

## HEALTH LEVEL OF BANK USING RISK BASED BANK RATING

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### *Abstract*

*Level of Health and financial performance of banks is the ability of a bank to conduct banking operations as normal and is able to meet all its obligations properly in a manner that complies with applicable banking. Increasing the effectiveness of health assessment of banks to cope with changes in the banking environment, the banks need improvement with risk approach. This research aims to examine and analyze the Assessment of the level of health of Commercial Banks, based on Bank Indonesia Regulation No. 13 / I / PBI / 2011. This study uses 32 banking companies listed in Indonesia Stock Exchange year period 2012-2014. The analytical tool used this study is the Assessment of the level of health of Commercial Banks against the risk factor using the ratio of net performing loans (NPLs) and Loan to Deposit Ratio (LDR), a factor of corporate governance by using the report self-assessment of good corporate governance, the earnings factor using the ratio of return on assets (ROA) and net interest margin (NIM) and the factor of capital using the ratio of capital adequacy ratio (CAR). Based on the findings, it was concluded as follows: the Assessment of the level of health of Commercial Banks that are in the category of healthy and good assessment in 2012 until 2014. Banks that were rated best based on the health of banks use the following indicators: (1) Net performing loans obtained by PT. Nationalnobu Bank Tbk; (2) Loan To Deposit Ratio by PT. Nationalnobu Bank Tbk .; (3) Return on Assets: by PT. Bank Mestika Darma Tbk, and PT. Bank Rakyat Indonesia Tbk; (4) Net Interest Margin: by PT. Bank Danamon Tbk, and PT. National Savings Bank Tbk .; (5) Capital Adequacy Ratio: by PT. Nationalnobu Bank Tbk.*

**Key words:** *net performing loans, loan to deposit ratio, ratio of return on assets, net interest margin, capital adequacy ratio*

### INTRODUCTION

The bank's business is a business that is fraught with risks of systemic and massive (endemic), could even have an impact spread (contagion effect). When one bank of the unfortunate, it can affect other banks. The banking crisis in mid-1997, for example, give rise to various problems so complex that quickly turned into an economic crisis, a crisis of social, cultural, political crisis, and the multidimensional crisis.

Public confidence can be built with a form of transparency of the banking institutions in terms of both the financial statements and state of health of the bank published. Indonesian banking institutions had felt the loss of public confidence in the bank. People feel hesitate to keep their money in the bank and withdraw their money that stored in the

bank.[12]

The state of health of banks can be seen through the bank's performance, particularly the bank's financial performance. "Level health and financial performance of banks. [5] can be defined as the ability of a bank to conduct banking operations as normal and is able to meet all its obligations properly in ways that correspond to the prevailing banking regulations."

According to Bank Indonesia Regulation [2] Article 1 Paragraph 4, understanding of the bank is the result of qualitative assessments of various aspects affecting the condition or performance of a Bank through the Assessment of Quantitative and or Qualitative Assessment of the factors of capital, asset quality, management, earnings, liquidity and sensitivity to market risk.

Improvement of the effectiveness of health

assessment of banks to cope with changes in the banking environment, the banks need improvement with risk approach. It obliges banks to assess their own (self-assessment) bank by using the approach of risk (risk-Based Bank Rating / RBBR), both individual and consolidated, the scope of assessment includes risk profile (risk profile), corporate governance (Good Corporate Governance), earnings (earnings), and capital (Capital) to produce a composite rating the level health of the bank. Accordance with the provisions of Bank Indonesia Regulation [1] and [4] on the Assessment of the level of health of Commercial Banks.

The new legislation is a refinement of the method previously used CAMELS. The new method stipulated by Bank Indonesia is a method with risk approach namely Risk-Based Bank Rating (RBBR). Metode Risk Based Bank Rating atau RBBR adalah metode yang terdiri dari empat faktor yaitu penilaian Profil Risiko, Good Corporate Governance (GCG), Produktif dan Capital. [9,10]

The risk assessment is based on Risk Based Bank Rating (RBBR) according to Bank Indonesia Regulation [1] Article 4, factors assessment, as described below.

