

Analysis of Bank's Financial Performance Using The RGEC at PT. Bank Central Asia Tbk from 2017 to 2021

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Abstract

This study aims to analyze the financial performance of PT. Bank Central Asia Tbk covering aspects of Risk Profile, Good Corporate Governance (GCG), Earnings and Capital as a whole. The type of research used by the author is descriptive research. The population and sample in this study are financial statements for the period 2017-2021 at PT. Bank Central Asia Tbk. The variables in this study are financial performance and RGEC ratio. The type of data used in this research is quantitative data. The source of data used by researchers is secondary data. The data collection technique used in this research is documentation in the form of financial reports. The results of the financial performance assessment with the RGEC ratio indicate that the health level of PT. Bank Central Asia Tbk in 2017-2021 based on the RGEC method is very healthy.

Keywords: Risk Profile; Good Corporate Governance; Earning; Capital

JEL Classification: G21

Introduction

The banking sector is a very advanced sector, whose progress is accompanied by various technological sophistications and increasing awareness of education and science. The soundness level of a bank can be assessed in several factors, one of the factors used is the financial statements of the bank concerned. Based on the financial statements, a number of financial ratios can be calculated which can be used as the basis for assessing the soundness of a bank.

The method used to measure the soundness level of a bank is being updated. Previously, bank health assessments used Bank Indonesia Regulation PBI No. 9/1/PBI/2007 which contains an assessment of the soundness of a bank using the CAMELS method, which consists of Capital, Asset Quality, Management, Earnings, Liquidity & Sensitivity, as business development and the complexity of the bank's business make the use of the CAMELS method less effective in assessing bank performance because the CAMELS method does not provide a conclusion that leads to an assessment. On October 25, 2011, Bank Indonesia issued a new regulation regarding the rating of a bank's soundness using a risk-based bank rating, hereinafter referred to as RGEC. Bank health assessment indicators using the RGEC method consist of Risk (Risk Profile), Good Corporate Governance (GCG), Earnings (Rentability) and Capital (Capital). RGEC is a bank health assessment method that refers to Bank Indonesia regulation no. 13/1/PBI/2011 dated 5 January 2011 concerning the assessment of the soundness of commercial banks.

RGEC (Risk Profile, Good Corporate Governance, Earnings and Capital) is an assessment tool that can be used to compare financial performance in a more precise, objective and consistent manner in which research on the benefits of financial ratios to predict financial condition finds evidence that financial ratios are significantly different between companies with problems with companies that are not. In addition to this, the RGEC method also has advantages by taking into account the growth rate of a company's financial performance that is not owned by other methods of assessing financial performance so that it can be seen how the company's financial risk level, profitability ratios and capital ratios can be used as a basis for whether the company has a high performance level. secure finances or not.

Table 1 Financial Ratio at PT Bank BCA, Tbk. from 2017 to 2021

Periode	2017	2018	2019	2020	2021
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Periode	2017	2018	2019	2020	2021
NPL	1,5%	1,4%	1,3%	1,8%	2,2%
LDR	78,2%	81,6%	80,5%	65,8%	62%
ROA	3,9%	4,0%	4,0%	3,3%	3,4%
CAR	23,1%	23,4%	23,8%	25,8%	24,7%

Source: Financial Report PT Bank BCA, Tbk.

The credit risk profile of PT Bank Central Asia (Persero) Tbk measured using NPL in 2017 showed a percentage of 1.5%, in 2018 it decreased by 1.4% due to an increase in problem loans and in 2019 again decreased to 1.3% due to an increase in problem credit. In the following year, in 2020, it increased to 1.8% due to a decrease in non-performing loans and at the end of 2021 it increased to a percentage of 2.2% due to a decrease in non-performing loans.

