

ANALYSIS OF BANK HEALTH LEVEL ASSESSMENT USING RISK-BASED BANK RATING (RBBR) METHOD AT PT. BANK JAGO TBK

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ABSTRACT

This study aims to determine assessment of bank health level based on risk profile, earnings, capital, and good corporate governance (GCG) at PT. Bank Jago Tbk. The type of research used is descriptive research with a quantitative approach. The variables and measurements used in this study consist of indicators of Risk Profile, Earnings, Capital, and Good Corporate Governance (GCG). The data source used is secondary data. The results of this study indicate that the health level of PT. Bank Jago Tbk based on the risk profile obtained a composite rating of 3 with a Fairly Healthy predicate, earnings or rentability obtained a composite rating of 4 with a Less Healthy predicate, Capital or capital obtained a composite rating of 1 with a Very Healthy predicate, good corporate governance (GCG) obtained a composite rating of 2 with a Good predicate.

Keywords: Bank Health Level, Risk-Based Bank Rating (RBBR) Method, Risk Profile, Good Corporate Governance, Earnings, Capital.

INTRODUCTION

A better banking organization is needed in today's era of globalization due to the rapid expansion of the corporate sector. Assessing the health level of a bank is very important for the management of a banking company because it allows management to understand the condition of the bank and determine whether the bank is healthy or not. If the bank is unhealthy, banking management will make the necessary corrections as soon as possible to make the bank healthy. With its role as an intermediary institution, namely acting as an intermediary for parties with excess funds (surplus spending units) and parties with a lack of funds (deficit spending units), banking sector activities are an industrial sector engaged in the financial sector which plays an important role in maintaining the stability of a country's economy.

Based on Law Number 10 of 1998 about Banking that a bank is a financial intermediary institution that collects funds from the public in the form of savings and distributes them back to the public in the form of credit and/or other forms in order to improve the standard of living of the people. Supervision of bank operations is very necessary considering the importance of the bank's health level for the growth of trust in the banking industry and the implementation of the principle of banking prudence. Bank Indonesia as the country's central bank and the Financial Services Authority supervise banks to determine the financial position and operational activities of each bank and to encourage long-term banking health, financial system stability, and sustainable national economic growth. Each bank must be able to see problems early on and implement healthy risk management and corporate governance considering the ongoing development of the banking industry and changes in the assessment of bank conditions used internationally.

The Financial Services Authority (OJK) has been tasked with supervising financial institutions since December 31, 2013, replacing the role of Bank Indonesia, similar to the regulations governing the assessment of the health level of general banks which were originally in accordance with Bank Indonesia Regulation No. 13/1/PBI/2011, dated January 15, 2011 concerning the Assessment of the Health Level of General Banks, changed to the Financial Services Authority Regulation in 2016, namely POJK No. 4/POJK.03/2016 concerning the Assessment of the Health Level of Banks.

Bank health assessment is defined as the bank's ability to carry out routine business operations and fulfill its commitments responsibly and in accordance with the law. (Rambe, 2020). In general, the assessment of bank health levels serves to assess bank performance in terms of implementing the principle of prudence, compliance with related regulations, and risk management. The level of health of a bank can be determined by looking at the bank's financial performance. To see the bank's financial performance, it can be assessed using a method in accordance with the regulations of the financial services authority, namely the Risk Based Bank Rating (RBBR) method.

The Risk Based Bank Rating method consists of four assessment indicators, namely Risk Profile, Good Corporate Governance, Earning and Capital. Risk profile is measured by the NPL and LDR ratios, Good Corporate Governance (GCG), a bank can be measured independently with Self Assessment, earnings or profitability which can be measured by the ROA and NIM ratios, Capital or capitalization which is measured by the CAR (Capital Adequacy Ratio).

Based on the situation that occurred in mid-1997, many private banks experienced financial problems, resulting in the liquidation of 16 banks on November 1, 1998, 7 banks were frozen in April 1998, and 38 banks on March 13, 1999. In early July 1997, the exchange rate changed, and the government tightened liquidity at the same time. This situation caused a crisis of public confidence in the country's financial sector, especially with the cancellation of 16 bank business licenses on November 1, 1997. This had a very negative impact, especially on the decline in confidence in the banking sector. At the end of 2022, the reference interest rates of central banks in a number of countries increased so that the president of the World Bank issued a statement regarding the prediction that the global economy in 2023 would slow down to 0.5% and it was feared that it would last in the long term, causing many countries to enter a recession so that all countries were urged to increase production in order to suppress the rate of inflation. Based on this incident, the implementation of risk management is very necessary to balance banking activities, services, and products so that banks do not encounter serious problems.

