

ANALYSIS OF FINANCIAL PERFORMANCE WITH RGEC METHOD AT REGIONAL DEVELOPMENT BANK LISTED ON THE INDONESIAN STOCK EXCHANGE

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ABSTRACT

This research intends to analyze the financial performance at Regional Development Banks listed on the Indonesian Stock Exchange for the 2016-2020 period using the RGEC (Risk Profile, Good Corporate Governance, Earnings, Capital). This research applied quantitative descriptive approach. Data were collected through annual financial reports published in each bank of 3 regional banks. Results of this research reveals that the financial performance at regional development Banks listed on the on the Indonesian Stock Exchange for the 2016-2020 period is identified through the Risk Profile, namely by analyzing financing risk with the NPL ratio of regional banks BJBR in the very good category, BJTM in the good category and BEKS is adequate but was not in good category in 2020 period. Liquidity risk analysis with the LDR ratio of regional banks of BJTM for the 2016 period is adequate, the 2017 period is good and in the period of 2018-2020 it is very good, the BJBR bank is in the adequate category and the BEKS bank for the 2016 and 2018 periods is good, the 2017 and 2019 periods it is in category of good, the 2020 period it is not good.

Keywords: Risk Profile, Good Corporate Governance, Earning, Capital (RGEC).

INTRODUCTION

Banking in Indonesia, in its role as a strategic institution, is required to be able to become a forum that can channel and collect public finances in a consistent and responsible manner. In 2018 there were 115 commercial banks in Indonesia, as of July 2021 the number of commercial banks in Indonesia was 107 banks (OJK, SPI July 2021). The number of commercial banks will decrease in 2021 as many as 8 banks. If the main activities of banks are realized properly, the role and the objectives of banks can be carried out properly. According to (Zain, Irsyandi, and Rahmat Akbar, 2020) if the main activities fail, the bank's financial performance will be disrupted and can lead to bankruptcy. (Arifin, I. Z., & Marlius, D, 2018) states that financial performance is a condition that describes the finances of a company that conducts analysis with financial analysis tools, so that it is able to identify the good and the bad financial conditions of a company through reflection of work performance.

One of banking categories in the country is the Regional Development Bank (BPD). BPD is a bank whose majority owned by district/city and provincial governments in Indonesia according to data (OJK, SPI September 2021) there are 27 BPD banks. Bank's business activities are always faced with risks related to uncertainties that occur as a result of current decisions and conditions. In assessing the performance of banks in Indonesia, the regulations set by Bank Indonesia are applied, such as Bank Indonesia Regulation No.13/1/PBI/2011 on January 5th 2011 concerning the Rating of Commercial Banks Soundness Level, replacing the previous Bank Indonesia Regulation No. 6/10/PBI/2004 from CAMELS to RGEC. Determination of soundness level is a reflection of a bank's performance using RGEC (Risk profile, Good Corporate Governance, Earning, and Capital).

Research on the financial performance at regional development Banks (BPD), namely research (Maharani, D. A. et al, 2021) which compares the Financial Performance of the East Java Regional Development Banks and Bank Ganesha in 2018-2020 the results show that the ROA, LDR and CAR

ratios are Regional Development Banks East Java is superior to Bank Ganesha. And research (Indrawati, A. and Dambe, D. N, 2021) which analyzes the financial performance of the Papua Regional Development Bank shows that the 2019-2020 Papua Regional Development Bank financial statements for the ratio of GPM, NPM and ROCE are in a healthy/stable condition. . however, the ratio of ROA and ROE is in poor/unhealthy condition. Based on this research, the performance of BPD according to the Association at regional development Banks (Asbanda) can be described as shown in Figure 1.

