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Bank Health Level Analysis Using RBBR in Financial Services Sector – Case in Indonesia Stock Exchange

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Abstract: The society needs for the management of funds owned increased and they chose to keep their funds in the bank that can survive in the midst of economic turmoil that is less stable. Therefore, society must require information regarding the health condition of the existing banking. This study aimed to analyze the soundness of the financial sector services company listed on Indonesia Stock Exchange 2011-2013 period, and to know how the implications of the bank towards the implementation of basel II on Bank Indonesia Regulation No.13 / 1 / PBI / 2011.

This research uses descriptive quantitative approach, which is measured using a risk-based method (Risk-Based Bank Rating) by assessing four factors among which the Risk Profile, Good Corporate Governance, Earnings, Capital.

Results of this analysis indicate that the degree of health of the financial sector services company listed on the Stock Exchange 2011-2013 period as measured by RBBR as a whole can be said to be healthy. Risk factors were assessed with NPL Profile, PDN, LDR overall depict risk management has been implemented properly. Factors GCG own and apply good corporate governance. Earning factors or profitability assessment consists of ROA, ROE, NIM, ROA was found that ROA and ROE than in 2011-2013 has increased, while the NIM and ROA as a whole has been very good. Of the Capital or capital as assessed by overall CAR of banks that were visited had capital above 8%, and in accordance with the provisions of Bank Indonesia. Results implications for the health of banks has also been obtained in accordance with the rules of implementation of Basel II.

Keyword: Basel II, Risk-Based Bank Rating, Bank's Health Degree

PRELIMINARY

Until now the life of the world economy can not be separated from the banking world. Associated with banking problems, almost all aspects of economic activity as a banking financial harness that can guarantee the passage of the business activity or business. According to Law No. 10 Year 1998 on banking, states that banking is anything that concerns about the bank, including institutional, business activities, as well as the manner and process of carrying out its business activities. While banks are business entities that raise funds from the public and distribute it back to the community in the form of credit and other forms in order to improve the living standards of the people. From these statements it can be concluded that the bank is a company engaged in the field of finance, and its activity is also associated with financial problems.

Public confidence can be built with a form of transparency of the banking institutions in terms of both the financial statements and the state of health of the bank published. Indonesian Banking Institutions (LPI) had felt the loss of public confidence in the bank. The situation occurs when the monetary crisis hit Indonesia in 1998. Triggers the crisis when it is liquidity difficulties experienced by banking institutions due to the falling value of the rupiah against the US dollar. The weakening of the exchange rate caused the Indonesian Banking difficult to carry out their duties as the country's financial institutions.

Banking situation increasingly unhealthy lead to the situation experienced by the banks is getting worse. Poor condition lasted until 2004 seen from Return On Asset (ROA) were negative, dividend slightly, liquidity is low, Non Performing Loan (NPL) is relatively high and capital adequacy below 8%, even some banks in the position of the Capital Adequacy Ratio (CAR) is negative. Indonesia experienced a return of the crisis had a negative impact on the economy of the country in 2008.Indonesia experienced a slowdown in economic growth that in 2007 the country's economic growth rate reached 6.7% and in 2008 only reached 6.1%. Another impact is the decline experienced balance of payments performance, the pressure on the exchange rate and boost the inflation rate (source: www.setneg.go.id).

The crisis of 1997 and 2008. This suggests that it is very important to pay attention to the health condition of the bank and its immune system, therefore Bank Indonesia as the Bank Supervisory Authority has a very important role in these two events. As a manifestation of Bank Indonesia form of attention for the health of a bank, Bank Indonesia issued a health policy banks with CAMELS method based PBI 6/10/ 2004 on the Assessment of Commercial Banks. CAMELS method assesses six (6) factors among which are: Capital, Assets, Management, Earnings, Liquidity and sensitivity to market risk.

Policy bank rating back renewed by Bank Indonesia on January 5, 2011 by issuing a Bank Indonesia Regulation (PBI) No.13 / 1 / PBI / 2011 on Commercial Banks and strengthened also through Circular (SE) Bank Indonesia No. 13/24 / DPNP October 25 2011tentang Commercial Banks. This new policy is a refinement of the method CAMELS, the reason for the improvement was due to the Basel I do not have a high sensitivity to risk. The new method set by Bank Indonesia is a risk-based method with (Risk-Based Bank Rating) which refers to Basel II. Approach with the method of Risk-Based Bank Rating is comprised of four (4) assessment factors including the Risk Profile, Good Corporate Governance, Earnings and Capital. The combined value resulting from the merger of the four categories are known as RGEC rating.