RESEARCH METHODS

Research Design

This study uses descriptive research with a quantitative approach, as an approach that is expected to bring the best results. According to The Greatest Showman (2018) quantitative data is a research method based on positivistic (concrete data), data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem being studied to produce a conclusion. The results of the analysis using the quantitative method are then interpreted in a description in the form of a bank health level assessment based on the Risk-Based Bank Rating (RBBR) method.

Data Types and Sources

The type of data used in this study uses quantitative data in the form of annual reports complete with financial ratios of NPL, LDR, ROA, NIM, CAR, and reports on the results of the implementation of the Good Corporate Governance self-assessment from 2019 to 2022. The data source used in this study is a secondary data source, namely financial report data obtained from the Indonesian Stock Exchange website (<https://www.idx.co.id/>), Bank Jago (www.jago.com) and reports on the implementation of Good Corporate Governance based on self-assessment and other sources that can support this research.

Data collection technique

The data collection technique used in this study is documentation study. According to The Greatest Showman (2018) Documentation is a method used to process data and information into reports and information that can be used to assist research. Documentation can be in the form of books, archives, documents, written figures, and photos. Data used as a basis for measuring the health level of a bank is collected and measured using the Risk-Based Bank Rating (RBBR) method. The data is collected from annual financial reports and reports on the implementation of Good Corporate Governance (GCG) at PT. Bank Jago Tbk.

Data Analysis Techniques

The data analysis technique in this study is quantitative descriptive analysis. This analysis technique is carried out by analyzing financial reports based on the Financial Services Authority Regulation (POJK) No. 4 / POJK.03 / 2016 concerning the assessment of the Health Level of Commercial Banks by considering aspects of capital, management quality, asset quality, profitability quality, liquidity quality, solvency quality and other aspects in accordance with POJK No. 4 article 2 paragraph 3 concerning the assessment of the health level of commercial banks, calculation analysis in accordance with POJK No. 14 / SEOJK.03 / 2017, and determination of composite ratings. The formula for determining the composite rating is as follows:

Table 3.1 Criteria for Determining Composite Ratings of Bank Health Levels

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

RESULTS AND DISCUSSION

Results

Health Level of PT. Bank Jago Tbk Reviewed From Risk Profile Aspect

The health level of PT. Bank Jago Tbk is reviewed from the risk profile assessment aspect by measuring the value of each indicator of bank health assessment. In this case, to measure the risk profile aspect, it can be measured using two ratios, namely the credit ratio and the liquidity ratio. The description of the results of the bank's health calculation reviewed from the risk profile aspect is as follows:

1. Credit Risk

The credit risk used in this study can be calculated using the NPL (non-performing loan) ratio. It is known that the health assessment rating of PT. Bank Jago Tbk based on credit risk can be seen in the following table:

Table 4.1 Bank Health Level Assessment at PT. Bank Jago Tbk Based on the Non Performing Loan (NPL) Ratio for the Period 2019 - 2022

Period	NPL	Ranking	Information
2019	2.04%	2	Healthy
2020	0%	1	Very Healthy
2021	0.90%	1	Very Healthy
2022	1.15%	1	Very Healthy

Source: Secondary Data Processed by

Researchers (2023)

Based on the table above, it shows that the non-performing loan (NPL) ratio $<5\%$ is 2.04% in 2019 and is classified as Healthy, then $\leq 2\%$ in 2020 to 2022 so that the credit risk of PT. Bank Jago Tbk is classified as Very Healthy. This shows that the good management of credit risk at PT. Bank Jago Tbk on non-performing loans while the credit provided continues to increase rapidly.

