HEALTH ASSESSMENT OF GOVERNMENT BANKS IN INDONESIA USING RISK-BASED BANK RATING

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Abstract

Health of a bank can be defined as the ability of a bank to conduct banking operational normally and be able to satisfy all its obligations well by means of accordance with the applicable banking regulations. The health assessment is very important to a bank, because the bank managing public funds entrusted to the bank. Accordance with PBI 13/1/PBI/2011 numbers that have been set on January 5, 2011 and was implemented by the bank in July 2011, CAMELS method is no longer used as a method to measure the health of a bank. CAMELS method was replaced by RGEC method (Risk profile, Good Corporate Governance, Earnings, and Capital) to measure and assess the health of a bank. This research conducted on the four Government Banks (Bank Mandiri, BNI, BTN, and BTN) from the year 2009-2012 with comparative descriptive method. The results of Risk Profile factor that use analysis tool of NPL to measure Credit Risk showed that Bank Mandiri, BNI, BRI into category of healthy bank, while BTN decreased slightly in the rankings in 2012 from a healthy bank into fairly healthy bank. Meanwhile the assessment results of liquidity risk that calculated use analysis tool of LDR showed that Bank Mandiri and BNI into category of very healthy bank, BRI tend to stable with healthy bank category, but BTN into category of poorly bank. The result of self-assessment Good Corporate Governance showed that four Government Banks have been successfully implemented Good Corporate Governance very well. The result of Earnings factor that use analysis tool of ROA showed that four Government Banks as healthy bank. The result of Capital factor that use analysis tool of CAR generally showed that four Government Banks into category of very healthy bank.

***Keywords**: Health of Bank, Assessment, Government Bank, RGEC, Good Corporate Governance*

INTRODUCTION

Bank can be defined as a company which is engaged in finance that means banking activity always related to finance. A bank cannot be separated from financial problems (Kashmir, 2008:25). Banking health assessment conducted every period. The healthy banks by rating or the bank whose health continues to increase so does not matter because that is what is expected and continue to keep it maintained. But for the constantly unhealthy bank, it must get briefed or even sanctions in accordance with applicable regulations.

The experience of the global financial crisis has prompted the need to improve the effectiveness of risk management and good corporate governance. An understanding of the principles of good corporate governance has been used as a reference by the countries in the world, including Indonesia. The principles needed to achieve continuous performance with regard to the parties concerned. The principles of Good Corporate Governance issued by international organizations OECD (Organization for Economic Co-operation and Development) includes six terms.

From now on according to PBI No. 13/1/PBI/2011 that has been set on January 5, 2011 and was implemented by the bank in July 2011, then CAMELS method is no longer used as a method to measure the health of a bank. To replace CAMELS method is RGEC method (Risk profile, Good Corporate Governance, Earnings, and Capital) to measure and assess the health of a bank. This method also commonly called Risk-Based Bank Rating. Related research to analysis of the health of the bank with Risk-Based Bank Rating is still very rarely.

Based on previous research which related to the assessment of banks used another methods beside Risk-Based Bank Rating, results showed that Risk-Based Bank Rating can be used to measure and assess the health of banks. So, in this research, the authors will discuss how analysis health assessment of Government Banks in Indonesia with Risk-Based Bank Rating from the year 2009 until 2012. With Limitation of this research restricted to the analysis health assessment of government in Indonesia with Risk-Based Bank Rating on Bank Mandiri, BNI, BRI, and BTN for year period 2009-2012.

LITERATURE REVIEW

Types of Bank

According to Kashmir (2002:23) in Indonesian Law No. 10 of 1998 on banking, the bank is business entities that raise funds from the public in the form of savings and distributing them to the public in the form of credit and or other forms in order to improve standard of living of the people. According Kuncoro (2002:68), the definition of a bank is a financial institution whose principal business is to collect funds and distribute those funds back into the community in the form of credit and provide services in payment traffic and circulation of money.

According to Indonesian Law No. 10 of 1998 dated 10 November 1998 on banking, it can be concluded that the banking business covers three activities, namely collecting funds, distributing funds, and provide other banking services. Activities to collect and distribute funds are the main activities of banks, while provide other banks services only the support activities. Activities to raise funds, in the form of raising funds from the public in the form of giro, savings and deposits. Usually bank give attractive remuneration such as interest and gifts as a stimulus for the people. Distribution funds activities, in the form of lending to the public. While other banking services provided to support the smooth operation of the primary. Bank first established by Prof. Dr Ali Afifuddin, SE.