**a) Risk Profile**

Risk Profile is the assessment basic of the bank at this time because any activity carried out by banks are very possible to emergence of risk. The Assessment is an assessment of inherent risk and quality of risk management in bank operations. According to Bank Indonesia Regulation [1], risks are taken into account in assessing the health of banks by the method of Risk-Based Bank Rating (RBBR) as follows: (1) credit risk, (2) market risk, (3) Liquidity Risk, (4) Operational Risk (5) Legal Risk, 6) Strategic Risk, (7) Compliance Risk, (8) Reputational Risk.

**b) Good Corporate Governance**

Good Corporate Governance [11], is a set of percentages and efforts to improve systems and processes in the management of the organization by organizing and clarify the relationship, authority the rights and obligations of all stakeholders (stakeholders), including the General Meeting of Shareholders (AGM), the Board of

Commissioners and Board of Directors. Good Corporate Governance [3] to give understanding: enterprise management mechanisms to ensure that management always acted in the interests of the parties associated with the company, so that the management company will always be focused on improving the company's value.

Table. 1. Matrix Parameters / Indicators Assessment Factor Good Corporate Governance (GCG) [1]

Assessment Factor GCG	Description
Parameter/assessment indicators GCG factor is the rating of the Bank's management on the implementation of corporate governance principles refer to Bank Indonesia provisions concerning GCG for Commercial Banks by taking into account the characteristics and complexity of the Bank	The results of the implementation of corporate governance principles of the Bank as stipulated in Bank Indonesia provisions concerning GCG for Commercial Banks is only one source of votes GCG Bank perigkat factor in the assessment of the Bank

National Committee for Good Corporate Governance issued general guidelines of Good Corporate Governance Indonesia which contains five basic principles as follows:

- (1) Transparency is openness in expressing their material and relevant information as well as transparency in the decision making process.
- (2) Accountability namely clarity of function and implementation of organ bank accountability so that effective management.
- (3) Responsibility is the suitability of the bank management with the legislation in force and the principles of sound bank management.
- (4) Independency that the bank management in a professional manner with no influence / pressure from any party.
- (5) Fairness and Equality namely justice and equality in fulfilling the rights of stakeholders arising under treaties and legislation in force.

**c) Earning (Rentabilitas)**

Analysis of the profitability ratio is a tool to identify or quantify the level of business efficiency and profitability achieved by the bank concerned. In addition, the ratios used to measure the profitability of the Bank. Based on Bank Indonesia Regulation No. 13/1 / PBI / 2011, an assessment of the earnings factor

(earnings) includes assessment of the earnings performance, sources of earnings, and the sustainability of bank earnings.

#### **d) Capital (Modal)**

According to [7], Capital Ratio is an assessment of the existing capital based on the capital adequacy of banks. The greater the ratio, the better the dining capital capital position.

The soundness of banks conducted by the Composite Rating (PK) of the Bank established (Bank Indonesia Regulation [1] based on a comprehensive and structured analysis to rank each factor by taking into account the materiality and significance of each factor, as well as considering the ability banks in the face of significant changes in external conditions.

Based on the background and the formulation of the problem, then the purpose of this study was assessment of Health Level of Commercial Banks in Indonesia Stock Exchange 2012-2014 period based on PBI [1], as follows: (1) Indicators Non Performing Loan (NPL) in the category of healthy; (2) Indicators Loan to Deposit Ratio (LDR) in the category of healthy; (3) Indicators of Good Corporate Governance in both categories; (4) Indicators Return on Assets (ROA) in the category of healthy; (5) Indicators Net Interest Margin (NIM) in the category of healthy; (6) Indicators Capital Adequacy Ratio (CAR) in the category of healthy; (7) The best bank in assessment of the health of commercial banks.

## **MATERIALS AND METHODS**

The research was conducted on all commercial banks registered as a public company on the Indonesian Stock Exchange in the report year 2012-2014. The number of banks registered as a public company at the Indonesian Stock Exchange accounted for 41 banks representing the sample in this study. This study uses Purpose Sampling, based on the following criteria: (1) Banks published annual reports (annual report) for the period of 2012 through 2014; (2) Bank which publishes reports Self Assessment Good Corporate Governance in the period of 2012 through 2014; (3) From these 41 banks a number of 32 banks were selected using criteria and remained in this research.