Liquidity risk profile of PT. Bank Central Asia Tbk is measured using LDR in 2017 showing a percentage of 78.2% which can be said in that year due to low non-performing loans on the bank's balance sheet. In 2018 it decreased due to an increase in third party funds that year and showed an LDR percentage of 81.6% but it was still said to be healthy. Furthermore, in 2019 there was an increase, although not significant and showing a percentage of 80.5% due to the comparison between the amount of credit extended to the amount of funds collected from third parties which was almost balanced. In 2020 the LDR shows a percentage of 65.8%, which means it has experienced a very significant increase and in 2021 LDR PT. Bank Central Asia Tbk shows a percentage of 62%, there is a significant increase due to current loans.

The profitability of PT Bank Central Asia Tbk is measured using ROA in 2017 showing a percentage of 3.9%. In 2018 it has increased due to increased profit before tax and also offset by an increase in assets showing a percentage of 4%. In 2019 PT Bank Central Asia Tbk's ROA did not experience an increase or decrease from the previous year and showed a percentage of 4%. In the following year, namely 2020, ROA showed a significant decrease of 3.3%, which means a 0.7% percentage decrease from the previous year. In 2021, PT Bank Negara Indonesia (Persero) Tbk's ROA has increased and shows a percentage of 3.4% due to increased profit before tax and also offset by an increase in assets in the previous year.

PT Central Asia Tbk's capital is measured using CAR in 2017 showing a percentage of 23.1%. In 2018 the CAR of PT Bank Centra Asia Tbk experienced an insignificant increase due to the increase in total capital coupled with the RWA amount and showed a percentage of 23.4%. In 2019 the CAR of PT Bank Central Asia Tbk also experienced an insignificant

increase and showed a percentage of 23.8% which was due to an increase in assets supported by an increase in capital. In the following year, namely 2020, CAR showed another increase from the previous year, which was 22.25%. In 2020, the CAR of PT Bank Central Asia Tbk has decreased and shows a percentage of 24.7% due to an increase in assets not matched by capital.

This reaserch to analysis the banks' performance using RGEC method at PT. Bank Central Asia Tbk from 2017 to 2021. The movement of bank performances' such as NPL, LDR, ROA, CAR, and other RGEC method can measure the bank whether healthy or not.

Literature Review

Based on SE PBI No. 13/1/PBI/2011 concerning the assessment of the soundness of a bank, the scope of the RGEC assessment are following factors:

1. *Risk Profile*

According to PBI Circular Letter No. 13/24 DPNP on 25 October 2011 Risk Profile assessment is an assessment of inherent Risk and the quality of Risk Management implementation in the operational activities of a Bank. Indicators In this study to measure the risk profile factor, namely using credit risk factors using the Non Performing Loan (NPL) formula and liquidity risk using the Loan to Deposit Ratio (LDR).

Risk Profile Measurement Method formulas are credit risk, market risk Credit Risk is the risk due to the failure of the debtor and/or other parties to fulfill their obligations to the Bank. The ratio used for credit risk is the Non Performing Loan (NPL) ratio. The NPL ratio is an assessment of the Bank's ability to manage problem loans. The higher the value of the resulting ratio, the greater the risk of non-performing loans in overall credit (Febriyanti et al., 2020). The formula for calculating Non-Performing Loans (NPL) (Febriyanti et al., 2020):

$$NPL = \frac{\text{Total Impaired Credit}}{\text{Total Credit}} \times 100\%$$

Impaired credit according to Kuncoro and Suhardjono (2002) is a condition where the customer is unable to pay part or all of his credit obligations. The non-performing credit category is the minimum payment that is overdue for more than 3 months. Total credit is the total funds provided by the bank to the public.

Market Risk is the risk on balance sheet positions and administrative accounts including

derivative transactions, due to changes in market conditions, including the Risk of changes in option prices. The ratio used for market risk is the Internal Rate of Return (IRR) ratio. The IRR ratio is a ratio that measures interest rates due to changes in interest rates. The higher the IRR ratio, the better the banking performance in dealing with interest rate risk (Febriyanti et al., 2020). The formula for calculating the Internal Rate of Return (IRR) is as follows according to (Febriyanti et al., 2020):

$$IRR = \frac{\text{Risk Sensitivity Asset}}{\text{Risk Sensitivity Liability}} \times 100\%$$

Risk Sensitivity Assets are assets that can change after the maturity date of the assets concerned. Meanwhile, Risk Sensitivity Liability is a liability whose yield can change after the maturity date of the asset in question.

