital and one dependent variable, namely company value. This type of research uses quantitative research methods using data collection methods in the form of library studies and documentation. The data used in this research is secondary data with the sample being a digital bank registered with the OJK. The population in this study was 15 companies with a total sample of 8 companies using a sampling technique, namely purposive sampling. This research uses the classical assumption test, multiple linear regression test, coefficient of determination test and hypothesis test. The results of this research partially show that the Risk Profile and Capital variables do not have a significant effect on company value, while the GCG and Earnings variables have a significant effect on company value. Meanwhile, simultaneously the Risk Profile, GCG, Earnings and Capital variables have a significant effect on company value.

Keywords : Bank Health Level, Risk Profile, Good Corporate Governance, Earnings, Capital, Digital Bank.

1. INTRODUCTION

Globalization and rapid technological advancements have heightened the importance of company value in finance and business management. Digital banks, such as PT Bank Seabank Indonesia and PT Bank Neo Commerce Tbk., reported substantial increases in financial asset impairment losses in 2023, highlighting emerging risks. Seabank saw a 60.64% year-on-year rise in impairment losses to IDR 4.45 trillion, while Bank Neo Commerce experienced a 151.44% increase to IDR 2.68 trillion (Burhan, F. A., 2023).

Company value reflects a business's total economic worth, encompassing assets, liabilities, and overall wealth. This valuation is crucial for stakeholders like shareholders, investors, and financial analysts, as it impacts investment and asset management decisions. Higher company value often signifies confidence and attracts investment, while also serving as a benchmark for creditors assessing a company's debt repayment capacity.

A bank's value is closely tied to its financial health, which affects investor and creditor confidence and ultimately impacts stock prices (Suartana, I. W., & Wida, N. P., 2014). Evaluating banking companies' value through their financial health is critical for understanding their stability and performance. Regulations by Bank Indonesia (BI) aim to ensure banks maintain stable financial conditions to protect stakeholders. A bank's health is assessed to determine if it is categorized as very healthy, healthy, fairly healthy, less healthy, or unhealthy, serving as an indicator of the sector's overall stability (Alawiyah, T., 2016). The banking sector plays a pivotal role in the economy, offering services like lending, investment, and fund management. With the onset of the Industrial Revolution 4.0 and the COVID-19 pandemic, the banking sector has accelerated digitalization to continue providing services amid new challenges.

Digital banking in Indonesia has surged, driven by increased internet usage and technological adoption. Traditional banks are transitioning to digital models to cater to tech-savvy customers. Digital transactions globally grew by 118% from 2017 to 2021, with Indonesia's growth reaching 1,556% during the same period (OJK, 2022). By April 2023, digital banking transactions in Indonesia totaled nearly IDR 4.3 quadrillion, a 158% increase since April 2018. This growth aligns with regulations like POJK No. 13/POJK.03/2018, which optimize the use of customer data in digital banking (Ahdiat, A., 2023). Evaluating bank health has become crucial for digital banks to ensure financial stability and compliance with regulations such as Bank Indonesia Regulation No. 13/1/PBI/2011, which uses a risk-based approach including assessments of Risk Profile, Good Corporate Governance (GCG), Earnings, and Capital.

Risk Profile assessment is essential for managing inherent operational risks and maintaining stakeholder trust. Studies suggest mixed impacts of Risk Profile, measured by Loan to Deposit Ratio (LDR), on company value, with

some indicating positive effects and others showing insignificant or negative impacts (Prakarsa, R. B., et al., 2020; Haq, N. A., et al., 2022).

Good Corporate Governance (GCG) evaluates a bank's adherence to governance principles, which can attract investors and enhance company value. However, research indicates that GCG, particularly the composition of independent commissioners, may not significantly impact company value in some banking sectors (Prabawati, N. P. S., et al., 2021; Aprilia, W., & Hapsari, N., 2021).

Earnings, particularly Return on Assets (ROA), measure a company's profitability and efficiency. Higher ROA is generally associated with increased company value, although some studies find no significant impact (Kansil, L. A., et al., 2021).

Capital Adequacy Ratio (CAR) evaluates a company's capital sufficiency to cover operational risks. A higher CAR indicates a bank's ability to manage risks, thus enhancing investor confidence and market stability. Research supports the positive impact of CAR on company value, though some findings suggest otherwise (Fadilla, K., 2019).

Given the background of these findings and the inconsistencies in previous research, the researcher has chosen to study the health level of digital banks using the RGEC method for banks officially registered with the Financial Services Authority from 2021-2023. The study is titled "Analysis of Bank Health Levels Using the RGEC Approach on Company Value of Digital Banks Registered with the Financial Services Authority (OJK)."