This study was conducted from February 2016

to July, 2016. The data required from commercial banks registered as a public company on the Indonesian Stock Exchange consists of: (1) The annual report in year 2012-2014. (2) Self Assessment Report of Good Corporate Governance in Year 2012-2014.

This study uses the ratio of Assessment for Commercial Banks on the Indonesia Stock Exchange for the period 2012-2014 is based on PBI [1].

#### **(1) Analysis of Risk Profile**

a) NPL (Non Performing Loan), is the ratio between non-performing loans to total loans. Predicate Health of Bank under the NPL (Bank Indonesia Circular Letter No. 6/23 / DPNP), namely:

- (1)  $NPL < 2\%$ , Very Healthy;
- (2)  $2\% < NPL \leq 5\%$ , Healthy;
- (3)  $5\% < NPL \leq 8\%$ , Fit;
- (4)  $8\% < NPL \leq 12\%$ , Less Healthy;
- (5)  $NPL > 12\%$ , Unhealthy.

b) LDR (Loan to Deposit Ratio) is the financial ratio of the banking company's that relate to aspects liquidity by comparing the entire amount of credit given to third-party funds. Predicate Health of Bank based LDR Bank (Bank Indonesia Circular Letter No. No. 13/30 / DPNP / 2011), namely:

- (1)  $LDR \leq 75\%$ , Very Healthy;
- (2)  $75\% < LDR \leq 85\%$ , Healthy;
- (3)  $85\% < LDR \leq 100\%$ , healthy enough;
- (4)  $100\% < LDR \leq 120\%$ , Less Healthy;
- (5)  $LDR > 120\%$ , Unhealthy.

#### **(2) Good Corporate Governance**

Reports Corporate Governance (GCG), ranked Determination assessment of the implementation of Good Corporate Governance factors based on self-assessment reports by the respective Good Corporate Commercial Bank Issuer in the Indonesia Stock Exchange. Predicate Health of Bank based GCG Bank (Bank Indonesia Circular Letter No. No. 13/30 / DPNP / 2011), namely:

- (1) Ranked 1 Very Good;
- (2) Ranked 2, Good;
- (3) Ranked 3 Pretty Good ;
- (4) Ranked 4 Less Good;
- (5) Ranked 5, No Good.

#### **(3) Earnings (Rentabilitas)**

a) Return on Assets (ROA) is a ratio that measures a company's ability to generate

profits is by using total assets owned after adjusting for the costs of marking these assets. Predicate Health of Bank based ROA (Bank Indonesia Circular Letter No. No. 13/30 / DPNP / 2011), namely:

- (1) 1.5% <ROA, Very Healthy;
- (2) 1.25% <ROA ≤ 1.5%, Healthy;
- (3) 0.5% <ROA ≤ 1.25%, healthy enough;
- (4) 0% <ROA ≤ 0.5%, Less Healthy;
- (5) ROA ≤ 0% (or negative), Unhealthy.

b) NIM (Net Interest Margin) ratio comparison between net interest income to average earning assets. Predicate Health of Bank based NIM (Bank Indonesia Circular Letter No. 13/30 / DPNP / 2011), namely:

- (1) 3% <NIM, Very Healthy;
- (2) 2% <NIM ≤ 3%, Health;
- (3) 1.5% <NIM ≤ 2%, healthy enough;
- (4) 1% <NIM ≤ 1.5%, Less Healthy;
- (5) NIM <1% (or negative), Unhealthy.

**(4) Capital/Capitalization**

a) CAR (Capital Adequacy Ratio) is the capital adequacy ratio to gauge a bank's ability to accommodate the losses that may be faced by the Bank. Predicate Health of Banks based Capital Adequacy Ratio (Bank Indonesia Circular Letter No. No. 13/30 / DPNP / 2011), namely:

- (1) 12% <CAR, Very Healthy;
- (2) 9% <CAR ≤ 12%, Healthy;
- (3) 8% <CAR ≤ 9%, healthy enough;
- (4) 6% <CAR ≤ 8%, less healthy;
- (5) CAR ≤ 6%, Unhealthy.