Liquidity Risk is the Risk resulting from the Bank's inability to meet its maturing obligations from cash flow funding sources, and/or from high-quality liquid assets that can be used, without disrupting the Bank's activities and financial condition. The ratios used for liquidity risk are:

The LDR ratio is an assessment of a bank's liquidity by comparing total credit to third party funds. The higher the value of the resulting ratio, the worse the bank's management is in managing its sources of funds (Risthejawati, 2020). The formula for calculating the Loan to Deposit Ratio (LDR) is as follows according to (Febriyanti et al., 2020):

$$LDR = \frac{\text{Total Credit}}{\text{Third Party Fund}}$$

Total credit is the total funds provided by the bank to the public. According to RI Law No. 10 of 1998, third party funds are funds entrusted by the public to banks based on fund deposit agreements in the form of savings, current accounts, and time deposits. *Rasio Loan to Assets Ratio* (LAR)

The LAR ratio is a liquidity ratio that compares the total loans disbursed to the total assets owned by the bank. The greater the credit extended, the lower the credit risk that will be faced (Siagian, 2018). to calculate the Loan to Assets Ratio (LAR) as follows according to Siagian (2018):

$$LAR = \frac{\text{Total Credit}}{\text{Total Assets}} \times 100\%$$

Total credit is the total funds provided by the bank to the public. Total assets are all assets owned by the bank.

Operational Risk is Risk due to inadequate and/or non-functioning internal processes, human errors, system failures, and/or external events that affect the Bank's operations. Sources of Operational Risk can be caused by, among others, human resources, processes, systems and external events. Risiko Hukum

Legal Risk is Risk arising from lawsuits and/or weaknesses in juridical aspects. This risk can also arise, among others, due to the absence of the underlying laws and regulations or the weakness of the agreement, such as non-compliance with the legal terms of the contract or inadequate collateral.

Strategic Risk is the Risk due to the Bank's inaccuracy in making decisions and/or implementing a strategic decision and failure to anticipate changes in the business environment. Sources of Strategic Risk, among others, arise from weaknesses in the strategy formulation process and inaccuracies in strategy formulation, inaccuracies in strategy implementation, and failure to anticipate changes in the business environment.

Compliance Risk is the Risk that arises as a result of the Bank not complying with and/or not implementing the applicable laws and regulations. Sources of Compliance Risk, among others, arise due to a lack of understanding or legal awareness of generally accepted provisions and business standards.

Reputation Risk is the Risk resulting from a decrease in the level of stakeholder trust that stems from a negative perception of the Bank. One of the approaches used in categorizing sources of Reputation Risk is indirect (below the line) and direct (above the line) sources.

2. Good Corporate Governance (GCG)

Definition of Good Corporate Governance (GCG)

According to SE PBI No. 13/24/DPNP on 25 October 2011, GCG is an assessment that refers to the quality of the Bank's management of the implementation of GCG principles. Implementation of GCG principles is guided by Bank Indonesia regulations regarding GCG Implementation for Commercial Banks. The principles of GCG implementation in banking sector companies are as follows according to SE BI No.15/15/DPNP dated 29 April 2013:

- a. Transparency, namely openness regarding disclosing material and relevant information and openness in the decision-making process.
- b. *Accountability*, namely the clarity of functions and implementation of accountability in the organizational structure of the Bank so that banking management runs effectively.
- c. Responsibility, namely compliance in managing the Bank with the principles of sound bank management and in accordance with applicable laws and regulations.

- d. Independence, namely a situation where the Bank is managed professionally without influence and pressure from any party that does not conflict with the applicable laws and regulations.
- e. Fairness is defined as treating fairly and equally in fulfilling or protecting the rights of stakeholders from various forms of fraud based on the legal system and applicable laws and regulations.
- f. Banks that implement good GCG principles should also be followed by a good credit risk assessment, which will improve the performance of a bank (Permatasari and Novitasary, 2014).