Under Circular (SE) BI 13/24 / DPNP explained that the 'risk profile' is an assessment of the inherent risk and quality of risk management that includes eight (8) types of risk, namely: market risk, credit risk, liquidity risk, risk operational, legal risk, strategic risk, compliance risk and reputation risk. The second factor is the assessment Good Corporate Governance (GCG). Assessment of GCG factors include into three main aspects namely: Governance Structure, Governance process, and Governance output. Profitability (earnings) is one of the factors used in the measurement of the health of banks. Assessment of these factors include the performance of profitability, the sources of profitability, sustainability (sustainability) profitability, and profitability management. Circular Letter No. 13/24 / DPNP / 2011 describes the performance of profitability can be assessed using financial ratios namely Return on Assets (ROA), Return on Equity (ROE), Operating Expenses Operating Income (ROA), and Net Interest Margin (NIM).

Capital factor (Capital) can be assessed using financial ratios namely the Capital Adequacy Ratio (CAR). Assessment of capital factors include capital adequacy and capital management is compared with the number of risk-weighted assets (RWA). Based on the Circular Letter No. 26/2 / BPPP stipulates that the minimum capital adequacy ratio or CAR of a certain percentage of risk-weighted assets is 8%.

Based on the background described above, then formulated a problem that is in issue in this study is "How is the health of banks using RBBR on financial sector services company listed on the Stock Exchange 2011-2013 period?"

Based on the formulation of the problem described above objectives to be achieved in this research is to determine how the soundness of banks using RBBR on financial sector services company listed on the Stock Exchange 2011-2013 period, and to know what are the implications of the bank to the application of Basel II on Bank Indonesia Regulation N0.13 / 1 / PBI / 2011 regarding the soundness of bank Indonesia 13/24 / DPNP date 25 October 2011 concerning Commercial Banks.

LITERATURE REVIEW

Definition Bank

Understanding Bank according to IAS 31 stating that the Bank is: an institution that act as financial intermediaries (financial intermediary) between parties that have excess funds with the parties that need funds, as well as a functioning institution expedite payment traffic.

In Act No. 10 of 1998 concerning Banking said "The bank is an entity that collects funds from the public in the form of savings and channel them to the public in the form of credit or other forms in order to improve the standard of living of the people"

Bank Financial Performance

Performance is one of the important factors that demonstrate the effectiveness and efficiency of an organization in the important factors that purpose. Bank Financial Performance can be measured by the efficiency means the ratio between input and output. The overall performance of the bank is a picture of the achievements of the bank in its operations, either in relation to financial aspects, marketing, collector and disbursement of funds, technology, and human resources.

Assessment is intended to assess the performance of the company's success as a business entity. Especially for the banking formerly regulated by Bank Indonesia as the Central Bank, but since 22 November 2011 regulated by the Financial Services Authority (FSA). Bank need to be assessed health, the goal is to determine the actual condition of the bank is in a healthy state, less healthy, or maybe sick, By knowing the health of banks, indirectly be used to determine how the performance of the bank concerned. If banks are considered healthy, it reflects that the banking company's performance is also good, and vice versa, in order to assess the performance of banks can be used aspects in the assessment of the level of health.

Banks

According to Law No. 7 of 1992 concerning Banking as amended by Act No. 10 of 1998, the bank is required to maintain health. Bank health is a reflection of the condition and performance of the bank is a means for the supervisory authority in determining the strategy and focus of the supervision of banks, in addition, the health of the banks is also in the interests of all parties concerned for the owner, manager (management) and the public using bank services.

Meanwhile, according to Taswan (2010: 537) of the bank is the result of qualitative assessments of various aspects affecting the condition or performance of a bank through the assessment of capital, asset quality, management, earnings, liquidity and sensitivity to market risk. Assessment of these factors is done through quantitative or qualitative assessment after the account of judgment based on the materiality and significance of these factors as well as the assessment of the influence of other factors such as the condition of the banking industry and the national economy.

Based on the source of the Bank Indonesia (2011), in accordance with the development of the bank's business is dynamic and constantly affect the level of risk, the bank rating methodology needs to be improved in order to better reflect the current bank and the time when that will come.