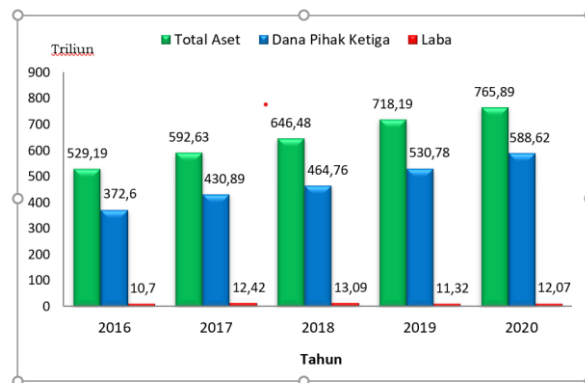


Figure 1
 Performance at Regional Development Banks in Indonesia of 2016-2020
 (Source: Association at Regional Development Banks)

Figure above shows that total assets and funds of BPD third parties in 2016-2020 continued to experience yoy growth, meaning that the positive growth of total assets and third-party funds experienced by BPDs in Indonesia, especially during the COVID-19 pandemic in 2019-2020 which shows growth in total assets of 6.64% yoy and third-party funds 10.9% yoy. However, profits fluctuated from 2016-2020, therefore the researcher expected to analyze the earnings performance or profitability of BPD listed on the IDX in 2016-2020. Where earnings are also a part of measuring the performance level of a bank, namely the RGEC method approach (Risk Profile, Good Corporate Governance, Earning, and Capital) according to Bank Indonesia Regulation No. 13/1/PBI/2011.

Due to phenomena above and as well as empirical studies that the lack of research that analyzes the overall financial performance of BPDs listed on the IDX does not even exist, another thing also shows that the results of empirical study studies still have poor financial performance/bad conditions, especially in Regional Development Banks as new entrants to the banking sector. Therefore, this research is based on the phenomenon gap and the research gap, therefore it was conducted through analyzing the financial performance of PT. Regional Development Banks listed on the Indonesia Stock Exchange for the 2016-2020 period through a risk-based approach commonly known as RGEC (Risk Profile, Good Corporate Governance, Earning, and Capital). Assessment of bank financial performance using a risk-based approach (Risk Based Bank Rating) is a comprehensive and structured assessment of the results of the integration between risk profile and performance which includes the implementation of good governance, profitability, and capital.

Risk Profile aspects include NPL and LDR, Good Corporate Governance aspects include Self-Assessment, the Earnings aspect includes ROA and BOPO while the Capital aspect includes CAR. This research intends is to create a conceptual that describes the financial performance of PT Bank Pembangunan Daerah which is listed on the Indonesia Stock Exchange for the 2016-2020 period using the RGEC method.

METHOD

This was descriptive quantitative research. The population involved was the Regional Development Banks listed on the Indonesia Stock Exchange, such as 3 (three) BPDs and the samples of this research were the Regional Development Banks of West Java and Banten Tbk (BJBR), the Regional Development Banks of East Java Tbk (BJTM) and Banks Regional Development Banten Tbk (BEKS). Data were obtained in the form of financial reports published by the company through the internet and then accessed on the website of each BPD which became the research sample.

The data analysis technique carried out in this research refers to Bank Indonesia Regulation No.13/1/PBI/2011, namely the RGEC method which consists of:

A. Risk Profile

The risk profile in this research was measured using 2 risks, namely credit risk using Non-Performing Loans (NPL) and liquidity risk Loan to Deposit Ratio (LDR) with the following formula:

$$NPL = \frac{Bad\ Debt}{Credit\ Total} \times 100\%$$

Table 1

Assessment Criteria of Non Performing Loan (NPL)

Composite Rate	Criteria	Predicate
1	NPL < 2%	Very Good
2	2% < NPL < 5%	Good
3	5% < NPL < 8%	Adequate
4	8% < NPL < 12%	Inadequate
5	NPL > 12%	Not Good

Source : SE BI No. 6/23/DPNP Tahun 2004

$$LDR = \frac{Credit\ Total}{Third\ Parties\ Fund} \times 100\%$$

Tabel 2

Assessment criteria of Loan to Deposito Ratio (LDR)

Composite Rate	Criteria	Predicate
1	< 50% LDR < 75%	Very Good
2	< 75% LDR < 85%	Good
3	< 85% LDR < 100%	Adequate
4	< 100% LDR < 120%	Inadequate
5	LDR > 120 %	Not Good

Source : SE BI No. 6/23/DPNP Tahun 2004

B. Good Corporate Governance (GCG)

The assessment of GCG in this research was measured through self-assessment in terms of compliance with the bank's GCG principles. Then from the results of the assessment of GCG principles, it will be adjusted according to the component ranking table as follows:

Table 3

Assessment Criteria of Good Corporate Governance (GCG)