Good Corporate Governance (GCG) Measurement Method

As for measuring GCG indicators used by researchers using self-assessment (self-assessment). According to Febriyanti (2020) Self Assessment is an assessment of corporate governance carried out by bank management to regulator then determine the final outcome of the implementation of corporate governance.

3. Earnings (Rentabilitas)

Rentability is a bank's ability to generate profits from its operational activities (Risthejawati, 2020). According to SE PBI No 13/24/DPNP dated 25 October 2011, the factors for assessing profitability include evaluation of profitability performance, sources of profitability, sustainability of profitability, and profitability management.

Profitability Measurement Methods (*Earnings*) are ROA, NIM, ROE and ROI.

a. Return on Assets (ROA)

The ROA ratio is an assessment of the Bank's ability to generate profits. The higher the value of the resulting ratio, the better the banking is in getting profits (Nurdin, 2020). The formula for calculating Return on Assets (ROA) according to Febriyanti, et al (2020):

$$ROA = \frac{\text{Earning Before Tax}}{\text{Average Total Assets}} \times 100\%$$

Profit before tax is profit resulting from revenue minus expenses that have not been taxed. The average total assets are obtained from the total assets of the previous year plus the total assets of the following year divided by two.

b. Net Interest Margin (NIM)

NIM ratio is the ratio used to determine the ability of bank management in terms of managing productive assets in generating profits. The greater this ratio, this will affect the increase in interest income earned by earning assets that are well managed by the bank (Febriyanti et al., 2020). The formula for calculating Net Interest Margin (NIM) according to Febriyanti, et al. (2020):

$$NIM = \frac{\text{Net Interest Income}}{\text{Average Earning Assets}} \times 100\%$$

Net interest income is interest income less principal expenses. Meanwhile, the average earning asset is the average asset capable of generating interest income.

c. *Return on Equity (ROE)*

The ROE ratio is the ratio used to determine a bank's ability to manage its own capital to make a profit. The formula for calculating Return On Equity (ROE) according to Emilia (2017):

$$ROE = \frac{\text{Earning After Tax}}{\text{Total Equity}} \times 100\%$$

Profit after tax is profit resulting from revenue minus taxable expenses. While Capital is a company's main asset in running a business which is generally in the form of funds, assets, or debt.

d. *Return on Investment (ROI)*

Profit after tax is profit resulting from revenue minus taxable expenses. While Capital is a company's main asset in running a business which is generally in the form of funds, assets, or debt.

$$ROI = \frac{\text{Earning After Tax}}{\text{Total Assets}} \times 100\%$$

4. *Capital*

According to SE PBI No 13/24/DPNP/2011 dated 25 October 2011, the Capital Assessment evaluates capital adequacy and capital management adequacy in carrying out its operational activities.

Capital Measurement Method

As for measuring the Capital indicators used, namely using the Capital Adequacy Ratio (CAR). CAR is an assessment of the Bank's ability to manage capital for the purposes of its

operational activities and accommodate the risk of losses that the bank may face at present and in the future. The higher the ratio value produced, the better the banking is in managing capital for its operational activities (Febriyanti et al., 2020). The formula for calculating the Capital Adequacy Ratio (CAR) according to Febriyanti (2020):

$$CAR = \frac{Equity}{ATMR} \times 100\%$$

Capital is a company's main asset in running a business which is generally in the form of funds, assets, or debt. According to the Decree of the Board of Directors of Bank Indonesia No.23/67/KEP/DIR dated 28 February 1991, Capital includes core capital, namely capital consisting of paid-up capital and reserves formed from profits after deducting taxes. In addition, there is supplementary capital, namely capital consisting of reserves formed not from after-tax profits and loans, which are comparable in nature to capital. RWA is a risk-weighted asset consisting of RWA for Credit Risk, RWA for Operational Risk and RWA for Market Risk.