Such adjustments need to be done so that the rating of the bank can be more effectively used as a risk by focusing on significant risk, and compliance with applicable regulations, as well as the application of the precautionary principle. The adjustment is performed with complete bank rating using an approach based on risk factors and adjust the rating of the bank.

Risk-Based Methods (RBBR)

Risk Profile (Risk Profile)

Assessment of the factors the risk profile of an assessment of the inherent risk that an assessment of the risks inherent in the business activities of banks, both of which can be quantified or not, which could potentially affect the financial potential, and the quality of risk management in bank operations were carried out on eight (8) risk along with some parameters or indicators mandatory minimum used as a reference by banks in assessing the risks inherent in Bank Indonesia Circular Letter No.13 / 24 / DPNP / 2011.

This study uses factor measurement Risk Profile using the indicator measuring the risk factors of credit by using the formula of Non Performing Loan (NPL), the market risk with the Net Open Position (NOP), and liquidity risk by using formulas Loan to Deposit Ratio (LDR) only because the risk that researchers can obtain quantitative data can not be obtained factors operational risk, legal risk, strategic risk, compliance risk, and reputation risk.

Good Corporate Governance (GCG)

Indicator assessment on GCG is a weighted composite score of assessment by Bank Indonesia provisions according to PBI No.13 / 1 / PBI / 2011 about Assessment for Commercial Banks. Coverage of GCG principles defined according to SE 15/15 / DPNP Bank Indonesia at least should be realized in: implementation of the tasks and responsibilities of the board of commissioners, duties and responsibilities of directors, completion and implementation of the tasks of the committee, the handling of conflicts of interest, the application function compliance, the application of the internal audit function, the application of external audit functions, risk management practices, including internal control system, the provision of funds to related parties and major fund providers, transparency of financial and non financial condition of the bank, and the bank's strategic plan.

Earnings (Profitability)

Assessment of the factors earnings (earnings) includes assessment of the earnings performance, sources of earnings, and the sustainability of bank earnings. Financial ratios include profitability assessment Return On Asset (ROA), Return on Equity (ROE), Net Interest Margin (NIM), and Operating Expenses, Operating Income (ROA).

Capital (Capital)

According Taswan (2010), Capital Bank is the funds invested by the owners in the framework of the establishment of a business entity that is intended to finance the bank's business activities in addition to meet the regulations set by the monetary authority.

Assessment of the capital factor (capital) includes assessment of the level of capital adequacy and capital management. Ratios to assess capital is the Capital Adequacy Ratio (CAR). Capital Adequacy Ratio is the ratio that shows how much the total assets of banks which contain elements of risk (credit, investments, securities, bills on other banks) who took part financed from its own capital in addition to obtaining funds from sources outside the bank. Sutardisa (2013).

The higher the Capital Adequacy Ratio (CAR) means higher equity capital to fund productive assets, the lower the cost of funds incurred by the bank. The lower the funds spent by the bank to further improve the health of banks (positive).

Major changes in Basel II Basel I

In 1988 the BIS (Bank for International Settlement) issued a capital framework concept more commonly known as the 1988 accord (Basel I). The Basel Committee designed Basel I as a simple standard requiring banks to disaggregate their exposures into broader categories, which describes the debtor similarities. Exposures to customers of the same type (such as exposures to all corporate customers) will have the same capital requirements, regardless of differences in loan repayment capacity and risk which is owned by each individual customer.

In line with the development of products that exist in the banking world, BIS re-complete existing capital framework in the 1988 accord by issuing new capital concept that is more commonly known as Basel II II Basel issued in mid-2004, to be applied in 2006.Basel II is based on the basic structure of the 1988 accord that provides a framework of capital calculation is more sensitive to the risks (risk sensitive) and provide incentives to improve the quality of risk management in banks. This is achieved by adjusting capital to the risk of credit losses and introducing changes in the capital calculation of exposure caused by the risk of losses due to operational failures.

These changes occur due to the presence of weakness in Basel I are: The "one size fits all" is not relevant, the portfolio has not been accommodated, yet cover all risks facing the bank (eg, operational risks, reputation, strategic, liquidity, etc.), yet acknowledges the existence of collateral (collateral) and other forms of risk mitigation can create incentives for the improvement of risk management and Basel I approach gives weighting to the same risk weight assets for all loans corporate regardless of the debtor's credit rating.

RESEARCH PROCEDURE

This research uses descriptive research with quantitative. research approach is performed on the financial sector services company listed on the Stock Exchange 2011-2013 period as many as 30 companies for approximately two (2) months.

