

COMPARATIVE ANALYSIS STUDY OF BANK HEALTH LEVELS USING THE RGEC METHOD DURING AND POST THE COVID-19 PANDEMIC (CASE STUDY AT BANK BNI AND BANK CIMB NIAGA)

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ABSTRACT

This research aims to analyze the comparison of the health levels of BNI banks and CIMB Niaga banks during and after the Covid-19 pandemic. The research period used is 2021 during the Covid-19 pandemic and 2023 after the pandemic. The research method used is descriptive research with a quantitative approach. The population in this study were banks registered on the BEI (Indonesian Stock Exchange) from 1989 to 1996. Sample selection used the purposive sampling method. The samples chosen were Bank BNI and Bank CIMB Niaga. The data processed in this research is secondary data in the form of each bank's annual report. Data analysis uses the RGEC method. The results of this research show that the health level of Bank BNI and Bank CIMB Niaga during and after the Covid-19 pandemic was ranked 1st with a very healthy image, this shows that the condition of the two banks is able to face significant negative impacts. from changes in business conditions and other external factors.

Keywords: Covid -19, Bank Health Level, RGEC, Bank BNI, Bank CIMB Niaga

1. INTRODUCTION

The Covid-19 pandemic in Indonesia occurred in March 2020, during the pandemic the government experienced the biggest challenge because this event had never happened before and on the other hand it had a big impact, especially in the health sector and the economic sector. In order to prevent the spread of the virus more widely, the Indonesian government implemented policies that actually hampered and disrupted economic growth in Indonesia. With the implementation of the PSBB and PPKM policies, community activity has decreased, causing a decline in business activity, industrial performance and household consumption activities in this sector. Bearing in mind that households have an important role in the main pillars of the economy. The weakening economy also brought disruption to the banking sector, especially in subscription financial intermediation activities and the implementation of monetary policy.

On Wednesday (21/06/2023) the President officially announced the revocation of the Covid-19 pandemic status in Indonesia. Post-pandemic economic growth has increased again, especially in the subscription sector. When economic activities return to normal, for example, banks must also have policies that are able to assist banks in restructuring according to the situation. This can only be done by healthy banks, therefore Bank Indonesia Regulation Number 13/1/PBI/2011 dated 5 January 2011 concerning Commercial Bank Health Level Assessment explains that banks are obliged to carry out bank health level assessments both individually and consolidated with using a risk approach (Tim Informasi Hukum, 2011). Therefore , banks must continue to maintain and restore their health level.

Health bank rankings are made using published financial reports. This bank health assessment is also useful in implementing Good Corporate Governance and to face future risks that will occur. In assessing health banks, the government has determined through Bank Indonesia. Based on (PBI No.13/1/PBI/2011) and (PJOK No.4/PJOK.03/2016) concerning the Assessment of the Health Level of Commercial Banks using the Risk-Based Bank Rating (RBBR) method. Risk-Based Bank Rating Method (RBBR) is a policy issued by the government as a health bank level assessment tool which is a refinement of the CAMELS method. The factor that determines the level of bank health for commercial banks is the Risk Profile Profile), Good Corporate Governance , Profitability (earnings) , and Capital (Capital) which can be shortened to RGEC (Syaiedah, 2017) .

BNI Bank is the bank that suffered the worst losses among other banks at the start of the Covid-19 pandemic, with profits in 2020 dropping significantly to Rp. 3.3 trillion from 2019 amounting to Rp. 15.38 Trillion. The decline in Bank BNI's profits was due to a decrease in loan interest income, down 4.0% YoY to provide stimulus for credit restructuring to corporations, consumers and debtors (Sidik, CNBC Indonesia, 2021). Apart from Bank BNI, Bank CIMB Niaga also experienced a decline during the pandemic. CIMB Niaga Bank recorded that profits in 2020 decreased by 44.79% YoY to Rp. 2.01 trillion from 2019 amounting to Rp. 3.64 Trillion. The decline that occurred at CIMB Niaga Bank was due to the bank's net income value falling 0.77% YoY, followed by interest income also falling 21.23%, ROA (Return On Assets) falling 1.06%, and ROE (Return On Equity) also fell to 9.03% YoY (Wareza, 2021).