2. Liquidity Risk

The liquidity risk used in this study is measured or calculated using the Loan to Deposit Ratio (LDR). It is known that the health assessment rating of PT. Bank Jago Tbk based on liquidity risk can be seen in the following table:

Table 4.2 Bank Health Level Assessment at PT. Bank Jago Tbk Based on the Ratio Loan to Deposit Ratio (LDR) Period 2019 - 2022

Period	LDR	Ranking	Information
2019	48.8%	1	Very Healthy
2020	146.65%	5	Not healthy
2021	105.56%	4	Unwell
2022	144.30%	5	Not healthy

Source: Secondary data processed by researchers (2023)

Based on the table above, it shows that the loan to deposit ratio (LDR) $<75\%$ is 48.8% in 2019 and is classified as Very Healthy, in this case PT. Bank Jago Tbk is able to maintain its liquidity well because third party funds are greater in amount compared to the amount of credit disbursed. However, it is different from the LDR value in the 2020 and 2022 periods which exceeded 120%, namely 146.65% and 144.30%, which means it is classified as

Unhealthy, in this case PT. Bank Jago Tbk is unable to maintain its liquidity level well because the credit disbursed by PT. Bank Jago Tbk far exceeds the available funds.

In the 2021 period, the same thing happened where the LDR value was >100%, which was 105.56% or classified as Less Healthy. This shows the low liquidity capacity of PT. Bank Jago Tbk in meeting its short-term obligations because the amount of credit distributed is still greater than the available funds.

Health Level of PT. Bank Jago Tbk Reviewed From Earnings Aspect

The health level of PT. Bank Jago Tbk is reviewed from the Earnings aspect by measuring the value of each assessment indicator, in this case the earnings aspect is measured using two ratios, namely the Return On Asset (ROA) ratio and the Net Interest Margin (NIM) ratio. The results of the calculation of the health of PT. Bank Jago Tbk reviewed from the ROA and NIM indicators are as follows:

1. Return On Asset(ROA)

The calculation of the ROA ratio is used to measure the level of management success in generating profits. The health rating of PT. Bank Jago Tbk is based on the ROA ratio in the following table:

Table 4.3 Bank Health Level Assessment at PT. Bank Jago Tbk Based on Return On Assets (ROA) Period 2019 – 2022

Period	ROA	Ranking	Information
2019	-11.96%	5	Not healthy
2020	-10.82%	5	Not healthy
2021	0.12%	4	Unwell
2022	0.13%	4	Unwell

Source: Secondary data processed by researchers (2023)

Based on the table above, it shows that the ROA value of PT. Bank Jago Tbk in the period 2019 to 2020 obtained an Unhealthy predicate with values of -11.96% and -10.82% respectively, then in the period 2021 to 2022 it continued to increase by 0.12% and 0.13% with a Less Healthy predicate. Asset productivity in generating net profit will increase along with the increasing ROA value.

2. Net Interest Margin(NIM)

The calculation of Net Interest Margin (NIM) is carried out to measure the level of banking profitability obtained from net interest income on productive assets or assets that generate interest. The health assessment of PT. Bank Jago Tbk is based on the NIM ratio as in the table below:

Tabel 4. 4 Bank Health Level Assessment at PT. Bank Jago Tbk Based on Net Interest Margin (NIM) for the 2019 - 2022 period

Period	NIM	Ranking	Information
2019	1.37%	4	Unwell
2020	4.52%	1	Very Healthy
2021	9.16%	1	Very Healthy
2022	10.34%	1	Very Healthy

Source: Secondary data processed by researchers (2023)

Based on the table above, it shows that the NIM value of PT. Bank Jago Tbk in the period 2019 to 2022 continues to increase, as seen in the period 2019 the NIM value of PT.

Bank Jago Tbk obtained the predicate Less Healthy, which was 1.37% but continued to increase in the period 2020 to 2022, namely 4.52%, 9.16% and 10.34% respectively, which are classified as Very Healthy. The results of the calculations above illustrate that the ability of PT. Bank Jago Tbk to generate maximum interest income and profitability allows PT. Bank Jago Tbk to predict possible losses and increase capital.