Composite Rate	Criteria	Predicate
1	Nilai Komposit < 1,5	Very Good
2	1,5 < Nilai Komposit < 2,5	Good
3	2,5 < Nilai Komposit < 3,5	Adequate
4	3,5 < Nilai Komposit < 4,5	Inadequate
5	Nilai Komposit > 4,5	Not Good

Source : SE BI No. 6/23/DPNP Tahun 2004

C. Earning

The profitability factor in this research was measured through the ratio of Return on Assets (ROA) and Operating Costs to Operate Income (BOPO) with the following formula:

$$ROA = \frac{\text{Profit Before Tax}}{\text{Total Asset}} \times 100\%$$

Table 4
Assessment Criteria of Return On Assets (ROA)

Composite Rate	Criteria	Predicate
1	ROA > 1,5%	Very Good
2	1,25% < ROA < 1,5%	Good
3	0,5% < ROA < 1,25%	Adequate
4	0% < ROA < 0,5%	Inadequate
5	ROA < 0%	Not Good

Source : SE BI No. 6/23/DPNP Tahun 2004

$$BOPO = \frac{\text{Operating Expenses}}{\text{Operating Income}} \times 100\%$$

Table 5
Assessment Criteria
Operating Costs of Operating Income (BOPO)

Composite Rate	Criteria	Predicate
1	BOPO < 83%	Very Good
2	83% < BOPO < 85%	Good
3	85% < BOPO < 87%	Adequate
4	87% < BOPO < 89%	Inadequate
5	BOPO > 89%	Not Good

Source : SE BI No. 6/23/DPNP Tahun 2004

D. Capital

Ratio that can be used to measure the capital adequacy of a bank is the Capital Adequacy Ratio (CAR), with the following formula:

$$CAR = \frac{\text{Modal}}{\text{ATMR}} \times 100\%$$

Table 6
Assessment criteria of Capital Adequacy Ratio (CAR)

Composite Rate	Criteria	Predicate
1	CAR > 12%	Very Good
2	9% < CAR < 12%	Good
3	8% < CAR < 9%	Adequate
4	6% < CAR < 8%	Inadequate
5	CAR < 6%	Not Good

Source : SE BI No. 6/23/DPNP Tahun 2004

RESULTS AND DISCUSSION

Results

1. Risk Profile

- a. Credit risk is calculated using the ratio of Non-Performing Loans (NPL) obtained through non-performing loans (substandard, doubtful and loss) divided by the total loans granted. The results of the calculation of Non-Performing Loans (NPL), the value of the NPL ratio at regional development Banks on the IDX for the 2016-2020 period can be seen as follows:

Table 7
Performance of *Non-Performing Loan* (NPL) at Regional Development Banks
On the Indonesia Stock Exchange 2016-2020 Period

Bank Code	Period	Ratio of NPL (%)	Composite Rate	Predicate
BJBR	2016	0,97	1	Very Good
	2017	0,68	1	Very Good
	2018	0,77	1	Very Good
	2019	1,11	1	Very Good
	2020	0,43	1	Very Good
BJTM	2016	4,77	2	Good
	2017	4,59	2	Good
	2018	3,75	2	Good
	2019	2,77	2	Good
	2020	4,00	2	Good
BEKS	2016	5,71	3	Adequate
	2017	5,37	3	Adequate
	2018	5,90	3	Adequate
	2019	5,01	3	Adequate
	2020	22,27	5	Adequate

Source.: Data Processed by Researchers, 2022

The results above show that the Bank of BJBR Non-Performing Loan ratio is better when it compared to other BPDs studied with the NPL ratio of BJBR bank from year to year $NPL < 2\%$ composite rating 1 with a very good predicate. BJTM Bank shows the NPL ratio from year to year of $2\% < NPL < 5\%$, composite rating 2 with good predicate. And BEKS bank in 2016-2019 ratio of $5\% < NPL < 8\%$ composite rating 3 with a adequate predicate, while in 2020 the NPL ratio $> 12\%$ composite rating 5 with inadequate predicate. it means that there is good loan management carried out by BJBR bank so that the NPL ratio for the 2016-2020 period is consistently below 2%.