2. LITERATURE RIVIEW

2.1 Financial Accounting

According to Kasmir (2017), financial accounting is a branch of banking aimed at recording, measuring, analyzing, and presenting financial information of an entity in a systematic manner. The primary goal of financial accounting is to provide relevant and reliable information to users of financial statements, such as investors, creditors, management, and other stakeholders, enabling them to make informed decisions. Financial accounting serves several functions that can benefit various parties, including:

a. Financial accounting systematically records all financial transactions occurring within an entity.

b. Financial accounting measures the value of recorded transactions in monetary terms, facilitating easier comparison and analysis.

c. Financial accounting presents relevant and reliable financial information in the form of financial statements, such as the balance sheet, income statement, statement of changes in equity, cash flow statement, and notes to the financial statements for both external and internal users.

d. The financial information presented in financial statements can be analyzed to assess an entity's financial performance, evaluate its financial condition, and make informed decisions.

e. Financial accounting aids in evaluating the economic value of an entity, including its assets, liabilities, and equity.

f. The financial information presented by financial accounting serves as a basis for decision-making by management, investors, creditors, and other stakeholders.

Therefore, financial accounting plays a crucial role in facilitating financial management and effective decision-making within an entity.

2.2 Financial Statement

Financial statements are prepared to provide information about the company's progress on a regular basis by the relevant management. In other words, financial information records are compiled by the company to evaluate its performance, which can be used by related parties. Financial statements are historical and comprehensive in nature. Although financial statements provide a general overview of past financial performance and events, they are not obligated to provide non-financial information as their focus is solely on financial aspects (Fatkhar, M., 2020).

According to Kasmir (2019), there are five journals that are included in the components of financial statements, namely: the balance sheet, income statement, statement of changes in equity, cash flow statement, and notes to the financial statements. When preparing financial statements, it is crucial to adhere to the applicable rules and consider the characteristics outlined. The characteristics of financial statements according to Kasmir (2014) are as follows:

a. Financial statements must be historical, meaning they are based on past data or data that has passed from the current period.
b. Financial statements must be comprehensive, meaning they are prepared thoroughly according to established standards.

2.3 Company Value

Company value reflects the effectiveness of management in managing its assets or wealth, as evidenced by the financial performance produced. Companies will strive to increase their value, which is often indicated by a rise in stock prices in the market (Rahayu. S., et al., 2010).

Company value is the total value of all assets, capital, and wealth owned by the company. It reflects the market value of the company and can be estimated using various approaches, such as equity market value, total market value, or the intrinsic value of the company (Soepriyanto, G., 2007).

2.4 The Health of Bank

The health of a bank is a field that requires a deep understanding of the factors influencing the stability and performance of financial institutions. Bank health assessments, based on Bank Indonesia Circular No. 6/23/DPNP, include evaluating aspects such as capital, asset quality, management, profitability, liquidity, and response to market risks. The results of these assessments are crucial for both short-term and long-term operational decisions and serve as benchmarks for mitigating future risks. These evaluations are also essential for stakeholders and customers in their decision-making processes. (Ikatan Bankir Indonesia, 2016).

2.5 RGEC Methode

The results of a bank's health assessment hold significant value for both long-term and short-term operational decisions and serve as a benchmark to mitigate future risks. This evaluation is crucial for stakeholders and bank customers, as it forms the basis for decision-making (Nugraha, 2020).

The bank's health level is determined by assessing various aspects that impact the condition or performance of a bank. These aspects are evaluated quantitatively and/or qualitatively, considering the materiality of each assessment factor and the influence of other factors, such as the banking industry's condition and the economy (Indonesian Bankers Association, 2016).

According to Bank Indonesia Regulation (PBI) No. 13/1/PBI/2011 and Circular Letter (SE) No. 13/24/DPNP on the Assessment of the Health Level of Commercial Banks, the assessment involves evaluating factors such as Risk Profile, Good Corporate Governance (GCG), Earnings, and Capital, commonly abbreviated as RGEC.

1. Risk Profile

   Risk Profile is a comprehensive assessment of the risks inherent in banking operations and the quality of risk management practices (Ikatan Bankir Indonesia, 2016). It includes the identification, analysis, and evaluation of various types of risks such as credit risk, liquidity risk, market risk, operational risk, and other relevant risks associated with the entity's activities or operations (PBI No.13/1/PBI/2011).