Health Bank Level

In simple terms, a bank is said to be healthy if the bank is able to carry out its functions properly. A healthy bank is a bank that can maintain and maintain public trust, can carry out the intermediary function, can help smooth payment traffic and can be used by the government in carrying out various policies, especially monetary policy (Budisantoso & Triandani, 2014: 129).

Assessment of bank soundness is the final estuary or result of aspects of banking regulation and supervision that show the performance of the national banking system. As an intermediary institution, a depository for money, and a place to seek credit for the community, sound banking will be able to drive economic growth and improve people's welfare. Conversely, unhealthy banking will hinder growth (Fahmi, 2015: 183).

According to Bank Indonesia Regulation Number 9/10/PBI/2011 dated 25 October 2011 concerning the Rating System for Bank Soundness Levels and according to Bank Indonesia Circular Letter Number 13/24/DPNP dated 25 October 2011 concerning Procedures for Assessing Public Health Levels, states that the soundness level Banks are basically assessed using a qualitative approach to various factors that influence the condition and development of banks, in this case the capital factor, asset quality, management factor, profitability factor, and liquidity factor. These four factors are known as RGEC (Risk, Good

Corporate Governance, Earnings, and Capital).

Composite Level

According to SE PBI Number 13/1/PBI/2011, the composite rating is the final rating of the results of the assessment of the bank's soundness level. The Bank's Soundness Composite Rating is determined based on a comprehensive and structured analysis of the rating of each factor by taking into account the materiality and significance of each factor. Composite rating as referred to as follows:

- a) Composite Rating 1 (PK-1), reflecting the condition of the bank is said to be very healthy so that it is considered very capable of facing significant negative influences from changes in business conditions and other external factors.
- b) Composite Rating 2 (PK-2), reflects the condition of the bank which is said to be healthy so that it is considered capable of facing significant negative influences from changes in business conditions and other external factors.
- c) Composite Rating 3 (PK-3), reflecting that the bank's condition is said to be sound enough so that it is considered capable of facing significant negative influences from changes in business conditions and other external factors.
- d) Composite Rating 4 (PK-4), reflecting the condition of the bank is said to be unhealthy so that it is considered less capable of facing significant negative influences from changes in business conditions and other external factors.
- e) Composite Rating 5 (PK-5), Reflecting the condition of the bank which is said to be unhealthy so that it is considered unable to face significant negative influences from changes in business conditions and other external factors. According to Alawiyah (Alawiyah, 2016), the composite value for the financial ratios of each component that occupies a composite rating will be as follows:
 - 1) Score 5 if each indicator gets a rating of 1 or the description "very good".
 - 2) Score 4 if each indicator gets a rating of 2 or the description "good".
 - 3) Score 3 if each indicator gets a rating of 3 or the description "good enough".
 - 4) Score 2 if each indicator gets a rating of 4 or the description "poor".
 - 5) Score 1 if each indicator gets a rating of 5 or the description "not good".