The main banking activity is to collect funds from the public as it is known in the banking world as funding activities. Collect funds here the intention is raise funds by buying funds from the public. Bank using variety of strategies so that people want to invest the funds in the form of saving.

According to Law no. 7 of 1992 concerning Banking as amended by Law No. 10 of 1998, Bank is a business entity which collects funds from the public in the form of saving, and distribute it to the public in order to improve the living standard of the people. According to the function, banks in Indonesia are divided into two types, that is central bank, and commercial bank. According to ownership, banks in Indonesia are divided into three types: (1) government bank; private bank, and cooperative bank. According to the law, banks in Indonesia are divided into four types: company limited bank, firms bank, individual enterprise bank, and cooperative bank. Meanwhile according to the form of operational activities, banks in Indonesia divided into three types: (1) conventional bank, (2) sharia bank, and (3) rural bank.

Health of Bank

Health of a bank can be defined as the ability of a bank to conduct banking operational normally and be able to satisfy all its obligations well by means of accordance with the applicable banking regulations (Triandaru and Budisantoso, 2008:51). Under Law No. 10 of 1998 on the Amendment Law No. 7 of 1992 on banking, coaching and supervision of banks conducted by Bank Indonesia. The law further provides that:

1. Banks are required to maintain the health of banks in accordance with the provisions.
2. In giving credit or financing, and other business activities, banks are required to take the ways that do not harm the interests of the bank or the customer.

1. Banks are required to submit to Bank Indonesia, all information, and an explanation of the business according to the procedure established by Bank Indonesia.
2. Upon request of Bank Indonesia, the bank is required to provide an opportunity for inspection of the books and records of existing, and shall provide the necessary assistance in order to obtain the truth of any information, documents, and explanations that are reported by the bank concerned.

3. Bank Indonesia shall conduct inspection of bank, either periodically or at any time if necessary, Bank Indonesia may assign public accounting for and on behalf of Bank Indonesia to conducts an examination of the bank.
4. Bank shall submit to Bank Indonesia the balance sheet, income statement and explanation, and other periodic reports, in the time and form establish by Bank Indonesia. Balance Sheet and the annual income statement have to be audited first by a public accountant.
5. Banks are required to announce the balance sheet and income statement within the time set by Bank Indonesia.

The financial performance is a picture of the success achieved by company can be seen from the financial ratios by using the information from income statement and balance sheet. Bank performance is an illustration of the health of banks. Bank performance will be measured through Bank Indonesia regulations No.13/1/PBI/2011 on general bank rating consisting of risk profile (R), good corporate governance (G), earnings (E), and capital (C). his regulation requires commercial bank to conduct self-assessment of health of bank by using the approach of Risk (Risk-based Bank Ratings / RBBR) both individually and on a consolidated basis. General principles which the basis for assessing health of bank are as follows risk oriented, proportionality, materiality & significance, and comprehensive & structured.

RGEC Method or Risk-Based Bank Rating

RGEC method is the method used to measure the health of a bank. In accordance to PBI Regulation 13/1/PBI/2011 has been set on January 5, 2011 and was implemented on bank in July 2011, CAMELS method is no longer used as a method to measure the health of a bank and was replaced by RGEC method (Risk profile, Good Corporate Governance, Earnings, and Capital) to measure and assess the health of a bank. Also called Risk-Based Bank Rating.

Risk

Credit risk is the risk due to failure of customers or other parties in fulfilling obligations to the Bank in accordance with agreements having been agreed (Bank Indonesia Regulation No. 13/23/PBI/2011). In this study used to measure credit risk ratio of Non-Performing Loan (NPL) by Bank Indonesia based on Enclosure of Leaflet from Bank Indonesia No. 13/24/DPNP dated October 25, 2011, Non-Performing Loans are loans classified as substandard, bad loans, and doubtful.

Here are the rankings of the results of the assessment NPL ratio (Non- Performing Loans) of a conventional bank:

- **Ranked One,** loans policies issued by the bank management to support the operations of the bank that safe and health still very good.
- **Ranked Two,** loans policies issued by the bank management to support the operations of the bank that safe and health still good.
- **Ranked Three,** loans policies issued by the bank management to support the operations of the bank that safe and health still fairly good.
- **Ranked Four,** loans policies issued by the bank management to support the operations of the bank that safe and health has been less good.
- **Ranked Five,** loans policies issued by the bank management to support the operations of the bank that safe and health has been not good.