   Among these, only credit risk and liquidity risk can be measured using financial ratios. Credit risk is assessed using the Non-Performing Loan (NPL) ratio, which indicates a bank's ability to manage non-performing loans compared to the total loans provided to third parties. Liquidity risk is measured using the Loan to Deposit Ratio (LDR), which reflects a bank's ability to meet its liquidity needs, as demonstrated by its ability to handle customer withdrawals and loan disbursements.

2. Good Corporate Governance

   Good Corporate Governance (GCG) is a regulatory framework that assesses the relationships between shareholders, managers, creditors, the government, employees, and other stakeholders, both internal and external, as part of the system that governs and manages a company. According to the Forum for Corporate Governance in Indonesia (FCGI), the goal of GCG is to create added value for stakeholders. The five principles of GCG include transparency, accountability, responsibility, independence, and fairness (Prabawati, N. P. S., et al., 2021).

3. Earnings

   The assessment of the Earnings factor involves evaluating the bank's revenue performance, sources of income, and revenue sustainability. Earnings is one aspect of bank health assessment related to profitability. Profitability indicators include ROA (Return on Assets), ROE (Return on Equity), NIM (Net Interest Margin), and BOPO (Operating Expenses to Operating Income), as well as comparing actual profits with budget projections and the ability of profits to increase the bank's capital (Nugraha, 2020).

   From a profitability perspective, a bank's characteristics include its ability to generate profit, the stability of the components supporting core revenue, and the capacity of profits to enhance capital and future profit potential. The assessment of the Earnings factor is based on four ratios: ROA, ROE, NIM, and BOPO.

4. Capital

   The assessment of the Capital factor includes evaluating the adequacy and management of capital in accordance with Bank Indonesia regulations. Capital indicators involve measures such as capital ratios and the sufficiency of capital to address potential losses based on risk profiles, supported by capital management that aligns with the bank’s characteristics, size, and business complexity (Melinda, V., 2023).

   To evaluate capital adequacy, Bank Indonesia, as the primary authority, uses the Capital Adequacy Ratio (CAR) approach. The use of CAR as an indicator aims to determine if the bank's capital is sufficient to support unavoidable activities and whether the bank's wealth will increase or decrease over time (Daniswara et al., 2016).

2.6 Digital Bank

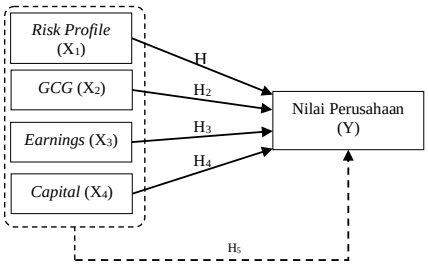
The rise of the fintech industry in Indonesia has transformed the way people conduct financial transactions. The growth in digital financial transactions has increased in tandem with the expanding use of e-commerce platforms, leading to a shift toward a digital lifestyle (Suharbi, M. A. & Margono, H., 2022). This shift has significantly impacted the banking sector, prompting various banks in Indonesia to innovate and transition to digital banking to contribute to the country's economic advancement.

According to the Financial Services Authority (OJK) Regulation No. 12/POJK.03/2021 on General Banks, a Digital Bank is an Indonesian legal entity (Bank BHI) that primarily conducts its business through electronic channels without physical branches except for the Head Office (HO) or with limited physical offices. Digital banks can operate by establishing a new Bank BHI as a digital bank or transforming an existing Bank BHI into a Digital Bank (Linggadjaya, R. I. T., et al., 2022). Despite lacking physical branches, digital banks facilitate easier usage and registration for the public through their digital applications and software.

The emergence of digital banks is driven by consumer demand for speed and flexibility in banking services, allowing access to digital banking services anytime and anywhere. Additionally, the advancement of digital banks is fueled by the entry of fintech into the financial sector and the opening of markets that cross geographic boundaries (Kemenkeu, 2022).

2.7 Conceptual Framework

The conceptual framework in research represents a series of ideas that illustrate the relationship between theory and the factors considered problematic in the research topic, achieved through the systematic application of various conceptual models (Sugiyono, 2018). Below is the conceptual framework for the research analyzing the health of digital banks using the RGEC approach in relation to company value.



Picture 1. Conceptual Framework

Description:

: Indicates a partial influence

: Indicates the presence of simultaneous influence

2.8 Hypotheses

Based on the conceptual framework described, the following hypotheses can be formulated:
H_1: Risk Profile (X1) has a partial effect on company value (Y).
H_2: Good Corporate Governance (GCG) (X2) has a partial effect on company value (Y).
H_3: Earnings (X3) have a partial effect on company value (Y).
H_4: Capital (X4) has a partial effect on company value (Y).
H_5: Risk Profile (X1), Good Corporate Governance (X2), Earnings (X3), and Capital (X4) have a simultaneous effect on company value (Y).