Health Level of PT. Bank Jago Tbk Reviewed From Capital Aspect

The health level of PT. Bank Jago Tbk is reviewed from the capital aspect, namely determining the level of bank capital adequacy to maintain assets that generate or have risks. The ratio used to determine the level of capital adequacy is the Capital Adequacy Ratio (CAR). The health assessment of PT. Bank Jago Tbk is based on the CAR ratio as in the following table:

Table 4.5 Bank Health Level Assessment at PT. Bank Jago Tbk Based on *Capital Adequacy Ratio (CAR) Period 2019 - 2022*

Period	CAR	Ranking	Information
2019	148.28%	1	Very Healthy
2020	91.38%	1	Very Healthy
2021	169.92%	1	Very Healthy
2022	82.75%	1	Very Healthy

Source: Secondary data processed by researchers (2023)

Based on the table above, it shows that the CAR ratio value of PT. Bank Jago Tbk for the period 2019 to 2022 is more than 12%, which means that PT. Bank Jago Tbk received the predicate Very Healthy, so it can be concluded that in fulfilling obligations, both in funding all operational activities and in facing risks that will occur, PT. Bank Jago Tbk has a very good level of capital adequacy.

Health Level of PT. Bank Jago Tbk Reviewed From Good Corporate Governance (GCG) Aspect

The assessment or evaluation of bank management on the implementation of GCG principles is an evaluation of Good Corporate Governance (GCG) factors as regulated in the Financial Services Authority Regulation Number 55/POJK.03/2016 concerning the Implementation of Governance for Commercial Banks. Good Corporate Governance (GCG) has 3 main aspects, namely Governance Structure, Governance Process, and Governance Outcomes. Based on the results of the self-assessment, the ranking of PT. Bank Jago Tbk based on the results of the Good Corporate Governance (GCG) assessment can be seen in the following table:

Table 4.6 Bank Health Level Assessment at PT. Bank Jago Tbk Based on *Good Corporate Governance (GCG) for the 2019 – 2022 period*

Period	Component	Ranking	Information
2019	GCG	2	Good
2020	GCG	2	Good
2021	GCG	2	Good
2022	GCG	2	Good

Source: Secondary data processed by researchers (2023)

Based on the table above, it shows that in the period 2019 to 2022 PT. Bank Jago Tbk received a Good predicate, which illustrates that the quality of PT. Bank Jago Tbk's

management of GCG implementation has been running well, so that in the period 2019 to 2022 it can be classified as a trusted bank. This is based on the results of PT. Bank Jago Tbk's self-assessment.

Analysis of Bank Health Level Assessment Using RBBR Period 2019 to 2022

Bank health assessment at PT. Bank Jago Tbk for the period 2019 to 2022 is measured using the Risk Based Bank Rating (RBBR) method which consists of several assessment indicators including Risk Profile, Good Corporate Governance, Earnings, and Capital. Based on the results of the calculation and determination of the composite rating of PT. Bank Jago Tbk for the period 2019 to 2022 can be seen in the following table:

Table 4.3 Determination of Composite Rating of PT. Bank Jago Tbk with RBBR Method for the 2019 Period

Factor Components	Indicator	Ratio	Ranking	Information
Finance	<i>Risk Profile</i>	NPL	2	Healthy
		LDR	1	Very Healthy
	<i>Earnings</i>	ROA	5	Not healthy
		NIM	4	Unwell
	<i>Capital</i>	CAR	1	Very Healthy
Management	<i>Good Corporate Governance (GCG)</i>	<i>Self Assessment</i>	2	Good
Composite Rating			3	Healthy Enough

Source: Secondary data processed by researchers (2023)

Based on the table above, it shows that the health level of PT. Bank Jago Tbk in the 2019 period obtained a composite rating of 3 (PK-3) or in a Fairly Healthy condition. This is certainly obtained based on an assessment of several indicators, namely Risk Profile, Earnings, Capital, and Good Corporate Governance. The Risk Profile that received the Healthy predicate, can be seen from the credit risk with measurements using the NPL ratio obtaining a Healthy predicate and the liquidity risk with measurements using the LDR ratio obtaining a Very Healthy predicate. Earnings received an Unhealthy predicate, can be seen from the calculation using the ROA ratio obtaining an Unhealthy predicate and the NIM ratio obtaining a Less Healthy predicate. Capital received a Very Healthy predicate, can be seen from the measurements carried out using CAR which obtained a rating of 1. Good Corporate Governance (GCG) which is measured based on the results of the self-assessment obtained a rating of 2 with a Good predicate.