The aim of this research is to compare the health level of Bank BNI and Bank CIMB Niaga based on the RGEC method . This research is important to realize in order to help all communities or relevant stakeholders in the process of selecting a bank that is healthy, both in terms of financial perception and corporate governance.

2. STUDY THEORY

According to Hayat, et al (2021:67) Financial reports are the final result of the accounting process, where in this process all transactions that occur will be recorded, classified, summarized and then compiled into a financial report . According to Sujarweni (2017:76), in his book he explains the eight main requirements of financial reports, namely being understandable, relevant, clear, comparable, testable, neutral, timely and complete. According to Kasmir (2016:11) The purpose of making or compiling financial reports is to provide information about the type and amount of active (asset), provide information on the type and amount of liabilities, provide information on the type and amount of income, provide information on the type and amount of costs incurred by the company, provide information on changes that occur in assets, liabilities and capital, providing information on company management performance, providing information on notes to financial reports and other financial information. Based on the Financial Services Authority Circular Number 14/SEOJK.03/2017 concerning the Assessment of the Soundness Level of Commercial Banks, a bank will carry out a health level assessment using the RGEC method .

RGEC coverage consists of assessing Risk Profile , Corporate Governance , Revenue and Capital factors . Risk Profile factor assessment or Risk Profile is an assessment of inherent risk and the quality of risk management implementation in operational bank activities. The Risk Profile will be calculated by credit risk and liquidity risk. Credit risk is the risk that arises as a result of the failure of another party to fulfill its obligations to the bank. Liquidity risk is the risk resulting from a bank's guarantee to meet maturing obligations from a source of cash flow establishment, and/or from a liquid set that can be pledged as collateral.

The assessment of governance factors is an assessment of the quality of bank management regarding the implementation of GCG principles. In its application, corporate governance has five principles which are used as a basis so that it can be formed well. Here are the five principles:

- a. Transparency.
- b. Accountability .
- c. Responsibility.
- d. Independence.
- e. Fairness and equality.

The assessment of profitability factors includes evaluation of profitability performance, profitability sources, profitability sustainability (profit sustainability), and profitability management. The profitability factor is carried out using the ROA and NIM ratios . ROA is a ratio that shows the ability of the capital invested in the overall activity to generate profits (Santoso, 1995:97). NIM is a ratio used to measure the amount of net interest income of a bank (Santoso, 1995:98). Assessment of capital factors includes evaluation of capital adequacy and capital management adequacy.

Thus, the stages of the context framework in analyzing the RGEC method of Bank BNI and Bank CIMB Niaga can be described as follows:

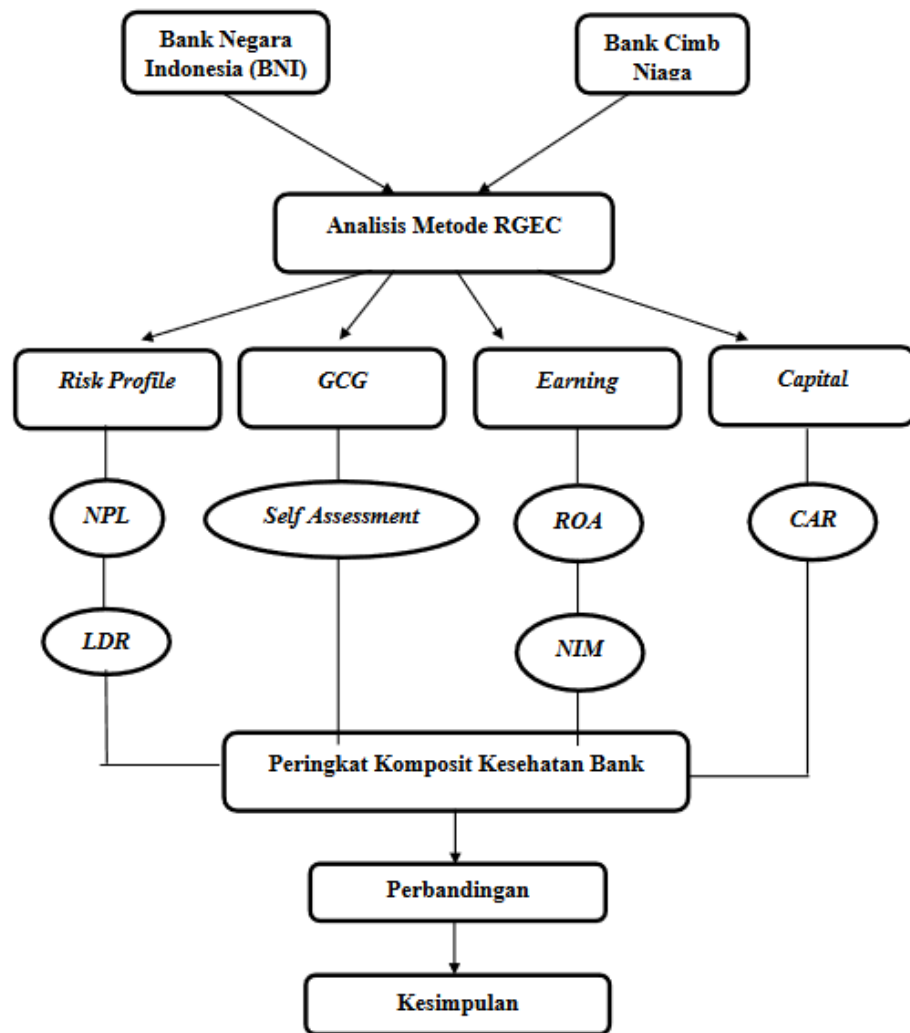


Figure 1. Conceptual Framework

3. RESEARCH METHODS

Population study This is banks registered on the IDX in 1989 – 1996. Election sample determined based on method taking sample intentionally . Thereby criteria for the bank used sample is companies that comply a number of criteria this : banks registered on the IDX in 1989 – 1996, banks issued report his finances during in 2021 – 2023, banks will experience decline profit clean during the Covid-19 pandemic in 2020, one of the banks that will researched are banks that include state-owned banks and private banks biggest second in Indonesia. Sample in research This are Bank BNI and Bank CIMB Niaga . This type of research is descriptive research with a quantitative approach. According to Krisyantono (2014:78), descriptive research is research designed to collect data that describes the characteristics of people, events or situations. According to Arikunto (2006:12) quantitative research is research that uses numbers starting from data collection, interpretation of the data, and the appearance of the results. The data used in this research is secondary data, in the form of financial ratios of Bank BNI and Bank CIMB Niaga for the period 2021 – 2023 which have been audited and published . identity variable study This There is Profile risk with ratio its NPL and LDR, Good Corporate Governance with self assessment , Earnings with Raio ROA and NIM, and Capital with CAR ratio . This research data collection method uses documentation and literature study. According to Ruslan (2016:57) documentation is related matters with activity collect , process , select and analyze Then appear all data, information and documents about something activities , events or work certain published ones Good via electronic media nor print and then saved in a way orderly and systematic . According to Sugiyono (2017:291) explains Study library about with theoretical studies and other references related to the values, culture, norms that develop in the social situation studied. Meanwhile, the data analysis method uses the RGEC method with the following ratio:

1.

taking Profile

a.

PLs

The process of calculating credit risk with the *NPL ratio* utilizes the problem credit value and total credit owned by the bank in a certain period with the following formula:

$$\text{NPL} = \frac{\text{Kredit Bermasalah}}{\text{Total Kredit}} \times 100\%$$

Source : SE.BI.No. 13/24/DPNP/2011

Table 1. NPL Rating Weights

Rating	Weight (%)	Information
1	NPL < 2%	Very healthy
2	2% ≤ NPL < 5%	Healthy
3	5% ≤ NPL < 8%	Pretty Healthy
4	8% ≤ NPL < 12%	Unwell
5	NPL ≥ 12%	Not healthy

Source: Codification of Bank Health Level Assessment

b. *LDR*

LDR calculation utilizes the total credit disbursed and third party funds that have been received using the following formula:

$$\text{LDR} = \frac{\text{Total Kredit}}{\text{Dana Pihak Ketiga}} \times 100\%$$