3. RESEARCH METHODS

This study uses a quantitative approach with the object of digital banks that are renewing their business licenses in 2021-2023 and are registered with the Financial Services Authority (OJK). The object of the study is a new digital bank that is in the digital transformation stage and has released a digital application. Financial reports are accessed from the official banking website. The research population includes 15 digital banks, both those that have transformed from conventional banks and those that have been designated as digital banks with new business licenses or changes in licenses from the OJK from the start. The research sample was selected using a purposive sampling technique based on two criteria, including:

1. Digital banking companies that publish financial reports in 2021 - 2023 consecutively.
2. Digital banking companies that issue their shares in 2021 - 2023.

So that the sample obtained in this study was 8 digital banking companies.

3.1 Identification of Research Variables

The variables used in this study include: Risk Profile (X1), Good Corporate Governance (X2), Earnings (X3), and Capital (X4). The dependent variable used in this study is Company Value (Y).

3.2 Definisi Operasional Variabel Penelitian

3.2.1 Independen Variabel

Variabel independent are those considered as influencing factors or causes in a study, and their values or levels can be changed by the researcher. These variables are typically plotted on the horizontal axis of graphs and are tested against the dependent variables. In this study, there are four independent variables, including:

1. Risk Profile (X1)
   Risk Profile is a description or summary of all types of risks faced by a particular entity or organization, such as a company, bank, or individual. It includes the identification, measurement, and evaluation of various types of risks that may occur, including credit risk, market risk, liquidity risk, operational risk, and others. Risk Profile helps the entity to better understand the risks faced, so that they can take appropriate steps to manage them effectively. There are eight risks in the Risk Profile, but in this study the Risk Profile is only measured using the liquidity risk aspect. Liquidity risk is a risk that arises due to the bank's inability to meet maturing obligations from cash flow funding sources or high-quality liquid assets that can be used, without disrupting the bank's activities and financial condition (Hutami, 2013). Liquidity risk assessment is carried out using the Loan to Deposit Ratio (LDR).

$$LDR = \frac{Kredit\ yang\ diberikan}{Dana\ pihak\ ketiga}\ x\ 100\%$$

   The following are the criteria for determining the Risk Profile assessment ranking using the LDR measuring tool:

Table 1. Risk Profile Rating (LDR) Determination Criteria

Rating	Description	Ccriteria
1	Very Healthy	LDR ≤ 75%
2	Healthy	75% < LDR≤ 85%
3	Fairly Healthy	85% < LDR ≤ 100%
4	Less Healthy	100% < LDR ≤ 120%
5	Unhealthy	LDR >120%

Source: SE Bank Indonesia No. 6/23/DPNP Tahun 2004

2. Good Corporate Governance (X2)
   Good Corporate Governance (GCG) is a framework or system that governs and oversees how a company is managed and operated. The principles of GCG are designed to ensure that the company operates with transparency, accountability, fairness, and integrity. This includes the organizational structure, decision-making procedures, disclosure of information to stakeholders, and the responsibilities and authorities of the board of directors and executive management in running the company. The application of GCG principles is assessed using the composite value calculation of GCG self-assessment based on the attachment to Bank Indonesia Circular No. 6/23/DPNP, formulated as follows:

Table2. GCG Self-Assessment Rating According to Bank Indonesia

Composite Predicate	Rating
Very Good	1
Good	2
Fairly Good	3
Less Good	4
Not Good	5

Source: Lampiran SE BI No. 9/12/DPNP

Table 3. Summary of GCG Self-Assessment Composite Value Calculation According to Bank Indonesia

No	Rated aspect	Weight (A)	Rating (B)	Score (A) x (B)
1	Implementation of the Duties and Responsibilities of the Board of Commissioners	10,00%	0	0,000
2	Implementation of the Duties and Responsibilities of the Board of Directors	20,00%	0	0,000
3	Completeness and Implementation of Committee Duties	10,00%	0	0,000
4	Handling of Conflicts of Interest	10,00%	0	0,000
5	Implementation of the Bank's Compliance Function	5,00%	0	0,000
6	Implementation of the Internal Audit Function	5,00%	0	0,000
7	Implementation of the External Audit Function	5,00%	0	0,000
8	Implementation of Risk Management, including the Internal Control System	7,50%	0	0,000
9	Provision of Funds to Related Parties (Related Party Transactions) and Large Exposures	7,50%	0	0,000
10	Transparency of the Bank's Financial and Non-Financial Conditions, GCG Implementation Reports, and Internal Reporting	15,00%	0	0,000
11	Bank's Strategic Planning	5,00%	0	0,000
Composite Score		100,00%		0,000