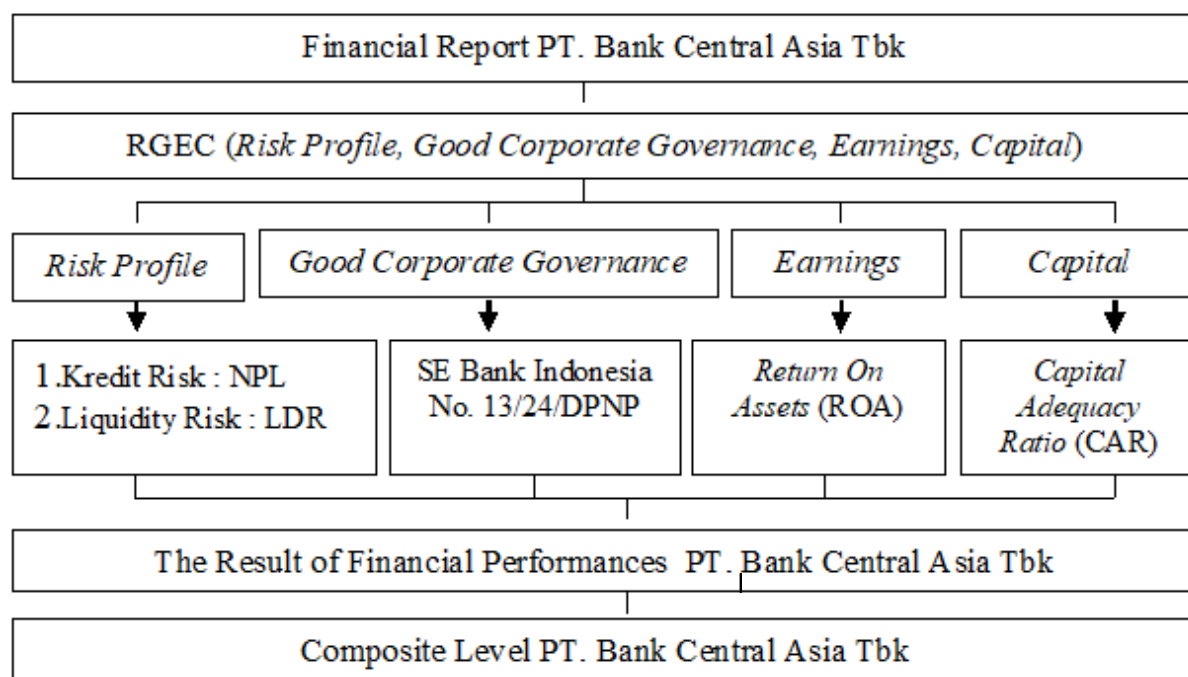


Figure 1 Critical Framework

The pattern of analysis of the financial statements of PT. Bank Central Asia Tbk using the RGEC method (Risk Profile, Good Corporate Governance, Earnings, Capital) which is based on SE PBI Number 13/1/PBI/2011 concerning assessing the soundness of a bank. In the above framework, each of these RGEC factors uses one indicator which can be explained as follows:

Risk Profile, in this study using credit risk and liquidity risk indicators. Credit risk is the risk due to the failure or inability of the debtor or other parties to pay all debts to the Bank that has been determined according to the due date. The calculation of the credit risk value uses the Non Performing Loan (NPL) ratio. The higher the value of the resulting NPL ratio, the greater the risk of non-performing loans in all loans (Febriyanti et al., 2020). Liquidity risk is the risk caused by the bank's inability to meet its maturing obligations. The calculation of the value of liquidity risk uses the Loan to Deposit Ratio (LDR). The higher the value of the resulting ratio, the worse the bank's management is in managing its sources of funds (Risthejawati, 2020).

Good Corporate Governance is an assessment that refers to the quality of the Bank's management of the implementation of GCG principles. The indicators in this study are to measure GCG by using self-assessment (self-assessment). According to Febriyanti (2020) Self Assessment is an assessment of corporate governance carried out by bank management to regulators and then determines the final result of implementing corporate governance. Banks

that properly implement GCG principles will produce good relations between internal and external parties.

Earnings are an assessment of the Bank's ability to generate profits. The indicators in this study measure earnings using the Return on Assets (ROA) ratio. The higher the value of the resulting ratio, the better the banking is in getting profits (Taufik et al., 2020)

Capital is an assessment of the Bank's ability to manage capital for the purposes of its operational activities. The indicator in this study to measure the capital used is the Capital Adequacy Ratio (CAR). The higher the value of the resulting ratio, the better the banking is in managing capital (Febriyanti, et.al. 2020).

After knowing the bank's performance based on the ratios on the indicators of the RGEC method, the next step is to give weights to the four (4) indicators for each bank per year, where each indicator for the bank will be given a value according to the resulting rating. Then these values are totaled and converted in percent form to determine the composite rank.

Research Methods

Based on the review of existing problems, the research conducted by the authors used the ex-post facto method. E-post facto research is a research conducted to examine events that have occurred and then look back to find out the factors that could have caused these events.