The focus of the research is:

1. Risk Profile by using measurement indicators on the credit risk factor to the formula Non Performing Loan (NPL), the market risk with the Net Open Position (NOP), and liquidity risk with a loan to deposit ratio (LDR).
2. Good Corporate Governance (GCG). Researchers analyzed GCG reporting based on the principles of Bank Indonesia regarding the health GCG Commercial Bank consists of:
   a) Duties and responsibilities of the Board of Commissioners
   b) Duties and responsibilities of the Board of Directors
   c) The completion and implementation of the tasks of committees
   d) Handling conflicts of interest
   e) Implementation of compliance Bank
   f) Implementation of internal audit function
   g) Application of the external audit function
   h) Implementation of the functions of risk management and internal control
   i) The provision of funds to related parties and large exposures
   j) Transparency of financial and non financial condition Bank
   k) The Bank's strategic plan
3. Earnings (Profitability) were performed in this study using a calculation of formulas that have been specified in the Circular of BI by using ratios Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM), and Operational costs, Operating Income (BOPO).
4. Capital (Capital) was assessed by calculating the Minimum Capital Supply Obligation (CAR) with the formula:

RESEARCH RESULT

Analysis of Risk Profile (Risk Profile)

This study only uses the measurement level Risk Profile on credit risk, market, and this study only uses the measurement level Risk Profile on credit risk, market, and liquidity alone. Based on the calculations above, NPL formula can be used to measure the health of banks on credit risk factors. Based on the results of the calculation of the ratio of Non Performing Loan (NPL) in the period 2011 to 2013 are shown in the table 4.1 it can be seen that the average number of banks were awarded VERY HEALTHY ie by 83%, 80% and 80%. The rest go into rating categories HEALTHY which in 2011 amounted to 17% of which include MNC International Bank Tbk, Bank Bukopin Tbk, the State Savings Bank (Persero) Tbk, Bank Mutiara Tbk and Bank Pundi Indonesia Tbk. In 2012 amounted to 20% among which there MNC International Bank Tbk, the State Savings Bank (Persero) Tbk, Bank Mutiara Tbk, Bank Pundi Indonesia Tbk, Bank Sinarmas Tbk and Bank Mayapada Tbk. While the year 2013 by 20% among which the MNC International Bank Tbk, the State Savings Bank (Persero) Tbk, Bank Mutiara Tbk, Bank Pundi Indonesia Tbk, Bank Sinarmas Tbk and Bank Mega Tbk.

PDN formulas used in this study to determine the level of market risk. The results from these calculations show the valuation ratios Net Open Position (NOP) can be seen that the overall sample bank listed on the stock exchange Indonesia in 2011 and 2013 received the title SEHATdengan have results ratio under the general provisions of the maximum prescribed by Bank Indonesia at 20%.

LDR formula to calculate the liquidity risk, it was found that in 2011 and 2013 the bank which received the title of a very healthy continue include Bank Capital Indonesia Tbk, Bank Central Asia Tbk, Bank Victoria International Tbk and Bank Mega Tbk. Banks that received the title sehatdiantaranya is MNC International Bank Tbk, Bank Bukopin, Bank Nusantara Parahyangan Tbk, Bank Rakyat Indonesia (Persero) Tbk, Bank Mutiara Tbk, Bank Mayapada International Tbk, as well as the 1906 Civil Society Bank Tbk. Banks that received the title pretty healthy is Bank CIMB Niaga Tbk, Bank Permata Tbk, Bank of India Indonesia Tbk and Bank OCBC NISP Tbk. Banks that received the title less healthy is the State Savings Bank (Persero) Tbk. Based on the results from the table shown above can be presented that banks that are rated VERY HEALTHY in 2011 and 2013 was 33%, 13% and 13%. HEALTHY Bank which has ranked in 2011 and 2013 was 44%, 47% and 20%. Banks that have HEALTHY ENOUGH rankings in 2011 and 2013 is 20%, 33% and 60%. Even the Bank who have LESS HEALTHY title in 2011 and 2013 amounted to 3%, 7% and 7%.