Source: Lampiran SE BI No. 9/12/DPNP

Bank Indonesia has also provided composite score criteria to determine the rating of the GCG self-assessment composite score, with calculations referring to Table 3. The criteria set by Bank Indonesia are as follows:

Table 4. Komposit Score of Self-assessment GCG

Composite Value	Composite Predicate
NK < 1,5	Very Good
1,5 < NK < 2,5	Good
2,5 < NK < 3,5	Fairly Good
3,5 < NK < 4,5	Less Good
4,5 < NK < 5	Not Good

Source: Lampiran SE BI No. 9/12/DPNP

3. Earnings (X3)

Earnings, also known as profit, is the amount of income or revenue generated by an entity, such as a company or an individual, from its operational activities or investments after deducting all related costs. This includes income from the sale of products or services, investments, or other assets after subtracting operational costs, interest expenses, taxes, and other expenditures. Earnings are a crucial indicator of an entity's financial performance and are often used to evaluate profitability and growth over a specific period. A common metric used to assess earnings is Return on Assets (ROA). ROA is a ratio that measures a company's ability to generate profit from its assets. It is calculated by dividing the company's net profit by its total assets, expressed as a percentage. This provides insight into the efficiency and productivity of a company in generating profits from its investments in assets.

$$ROA = \frac{Laba\ Sebelum\ Pajak}{Total\ Aset}\ x\ 100\%$$

The following are the criteria for determining the Earnings assessment ranking using the ROA measuring tool:

Tabel 5. Kriteria Penetapan Peringkat Earnings (ROA)

Predicate	Description	Criteria
1	Very Good	ROA > 1,5%
2	Good	1,25% < ROA ≤ 1,5%
3	Fairly Good	0,5% < ROA ≤ 1,25%
4	Less Good	0% < ROA ≤ 0,5%
5	Not Good	ROA ≤ 0%

Source: SE Bank Indonesia No. 6/23/DPNP Tahun 2004

4. Capital (X4)

Capital refers to the funds or assets owned by an economic entity, used to finance operations, investments, and business expansion while providing a cushion against risks. It is crucial for assessing financial health and long-term viability. The Capital Adequacy Ratio (CAR) is a key metric used to measure a financial institution's ability to cover risks like credit, market, and operational risks. CAR is calculated by dividing core capital by risk-weighted assets. A high CAR indicates sufficient capital to absorb risks, while a low CAR suggests potential financial instability.

$$CAR = \frac{Modal\ Bank}{Aset\ Tertimbang\ Menurut\ Risiko}\ x\ 100\%$$

The following are the criteria for determining the Capital assessment ranking using the CAR measuring tool:

Table 6. Capital Adequacy Ratio (CAR) Determination Criteria

Predicate	Description	Criteria
1	Very Good	CAR > 12%
2	Good	9% ≤ CAR < 12%
3	Fairly Good	8% ≤ CAR < 9%
4	Less Good	6% ≤ CAR < 8%
5	Not Good	CAR ≤ 6%

Source: SE Bank Indonesia No. 6/23/DPNP Tahun 2004

3.2.2 Dependen Variabel

Dependent variables are those that are influenced by the independent variables and are the main outcomes caused by the presence of these independent variables. In this study, the dependent variable is the Company Value (Y).

Company Value represents the total worth of a company's assets, equity, and wealth. It reflects the market value of the company and can be estimated using various approaches, such as market equity value, total market value, or intrinsic value (Soepriyanto, G., 2007). In this research, company value will be measured using the Price to Book Value (PBV) ratio. PBV is the ratio of the market price of a company's stock to its book value; as the stock price increases relative to its book value, the company's value tends to increase (Aprilia, W., & Hapsari, N., 2021). The PBV formula used in this study is as follows:

$$PBV = \frac{Harga\ Pasar\ Saham}{Nilai\ Buku\ Per\ Lembar\ Saham}$$

3.3 Data Analysis Method

The data analysis methods used in this study include:

1.Classical Assumption Test

a. Normality Test

b. Multicollinearity Test

c. Heteroscedasticity Test

d. Autocorrelation Test

2.Multiple Linear Regression Analysis

3.Determination Coefficient Test (R2)

4.Hypothesis Test

a. Partial Test (t-Test)

b. Simultaneous Test (F-Test)