Liquidity Risk

Liquidity reflects the bank's ability to fulfill deposit withdrawals and other liabilities. A bank is said to have adequate liquidity potential when that bank can obtain the necessary funds quickly and at a reasonable cost (Greuning and Iqbal, 2011: 143). To measure liquidity, this research uses the ratio of Loan to Deposit Ratio (LDR). LDR shows how far the bank's ability to pay back the withdrawal of funds by depositors to relying on loans as a source of liquidity (Dendawijaya 2009:116).

LDR is calculated from the ratio between total financing provided by the bank with customer deposit. Total financing is financing that provided to customer (excluding loans to other banks). Customer deposit are giro, savings and deposits (excluding interbank). LDR is one of the indicators used to assess the ability of bank liquidity in the withdrawal of large amounts. Here are the rankings of the results of the assessment LDR (Loan to Deposit Ratio) of a conventional bank:

- **Ranked One,** the overall liquidity performance is very good. The liquidity ability to address the needs of liquidity and implementation risk management is very strong.
- **Ranked Two,** the overall liquidity performance is good. The liquidity ability to address the needs of liquidity and implementation risk management is strong.
- **Ranked Three,** the overall liquidity performance is fairly good. The liquidity ability to address the needs of liquidity and implementation risk management is adequate.
- **Ranked Four,** the overall liquidity performance is less good. The liquidity ability to address the needs of liquidity

and implementation risk management is weak.

- **Ranked Five,** the overall liquidity performance is not good. The liquidity ability to address the needs of liquidity and implementation risk management is very weak.

Good Corporate Governance

Good Corporate Governance is a structure made by stakeholders, shareholders, commissioners and managers to prepare corporate objectives and the means to achieve these objectives and monitor performance (Zarkasyi, 2008:35). Good Corporate Governance has five kinds of purposes (Sutojo and Aldridge, 2005:5-6). These five purposes are as following: (1) protecting the rights and interests of shareholders, protecting the rights and interests of stakeholders of non-shareholder, (3) increase the value of the company and the shareholders, (4) improving the efficiency and effectiveness of work Board of Directors and management company, and (5) improving the quality of the relationship with the Board with Directors of the company's senior management.

On the face of Good Corporate Governance implementation in commercial banks are not different from other companies, but not so. In many respects the behavior of managers and owners of the bank are the main factors that require attention in the implementation of Good Corporate Governance. In many ways the concept of Agency Theory is often used in the implementation of corporate governance cannot be fully used in the banking industry. Therefore, it should be examined how the implementation of Good Corporate Governance in the banking industry should be done (Susillo, 2007).

Bank Indonesia has just issued 3rd Enclosure of Leaflet from Bank Indonesia No. 15/15/DPNP Dated April 29th, 2013 in terms of Good Corporate Governance implementation for conventional bank to replace the rules of Bank Indonesia that is PBI No. 8/14/PBI/2006 which requires banks to conduct internal self-assessment (internal self-assessment) to Good Corporate Governance implementation. Although banks perform a self-assessment against of Good Corporate Governance implementation standards by Bank Indonesia, however, the assessment is done by competent external parties, such as The Indonesian Institute for Corporate Governance (IICG) and The Indonesian Institute for Corporate Directorship (IICD).

Good corporate governance assessment standards in every Conventional Bank using the rules of Bank Indonesia that is PBI No. 8/14/PBI/2006, not from 3rd Enclosure of Leaflet from Bank Indonesia No. 15/15/DPNP Dated April 29th, 2013 in terms of Good Corporate Governance implementation for conventional bank. This is because the result of Good Corporate Governance self-assessment in accordance with 3rd Enclosure of Leaflet from Bank Indonesia No. 15/15/DPNP Dated April 29th, 2013, the result will be published in the annual report of each state bank in the upcoming period. There are the rankings of the results of the Good Corporate Governance self-assessment on a conventional bank:

Table 1. Good Corporate Governance Composite Value

Composite Value	Composite Predicate
Composite Value < 1,5	Very Healthy
1,5 ≤ Composite Value < 2,5	Healthy
2,5 ≤ Composite Value < 3,5	Fairly Healthy
3,5 ≤ Composite Value < 4,5	Poorly
4,5 ≤ Composite Value < 5	Unhealthy

Source: Bank Indonesia

Earnings

In this research, earnings factor will be measured using ROA (Return on Assets) based on Enclosure of Leaflet from Bank Indonesia No. 13/24/DPNP dated October 25, 2011. Here are the rankings of the results of the assessment ROA (return on assets) of a conventional bank:

- **Ranked One,** ability of bank management to the overall profit of the total assets owned very high.
- **Ranked Two,** ability of bank management to the overall profit of the total assets owned high.
- **Ranked Three,** ability of bank management to the overall profit of the total assets owned adequate.
- **Ranked Four,** ability of bank management to the overall profit of the total assets owned low.
- **Ranked Five,** ability of bank management to the overall profit of the total assets owned very low.