**RESULTS AND DISCUSSIONS**

**Results**

The results of the health bank's assessment of the risk approach (risk-Based Bank Rating) for commercial banks listed issuers / public companies in the Indonesia Stock Exchange period 2012 to 2014 based on the NPL, LDR, ROA, NIM, CAR are presented in Table 2.

The results of the highest rank and the lowest rank of bank health assessment with risk approach (risk-Based Bank Rating) for commercial banks listed issuers / public companies in the Indonesia Stock Exchange period 2012 to 2014 based on the NPL, LDR, ROA, NIM, CAR are presented in Table 3.

Table 2. Summary of Rating for Commercial Banks Issuer Year 2012-2014 (Number of bank issuers).

Classification/Year	2012	2013	2014
<b>NPL</b>			
Very Healthy	19	18	15
healthy	13	13	16
healthy enough	0	0	0
Less healthy	0	0	0
Unhealthy	0	1	1
<b>Total</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>LDR</b>			
Very Healthy	5	18	15
healthy	10	13	16
healthy enough	15	0	0
Less healthy	2	0	0
Unhealthy	0	1	1
<b>Total</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>ROA</b>			
Very Healthy	21	20	12
healthy	3	4	3
healthy enough	5	6	12
Less healthy	2	1	4
Unhealthy	1	1	1
<b>Total</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>NIM</b>			
Very Healthy	30	27	26
healthy	2	5	3
healthy enough	0	0	2
Less healthy	0	0	0
Unhealthy	0	0	1
<b>Total</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>CAR</b>			
Very Healthy	31	32	32
healthy	1	0	0
healthy enough	0	0	0
Less healthy	0	0	0
Unhealthy	0	0	0
<b>Total</b>	<b>32</b>	<b>32</b>	<b>32</b>

Table 3. Ranked Highest and lowest in Health Assessment Bank.

Classification / Year	2012	2013	2014
<b>NPL</b>			
Lowest NPL	0.00% PT. Bank Nationalnobu Tbk	0.00% PT. Bank Nationalnobu Tbk	0.00% PT. Bank Nationalnobu Tbk
Highest NPL	2.81% PT. Tabungan Negara Tbk	12.28% PT. Bank Mutiara Tbk	12.24% PT. Bank Mutiara Tbk
<b>LDR</b>			
Lowest LDR	43.46% PT. Bank Nationalnobu Tbk	45.72% PT. Bank Nationalnobu Tbk	53.99% PT. Bank Nationalnobu Tbk
Highest LDR	103.65% PT. Bank Danamon Tbk	140.72% PT. Bank Himpunan Saudara Tbk	102.43% PT. Bank Tabungan Pensiunan Negara
<b>ROA</b>			
Lowest ROA	-0.74% PT. Bank Kesawan Tbk	-7.64% PT. Bank Mutiara Tbk	-5.28% PT. Bank Mutiara Tbk
Highest ROA	4.90% PT. Bank Mestika Dharma Tbk	5.19% PT. Bank Mestika Dharma Tbk	3.85% PT. Bank Rakyat Indonesia Tbk
<b>NIM</b>			
Lowest NIM	2.11% PT. Bank Nationalnobu Tbk	2.08% PT. Bank Nationalnobu Tbk	0.61% PT. Bank Mutiara Tbk
Highest NIM	11.41% PT. Tabungan Pensiunan Negara Tbk	11.50% PT. Tabungan Pensiunan Negara Tbk	9.66% PT. Tabungan Pensiunan Negara Tbk
<b>CAR</b>			
Lowest CAR	10.09% PT. Bank Mutiara Tbk	12.26% PT. Bank Himpunan Saudara Tbk	13.65% PT. Bank Mutiara Tbk
Highest CAR	68.60% PT. Bank Nationalnobu Tbk	87.49% PT. Bank Nationalnobu Tbk	48.97% PT. Bank Nationalnobu Tbk