Table 4.4 Determination of Composite Rating of PT. Bank Jago Tbk with RBBR Method for the 2020 Period

Factor Components	Indicator	Ratio	Ranking	Information
Finance	<i>Risk Profile</i>	NPL	1	Healthy
		LDR	5	Very Healthy
	<i>Earnings</i>	ROA	5	Not healthy
		NIM	1	Unwell
	<i>Capital</i>	CAR	1	Very Healthy
Management	<i>Good Corporate Governance (GCG)</i>	<i>Self Assessment</i>	2	Good

Composite Rating	3	Healthy Enough
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Source: Secondary data processed by researchers (2023)

Based on the table above, it shows that the health level of PT. Bank Jago Tbk in the 2020 period obtained a composite rating of 3 (PK-3) or in a Fairly Healthy condition. The Risk Profile that received the Fairly Healthy predicate, can be seen from the credit risk with measurements using the NPL ratio obtaining a Very Healthy predicate and the liquidity risk with measurements using the LDR ratio obtaining an Unhealthy predicate. Earnings received a Fairly Healthy predicate, can be seen from the calculation using the ROA ratio obtaining an Unhealthy predicate and the NIM ratio obtaining a Very Healthy predicate. Capital received a Very Healthy predicate, can be seen from the measurements carried out using CAR which obtained a rating of 1 with a Very Healthy predicate. Good Corporate Governance (GCG) which is measured based on the results of the self-assessment obtained a Good predicate.

Table 4.5 Determination of Composite Rating of PT. Bank Jago Tbk with RBBR Method for the 2021 Period

Factor Components	Indicator	Ratio	Ranking	Information
Finance	<i>Risk Profile</i>	NPL	1	Healthy
		LDR	4	Very Healthy
	<i>Earnings</i>	ROA	4	Not healthy
		NIM	1	Unwell
	<i>Capital</i>	CAR	1	Very Healthy
Management	<i>Good Corporate Governance (GCG)</i>	<i>Self Assessment</i>	2	Good
Composite Rating			2	Healthy

Source: Secondary data processed by researchers (2023)

Based on the table above, it shows that the health of PT. Bank Jago Tbk in the 2021 period obtained a composite rating of 2 (PK-2) or in a Healthy condition. The Risk Profile which received the Fairly Healthy predicate, can be seen from the credit risk with measurements using the NPL ratio obtaining a Very Healthy predicate and the liquidity risk with measurements using the LDR ratio obtaining a Less Healthy predicate. Earnings received the Fairly Healthy predicate, can be seen from the calculation using the ROA ratio obtaining a Less Healthy predicate and the NIM ratio obtaining a Very Healthy predicate. Capital received the Very Healthy predicate, can be seen from the measurements carried out using CAR which obtained a rating of 1 with a Very Healthy predicate. Good Corporate Governance (GCG) which is measured based on the results of the self-assessment received a Good predicate.

Table 4.6 Determination of Composite Rating of PT. Bank Jago Tbk with RBBR Method for the 2022 Period

Factor Components	Indicator	Ratio	Ranking	Information
Finance	<i>Risk Profile</i>	NPL	1	Healthy
		LDR	5	Very Healthy
	<i>Earnings</i>	ROA	4	Not healthy
		NIM	1	Unwell
	<i>Capital</i>	CAR	1	Very Healthy

Management	<i>Good Corporate Governance (GCG)</i>	<i>Self Assessment</i>	2	Good
Composite Rating			2	Healthy

Source: Secondary data processed by researchers (2023)

Based on the table above, it shows that the health of PT. Bank Jago Tbk in the 2022 period obtained a composite rating of 2 (PK-2) or in a Healthy condition. The Risk Profile which received the predicate of Quite Healthy, can be seen from the credit risk with measurements using the NPL ratio obtaining the predicate of Very Healthy and the liquidity risk with measurements using the LDR ratio obtaining the predicate of Unhealthy. Earnings received the predicate of Quite Healthy, can be seen from the calculation using the ROA ratio obtaining the predicate of Less Healthy and the NIM ratio obtaining the predicate of Very Healthy. Capital received the predicate of Very Healthy, can be seen from the measurements carried out using CAR which obtained a ranking of 1 with the predicate of Very Healthy. Good Corporate Governance (GCG) which is measured based on the results of the self-assessment received the predicate of Good.