- b. Liquidity risk is calculated using the Loan to Deposit Ratio (LDR) which is obtained through total loans divided by third party funds (savings, current accounts and time deposits). From the results of the Loan to Deposit Ratio (LDR) calculation, the LDR ratio value at regional development Banks on the IDX for the 2016-2020 period can be seen as follows:

Table 8
Performance of *Loan to Deposito Ratio* (LDR) at Regional Development Banks
On the Indonesia Stock Exchange 2016-2020 Period

Bank Code	Period	Ratio of LDR (%)	Composite Rate	Predicate
BJBR	2016	87,08	3	Adequate
	2017	87,68	3	Adequate
	2018	92,33	3	Adequate
	2019	98,26	3	Adequate
	2020	91,69	3	Adequate
BJTM	2016	94,80	3	Adequate
	2017	83,68	2	Good
	2018	68,80	1	Very Good
	2019	65,11	1	Very Good
	2020	62,24	1	Very Good
BEKS	2016	83,85	2	Good
	2017	91,95	3	Adequate
	2018	82,86	2	Good
	2019	95,59	3	Adequate
	2020	146,77	5	Not Good

Source.: Data Processed by Researchers, 2022

The results above show that the regional bank of BJTM Loan to Deposit Ratio (LDR) is better when compared to other BPDs because there is an increase in the LDR performance obtained by BJTM from adequate in the 2016 period to very good in the 2020 period, while regional banks BJBR in the 2016-2020 period tend to at composite rank 3 with a adequate predicate, and regional bank BEKS the LDR ratio value fluctuates greatly from good predicate for the 2016 period to not good in the 2020 period. This means that with an increase in the performance of the LDR ratio, which is getting better from year to year, it indicates that a company has the ability to pay its short-term obligations well.

2. Good Corporate Governance

The assessment of Good Corporate Governance (GCG) is based on Indonesian Bank Circular Letter No.15/15/DPNP/2013 in an effort to improve and increase the quality of GCG implementation, banks are required to periodically conduct a comprehensive self-assessment on the adequacy of GCG implementation. According to the BPD annual report on the IDX for the 2016-2020 period, the GCG assessment was obtained through the self-assessment published by each bank from the annual report with the following values:

Table 9
Assessment of *Good Corporate Governance* (GCG) at Regional Development Banks
On the Indonesia Stock Exchange 2016-2020 Period

Bank Code	Period	Ratio of GCG (%)	Predicate
BJBR	2016	2	Good
	2017	2	Good
	2018	2	Good
	2019	2	Good
	2020	2	Good
BJTM	2016	2	Good
	2017	2	Good
	2018	2	Good
	2019	3	Adequate
	2020	3	Adequate
BEKS	2016	3	Adequate
	2017	3	Adequate
	2018	3	Adequate
	2019	3	Adequate
	2020	4	Not Good

Source: Annual Report, 2022

The results above show that through self-assessment in the implementation of bank governance, it was obtained that regional bank BJBR for the period 5 period composite rating 2 with good predicate, regional bank BJTM 2016-2018 composite rating 2 with good predicate for the 2019-2020 period decreased to composite rank 3 with the predicate is adequate, while BEKS is generally adequate, while the 2020 period experienced a decline in the composite rating of 4 with the predicate of not good. Therefore, in general, the comparison of GCG performance at Regional Development Banks on the Indonesia Stock Exchange for the 2016-2020 period shows that BJBR regional banks are superior when compared to other regional banks studied. This means that the implementation of the 11 GCG principles of regional bank BJBR is much better than that of other regional banks.

3. Earning

- a. Return On Assets (ROA) is a profitability ratio measuring the ability of banks to generate profits from each asset they have. To obtain the results of this ratio of profit before tax

divided by total assets. From the results of the calculation of Return On Assets (ROA), the ROA ratio value at regional development Banks on the IDX for the 2016-2020 period can be seen as follows:

Table 10
Performance of *Return On Assets* at Regional Development Banks
On the Indonesia Stock Exchange 2016-2020 Period