4. RESULT AND DISCUSSION

4.1 CLASSICAL ANALYSIS TEST RESULTS

4.1.1 Normality Test Result

The normality test aims to determine whether the regression model's data is normally distributed. In this study, normality is assessed using the Kolmogorov-Smirnov test. The decision criterion for this test is based on the significance value of Asymp. Sig. (2-tailed). If Asymp. Sig. (2-tailed) > 0.05, the data is considered to be normally distributed. Conversely, if Asymp. Sig. (2-tailed) < 0.05, the data is not normally distributed. The results of the normality test in this study are as follows:

Table 7. Normality Test Result

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		17
Normal Parameters[a,b]	Mean	0.0000000
	Std. Deviation	1.36998401
Most Extreme Differences	Absolute	0.174
	Positive	0.174
	Negative	-0.159
Test Statistic		0.174
Asymp. Sig. (*2-tailed*)		.178[c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Sorce: Data Processed by researchers, 2024

Based on Table 7, the result shows that the Asymp. Sig (2-tailed) value is 0.178, which is greater than the standard significance level of 0.05. Therefore, it can be concluded that the data in this study is normally distributed.

4.1.2 Multikolinierity Test Result

The multicollinearity test in a regression model aims to identify if there is any correlation among independent variables. In this study, multicollinearity is examined using the coefficient table from the SPSS output. If the VIF (Variance Inflation Factor) value is < 10 and the tolerance value is > 0.10, then there is no indication of multicollinearity. Conversely, if the VIF value is > 10 and the tolerance value is < 0.10, multicollinearity is present. The results of the multicollinearity test in this study are as follows:

Table 8. Multikolinierity Test Result

Coefficients[a]				
Model		Sig.	Collinearity Statistics	
			Tolerance	VIF
1	(Constant)	.924		
	LDR	.860	.585	1.710
	GCG	.618	.908	1.101
	ROA	.586	.753	1.329
	CAR	.984	.693	1.443
a. Dependent Variable: Nilai Perusahaan				

source: Data Processed by researchers, 2024

Based on Table 8, it can be seen that the VIF values for all independent variables are < 10, and all tolerance values are > 0.10. Therefore, it can be concluded that there are no signs of multicollinearity among the independent variables in this regression model.

4.1.3 Heterokedasticity Test Result

Heteroscedasticity test aims to identify whether the variance of observations in a regression model is consistent or varies. Consistent variance is called homoscedasticity, while varying variance is referred to as heteroscedasticity (Ghozali, 2018). One detection method is the Glejser test, where the absolute residuals are regressed against the independent variables. The result is considered significant if the probability is greater than 5% (> 0.05). The results of the heteroscedasticity test using the Glejser test in this study are as follows:

Table 9. Heterokedasticity Test Result

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	97.453	1120.535		0.087	0.932
	LDR	-412.659	748.454	-0.152	-0.551	0.588
	GCG	753.923	524.823	0.317	1.437	0.167
	ROA	6009.136	4588.040	0.317	1.310	0.206
	CAR	-246.164	302.928	-0.205	-0.813	0.427
a. Dependent Variable: Nilai Perusahaan						

Sorce: Data Processed by researchers, 2024

Table 9 shows that the Loan to Deposit Ratio variable has a Sig. value of 0.588, Good Corporate Governance has a Sig. value of 0.167, Return on Assets has a Sig. value of 0.206, and Capital Adequacy Ratio has a Sig. value of 0.427. Of all the Sig. values produced are > 0.05. Which means there is no heteroscedasticity symptom.

4.1.4 Autokorelation Test Result

To test for autocorrelation, the Durbin-Watson test is employed to examine whether there is a correlation between the residuals at time t and the residuals at the previous time period (t-1) in a regression model. The results of the Durbin-Watson test in this study are as follows:

Table 10. Autokorelation Test Result

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.631[a]	.398	.271	371.57501	.987
a. Predictors: (Constant), CAR, ROA, GCG, LDR					
b. Dependent Variable: Nilai Perusahaan					

Sorce: Data diolah peneliti, 2024

Based on Table 10, the Durbin-Watson value is 0.987, with the lower bound (dL) at 0.8588 and the upper bound (dU) at 1.8482. Since the Durbin-Watson value is less than the upper bound (dU), it can be concluded that the regression model in this study exhibits autocorrelation. To address this issue, an additional test, the Run Test, is required. The Run Test is used to determine whether the residual data appear randomly or systematically. The following are the results of the Run Test:

Table 11. Autokorelation Test Result

Runs Test	
	Unstandardized Residual
Test Value[a]	-110.37369
Cases < Test Value	12
Cases >= Test Value	12
Total Cases	24
Number of Runs	9
Z	-1.461
Asymp. Sig. (2-tailed)	.144
a. Median	

Sorce: Data Processed by researchers, 2024

Based on the results of the autocorrelation test using the Run Test method shown in Table 11, the Asymp. Sig. (2-tailed) value is 0.144 (> 0.05). This indicates that the regression model is free from autocorrelation issues (i.e., no autocorrelation). Therefore, the autocorrelation issue has been resolved using the Run Test.