## Discussions

### 1. Health Assessment Bank

#### a. Risk Profile

##### 1) Net Performing Loan (NPL)

Calculation NPL results show that in 2012 there is a classification of "very healthy" number of 19 Bank, "healthy" number of 13 Bank. In 2012 the bank received no qualification "less healthy" and "unhealthy". Banks that received best predicate to risk factors under the NPL in 2012 there are PT. Nationalnobu Bank because it is able to maintain NPL always below the value of 2%. Banks that received the highest NPL was PT. State Savings Bank Limited with a value of NPL of 2.81% but the value of this ratio is still in the category of healthy.

In 2013, health assessments of banks to factor Risk Profile is based on Net-performing loans (NPL) tended to decline compared to 2012. This year there are 18 Banks with kateori very healthy, "healthy" number 13 Bank, and "unhealthy" is 1 Bank. Bank Mutiara unhealthy awarded in 2013 with a value of NPLs amounted to 12.28%. This condition is caused by a number of the old management has been problematic (debtors of Bank Century) so it looks at the NPL increased from 3.90% last year to 12.28%.

In 2014 health assessments of banks to factor Risk Profile is based on Net-performing loans (NPL) in the classification of "very healthy" there are 15 Bank, "healthy" there are 16 Bank, and one commercial bank that received the title "unhealthy". Banks that received the predicate "unhealthy" by NPL is BCIC (PT. Bank Mutiara Tbk) with a NPL ratio of 12.24%. Values NPL are still high is related to the settlement of non-performing loans that occurred in the past that can not be implemented due to constrained legal issues.

##### 2) Loan to Deposit Ratio (LDR)

Based on research, LDR in 2012, there were five commercial banks with a very healthy predicate, 10 commercial banks with healthy predicate, 15 banks with enough healthy predicate, and 2 banks with less healthy predicate. Banks that received the predicate of "less healthy" in 2012, among others; PT. Bank Danamon (BDMN), and PT. Bank Dinar (DNAR). And the ratio of the highest

LDR is owned by PT. Bank Danamon Tbk with a ratio value of 103.65%. LDR is best to NOBU (Nationalnobu Bank Tbk) with a ratio value of 43.46%

In 2013 there is a decrease in the number of loans compared to 2012. Thus, the assessment results LDR, there are 18 banks that received the title "very healthy", and 13 banks received the predicate healthy. LDR is best to NOBU (Nationalnobu Bank Tbk) with a ratio value of 45.72%. But this year there is one commercial bank that received the title "unhealthy", namely PT. Bank Himpunan Saudara Tbk with a ratio value of 140.72%. This is because loans granted to third parties exceed the total third party funds collected by the PT. Bank Himpunan Saudara Tbk.

In 2014 LDR assessment results, 15 banks received the title "very healthy", 16 banks received the predicate of "healthy", and one bank received the predicate "unhealthy". LDR highest ratio owned by the Bank (PT. Bank Negara Savings) with a ratio value of 102.43%, which is still categorized as less healthy. LDR is best to NOBU (Nationalnobu Bank Tbk) with a ratio value of 53.99% and categorized as very healthy.

#### b. Good Corporate Governance (GCG)

In 2012, the bank's assessment of the health factor of Good Corporate Governance (GCG) in the classification of "excellent" scores there are 10 Bank, the "good" bank there are 15, "pretty good" was 6 Bank, and "less good" was 1 Bank. Banks that received the predicate of "less good" is the AMCOR (PT. Bank Windu Kentjana Tbk).

In 2013, the bank's assessment of the health factor of Good Corporate Governance (GCG) in the classification of "very good" there are 5 Bank, the "good" bank there are 24, "pretty good" there are two bank, and "less good" was 1 Bank. Banks that received the predicate of "less good" is BCIC (Bank Mutiara Tbk).

In 2014 the bank's health assessment of factor of Good Corporate Governance (GCG) in the classification of "very good" there are 6 Bank, the "good" there are 25 Bank and "less good" was 1 Bank. Banks that received the title of "less good" is BCIC (Bank Mutiara Tbk).