Capital

Capital is capital adequacy criteria. Used to determine the ability of the adequacy of commercial banks in support of their activities efficiently. According to (Greuning and Iqbal, 2011:213) capital is part of the bank's funding sources which can be used directly to raise another fund, bank capital as a protection to absorb shocks from loss of business. Shortage of capital is a common symptom experienced by banks in developing countries. Shortage of capital can be sourced from two things, the first is due to the small amount of capital, the second because the quality is fairly bad. Assessment of capital standardized of Bank Indonesia conducted by calculating CAR (capital adequacy ratio).

CAR is a ratio that shows how much risky bank assets (Dendawijaya 2009:121). Here are the rankings of the results of the assessment of CAR of a conventional bank:

- **Ranked One,** reflects the level of capital is significantly higher than the prevailing provisions of CAR and expected to remain at this level for the next twelve months.
- **Ranked Two,** reflects the level of capital is higher than the prevailing provisions of CAR and expected to remain at this level for the next twelve months.
- **Ranked Three,** reflects the level of capital is slightly above the prevailing provisions of the CAR and expected to remain at this level for the next twelve months.
- **Ranked Four,** reflects the level of capital is slightly under the prevailing provisions of the CAR and expected to remain at this level for the next twelve months.
- **Ranked Five,** reflects the level of capital is lower than the prevailing provisions of CAR and expected to remain at this level for the next twelve months.

Data Analysis Techniques

The results of calculations for each ratio, will be determined composite ranking for each component and the overall composite ranking criteria for determination accordance with the regulations of Bank Indonesia. For the assessment of risk, earnings and capital, can use the basis of SE BI No.6/23./DPNP of 2004 with reference to the annual report published by each Government Bank from 2009 until 2012.

Meanwhile, for the Good Corporate Governance assessment in this research will be based on the Good Corporate Governance report contained in the annual report published by each Conventional Government Bank from 2009 until 2012. Good Corporate Governance assessment standards in each Government Banks still use the rules of Bank Indonesia, that is PBI. 8/14/PBI/2006 not from new basic assessment in accordance with 3rd Enclosure of Leaflet from Bank Indonesia No. 15/15/DPNP Dated April 29th, 2013 in terms of the implementation of Good Corporate Governance for a conventional bank. This is because the result of Good Corporate Governance self-assessment in accordance with 3rd Enclosure of Leaflet from Bank Indonesia No. 15/15/DPNP Dated April 29th, 2013, the result will be published in the annual report of each state bank in the upcoming period. There are rangkings are determined on health of conventional banks based on the Risk-Based Bank Rating ratio:

Table 2. Health Ranking of Conventional Bank

Factor	Rangkings				
	1	2	3	4	5
Risk (Loan)	NPL ≤ 2	2 < NPL ≤ 3%	3% < NPL ≤ 6%	6 < NPL ≤ 9%	NPL > 9%
Risk (Liquidity)	LDR ≤ 75%	75% < LDR ≤ 85%	85% < LDR≤100%	100% < LDR ≤ 120%	LDR > 120%
GCG	GCG < 1,5	1,5 ≤ GCG< 2,5	2,5 ≤ GCG <3,5	3,5 ≤ GCG < 4,5	4,5 ≤ GCG < 5
Earnings	ROA > 1,5%	1,25%<ROA≤ 1,5%	0,5% < ROA≤1,25%	0 < ROA ≤ 0,5%	ROA ≤ 0%
Capital	CAR ≥ 12%	9% ≤ CAR< 12%	8% ≤ CAR <9%	6% < CAR < 8%	CAR ≤ 6%