Source : SE.BI.No. 13/24/DPNP/2011

Table 2. LDR Rating Weights

Rating	Weight (%)	Information
1	50% < LDR ≤ 75%	Very healthy
2	75% < LDR ≤ 85%	Healthy
3	85% < LDR ≤ 100%	Pretty Healthy
4	100% < LDR ≤ 120%	Unwell
5	LDR > 120	Not healthy

Source: Codification of Bank Health Level Assessment

2. *Good Corporate Governance*

Based on OJK circular NO.14/SEOJK.03/2017, the assessment of *GCG* is carried out using the results of *the Self-Assessment* that has been carried out by each bank with the following weights:

Table 3. GCG Rating Weights

Rating	Information
1	Very healthy
2	Healthy
3	Pretty Healthy

Rating	Information
4	Unwell
5	Not healthy

Source: OJK Circular No.14/SEOJK.03/2017

3. *Income*

a. *ROA*

ROA calculation will utilize profit before taxes and average total assets with the following formula:

$$ROA = \frac{\text{Laba sebelum pajak}}{\text{Rata – rata total aset}} \times 100\%$$

Source: SE.BI.No.13/24/DPNP/2011

Table 4. *ROA Ranking Weights*

Rating	Weight (%)	Information
1	ROA > 1,450%	Very healthy
2	1.215% < ROA ≤ 1.450%	Healthy
3	0.999% < ROA ≤ 1.215%	Pretty Healthy
4	0.765% < ROA ≤ 0.999%	Unwell
5	ROA ≤ 0.765%	Not healthy

Source: Codification of Bank Health Level Assessment

b. *NIM*

NIM calculation refers to net interest income and average total productive assets using the following formula:

$$NIM = \frac{\text{Pendapatan Bunga Bersih}}{\text{Rata – rata Aktiva Produktif}} \times 100\%$$

Source: SE.BI.No.13/24/DPNP/2011

Table 5. *NIM Ranking Weights*

Rating	Weight (%)	Information
1	NIM > 3%	Very healthy
2	2% < NIM ≤ 3%	Healthy
3	1.5% < NIM ≤ 2%	Pretty Healthy
4	1% < NIM ≤ 1.5%	Unwell
5	NIM ≤ 1%	Not healthy

Source: Codification of Bank Health Level Assessment

4. *Capital*

The assessment carried out from *the Capital* or capital aspect will use the *CAR ratio* in accordance with the provisions of the Financial Services Authority with the following formula:

$$CAR = \frac{\text{Modal Bank}}{\text{Aktiva Tertimbang Menurut Risiko}} \times 100\%$$

Source: SE.BI.No.13/24/DPNP/2011

Table 6. *CAR Ranking Weights*

Rating	Weight (%)	Information
1	CAR ≥ 11 %	Very healthy

Rating	Weight (%)	Information
2	$9.5\% \leq CAR < 11\%$	Healthy
3	$8\% \leq CAR < 9.5\%$	Pretty Healthy
4	$6.5\% \leq CAR < 8\%$	Unwell
5	$CAR > 6.5\%$	Not healthy

Source: Codification of Bank Health Level Assessment

5. Bank Health Level

The composite rating is the final result that states the rating of a bank's overall health. The ratios used in this research increased by six, namely NPL, LDR, GCG, ROA, NIM, and CAR. Each of these ratios has a maximum composite value of 5. So, overall the composite value in this study is 30. The values are as follows:

Rank 1 has a value of 5 (five).

Rank 2 has a value of 4 (four).

Rank 3 has a value of 3 (three).

Rank 4 has a value of 2 (two).

Rank 5 has a value of 1 (one).

