

Bank Health Level Analysis Using The Camel Method At Pt. Bank Tabungan Negara (Persero) Tbk

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Abstract – This study aims to determine the level of health at PT. Bank Tabungan Negara (Persero) Tbk using the CAMEL approach in 2018-2020. This research is a descriptive research with a quantitative approach. The data used in this study is secondary data obtained from the financial statements of PT Bank Tabungan Negara (Persero) Tbk. Sources of data used in this study are primary and secondary data. The data collection technique used in this study is a non-participant observation technique by looking at the financial reports and annual reports published by the company. The data analysis technique used in this study is the assessment of the soundness of the State Savings Bank using the CAMEL approach which consists of Capital, Asset, Management, Earning and Liquidity with CAR, NPL, NPM, ROA, BOPO, and LDR ratios. The results showed that the health level of Bank BTN from 2018 to 2020 fluctuated because in 2018 it was ranked 2 or HEALTHY, then in 2019 it was downgraded to 4 or LESS HEALTHY, then in 2020 it was upgraded to 3 or ENOUGH HEALTHY.

Keywords – financial performance, bank health, CAMEL ratio.

I. INTRODUCTION

Banking is one of the economic factors that plays a very important role in Indonesia's economic development, especially in facing the free market era and globalization, both as an intermediary between the surplus sector and as *agent of development*, which in this case is still borne by state banks (Dedy, 2003).

People prefer to save their money in banks that are trusted and in good condition. A healthy bank is a bank that can maintain and maintain public trust. Maintaining public trust is the most important value for a bank, because the higher the level of public trust, the higher the level of public awareness in saving funds in the bank.

A bank can be said to be healthy if the bank can carry out monitoring of aspects of assets, debt and capital and is able to maintain liquidity to fulfill all of its obligations so that the bank always gains the trust of the public. With this, the health of a bank is very important, so the bank must maintain its health.

A. Research purposes

To determine the level of health at PT. Bank Tabungan Negara (Persero) Tbk using the CAMEL approach in 2018-2020.

II. LITERATURE REVIEW

A. Financial institutions

Bank financial institutions or banking institutions in Indonesia exist and grow in line with the development of the national economy because financial institutions are financial intermediaries in the economy and act as institutions that provide means of payment as well as at the same time as one of the sources of funds in increasing the level of economic growth.

Bank

According to Kasmir (2015) a bank is a financial institution or company engaged in the financial sector, meaning that banking business is always related to problems in the financial sector. Meanwhile, according to Ismail (2016) banks can be interpreted as financial intermediary institutions, whose job is to collect funds from people who have excess funds (surplus units) and channel funds back to people who are in need and

a (unit deficit).

b. Bank Health

Bank health is defined as the ability of a bank to carry out banking operations normally and be able to fulfill all of its obligations properly in ways that comply with applicable banking regulations. The definition of bank health is a very broad definition, because bank health includes the soundness of a bank to carry out all of its banking business activities.

c. Camel analysis

The CAMEL analysis method aims to assess or measure the soundness of a banking company based on financial ratios that emphasize five aspects, namely capital, asset quality, management, income and liquidity. With CAR ratio (*capital adequacy ratio*), NPL (*Non Performing Loan*), NPM (*net profit margin*), LONG (*return on assets*) and BOPO (operating costs to operating expenses), and LDR (*loan to deposit ratio*).

1. Capital (Modal)

The soundness level of the bank in terms of the capital aspect can be assessed or measured using *Capital Adequacy Ratio* (CAR). This ratio represents the bank's ability to use its own capital to cover the decline in assets caused by losses arising from the use of these assets. The CAR value can be obtained by comparing own capital with Risk Weighted Assets (RWA).

2. Asset quality (asset quality)

Earning asset quality reflects the financial performance of banking companies. Asset quality assessment is carried out by comparing non-current loans with total loans.

3. Management (Management)

This financial ratio measures the level of a bank's ability to generate net profit from its main operational activities. Evaluation *Management* done by comparing the net profit with net income.

4. Earning (Income)

To measure the soundness of a bank from the income aspect, ratios can be used *Return on Asset* (ROA) by comparing the net profit achieved with the total assets owned by the bank and using the ratio of operational costs and operating income (BOPO).

5. Liquidity (Liquidity)

The liquidity aspect is related to the bank's ability to pay its debts, especially short-term debt. The more capable a bank is of paying its debts, the more liquid the bank is. This assessment is done by comparing the credit given to the funds received.

III. RESEARCH METHODS

A. Data Types and Sources

The type of data used to analyze the bank soundness level in this study is quantitative data. Quantitative data is data in the form of numbers. (Syofian Siregar, 2013).

Sources of data used in this study are primary and secondary data. Primary data is a source of data obtained by researchers directly from original sources or first parties taken from books, journals and so on.