Source : Bank Indonesia

After calculation of each ratio, then make the determination of composite ranking as follows which is the same as the CAMELS method:

a) **The First Composite Ranking,** indicating that the bank as **very healthy** and able to overcome the negative influence of economic conditions and the financial industry.
b) **The Second Composite Ranking,** reflects that the banks classified as **healthy** and able to overcome the negative influence of economic conditions and the financial industry, but the bank still has minor weaknesses that can be overcome by the action routine.
c) **The Third Composite Ranking,** reflects that the bank is **fairly healthy,** but there are some weaknesses that can causes to deteriorate the composite ranking, which can happen if the bank does not immediately take corrective action.
d) **The Fourth Composite Ranking,** reflects that the bank was classified as **poorly** and sensitive to the negative influence of economic conditions and the financial industry, or the bank has serious financial weakness, or a combination from condition of several factors that not satisfy. If there is no effective corrective

action, potentially experiencing difficulties endangering its survival.

e) **The Fifth Composite Ranking,** reflects that the banks classified as **unhealthy** and very sensitive to the negative influence of economic conditions and the financial industry as well as experiencing difficulties endangering its survival.

Overview of Previous Research

As reference materials and comparison in this research, following is a review some previous research in accordance with discussion of problems in the research to be carried out.

Table 3. Previous Research

No	Author	Title	Result	Similarities / Differences
1	Atiek Setyo Rini (2006)	Effect of Banking Performance Based On CAMEL Analysis To Income Prediction Study on Banks Listed on the Bursa Efek Jakarta	The results is t-statistic showed that the variables significantly to earnings growth in the range of α = 5% - 10% is LDR and BOPO, while the other three variables are CAR, ROA, and ROE do not have a significant effect on earnings growth. From these research also explained that CAMEL analysis can predict earnings bank listed on Bursa Efek Jakarta.	Difference : Author does not test the variables that significantly influence α = 5% - 10%
2	Hendra Wiryawan (2007)	Evaluation of Bank's financial Performance Before And After The Implementation of Good Corporate Governance approaches Liquidity Ratios, Earning Ratios, Profitability	Variable KAP, LR, LDR significantly affect the health of banking. But partially, variable CAR, ROA, ROA effect on financial performance improvement for the better after the implementation of Good Corporate Governance. After the adoption Good Corporate	Difference : The author does not focused research on the improvement of performance before and after the implementation of Good Corporate Governance.

		Ratios and Asset Quality Ratios Study Case at PT Bank Niaga, Tbk	Governance, Bank Niaga performance ratio not show sustained improvement yet.	
3	Vivi Vebriyanti (2008)	Analysis CAMEL Method as Assessment Indicators of Bank Health on PT. Bank Rakyat Indonesia (Persero), Tbk	Assessment health of bank include CAMEL factors, consisting of Capital, Asset Quality, Management, Earnings, Liquidity as a unit, so that the assessment must be done thoroughly to these factors in order to obtain valid results.	Similarity : Author also does a thorough assessment methods such as CAMEL method. But in this research author uses Risk-Based Bank Rating which a renewal of CAMELS method.
4	Suluk Waseso Segoro (2009)	Evaluation Before and After The Implementation of Good Corporate Governance On PT. Bank Mandiri (Persero), Tbk	Variables of ROA and BOPO significantly affected after the implementation of Good Corporate Governance and partial, variable LDR, ROE, and CAR effect on improvement of financial performance for the better after the implementation of Good Corporate Governance. After the adoption Good Corporate Governance, performance trend ratio of Bank Manadiri not show sustained improvement yet.	Difference : Author is not research which variable that affect the performance of banks after the implementation of GCG.

RESEARCH METHOD

This research used descriptive comparative research, research that is comparing. The data used in this research are secondary data. This data was obtained from the company or other sources associated with the company. The analysis data tools used are risk, good corporate governance (GCG), earnings and capital. For risk, there are:

Credit risk with non-performing loan ratio (NPL):

(Non-Performing Loan Ratio : Total Loans) X 100%

Liquidity risk with loan to deposit ratio (LDR):

(Total Loans : Total Customer Deposit) X 100%

For good corporate governance (GCG), use good corporate governance assessment standards in every conventional bank using the rules of Bank Indonesia that is PBI No. 8/14/PBI/2006.

For earnings, there is return on asset ratio (ROA):

(Annual net income : Average total assets) X 100%

For capital, there is capital adequancy ratio (CAR):

(Total Capital : Total assets) X 100%

After calculation of each ratio, then make the determination of composite ranking for each component and the overall composite ranking criteria for determination accordance with the regulations of Bank Indonesia. For the assessment of risk, earnings and capital can use the basis of SE BI No.6/23./DPNP of 2004 with reference to the annual report published by each Government Bank from 2009 until 2012.