Bank Code	Period	Ratio of ROA (%)	Composite Rate	Predicate
BJBR	2016	1,43	2	Good
	2017	1,42	2	Good
	2018	1,61	1	Very Good
	2019	1,60	1	Very Good
	2020	1,54	1	Very Good
BJTM	2016	3,37	1	Very Good
	2017	3,18	1	Very Good
	2018	2,80	1	Very Good
	2019	2,43	1	Very Good
	2020	1,80	1	Very Good
BEKS	2016	-9,72	5	Not Good
	2017	-1,30	5	Not Good
	2018	-1,38	5	Not Good
	2019	-2,23	5	Not Good
	2020	-4,88	5	Not Good

Source : Data Processed by Researchers, 2022

The results above show that the Return On Assets (ROA) of BJTM bank is better when compared to other BPDs studied with the ROA ratio of BJTM bank consistently above 1.5% which is the maximum value with a very good predicate. For bank BJBR for the 2016 and 2017 periods, the predicate was good with a ratio value of $1.25\% < ROA < 1.5\%$, while the 2018-2020 period was much better, previously the predicate was very good with a ratio value above 1.5%. While BEKS from year to year the predicate is not good with the value of the ratio below 0% or loss before tax. This means that BJTM regional banks during the 2016-2020 period have good performance and are superior to other regional banks such as BJBR and BEKS.

- b. Operating Costs Against Operating Income (BOPO) measures the efficiency level of banks in minimizing operational costs to generate operating income. To obtain the results of this BOPO, the operating expenses are divided by operating income. From the calculation results, the value of the Regional Development Bank BOPO ratio on the IDX for the 2016-2020 period can be seen as follows:

Table 11
Performance of Operational Cost of Operating Income at
Regional Development Banks on the Indonesia Stock Exchange 2016-2020 Period

Bank Code	Period	BOPO Ratio (%)	Composite Rate	Predicate
BJBR	2016	77,76	1	Very Good
	2017	76,28	1	Very Good
	2018	72,31	1	Very Good
	2019	70,98	1	Very Good
	2020	72,19	1	Very Good
BJTM	2016	61,88	1	Very Good
	2017	57,40	1	Very Good
	2018	58,41	1	Very Good
	2019	59,84	1	Very Good
	2020	66,12	1	Very Good
BEKS	2016	345,15	5	Not Good
	2017	140,90	5	Not Good
	2018	179,31	5	Not Good
	2019	238,63	5	Not Good
	2020	495,35	5	Not Good

Source : Data Processed by Researchers, 2022

The results above show that the Operational Cost of Operating Income (BOPO) of BJBR

and BJTM banks is better than BEKS bank with the value of the BOPO ratio of BJBR and BJTM banks consistently below 83% which is the maximum value with a very good predicate. Meanwhile, BEKS bank from year to year has a bad predicate with a ratio value above 89%. This means that the operational income obtained by regional banks BJBR and BJTM is greater than operating expenses. Therefore, the smaller the ratio value. the indication is better.

4. Capital

Bank Indonesia Circular Letter No.6/23/DNDP May 31 of 2004 in assessing the Capital of a Bank may use the Capital adequacy ratio (CAR). The results of the calculation, the value of the Regional Development Bank CAR ratio on the IDX for the 2016-2020 period can be seen as follows:

Table 12
Performance of *Capital Adequacy Ratio* at Regional Development Banks
On the Indonesia Stock Exchange 2016-2020 Period

Bank Code	Period	BOPO Ratio (%)	Composite Rate	Predicate
BJBR	2016	18,43	1	Very Good
	2017	19,17	1	Very Good
	2018	18,63	1	Very Good
	2019	17,71	1	Very Good
	2020	17,31	1	Very Good
BJTM	2016	23,88	1	Very Good
	2017	24,65	1	Very Good
	2018	24,21	1	Very Good
	2019	21,77	1	Very Good
	2020	21,64	1	Very Good
BEKS	2016	13,22	1	Very Good
	2017	10,22	2	Good
	2018	10,04	2	Good
	2019	9,01	2	Good
	2020	34,75	1	Very Good

Source : Data Processed by Researchers, 2022

The results above show that the Capital Adequacy Ratio (CAR) of BJBR and BJTM banks is better when compared to BEKS banks with the CAR ratio of BJBR and BJTM banks consistently above 12% which is the maximum value with very good predicate. Meanwhile, BEKS bank for the 2016 and 2020 periods had a CAR ratio of above 12% with a very good predicate, while the 2017-2019 period was in a good predicate. Another thing also shows that in the 2017 period the CAR ratio performance decreased compared to the previous period in 2016, for the 2020 period there was an increase in the BEKS CAR ratio performance from a good 2019 predicate to a very good in 2020 period.