Banks that obtain predicate of excellent for the period 2012 to 2014 is PT. Bank Central

Asia Tbk, PT. Bank Rakyat Indonesia Tbk and PT. Bank Negara Indonesia Tbk.

### **c. Earning**

#### **1) Return on Asset (ROA)**

Factor analysis of earnings by using ROA shows that there are still some banks that have a negative ROA value. This means that the profitability of the bank in a position that is not healthy. ROA is Very healthy, it's shows excellent ability of banks in terms of asset management to increase revenue or reduce costs.

The 2012 assessment of the health of banks to factor Earning based on Return On Asset (ROA) in the classification of "very healthy" there are 21 Bank, "healthy" there are 3 bank, "pretty healthy" there are 5 Bank, "less healthy" there are 2 Bank and "not healthy" there are 1 Bank. Banks which obtain best value ROA ratio is BBMD (Bank Mestika Dharma Tbk) with a value of 4.90% ROA. Banks that received the predicate of "unhealthy" in 2012 is BKSJ (Bank Kesawan Tbk) with a value of -0.74% ROA. This is because in that year the Bank Kesawan losses so that ROA is low.

In 2013 a health assessment of banks to factor Earning based on Return On Asset (ROA) in the classification of "very healthy" there are 20 Bank, "healthy" there are four bank, "pretty healthy" there are 6 Bank, and "less healthy" there are 1 Bank and "unhealthy" there are 1 Bank. Banks which obtain best value ROA ratio is BBMD (Bank Mestika Dharma Tbk) with a value of 5.19% ROA. Banks that received the predicate of "unhealthy" in 2013 is BCIC (Bank Mutiara Tbk) with a value of nationalism -7.64% due to losses incurred in the year. But this year, Bank Kesawan Tbk who previously scored the lowest ROA, in 2013 recorded a growth in earnings, so there is an increase in the value of ROA.

In 2014 assessment of the health of banks to factor Earning based on Return On Asset (ROA) in the classification of "very healthy" there are 12 Bank, "healthy" there are 3 bank, "pretty healthy" there are 12 Bank, and the "less healthy" there are 4 Bank and "unhealthy" there is 1 Bank. Banks which obtain best value ROA ratio is BBRI (Bank

Rakyat Indonesia Tbk) with a value of 3.85% ROA. Banks that received the predicate of "unhealthy" 2014 is still BCIC (Bank Mutiara Tbk) with a ratio value of -5.28%.

#### **2) Net Interest Margin (NIM)**

An assessment of the earnings factor with a ratio of NIM is to determine whether the bank has a good ability in the management of assets. High NIM resulted portion of net interest income generated greater productive assets that are expected to increase profits.

In 2012, the bank's assessment of the health Earning factor based Net Interest Margin (NIM) on the classification of "very healthy" there are 30 Bank and two banks with healthy ratings. Banks that received the best value is the ratio of the Bank's NIM (PT. Bank Negara Savings) with a value of 11.41% NIM. And the lowest NIM is owned by PT. Bank Nationalnobi with a ratio value of 2.11% NIM. However, these results still get in on the qualification of "Healthy". Because this year although the interest rates go down, but not too significantly reduce net interest income so that NIM remains high.

In 2013, the bank's assessment of the health Earning factor based Net Interest Margin (NIM) on the classification of "very healthy" there are 27 Bank, and who received the predicate of "healthy" there are 5 Bank. Banks with the best value is the ratio of the Bank's NIM (National Savings Bank Tbk) with a ratio of 11.50%

In 2014 the bank's assessment of the health Earning factor based Net Interest Margin (NIM) on the classification of "very healthy" there are 26 Bank, "healthy" number 3 bank, "pretty healthy" there are two bank, "unhealthy" there are 1 Bank. Banks which obtain best value NIM ratio is the Bank's BTPN (Bank Tabungan Pensiunan Nasional Tbk) with a ratio of 9.66%. Banks that received the predicate of "unhealthy" is BCIC (Bank Mutiara Tbk). This because the losses suffered by the Bank Mutiara, interest income decreased, thus affecting the value of the ratio of NIM.