Meanwhile, for the Good Corporate Governance assessment in this research will be based on the Good Corporate Governance report contained in the annual report published by each Conventional Government Bank from 2009 until 2012. Good Corporate Governance assessment standards in each Government Banks still use the rules of Bank Indonesia that is PBI. 8/14/PBI/2006. After calculation of each ratio, then make the determination of composite ranking as follows which is the same as the CAMELS method.

RESULT AND DISCUSSION

Health Assessment of Government Bank Using Risk-Based Bank Rating Risk Profile

Based on the table above, explanation of each bank NPL of the year 2009-2012 (table 4). Developments NPL (Non Performing Loan) ratio of Bank Mandiri shown improvement from 2009 to 2012. This means provision of credit policies that have been issued by management team of Bank Mandiri to support the sustainability of Bank Mandiri operational activities safe and excellent. Health ranking of BNI results viewed from the performance of NPL (Non Performing Loan) ratio in 2009 to 2012 was a generally shown fairly healthy rankings, despite an improvement in the ranking to be healthy in 2012.

Great effort done continuous by management team of BRI to improve NPL ratio conditions. This is indicated by change in the condition of the bank from fairly healthy to be healthy bank, then became very healthy bank based on the results of NPL ratio valuation from 2009 to 2012. Health Ranking of BTN seen from the results of NPL ratio assessment from 2009 to 2012 generally in healthy category, although in 2012 BTN has decreased from the category of healthy to be fairly healthy.

Table 4. Result Assessment of Risk Profile Ratio (in Millions Rupiah)

Year	Bank	Non Performing Loan	Total Loan	Loan (NPL)	Loan (NPL) %
2009	Bank Mandiri	7.899.898	175.259.777	0,045075363	4,51%
	BNI	5.872.609	155.980.065	0,037649741	3,76%
	BRI	7.526.998	192.235.545	0,039155079	3,92%
	BTN	1.690.486	65.098.097	0,025968286	2,60%
2010	Bank Mandiri	6.499.298	219.262.620	0,029641614	2,96%
	BNI	5.620.098	167.401.244	0,033572618	3,36%
	BRI	9.781.624	228.691.057	0,042772219	4,28%
	BTN	1.763.543	71.092.768	0,024806222	2,48%
2011	Bank Mandiri	6.958.245	298.988.258	0,023272636	2,33%
	BNI	5.703.326	158.223.131	0,036046095	3,60%
	BRI	6.522.422	283.583.198	0,02300003	2,30%
	BTN	1.418.867	63.563.684	0,022321976	2,23%
2012	Bank Mandiri	7.224.900	370.570.356	0,019496703	1,95%
	BNI	5.483.926	193.050.166	0,028406741	2,84%
	BRI	7.424.166	318.000.752	0,023346379	2,33%
	BTN	2.835.387	81.410.763	0,034828159	3,48%

Source: Secondary Data were Processed

Liquidity Risk

Health ranking of Bank Mandiri viewed from the performance of LDR (Loan to Deposit Ratio) is generally very healthy even in 2012 decreased ranking to be healthy with LDR value of 83,6%. Health ranking of BNI when viewed from the calculation of LDR (Loan to Deposit Ratio) generally shown BNI still in the category of very healthy, despite in 2012 decreased ranking from very healthy to be healthy with the results of LDR assessment of 77,04%.

In general, the health condition of BRI from 2009 until 2012 seen from LDR value show that BRI tend to be stable with healthy bank category. With good BRI liquidity performance, the ability of BRI liquidity to overcome the needs of liquidity and risk management relatively strong. And for Health condition of BTN based on the results of LDR assessment from 2009 to 2012 shown that BTN poorly category (table 5).

Table 5. Result Assessment of Risk Profile Ratio (In Millions Rupiah)

Year	**Bank**	**Total Loan**	**Total Customer Deposit**	**Liquidity (LDR)**	**Liquidity (LDR) %**
2009	Bank Mandiri	175.259.777	277.591.688	0,631358159	63,14%
	BNI	155.980.065	221.868.450	0,703029498	70,30%
	BRI	192.235.545	221.518.636	0,867807551	86,78%
	BTN	65.098.097	64.972.541	1,001932447	100,19%
2010	Bank Mandiri	219.262.620	301.008.156	0,728427505	72,84%
	BNI	167.401.244	225.435.422	0,742568504	74,26%
	BRI	228.691.057	261.543.562	0,874389931	87,44%
	BTN	71.092.768	69.274.654	1,02624501	102,62%
2011	Bank Mandiri	298.988.258	384.728.603	0,777140706	77,71%
	BNI	158.223.131	225.652.219	0,701181365	70,12%
	BRI	283.583.198	384.264.345	0,73798988	73,80%
	BTN	63.563.684	61.970.015	1,025716776	102,57%
2012	Bank Mandiri	370.570.356	442.837.863	0,836808202	83,68%
	BNI	193.050.166	250.569.509	0,770445561	77,04%
	BRI	318.000.752	385.113.845	0,825731809	82,57%
	BTN	81.410.763	80.667.983	1,009207866	100,92%