Discussion

1. Risk Profile at Regional Development Banks on the Indonesia Stock Exchange 2016-2020 Period.

a. Credit Risk

Non-Performing Loans (NPLs) at regional development Banks on the BEI of BJBR and BJTM banks for the 2016-2020 period are still in good condition, the smaller NPL value indicates that banks are getting better at managing financing risk. Furthermore, the number of loans consists of substandard, doubtful and bad debts will decrease. BJBR and BJTM banks are very careful and selective in providing loans to customers that require costs so that it has an impact on the stability of the NPL ratio of BJBR and BJTM banks. The results of this research are in line with research (Dini. I and Yati. M, 2020 and Maharani, D. A, 2021) that the NPL ratio of BJBR and BJTM banks is still in a tolerance condition, which is below 5% BJBR for the 2014-2018 period and BJTM for the 2018- 2020.

Regional bank of BEKS, performance of NPL is far from good category because in the

2020 period the ratio value obtained was 22.27% which is greater than the previous period of 5.01%. The increase in the value of the BEKS ratio for the 2020 period was due to bad loans growing to 372,388 billion from 11,157 billion. This means that BEKS bank is less careful in providing credit to customers so that it has a bad impact on the performance of the NPL ratio.

b. Liquidity Risk

Regional bank BJTM during the 2016-2020 period identified an increase in the performance of the LDR ratio. The increase in the LDR performance of regional banks BJTM reflects the ability of banks to meet short-term obligations when depositors need money at any time by relying on loans provided as a source of bank liquidity. The increase in NPL performance is inseparable from the growth in lending from funds raised by banks and can increase profits. The achievement of an excellent NPL ratio obtained by the regional bank BJTM can attract the interest of the public who want to make deposits as well as the interest of investors. The achievement of the NPL ratio is in accordance with the theory of (Jumingan, 2016:239) "Company performance is a description of the achievements achieved by the company in its operations, both regarding aspects of finance, marketing, collection and distribution of funds. The results of this study are in line with research (Ayu Desi. K. W and Triyonowati, 2022) that overall the average Loan to Deposit Ratio (LDR) of BJTM regional development banks from 2016-2020 has a good performance. For regional banks, BJBR is still within the tolerance limit for the LDR ratio, which is below 100% with adequate predicate.

The BEKS regional bank for the 2020 period did not perform well because the LDR ratio value obtained was 146.77%, which was much larger than the previous period of 95.59%. This means that the BEKS regional bank for the 2020 period was not liquid in meeting withdrawals made by a depositor. The BEKS ratio for the 2020 period exceeds the Bank Indonesia stipulation limit of 120%. According to the Circular Letter of Bank Indonesia Number 15/41/DKMP of 2013 if a bank's LDR exceeds 120%, it will be subject to a penalty so that the bank is required to increase the statutory reserve requirement by 0.2% from 1%. However, this regulation applies if the bank's CAR ratio is below 14%, otherwise if it is above 14% the bank is not subject to sanctions. So BEKS regional bank has not received a penalty because the CAR ratio value obtained by BEKS for the 2020 period is 34.75%, which means it is still above 14% of the Bank Indonesia regulation.

2. *Good Corporate Governance* at Regional Development Banks on the Indonesia Stock Exchange 2016-2020 Period.

The results of the self-assessment show that the regional bank BJBR has a good performance because the GCG predicate during the 2016-2020 period is consistent in good condition when compared to other regional banks. This means that the implementation of the 11 GCG principles referred to the Circular Letter of Bank Indonesia No. 15/15/DPNP, in 2013 the regional bank BJBR was much better than other regional banks and reflected that the bank's management was considered very capable of implementing good general governance. GCG assessment has principal values including transparency, accountability, responsibility, independence and fairness.

Regional banks of BJTM and BEKS have not been able to reflect good general governance due to the decline in the self-assessment rate from good to quite good for the 2019-2020 period. Meanwhile, BEKS regional banks also experienced a decline in GCG performance in the 2020 period from quite good for the 2016-2019 period to less good in the 2020 period.