B. Data Collection Techniques

The data collection technique used in this study is a non-participant observation technique. Non-participant observation technique is a technique of collecting data or observing researchers indirectly or outside the subject where as an observer by looking at the financial reports and annual reports at PT Bank Tabungan Negara (Persero) Tbk.

C. Operational Definition of Research Variables

1. *Capital* (capital), using the CAR ratio (*capital adequacy ratio*) namely the ratio of total capital to the amount of Risk Weighted Assets (RWA).
2. *Assets* (assets), using the ratio *Non Performing Loan* (NPL) obtained from comparing non-current loans with total loans.
3. *Management* (management), using the NPM ratio (*net profit margin*) obtained from comparing net income with net income.
4. *Earning* (profitability), using the ROA ratio (*return on assets*) obtained from comparing profit before tax with total assets and the BOPO ratio (operating expenses to operating expenses) obtained from comparing operating costs to operating expenses.
5. *Liquidity* (liquidity), using the LDR ratio (*loan to deposit ratio*) which is obtained from comparing the value of the credit provided with the amount of funds received.

IV. RESEARCH RESULTS AND DISCUSSION

Ratio	BANK BTN		
	2018	2019	2020
CAR	18,60%	17,67%	15,46%
NPL	8,71%	12,51%	7,81%
NPM	135,54%	9,91%	63,72%
LONG	1,17%	0,13%	0,62%
BOPO	56,34%	63,79%	59,81%
LDR	102,47%	112,23%	90,70%

processed financial statements.

1. The CAR value of Bank BTN for the 2018-2020 period has decreased, but the Bank
BTN is able to maintain the CAR position above the minimum standard set by Bank Indonesia, which is 12%. Based on the assessment criteria where Bank BTN's CAR ratio for the 2018-2020 period is above 12% with an average of 17.24%, Bank BTN's CAR ratio can be categorized as VERY HEALTHY.
2. Based on the assessment criteria where Bank BTN's NPL ratio for the period 2018 - 2020 with an average of 9.67% is in the LESS HEALTHY group.
3. Based on the assessment criteria where Bank BTN's NPM ratio for the period 2018 - 2020 with an average of 69.7% is in the HEALTHY ENOUGH group.
4. Based on the assessment criteria where Bank BTN's ROA ratio for the period 2018 - 2020 with an average of 0.64% is in the HEALTHY ENOUGH group.
5. Even though Bank BTN's BOPO value for the 2018-2020 period has fluctuated, Bank BTN was able to maintain the BOPO position below the minimum standard set by Bank Indonesia, namely 94%. With an average of 59.98, Bank BTN's BOPO ratio can be categorized as VERY HEALTHY.

6. Based on the assessment criteria where the LDR ratio of Bank BTN for the period 2018 - 2020 with an average of 101.8% is in the LESS HEALTHY group.

V. DISCUSSION

Based on the table of results of Bank BTN's CAMEL analysis for the 2018-2020 period above, the value of capital as measured using the CAR ratio has decreased every year, with the highest capital value in 2018 of 18.60% which does not guarantee that the company's financial performance as measured by the NPL ratio is working well, because the NPL value of Bank BTN in 2018 was rated unhealthy, in contrast to the lowest capital value in 2020 of 15.46%, but its financial performance as measured by the NPL ratio was Rated quite healthy.

The results of the assessment of the quality of human resources at Bank BTN, as measured using the NPM ratio, obtained a very healthy rating in 2018, because management was able to earn more net profit than net income, namely 135.54%. The highest compared to 2019 and 2020.

With a very healthy company management performance, this enables the company to run the company's operations by obtaining a very healthy rating as measured by the BOPO ratio, because the company is able to reduce operational costs by 56.34% of its total operating income. However, its ability to make a profit only gets a fairly healthy rating as measured by the ROA ratio, because the bank is only able to earn a pre-tax profit of 1.17% of total assets.

Because the company's financial performance received an unhealthy rating in 2018, it had an impact on the bank's ability to pay debts as measured using the LDR ratio which received an unhealthy rating, because the credit given by the bank was more for the funds received

VI. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION

Based on the results of the analysis of the soundness of the bank at PT. Bank Tabungan Negara (Persero) Tbk in 2018 to 2020, it can be concluded that the assessment of the soundness level of Bank BTN for the 2018 to 2020 period using the CAMEL method shows the bank's health rating that is fluctuated because in 2018 Bank BTN received a HEALTHY rating, then in 2019 it became LESS HEALTHY and in 2020 it received a HEALTHY ENOUGH rating.

SUGGESTION

- a. PT Bank Tabungan Negara (PERSERO) Tbk must carry out stricter supervision, especially in terms of extending credit. This is intended to reduce the level of bad loans in the future, because the decision to grant credit will affect the value of NPL and ROA.
- b. It is hoped that the performance of Bank BTN's management will be improved in managing the company's capital for operational activities in order to be able to get as much profit as possible so that the bank's ability to pay short-term and long-term debt increases, and is able to obtain a better level of soundness.

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