4.2 Multiple Linear Regression Analysis

In multiple linear regression analysis, the aim is to understand the effect of independent variables on a dependent variable. In this study, the model assesses the impact of **Loan to Deposit Ratio (X1)**, **Good Corporate Governance (X2)**, **Return on Assets (X3)**, and **Capital Adequacy Ratio (X4)** on **Company Value (Y)**. The results of the multiple linear regression analysis in this study are as follows:

Table 12. Multiple Linear Regression Analysis

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	171.548	301.162		.570	.576
	LDR	212.217	201.159	.208	1.055	.305
	GCG	420.072	141.055	.471	2.978	.008
	ROA	4017.825	1233.110	.566	3.258	.004
	CAR	9.632	81.417	.021	.118	.907
a. Dependent Variable: Nilai Perusahaan						

Sorce: Data Processed by researchers, 2024

Based on table 12, the results of the multiple regression equation are as follows:

Y = 171,548 + 212,217X1 + 420,072X2 + 4017,825X3 + 9,632X4

4.3 Determination Coefficient Test (R^2)

The coefficient of determination is used to measure how far the regression model explains the variation of the dependent variable. The value of the coefficient of determination ranges between zero and one ($0 \leq R2 \leq 1$). The higher the R2 value, the stronger the impact of the independent variable in explaining and providing information on the dependent variable. Conversely, the lower the R2 value, the less impact the independent variable has in explaining and providing information on the dependent variable. The results of the coefficient of determination test in this study are as follows

Tabel 13. Determination Coefficient Test (R2)

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.631[a]	.398	.271	371.57501	.987
a. Predictors: (Constant), CAR, ROA, GCG, LDR					
b. Dependent Variable: Nilai Perusahaan					

Source: Data Processed by researchers, 2024

Based on table 13, it can be seen that the value of Adjusted R2 is 0.271, so it can be concluded that 27.1% of the company value variable can be explained by the independent variables, namely the application of Loan Deposit Ratio, Good Corporate Governance, Return on Assets, and Capital Adequacy Ratio.

4.4 Hypotesis Test Result

4.4.1 Partial Test (t Test)

The t-test is used to determine the extent to which the independent variable individually influences the dependent variable. The basis for decision making in the t-test is as follows:

a. If the significance value is <0.05, then the hypothesis is accepted that the independent variable influences the dependent variable
b. If the calculated t value is greater than ttable, then the hypothesis is accepted that the independent variable influences the dependent variable.

To be able to determine the ttable value, the formula used is as follows:

$t_{tabel} = n – k – 1$

$t_{tabel} = 24 – 4 – 1 = 19$

So that the t table value is 2.093. The results of the t test in this study are as follows:

Table 14. Partial Test (t Test) Result

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	171.548	425.170		0.403	0.691
	LDR	212.217	283.989	0.174	0.747	0.464
	GCG	420.072	199.136	0.394	2.109	0.048
	ROA	4017.825	1740.862	0.474	2.308	0.032
	CAR	9.632	114.941	0.018	0.084	0.934
a. Dependent Variable: Nilai Perusahaan						

Source: Data Processed by researchers, 2024

Based on table 14, it can be concluded that:

a. The results of the t-test of the Loan to Deposit Ratio (X1) variable on the company value (Y) are obtained a significance value of 0.464> 0.05 and a calculated t value of 0.747 <t table 2.093, so it can be concluded that H1 is rejected which means that the Loan to Deposit Ratio (X1) variable does not affect the company value (Y).
b. The results of the t-test of the Good Corporate Governance (X2) variable on the company value (Y) are obtained a significance value of 0.048 <0.05 and a calculated t value of 2.109> t table 2.093, so it can be concluded that H2 is accepted which means that the Good Corporate Governance (X2) variable has a significant effect on the company value (Y).
c. The results of the t-test of the Return on Assets (X3) variable on the company value (Y) are obtained a significance value of 0.032 <0.05 and a calculated t value of 2.308> t table 2.093, it can be concluded that H3 is accepted, which means that the Return on Assets (X3) variable has a significant effect on the company value (Y).
d. The results of the t-test of the Capital Adequency Ratio (X4) variable on the company value (Y) are obtained a significance value of 0.934> 0.05 and a calculated t value of 0.084 <t table 2.093, it can be concluded that H4 is rejected, which means that the Capital Adequency Ratio (X4) variable has no effect on the company value (Y).