Source: Secondary Data were Processed

Good Corporate Governance

In terms of assessment of the performance of Bank Mandiri Good Corporate Governance from 2009 until 2012, it can be seen that the ranking of health in general is very healthy although in 2012 has decreased from very healthy to be healthy. For Health of BNI when seen from the results of Good Corporate Governance self-assessment from 2009 until 2012 in general tend to be stable with very healthy category (table 6).

Health condition of BRI when viewed from the results of self-assessment of Good Corporate Governance from 2009 until 2012 in generally is very healthy bank. For Based on the results of self-assessment of BTN Good Corporate Governance from 2009 to 2012 shown BTN is a very healthy bank.

Table 6. Good Corporate Governance Results

Year	Bank	Good Corporate Governance
2009	Bank Mandiri	1,1
	BNI	1,13
	BRI	1,35
	BTN	1,56
2010	Bank Mandiri	1,1
	BNI	1,4
	BRI	1,45
	BTN	1,23
2011	Bank Mandiri	1,1
	BNI	1,25
	BRI	1,3
	BTN	1,15
2012	Bank Mandiri	1,5
	BNI	1,3
	BRI	1,31
	BTN	1,35

Source: Secondary Data

Earnings

Health of Bank Mandiri seen from performance ROA (Return on Assets) from 2009 to 2012 generally indicates Bank Mandiri in the category of very healthy bank. Health condition of BNI when viewed from the results of performance ROA (Return on Assets) shown no significant fluctuations. Changes in the value of BNI ROA ratio from 2009 to 2012 remained stable.

From the results of ROA assessment on BRI from 2009 until 2012, in general BRI health condition classified as very healthy bank. BTN health conditions when seen from the results of assessment ROA ratio from 2009 to 2012 generally in very healthy condition although the value is not as big as that achieved by BRI.

Table 7. Result Assessment of Earnings (In Million Rupiah)

Year	Bank	Annual Net Income	Average Total Asset	Earnings (ROA)	Earnings (ROA) %
2009	Bank Mandiri	8.293.453	364.516.090	0,022751953	2,28%
	BNI	6.975.109	273.096.754	0,025540798	2,55%
	BRI	6.664.962	275.992.797	0,024149043	2,41%
	BTN	1.369.062	90.784.674	0,015080321	1,51%
2010	Bank Mandiri	9.630.501	411.016.708	0,023430923	2,34%
	BNI	7.210.897	281.461.127	0,025619513	2,56%
	BRI	8.507.751	325.943.612	0,026101911	2,61%
	BTN	1.489.075	88.259.664	0,016871524	1,69%
2011	Bank Mandiri	20.504.268	551.891.704	0,037152702	3,72%
	BNI	7.461.308	299.058.161	0,024949354	2,49%
	BRI	12.855.412	450.560.230	0,028532061	2,85%
	BTN	1.522.260	89.121.459	0,017080735	1,71%
2012	Bank Mandiri	16.512.035	635.618.708	0,025977893	2,60%
	BNI	8.899.562	333.303.506	0,026701075	2,67%
	BRI	16.298.886	462.078.650	0,035272969	3,53%
	BTN	1.863.202	111.748.593	0,016673158	1,67%

Source : Secondary Data were Processed

Capital

The healhty ranking of Bank Mandiri when viewed from performance of CAR (Capital Adequacy Ratio) is generally very stable and into category of very healthy bank. This suggests that Bank Mandiri capital levels are significantly higher than the prevailing provisions of CAR and expected to remain at this level for the next twelve months. And BNI health condition when seen from the results of performance appraisal CAR (Capital Adequacy Ratio) in general from 2009 to 2012 still in a stable condition.

While the results of assessment of BRI CAR from 2009 to 2012 shown the tend to be stable with a very healthy bank category. Therefore the level of capital held by BRI from 2009 to 2012 was significantly higher than the prevailing provisions of CAR and expected to remain at this level for the next twelve months. Health rangking of BTN when seen from the results of assessment CAR from 2009 to 2012 generally indicates a healthy condition. Therefore health ranking achieved by BTN when seen from the results of the assessment reflects BTN capital levels significantly were higher than the prevailing provisions of CAR and expected to remain at this level for the next twelve months.