3. *Earning Banks* at Regional Development on the Indonesia Stock Exchange 2016-2020 Period.

a. *Return On Assets (ROA)*

Regional bank of BJTM during the 2016-2020 period had good performance, because it was consistent with obtaining a composite rating of 1 with a very good predicate, this was BJTM's ability to manage its assets optimally so that it could generate profits. The main source of bank income, namely interest income on loans, means that the achievement of increasing credit by regional banks of BJTM for 5 periods has a positive meaning due to the higher the lending, the higher the risk that occurs to the bank, while regional banks of BJTM continue to experience growth in interest income as the main source of profit in the bank which is the impact of the increase in total credit. The results of this research are in line with research (Ayu Desi. K. W and Triyonowati, 2022) that overall, the average Return on Assets (ROA) of BJTM regional banks from 2016-2020 has a very good performance.

Regional bank of BJBR has an increase in ROA ratio performance in the 2018 period, namely 1.61% from 1.42% in 2017. The increase in ROA ratio obtained by BJBR regional bank was due to the growth of interest income for 5 periods from 6.07 trillion in 2016 to 6.49 trillion the 2020 period. This growth is hence of the maximum asset management and is also inseparable from the growth in total loans provided so that it can generate profits from interest income. However, the amount of credit given also poses a high risk to the bank so that there is no profit. This means that the regional bank of BJBR is right and very selective in providing credit to have a positive impact on profits derived from interest on lending as a source of income. The results of this research are in line with research (Noviandari and Ramadhanty, 2021) that the ROA ratio performance of BJBR regional banks has grown from good to very good during the 2015-2019 period.

BEKS regional bank of ROA ratio is in a bad condition, which is minus during the 2016-2020 period, this is due to a pre-tax loss, meaning that BEKS regional bank has not been optimal in managing its assets. The minus of ROA ratio of BEKS regional banks is also the impact of the decrease in total assets owned from 9.48 trillion in 2018 to 5.33 trillion in 2020. The decline in total assets that occurred was also followed by a decrease in interest income from 571 billion in 2018 to 372 billion in the period 2020. Another thing also shows that the growth of total credit by BEKS regional banks has a negative impact because there is no growth in interest income as the main source of profit for a bank is interest income from a credit.

b. *Operating Costs of Operating Income (BOPO)*

Regional banks BJBR and BJTM have the same performance which is very good during the 2016-2020 period. The performance results are the impact of obtaining overall operating income which is greater than the operating expenses of regional banks of BJBR and BJTM. Another thing also shows that the regional bank of BJBR grows in receipt of written-off loans from 190,326 billion in the 2016 period to 247.051 billion in the 2020 period as well as the growth obtained from securities sellers from 87,119 billion in the 2016 period to 424.289 billion in the 2020 period, which is one of the aspects of operating income. However, the largest operating income gain in the BOPO ratio is interest income. The results of this research are in line with research (Dini. I and Yati. M, 2020) that the profitability ratios (BOPO) of BJBR regional banks for the 2014-2018 period are in good and stable condition and are able to manage income and use costs efficiently and research (Maharani, D. A. et al, 2021) that the regional bank BJTM for the period 2018-2020 the BOPO ratio is in good condition.

Regional bank of BEKS in not good performance for 5 periods, which is the impact

of its operating expenses greater than the bank's operating income. The poor performance of BEKS bank BOPO is the impact of the decline in interest income as the main source of operating income, especially for the 2020 period, which amounted to 372,209 billion from 571,662 billion in the 2018 period and did not earn a profit on the sale of securities in the 2020 period while the 2019 period still earned a profit on the sale of securities of 16,243 billion. Meanwhile, the operational expenses were the biggest aspect, namely the labor and allowance expenses of 275,632 billion in the 2016 period to 119,005 billion in the 2020 period, although there was a decline, general and administrative expenses were still quite large in the range of 175,635 billion in the 2020 period. This means that BEKS bank has a negative impact on an increase in total credit for 5 periods, in other words, the bank did not receive the expected net interest income from the growth in credit lending.

4. *Capital* Banks at regional development on the Indonesia Stock Exchange 2016-2020 Period.