In compiling this thesis, the researcher uses descriptive research with a quantitative approach. According to Saifuddin Anwar 2010: 8 A quantitative approach is research whose analysis focuses more on numerical data (numbers) that are processed using statistical methods. Descriptive research is research that is intended to describe or describe the current situation in order to obtain information about a matter where the thing described is recorded, analyzed and interpreted (Sugiyono 2016: 23). The object study is the financial report of PT. Bank Central Asia Tbk. The number referred to is the Bank's Soundness Level based on the RGEC method (Risk Profile, Good Corporate Governance, Earnings, Capital) in accordance with the provisions stipulated in Bank Indonesia Regulation No.13/1/PBI/2011 dated 5 January 2011 and SE No. 13/24/DPNP dated 25 October 2011.

Table 2 Operational Variables

Variables	Indicators	Measurements	Classification
Risk Profiles	Credit Risk	$NPL = \frac{\text{Total Impaired Credit}}{\text{Total Credit}} \times 100\%$	Table 3
	Liquidity Risk	$LDR = \frac{\text{Total Credit}}{\text{Third Party Fund}}$	Table 4

GCG				Table 5
Earnings	Return	On	$ROA = \frac{\text{Earning Before Tax}}{\text{Average Total Assets}} \times 100\%$	Table 6
Assets				
Capital	Capital		$CAR = \frac{\text{Equity}}{\text{ATMR}} \times 100\%$	Table 7
	Adequacy			
	Ratio			

Source: Surat Edaran Bank Indonesia

Table 3 The Assessments and Criterias Credit Risks

Composite Level	Composite Level (Alawiyah, 2016)	Level Assessment	Criteria
1	5	Very Health	< 2%
2	4	Health	2% - 3.5%
3	3	Enough	3.5% - 5%
4	2	Less	5% - 8%
5	1	Unhealthy	> 8 %

Source: Surat Edaran Bank Indonesia

Table 4 The Assessments and Criterias of Liquidity Risk

Level	Composite Level (Alawiyah, 2016)	Assessments	Criteria
1	5	Very Health	60% - <70%
2	4	Health	70% - <85%
3	3	Enough	85% - 100%
4	2	Less	100% - 120%
5	1	Unhealthy	> 120 %

Source: Surat Edaran Bank Indonesia

Table 5 The Assessments of component GCG

Composite Level	Composite Level (Alawiyah, 2016)	Assessments
1	5	Very Health
2	4	Health
3	3	Enough

4	2	Less
5	1	Unhealthy

Source: Surat Edaran Bank Indonesia

Table 6 The Assessment and Criterias of Earnings

Composite Level	Composite (Alawiyah, 2016)	Level	Assessments	Criterias
1	5		Very Health	The Highest Earning (>2%)
2	4		Health	High Earning (1.26%-2%)
3	3		Enough	Enough Earning (0.51%-1.25%)
4	2		Less	Less Earning (0%-0.5%)
5	1		Unhealthy	Loss (< 0%)

Source: Surat Edaran Bank Indonesia

Table 7 The Assessments and Criterias of Capital

Composite Level	Composite (Alawiyah, 2016)	Level	Assessments	Criterias
1	5		Very Health	MCAR > 15%
2	4		Health	9%-MCAR<15%
3	3		Enough	8%<MCAR<9%
4	2		Less	MCAR< 8%
5	1		Unhealthy	MCAR < 8% and insolvable