The Composite Rating formula used is as follows:

$$\text{Peringkat Komposit} = \frac{\text{Jumlah Nilai Komposit}}{\text{Total Nilai Komposit}} \times 100\%$$

Source : SE.BI.No. 13/24/DPNP/2011

Table 7. Composite Rating Weights

Composite Rating	Weight (%)	Information
PK-1	86 – 100	Very healthy
PK-2	71 – 85	Healthy
PK-3	61 – 70	Pretty Healthy
PK-4	41 – 60	Unwell
PK-5	0 – 40	Not healthy

Source: Codification of Bank Health Level Assessment

4. RESULTS AND DISCUSSION

The following is a discussion of research results regarding the level of health banks using the RGEC method at Bank BNI and Bank CIMB Niaga for the period 2021 – 2023 :

Table 8. Assessment of the Health Level of BNI Bank for 2021 – 2023

Year	Research Aspects	Ratio	Mark (%)	Rating					Information
				1	2	3	4	5	
2021	Risk Profile	NPLs	3.70		√				S
		LDR	79.7		√				S
	GCG	Self-assessment	2		√				S
			ROA	1.4		√			
	Income	NIM	4.7	√					SS
			CAR	19.7	√				
	Composite Value		30	10	16				$26/30 \times 100\% = 87\%$
Composite Rating			Very healthy						
2022	Risk Profile	NPLs	2.8		√				S
		LDR	84.2		√				S
	GCG	Self-assessment	2		√				S
			ROA	2.5	√				

		NIM	4.8	√						SS
	Capital	CAR	19.3	√						SS
	Composite Value		30	15	12					27/30×100%=90%
	Composite Rating		Very healthy							
2023	Risk Profile	NPLs	2.1		√					S
		LDR	85.8			√				CS
	GCG	Self-assessment	2		√					S
	Income	ROA	2.6	√						SS
		NIM	4.6	√						SS
	Capital	CAR	22	√						SS
	Composite Value		30	15	8	3				26/30×100%=87%
	Composite Rating		Very healthy							

Table 9. Assessment of the Health Level of CIMB Niaga Bank for 2021 – 2023

Year	Research Aspects	Ratio	Mark	Rating					Information	
				1	2	3	4	5		
2021	Risk Profile	NPLs	3.46		√					S
		LDR	74.35	√						SS
	GCG	Self-assessment	2		√					S
	Income	ROA	1.88	√						SS
		NIM	4.86	√						SS
	Capital	CAR	22.68	√						SS
	Composite Value		30	20	8					28/30×100=93%
	Composite Rating		Very healthy							
2022	Risk Profile	NPLs	2.80		√					S
		LDR	85.63			√				CS
	GCG	Self-assessment	2		√					S
	Income	ROA	2.16	√						SS
		NIM	4.69	√						SS
	Capital	CAR	22.19	√						SS
	Composite Value		30	15	8	3				26/30×100%=87%
	Composite Rating		Very healthy							
2023	Risk Profile	NPLs	1.96	√						S
		LDR	89.30			√				CS
	GCG	Self-assessment	2		√					S
	Income	ROA	2.59	√						SS
		NIM	4.40	√						SS
	Capital	CAR	24.02	√						SS
	Composite Value		30	20	4	3				27/30×100%=90%
	Composite Rating		Very healthy							

Based on the results of research using the RGEC method at Bank BNI and Bank CIMB Niaga in 2021 - 2023, the following analysis results were obtained :

1. Staking Profile

a. NPLs

Rating result BNI Bank's health in the NPL ratio has values of 3.7%, 2.8% and 2.1% in 2021 – 2023, all of which mark enter 2nd place with information **Healthy** . On the side another , level CIMB Niaga Bank's health 2021 – 2022 is at 3.46 % , and the second 2.8% mark This entered in 2nd place with information **Healthy** , whereas NPL value in 2023 has a value of 1.96% which is ranked 1st with information **very healthy** . This matter show that second bank can guard NPL value with OK , even Bank CIMB Niaga seen more superior .

b. LDR

Rating result The health of Bank BNI is seen from LDR ratio for 2021 – 2022 with values 79.7% and 84.2%, second mark This enter 2nd place with information **Healthy** , whereas In 2023 the LDR value will be ranked 3rd with information **Enough Healthy** with mark 85.8%. On the other hand , Bank CIMB Niaga's LDR in 2021 shows the value of 74.35% was entered 1st place with information **very healthy** , Then 2022 – 2023 LDR shows decline mark to 85.63%, and 89.30 which was successful entered in 3rd place with information **Enough Healthy** . From the results Bank BNI's assessment in 2022 – 2023 shows exists decline LDR values , and Bank CIMB Niaga are also visible experience significant decrease .