Analysis of Good Corporate Governance (GCG)

Results of the analysis based on the factors of Good Corporate Governance (GCG) concerning 11 aspects of assessment as set out in the Regulation of Bank Indonesia showed that thirty (30) bank sample there are only twenty-four (24) banks assess corporate governance with complete and there are six (6) banks do not assess corporate governance with complete. Bank CIMB Niaga Tbk and Bank Victoria International Tbk there GCG assessment in 2011, three (3) banks that do not have complete data from 30 sample banks including Bank Ekonomi Raharja Tbk, Bank Mayapada International Tbk and Bank MNC .Internasional Tbk not obtained any GCG assessment in the year 2012 as well, even Bank Rakyat Indonesia Tbk Agro Niaga GCG calculation is not obtained annually from 2011 to 2013. In 2011 to 2013 found that the average number of banks with corporate governance EXCELLENT, amounting to 42% of twenty-four (24) complete corporate data, 44% of twenty-seven (27) complete the data firms, 13% of twenty-nine (29) complete corporate data. Banks that received the title GOOD 54%, 41%, 75%. Banks that received the title of GOOD ENOUGH 4%, 11%, 7%, and banks that received the title LESS WELL in 2012 by 4% and 2013 by 5%.

Earnings Analysis (Profitability)

Analysis of Earnings factor measured by ROA can be seen that the average percentage of banks that awarded VERY HEALTHY ie by 50%, 43% and 43% . Bank positioned at SEHAT as 23%, 38%, 38% of which are on the .Bank HEALTHY ENOUGH position by 17%, 13%, and 13% .Bank positioned at LESS HEALTHY of 3%, 3%, and 5% .Serta Bank who are in a position UNHEALTHY by 7%, 3% and 3% , In fact, there are three (3) bank that received a negative ROA in 2011 which include the Bank.MNC International Tbk with a ratio value of -1.64%, and the Bank Pundi Indonesia Tbk with a ROA of -4.75%, in 2012 There Bank Kesawan Tbk with ROA ratio amounted to -0.81%, and in 2013 no international MNC Bank Tbk with an ROA of -0.90%. ROA negative values obtained for the three banks was caused because the bank has a negative value of income (or deficit) which means that the bank or the bank's losses have not been effective in generating profits that can be classified under the criteria of the banks that are not healthy. ROE calculations can be seen that the average percentage of banks that awarded VERY HEALTHY ie by 43%, 54% and 40% . HEALTHY positioned at 14%, 13%, 27% . Bank positioned at HEALTHY ENOUGH by 33%, 23%, and 27% .Bank positioned at LESS HEALTHY 3%, 7% and 3% .Serta Bank who are in a position UNHEALTHY by 7%, 3% and 3%. There are even banks that scored negative ROE in 2011 which include the Bank.MNC International Tbk with a ratio value of -18.96%, and the Bank Pundi Indonesia Tbk with a value of -50.55% ROE, in 2012 there were Bank Kesawan Tbk with ROE ratio amounted to -3.38%, and in 2013 no international MNC Bank Tbk with an ROE of -16.28%. ROE negative value obtained by the bank caused by the bank has a negative value of income (or deficit) which means that the bank or the bank's losses have not been effective in generating profits that can be classified under the criteria unhealthy bank.

NIM calculation can be seen that the percentage of banks in 2011 are those that have a very healthy 90%, 3% had a healthy rank, and 7% of banks have healthy enough ratings. Banks that received the lowest NIM in 2011 was Bank Mutiara Tbk amounted to 1.64% and Bank Victoria International Tbk amounted to 1.86%. While the highest NIM owned Savings Bank Negara amounted to 13.00%. In 2012 as a whole, or a 100% bank awarded very healthy, it can be seen that the highest NIM in 2012 Pundi owned by Bank Indonesia Tbk of 16.64%. As well as in 2013 may be in the percentage that the bank received the title of a very healthy at 92%, 5% healthy predicate, and predicate quite healthy at 7%, the bank that received the lowest NIM in 2013 was Bank Mutiara Tbk amounted to 1.67%, while the The highest NIM Pundi owned by Bank Indonesia Tbk 13.03%. NIM results showed that the better performance of banks in generating interest income and profitability capabilities possessed very high bank to anticipate potential losses and increase capital. whereas calculations with BOPO can be seen that the total percentage of the average bank is very healthy awarded in 2011 which decreased by 60%, amounting to 23% of healthy predicate, the predicate is quite healthy at 10%, and the predicate is not healthy at 7%. In 2012 it was found that the percentage of banks that are in a very healthy predicate of 77%, 13% healthy predicate, the predicate is 7% less healthy and unhealthy predicate of 3%. In 2013 also showed the percentage of banks that are in a very healthy position predicate of 77%, 7% healthy predicate, the predicate is quite healthy 3%, less healthy predicate at 3%, as well as the predicate is not healthy at 10%.