Source: Surat Edaran Bank Indonesia

Information: MCAR is Minimum Capital Adequacy Requirements

Results and Discussions

Results

Komponen Faktor	Tahun	Rasio	% Rasio	PK	Keterangan
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Komponen Faktor	Tahun	Rasio	% Rasio	PK	Keterangan
<i>Risk Profile</i>	2017	NPL	1,5 %	1	Very Health
		LDR	78,2 %	2	Health
	2018	NPL	1,4 %	1	Very Health
		LDR	81,6 %	2	Health
	2019	NPL	1,3 %	1	Very Health
		LDR	80,5 %	2	Health
	2020	NPL	1,8 %	1	Very Health
		LDR	65,8 %	1	Very Health
	2021	NPL	2,2 %	2	Health
		LDR	62%	1	Very Health
<i>Good Corporate Governance</i>	2017	GCG		1	Very Health
	2018	GCG		1	Very Health
	2019	GCG		2	Health
	2020	GCG		1	Very Health
	2021	GCG		1	Very Health
<i>Earnings</i>	2017	ROA	3,9%	1	Very Health
	2018	ROA	4%	1	Very Health
	2019	ROA	4%	1	Very Health
	2020	ROA	3,3 %	1	Very Health
	2021	ROA	3,4 %	1	Very Health
<i>Capital</i>	2017	CAR	23,1%	1	Very Health
	2018	CAR	23,4%	1	Very Health
	2019	CAR	23,8%	1	Very Health
	2020	CAR	25,8%	1	Very Health
	2021	CAR	24,7%	1	Very Health

Source: Self-processed Data (2022)

Discussions

Overall the assessment of the soundness level of the bank PT Bank Central Asia Tbk for the 2017-2021 period using RGEC is as follows:

The first factor component is risk, the credit risk factor using the overall average NPL

shows very healthy information because it is always at the NPL criteria $<2\%$, which means it is at PK 1 because the bank is classified as very healthy and is able to overcome the negative effects of economic and industrial conditions financial results with very good results hope the Bank will continue to maintain positive results with regular action and quality risk management. Furthermore, the liquidity factor component using PT Bank Central Asia Tbk's LDR is in PK 1 with a Very Healthy statement where the criteria for obtaining a Very Healthy statement is an LDR $<75\%$.

The second factor component is Good Corporate Governance, it is concluded that based on the results of the self-assessment that has been carried out, overall, the Bank has implemented very good corporate governance principles based on the provisions stipulated by the regulator which in general are Very good or obtain PK 1, as reflected in adequate fulfillment of the principles of Good Corporate Governance.

The third factor component is earnings where the researcher uses ROA, overall the ROA achieved by PT Central Asia Tbk is very healthy and gets PK 1, where the bank has adequate and sufficient capital.

The fourth factor component is Capital which uses CAR calculations, overall CAR shows Very Healthy information and gets PK 1 because the increase in assets that occurs is always supported by an increase in capital in these periods.

The value of this RGEC ratio indicates the soundness of the bank in accordance with the standards set by Bank Indonesia which reflects the condition of the bank which is generally healthy so that it is considered capable of facing significant negative influences from changes in business conditions as well as other external factors.

Conclusions

Based on data analysis regarding the bank's financial performance with an assessment of the soundness level of PT. Bank Central Asia Tbk in 2017-2021, the authors conclude that:

Health based on Bank BCA's Risk Profile in 2017 - 2021 can be said to be "Very Healthy" with an average value of 1.6% and 73.62%, which means that you are in the NPL criteria $< 2\%$ get PK 1 and are in the LDR criteria $\leq 75\%$ get PK 2 "Healthy". Health based on Bank BCA's Good Corporate Governance in 2017-2021 can be said to be "Very Healthy" which almost gets a PK value of 1 every year. Health based on BCA Bank Earnings in 2017 - 2021 can be said to be "Very Healthy" with an average value of 3.4%, which means that you are in the ROA criteria $> 1.5\%$ getting PK 1. Health based on Capital Bank BCA in 2017 -

2021 can be said to be "Very Healthy" the average is at a value which means it is in the criteria of $12\% > CAR$ to get PK 1. Assessment of BCA Bank Soundness Using the RGEC method shows that the bank's health rating is in accordance with the standards set by Bank Indonesia, and it can be concluded that the bank is "VERY HEALTHY" seen from the average rating. The soundness value of the bank in terms of the risk profile, good corporate governance, earnings, and capital aspects of the 2017-2021 BCA bank is healthy so that it is considered capable of facing significant negative influences from changes in business conditions as well as other external factors reflected in the set of assessment factors between risk profiles , profitability, and capital in general are very good.

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