#### **d. Capital Adequacy Ratio (CAR)**

Results of the Capital Adequacy Ratio (CAR) showed that banks are in a healthy capital position. The entire bank is still considered to

have adequate capital so as to meet the liabilities owned banks both in the operations and anticipate the risks that may occur.

In 2012, health assessments of banks to factors Kapital / Capital by Capital Adequacy Ratio (CAR) in the classification of "very healthy" there are 31 Bank, "healthy" there are 1 Bank. Banks which obtain best value CAR ratio is NOBU (Nationalnobu Bank Tbk) with a ratio value of 68.66%.

In 2013, health assessments of banks to factor capital by Capital Adequacy Ratio (CAR) on the classification of "very healthy" there are 32 Bank. Banks which obtain best value CAR ratio is NOBU (Nationalnobu Bank Tbk) with a ratio value of 87.49%.

In 2014 health assessments of banks to factor Capital by Capital Adequacy Ratio (CAR) on the classification of "very healthy" there are 32 Bank. Banks which obtain best value CAR ratio is NOBU (Nationalnobu Bank Tbk) with a ratio value of 48.97%

## 2. The best rating in the assessment of the health of banks

Based on Table 3 in mind that the Bank is rated best for NPL ratio in 2012, 2013 and 2014 are NOBU (PT. Bank Natioalnobu Tbk). Banks that got the best ratings for LDR in 2012, 2013 and 2014 are NOBU (PT. Bank Nationalnobu Tbk). Banks that got the best ratings for ROA in 2012 and 2013 were BBMD (PT. Bank Mestika Dharma Tbk) with each value of the ratio of 4.90% and 5.19%. And the best ratings in 2014 were BBRI (PT. Bank Rakyat Indonesia Tbk) with a ratio value of 3.85%.

Banks that got the best ratings for the ratio of NIM in 2012, 2013 and 2014 are BTPN (PT. Bank Negara Savings) with their value maisng ratio 11.41%, 11.50% and 9.66%.

Banks that got the best ratings for the CAR in 2012, 2013 and 2014 are NOBU (PT. Bank Nationalnobu Tbk) with each value ratio of 68.60%, 87.49% and 48.97%.

## CONCLUSIONS

Based on the results of research and analysis has been done, the researchers can conclude the following:

1)Health assessment of bank using non-

performing loans shows there is 1 bank with a ratio value of the category of "unhealthy" in 2013 and one bank with a ratio value of the category of "unhealthy" in 2014.

2)Health assessment of bank using loan to deposit ratio shows that there are two banks with a ratio value of less healthy in 2012 and the first commercial bank to value ratio is not healthy in 2013 and 2014.

3)Health assessment of bank using Good Corporate Governance (GCG) shows there is one bank with a ratio value of the category of "not good" that one bank in 2012, one bank in 2013 and one bank in 2014.

4)Health assessment of bank using Return on Assets shows that there are two banks with less healthy category and one commercial banks with unhealthy category in 2012. In 2013 there is one category of banks with less healthy and one commercial bank in the unhealthy category. In 2014 there were four banks with less healthy category and one commercial banks with unhealthy category.

5)Health assessment of bank using Net Interest Margin indicates that there are one commercial banks with unhealthy category in 2014,

6)Health assessment of bank using Capital Adequacy Ratio shows that no bank in the "less healthy" or "unhealthy"

7)Bank which were rated best by each indicator is (a) Net performing loans: In 2012, 2013, and 2014 by PT. Nationalnobu Bank Tbk; (b) Loan To Deposit Ratio: In 2012, 2012, 2013 by PT. Nationalnobu Bank Tbk; (c) Return on Assets: In 2012, 2013 by PT. Bank Mestika Darma Tbk, 2014 by PT. Bank Rakyat Indonesia Tbk; (d) Net Interest Margin: Year 2012 by PT. Bank Danamon Tbk, in 2013 and 2014 by PT. National Savings Bank Tbk.; (e) Capital Adequacy Ratio: In 2012, 2013 and 2014 by PT. Nationalnobu Bank Tbk.

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