The Capital Adequacy Ratio (CAR) at regional development Banks on the IDX is based on the results of the analysis that regional banks BJBR and BJTM have excellent performance in the CAR ratio during the 2016-2020 period. This means that the growth of RWA credit risk, operational risk and market risk is also offset by the growth of additional capital reserves which are the capital aspects of BJBR and BJTM regional banks. So that the very good CAR ratio performance reflects the bank's ability to maintain operational losses or losses on lending, other things also show that the large CAR ratio value obtained by regional banks BJBR and BJTM with Bank Indonesia provisions, which is above 12% can support the realization of lending large and cannot be separated from being careful or selective in lending in order to have a positive impact (interest income/profit) on regional banks BJBR and BJTM. The results of this study are in line with research (Maharani, D. A. et al, 2021, Noviandari and Ramadhanty, 2021) that regional banks BJTM for the 2018-2020 period, BJBR for the 2015-2019 period, the CAR ratio is in very good condition.

BEKS regional bank CAR ratio performance decreased from very good 2016 to good in the 2017-2019 period, the decline in BEKS bank CAR ratio performance was due to a decrease in core capital gain from 560.632 billion in 2016 to 459,406 billion in 2017. Meanwhile, RWA credit risk increased in 2017 by 3.83 trillion from 2.76 trillion in the 2016 period. This means that there is no balance between the capital and the RWA of the BEKS regional banks, where the RWA credit risk is very large, while the capital is actually reduced, resulting in a decrease in the CAR ratio in the 2017-2019 period. The decrease in the CAR ratio is inseparable from the growth in lending which has a negative impact or there is no growth in interest income as the main source of bank profits, which occurs, namely the growth of bad loans for 5 periods from the analysis results as can be seen in Appendix 3. Therefore, BEKS regional banks it is necessary to be careful and selective in lending in order to generate profits according to the target so that it has an impact on the growth of the ROA ratio performance and can attract investors to buy securities traded on the IDX, because the risk-based assessment of bank financial performance, namely the RGEC method, has relevance between ratios. NPL, LDR, GCG, ROA, BOPO and CAR.

CONCLUSION

Results of research analysis and discussion of the financial performance at regional development Banks on the Indonesia Stock Exchange for the 2016-2020 period using the RGEC method shows conclusions that are determined as follows:

1. Risk Profile

- a. *Non Performing Loan* (NPL) during the 2016-2020 period, BJBR regional bank is in very good performance condition, BEKS regional bank is in good performance condition and BEKS regional bank is in adequate performance condition, then BJBR regional bank has superior NPL performance than other BPD.
 - b. *Loan to Deposito Ratio* (LDR) of regional bank BJTM reveals an increase in performance from the 2016 period which is adequate, 2017 is good to very good in the 2018-2020 period, the regional bank BJBR during the 2016-2020 period is in adequate performance condition and the BEKS regional bank during the 2016 period -2020 shows a fluctuation in the LDR ratio and even became a bad condition in the 2020 period from a adequate 2019 period, meaning that the regional bank of BJTM has a superior LDR performance than other BPDs.
2. The implementation of Good Corporate Governance during the 2016-2020 period, the regional bank BJBR was in good performance condition, the regional bank BJTM for the 2016-2018 period has good performance while the 2019 and 2020 periods declined to be quite good and the BEKS regional bank for the 2016-2019 period the performance condition was quite good for the 2020 period the performance declined to not good.
- ### 3. Earning or Profitability
- a. *Return On Assets* (ROA) during the 2016-2020 period, the regional bank BJTM is in very good performance condition, the regional bank BJBR for the 2016 and 2017 period is in good condition and there is an increase in performance to be very good for the 2018-2020 period and the BEKS regional bank during the 2016-2020 period in bad condition, meaning that regional bank BJTM has much better ROA ratio performance when compared to other BPDs.
 - b. *Operational Costs Against Operating Income* (BOPO) during the 2016-2020 period, regional banks BJBR and BJTM are in the same performance condition, which is very good, in contrast to regional banks BEKS, where the BOPO ratio is not good.
4. *Capital in the Capital Adequacy Ratio* (CAR) ratio during the 2016-2020 period, regional banks BJBR and BJTM in the same performance condition, which is very good, different from BEKS bank in the 2016 period, CAR performance conditions are very good and performance declines in the 2017-2019 period to good and can increase again in the 2020 period with very good conditions.

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