In relation to the description above, it can be concluded that the results of the health assessment of PT. Bank Jago Tbk for the period 2019 to 2022 using the RBBR method obtained data that can be seen as in the following table:

Table 4.7 Bank Health Level Assessment Data at PT. Bank Jago Tbk Using the RBBR Method for the Period 2019 - 2022

Year	Financial Performance Assessment Components and Management Performance of PT. Bank Jago Tbk			
	<i>Risk Profile</i>	<i>Earnings</i>	<i>Capital</i>	<i>Good Corporate Governance</i>
2019	Healthy	Not healthy	Very Healthy	Good
2020	Healthy Enough	Healthy Enough	Very Healthy	Good
2021	Healthy Enough	Healthy Enough	Very Healthy	Good
2022	Healthy Enough	Healthy Enough	Very Healthy	Good
Composite	Healthy Enough			

Source: Secondary data processed by researchers (2023)

Discussion

1. Risk Profile Assessment of PT. Bank Jago Tbk

The assessment of the bank's health level at PT. Bank Jago Tbk for the period 2019 to 2022 is reviewed from the risk profile assessment indicator or risk profile measured using the credit ratio and liquidity ratio, obtaining a rating of 3 with a Fairly Healthy predicate, which means that considering the business activities carried out by PT. Bank Jago Tbk, PT. Bank Jago Tbk can experience losses from inherent composite risks that are quite large for

a certain time in the future. Even if the basic standard is achieved, the overall quality of risk management implementation is quite adequate, but there are a number of shortcomings that require attention and management development.

2. Evaluation Earnings of PT. Bank Jago Tbk

The assessment of the bank's health level at PT. Bank Jago Tbk for the period 2019 to 2022 as seen from the earnings or profitability assessment indicator which can be measured using the ROA (Return On Asset) and NIM (Net Interest Margin) ratios obtained an Unhealthy predicate, which means that profitability is inadequate and profit does not reach the target. The decline in the ROA ratio value is an impact of commercial activities, the Bank faced quite significant business challenges in 2019, especially seen from the decline in net interest income due to the decline in outstanding credit and the write-off of credit books. So that PT. Bank Jago Tbk experienced losses due to the decline in interest income along with the decline in credit volume and the increase in credit reserve burden in order to improve the quality of the company's credit portfolio in line with the bank's transformation plan. The results of the study related to the NIM ratio value show that the ability of PT. Bank Jago Tbk to generate interest income is much better and has a very high profitability capability which makes it possible to estimate the possibility of losses and increase capital. So it can be concluded that by increasing the NIM ratio, interest income on productive assets managed by the bank will also increase. So that the possibility of the bank experiencing financial difficulties is reduced.

3. Evaluation Capital PT. Bank Jago Tbk

The assessment of the bank's health level at PT. Bank Jago Tbk for the period 2019 to 2022 as seen from the Capital assessment indicator or capitalization which can be measured using the Capital Adequacy Ratio (CAR) obtained a composite rating of 1 with a Very Healthy predicate. This means that regarding the risk of profit, PT. Bank Jago Tbk has a very appropriate quality and adequacy of capital as well as very good capital management in accordance with the nature, scale of business, and complexity of the bank's business.

Based on the results of the study, it shows that the CAR ratio of PT. Bank Jago Tbk is categorized as Very Healthy because it obtained a value of more than 12%. Based on the results of the calculation of the CAR ratio of PT. Bank Jago Tbk in the period 2019 to 2022, it can be concluded that PT. Bank Jago Tbk has a very good level of capital adequacy to meet its obligations, both in supporting its business activities and bearing the risks that will occur in the future.

In the 2019 period, there was an initial capital deposit from shareholders through a Right Issue, so that capital increased significantly in 2019 compared to the previous year. This is because more reserves were formed as a result of the write-off policy taken on several problematic loans, which caused an increase in reserves. In the 2020 period, the CAR ratio value decreased compared to the previous year, which was 91.38%, but was still in a very good position because it was above the minimum requirements set by the OJK. This was due to an increase in ATMR due to credit expansion. The CAR ratio of PT. Bank Jago Tbk again increased significantly in the 2021 to 2022 period due to the addition of capital in the right issue for the second time, precisely at the beginning of 2021 and dividends that were not distributed to shareholders from 2020 to 2023 to consider the anticipation of an increase in minimum core capital of 2 trillion rupiah in the 2021 period and 3 trillion rupiah in the 2023 period.