2. Good Corporate Governance

According to Self The assessment carried out by Bank BNI during 2021 – 2023 obtained stable results with GCG results being ranked 2nd with a healthy statement. CIMB Niaga Bank also does Self The assessment in 2021 – 2023 received the same results, namely ranking 2nd with a healthy statement. This shows that both banks are implementing governance principles well.

3. Income

a. ROA

Rating result BNI Bank health from The ROA ratio in 2021 has a value of 1.4%, which is ranked 2nd with a **healthy description** , while in 2022 - 2023 the ROA value will increase to 2.5% and 2.6%, which makes this value ranked 1st with a **very healthy description** . Bank CIMB Niaga's ROA shows stable results starting from 2021 - 2023, namely ranking 1st with **very healthy information** , followed by values of 1.88%, 2.16% and 2.59% which increase significantly. This shows that a large ROA value also reflects an equally large net profit income.

b. NIM

Rating result BNI Bank health from The NIM ratio for 2021 – 2023 has values of 4.7%, 4.8% and 4.6%, all of which are ranked 1st with **very healthy information** . The ROA value at CIMB Niaga Bank also shows good results from 2021 - 2023, namely ranking 1st with **very healthy information** , followed by values of 4.86%, 4.69% and 4.40%.

4. Capital

Rating result The health of Bank BNI is seen from The CAR ratio for 2021 – 2023 has values of 19.7%, 19.3% and 22%, ranking 1st with **very healthy information** . The CAR value at CIMB Niaga Bank shows good results starting from 2021 - 2023, namely ranking 1st with **very healthy information** , followed by values of 22.68%, 22.19% and 24.02% which increase significantly in 2023.

5. Bank Health Level through Rating Composite

Rating result from ranking composite that has been calculated at BNI Bank in 2021 – 2023 to get very good results with mark total composition 87%, 90% and 87%. All mark composite This enter PK-1 with information **very healthy** . On the other hand, results ranking composite obtained start 2021-2023 begins with figures 93%, 87% and 90% p This show that Bank CIMB Niaga also entered PK-1 with information **very healthy** . This matter Can This means that these two banks are able to face the negative impacts of both internal and external factors very well.

5.

6. CONCLUSION

Based on the results of the health analysis at Bank Neo Commerce and Bank Jago using the RGEC method for 2019 – 2021, the results of this research can be concluded as follows:

1. Research on Risk Profile with the NPL ratio shows that Bank BNI in 2021 - 2023 was ranked 2 (Healthy), while Bank CIMB Niaga was ranked 2 (Healthy) in 2021 - 2022 and in 2023 it was ranked 1 (Very healthy). LDR ratio research shows that Bank BNI received a rating of 2 (Healthy) in 2021 - 2022, while for 2023 it received a rating of 3 (fairly healthy) and for Bank CIMB Niaga in 2021 it received a rating of 1 (Very healthy), and in 2022 – 2023 gets a rating of 3 (unhealthy).
2. Good Corporate Governance (GCG) research shows that Bank BNI and Bank CIMB Niaga were ranked 2 (Healthy).
3. Income assessment with the Return on Assets (ROA) ratio shows that Bank BNI in 2021 received rank 2 (Healthy) and in 2022 – 2023 it received rank 1 (Very healthy), on the other hand, Bank CIMB Niaga's ROA

value for 2021 – 2023 received rank 1 (Very healthy). Meanwhile, the Net Interest Margin (NIM) ratio shows that Bank BNI and Bank CIMB Niaga both received rank 1 (Very healthy).

4. Capital Assessment shows that Bank BNI and Bank CIMB Niaga both received a rating of 1 (Very healthy).
5. The results of the comparison of bank health levels using the RGEC factor show that Bank BNI and Bank CIMB Niaga both received very healthy information.

Suggestion

Through the research results and conclusions that have been obtained, there are several suggestions that researchers can convey as follows:

- a. Future researchers who wish to research the same concentration are expected to expand the scope of their research. For example, adding other ratios as a measuring tool for the RGEC method used. However the ratio is increased, it is hoped that the research will be more accurate and reliable.
- b. People who want to use banking services can use the results of this research to use as a template for their selection. Stakeholder groups and the public are expected to be able to choose quality and healthy banks.

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