4.4.2 Simultaneous Test Result (F-Test)

Simultaneous test (F test) is used to determine the joint influence of independent variables (X) on dependent variables (Y). The basis for making decisions on the F test is if the significance value is <0.05 or F count > F table, then the hypothesis is accepted. To determine the F table value, the following formula is used:

F_{tabel} = k; (n – k – 1)

F_{tabel} = 24; (24 – 4 – 1); F_{tabel} = 24; 19

So that the Ftable value is 2.895. The results of the F test in this study are as follows:

Table 15. Simultaneous Test Result

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1734795.054	4	433698.763	3.141	.038[b]
	Residual	2623291.768	19	138067.988		
	Total	4358086.822	23			

a. Dependent Variable: Nilai Perusahaan

b. Predictors: (Constant), CAR, ROA, GCG, LDR

Source: Data Processed by researchers, 2024

So that the value obtainedBased on table 4.18, it can be seen that the calculated F value is 3.141> Ftable 2.895 and the significance value is 0.038 <0.05, then it can be concluded that H5 is accepted which means that the variables of the implementation of Loan to Deposit Ratio (X1), Good Corporate Governance (X2), Return on Assets (X3), and Capital Adequacy Ratio (X4) have a significant influence on the company's value.Ftable is 2.895. The results of the F test in this study are as follows

4.5 Intepretasi

1. Influence of Risk Profile on Company Value:
   The research findings indicate that the Loan-to-Deposit Ratio (LDR) does not affect company value. Thus, the hypothesis suggesting that Risk Profile impacts company value is rejected. This is attributed to the insufficient credit provided by digital banks.
2. Influence of Good Corporate Governance (GCG) on Company Value:
   The study shows that Good Corporate Governance (GCG) has a positive effect on company value, both partially and simultaneously. Therefore, the hypothesis that GCG impacts company value is accepted. This is due to the high scores achieved in the self-assessment based on 11 aspects, reflecting good and adequate governance practices among digital banks.
3. Influence of Earnings on Company Value:
   The results reveal that Earnings positively influence company value, both partially and simultaneously. Consequently, the hypothesis that Earnings affect company value is accepted. This is because digital banks are able to generate profit from their assets. Higher earnings from assets improve the company's value and attract investors' attention.
4. Influence of Capital on Company Value:
   The study shows that the Capital Adequacy Ratio (CAR) does not affect company value. Therefore, the hypothesis that Capital influences company value is rejected.
5. Simultaneous Influence of Risk Profile, Good Corporate Governance, Earnings, and Capital on Company Value:
   The ANOVA test results indicate that Risk Profile, Good Corporate Governance, Earnings, and Capital, when considered together, impact company value. Hence, the hypothesis that these variables simultaneously influence company value is proven and accepted.

5. CONCLUSION AND SUGGESTIONS

5.1 Conclussion

The research conclusions indicate that Good Corporate Governance and Earnings (ROA) have a positive and significant effect on company value. In contrast, Risk Profile (LDR) and Capital (CAR) do not significantly influence company value. Based on these findings, the implications for digital banks registered with the Financial Services Authority (OJK) are as follows:

1. Risk Profile: Although Risk Profile does not significantly impact company value, digital banks should enhance risk management to ensure adequate liquidity and protect the company from potential risks.
2. Good Corporate Governance: The importance of implementing Good Corporate Governance through effective self-assessment is clear. Digital banks should continuously improve their governance practices with rigorous self-assessment, ensuring transparency and accountability.
3. Earnings: Earnings significantly impact company value. Therefore, digital banks should focus on strategies to improve profitability, such as enhancing operational efficiency and developing innovative products and services.
4. Capital: Although Capital does not significantly affect company value, digital banks should strengthen their capital base to manage risks and ensure sustainable growth.

5.2 Suggestion

Based on the analysis, discussion, and conclusions of this study, the following recommendations are provided:

1. For Banking Companies:

   Liquidity Risk: The study found that liquidity risk in digital banks has not positively influenced the company's value. It is recommended that banking companies enhance the efficiency of credit distribution to meet their liquidity needs more effectively.

   Capital: The study indicated that the current capital levels in digital banks are insufficient to cover the risks they face. Banking companies should consider increasing their capital to better manage potential losses and ensure financial stability.

2. Future Researchers:

   Future studies should include additional measurement tools such as Non-Performing Loans (NPL), Net Interest Margin (NIM), and Return on Equity (ROE) when applying the RGEC method. This could provide more impactful results regarding the company's value.

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