The description above is in line with the opinion expressed by which states that the

higher the CAR of a bank, the stronger the bank's ability in terms of capital, which means that the bank is able to finance all its operational activities so that it can...make a significant contribution to bank profitability.

4. Good Corporate Governance Assessment of PT. Bank Jago Tbk

The assessment of the health level of PT. Bank Jago Tbk as seen from the good corporate governance indicator for the period 2019 to 2022 received a Healthy (Good) predicate with a composite rating of 2 according to the results of the self-assessment of PT. Bank Jago Tbk, which means that the management of PT. Bank Jago Tbk has implemented good governance, so that the principles of good corporate governance have been properly enforced. Although there are certain shortcomings in the application of GCG principles in this case, they are generally not serious and can be corrected by bank management by taking ordinary actions.

GCG assessment with self-assessment involves the Board of Commissioners, Board of Directors, Executive Officers and Independent Units. In the 2019 period, the bank focused on increasing knowledge and awareness of risk, socializing anti-fraud awareness to employees, and conducting employee understanding tests on provisions and regulations through e-learning programs to improve employee understanding and awareness of regulatory compliance in general. Throughout 2020, PT. Bank Jago Tbk conducted studies and improvements to the GCG infrastructure, guidelines and work procedures (Charter) of the Board of Commissioners and Board of Directors and Committees under the Board of Commissioners, reviews of the code of ethics, Anti-Fraud policies, and various other operational policies. In the period from 2021 to 2022, PT. Bank Jago Tbk carried out various initiatives and achievements related to GCG infrastructure, including improving GCG policies, building supporting infrastructure in terms of both HR and Information Technology, strengthening the implementation of risk management and internal control, and always monitoring the follow-up of commitments from the results of regulatory inspections.

Based on the description above, it can be concluded that the higher the GCG rating of PT. Bank Jago Tbk reflects that PT. Bank Jago Tbk has good performance so that it can provide a positive impact on investors who will invest their capital. This is in line with the opinion expressed by Tjondro and Wilopo in Nardi Sunardi (2021) that the quality of GCG implementation in the banking world is reflected in the GCG composite rating. Investor perception of bank quality is strengthened by a good GCG composite rating because it is considered to maximize the potential for profit.

CONCLUSION

Based on the results of research analysis From the analysis of bank health level assessment using the Risk-Based Bank Rating (RBBR) method at PT. Bank Jago Tbk, it can be concluded that:

1. Evaluation The bank's health level as seen from the Risk Profile indicator of PT. Bank Jago Tbk for the period 2019 to 2022 experienced fluctuations due to credit volume and fundraising that did not meet the target, but in the end obtained a composite rating of 3 with a Fairly Healthy predicate.
2. The assessment of the bank's health level is seen from the Earnings indicator or profitability

of PT. Bank Jago Tbk for the period 2019 to 2022, which has increased but has not met the profit target. This is due to the bank's commercial activities, especially seen from the decrease in net interest income due to the decrease in outstanding credit and the write-off of credit books in line with the bank's transformation process. So that PT. Bank Jago Tbk gets a ranking of 4 with a Less Healthy predicate.

3. EvaluationThe bank's health level as seen from the Capital indicator has fluctuated from 2019 to 2022. This is due to the addition of capital through a rights issue twice, namely in 2019 and 2021, so that PT. Bank Jago Tbk obtained a ranking of 1 with the predicate Very Healthy.
4. The assessment of the bank's health level is seen from the Good Corporate Governance (GCG) indicator of PT. Bank Jago Tbk for the period 2019 to 2022 has implemented generally good governance so that PT. Bank Jago Tbk obtained a ranking of 2 with a Good predicate.

SUGGESTION

Some suggestions that can be given by researchers related to the research that has been conducted are as follows:

1. For academics, it is hoped that this research can be a reference for friends in conducting further research.
2. PT. Bank Jago Tbk should continue to increase productive assets in this case the distribution of good quality credit and optimize the collection of third party funds, especially savings, to increase the LDR ratio so that it can generate optimal profits.
3. For further researchers, it is recommended to expand the scope of research related to the level of bank health by using other financial ratio parameters and using the latest methods based on the Circular from the Financial Services Authority.

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