Table 8. Result Assessment of Capital Ratio (In Millions Rupiah)

Year	Bank	Total Capital	Total Asset	Capital (CAR)	Capital (CAR) %
2009	Bank Mandiri	26.428.898	187.684.077	0,140815878	14,08%
	BNI	36.442.051	171.658.211	0,212294249	21,23%
	BRI	22.186.523	164.382.436	0,134968939	13,50%
	BTN	7.809.416	44.786.853	0,174368492	17,44%
2010	Bank Mandiri	34.371.877	254.519.563	0,13504611	13,50%
	BNI	35.787.624	167.275.476	0,213944237	21,39%
	BRI	29.853.501	223.414.435	0,133623868	13,36%
	BTN	8.098.685	45.868.574	0,176562825	17,66%
2011	Bank Mandiri	54.084.246	352.519.994	0,153421783	15,34%
	BNI	32.691.914	185.403.030	0,176328909	17,63%
	BRI	41.815.988	279.602.642	0,149555053	14,96%
	BTN	6.968.366	46.373.034	0,150267632	15,03%
2012	Bank Mandiri	61.947.504	400.189.948	0,154795252	15,48%
	BNI	39.190.799	235.143.102	0,166667866	16,67%
	BRI	52.341.349	328.168.214	0,159495487	15,95%
	BTN	9.433.162	53.321.389	0,176911408	17,69%

Source: Secondary Data were Processed

Based on the result, we can see the summary of each bank ratio as following:

Table 9. Summary of Research Results

Year	Bank	Loan (NPL)	Liquidity (LDR)	GCG	Earning (ROA)	Capital (CAR)
2009	Bank Mandiri	4,51%	63,14 %	1,1	2,28 %	14,08 %
	BNI	3,76%	70,30%	1,13	2,55%	21,23%
	BRI	3,92%	86,78%	1,35	2,41%	13,50%
	BTN	2,60%	100,19%	1,56	1,51%	17,44%
2010	Bank Mandiri	2,96%	72,84%	1,1	2,34%	13,50%
	BNI'46	3,36%	74,26%	1,4	2,56%	21,39%
	BRI	4,28%	87,44%	1,45	2,61%	13,36%
	BTN	2,48%	102,62%	1,23	1,69%	17,66%
2011	Bank Mandiri	2,33%	77,71%	1,1	3,72%	15,34%
	BNI	3,60%	70,12%	1,25	2,49%	17,63%
	BRI	2,30%	73,80%	1,3	2,85%	14,96%
	BTN	2,23%	102,57%	1,15	1,71%	15,03%
2012	Bank Mandiri	1,95%	83,68%	1,5	2,60%	15,48%
	BNI	2,84%	77,04%	1,3	2,67%	16,67%
	BRI	2,33%	82,57%	1,31	3,53%	15,95%
	BTN	3,48%	100,92%	1,35	1,67%	17,69%

Source: Secondary Data were Processed

	Very Healthy
	Healthy
	Fairly Healthty
	Poorly Healthy
	Unhealthy

CONCLUSIONS AND SUGGESTIONS

Based on the research results of the previous chapter about the health assessment of government banks using Risk-Based Bank Rating, then a few things which author conclude the following. From the measurement

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of NPL ratio to the four Government Banks from year 2009-2012, it can be concluded that Bank Mandiri, BNI, BRI continues to improve the condition of their NPLs in order to achieve as a healthy bank category, while BTN previously for three consecutive years have NPL stable value, decreased slightly in the rankings in 2012 from a healthy bank into fairly healthy bank. While the assessment results of LDR, it can be concluded that BTN is in a state quite vulnerable compared to the three other banks, because of the results of the LDR assessment, BTN categorized as poorly bank and for four consecutive years from 2009 - 2012 has not shown any improvement. From the results of self-assessment Good Corporate Governance, then in general the four Government Banks have been successfully implemented Good Corporate Governance very well, where Bank Mandiri get the highest value for three consecutive years from 2009-2011. The health condition of the four Government Banks when viewed in terms of the results of ROA assessment from the year 2009-2012 can be generally stated as the healthy banks, where BRI which has the highest ROA value. In terms of CAR assessment year 2009-2012, the Government Banks are generally into the category of very healthy bank, where BNI has the highest CAR value.

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