Analysis of Capital (Capital)

Results of the assessment CAR ratio at the company's bank of samples in this study can be seen that the whole bank into the sample show positive results, so that the entire bank can be classified into predicate healthy bank. CAR whole bank has a value that exceeds the minimum ratio of 8% set by Bank Indonesia based on the decisions of directors BI 26/20 / KEP / DIR and Circular Letter No. 26/2 / BPPP. CAR positive value indicates that the bank has a strong capital, to be able to cope if the bank loses. Strong capital adequacy, it is expected that the bank is able to overcome losses and protect sources of funds are primarily funds are not guaranteed by the government. Percentage of Capital Adequacy Ratio calculation results are shown in the table 4.9 above has been obtained that in 2011 and also in 2012 amounted to 90% of banks are categorized in the predicate is very healthy as well as 10% of banks are categorized in healthy predicate. whereas in 2013 showed that 97% of banks are categorized in a very healthy predicate and 3% bank into the healthy category.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

1. Banks using RBBR (Risk-Based Bank Rating) in the financial sector services company listed on the Stock Exchange 2011-2013, namely:

A) Risk Profile

Assessment of the bank using the RBBR on financial sector services company listed on the Stock Exchange 2011-2013 period based on factors Risk Profile that consists of credit risk assessment using the ratio of Non Performing Loan (NPL) in 2013 is the year where the average results obtained from the sample bank used in this study experienced the level of the lowest credit risk is 1:09% when compared to the year 2011 and 2012 is of 1.23% and 1:33%. But the bank overall sample used in this study is still in the healthy category because it is based on the Standard Maximum Ratings NPL according to Bank Indonesia Regulation which is 2%. To measure the level of market risk in this study using the ratio of PDN. Results of this NOP ratio calculation showed that overall bank samples used in this study into the healthy category. Liquidity Risk The bank of samples in this study if calculated by the formula LDR awarded healthy in 2011 and 2012, although in 2013 received the title quite healthy and it is proven that the whole bank of samples in this study has a good profitability of the refund back party funds third.

B) Good Corporate Governance (GCG)

Based on the factors of Good Corporate Governance (GCG) financial sector services company listed on the Stock Exchange 2011-2013 the sample basically already have a good management, Starting from the Board of Commissioners, Directors, Audit Committees, Risk Management and others both internal and external parties. Duties and responsibilities of each party has been carried out properly in accordance with the principles of good corporate governance with the provisions of Bank Indonesia and everything is publicized (transparency) .From 30 (thirty) sample of banks in this study, only the People's Bank Agro Niaga Tbk are not publish its GCG implementation from 2011 to 2013.

C) Earnings (Profitability)

This indicates that increasing the amount of assets held by each bank of samples followed by increased gains on the increase in the asset. Unlike the bank's NIM samples in the study from 2011 to 2013 has fluctuated. Overall NIM has been very good even though there was a decline in 2011 to the year 2012, this reflects that profitability is very high ability to anticipate potential losses and increase capital. Likewise, the overall BOPO has been very good even though there was a decline in 2012. Of the thirty (30) obtained a sample bank that MNC International Bank Tbk, Bank Pundi Indonesia Tbk and Bank Kesawan Tbk her every year have a high ROA ratio, which is that the higher the ratio BOPO it can be said that the bank operations are inefficient. Vice versa the lower the ratio, the activities carried BOPO bank run efficiently, then the profits to be obtained is also greater, which in turn will improve the bank's financial performance.

D) Capital (Capital)

Factors Capital (capital) by using the formula of the Capital Adequacy Ratio (CAR) in 2011 to 2013 showed that the overall bank of samples in this study have the substantial capital and strong in overcoming the possibility of risk, so that the banks can bear when there occurred possibility of losses by using the bank's capital. Based on analysis of the measurement of the soundness of the bank with approach method Risk-based bank rating it can be concluded that the entire sample bank is a bank that is feasible for customers to be trusted as a store of funds for the entire sample bank has a bank, which is very healthy, apart from the analysis of ratios measurements that have been done, it can indicate that the credibility of the professional and bank samples in this study are very large in terms of maintaining the trust that has been given the customer.

2. Implications of the bank by using an approach based on risk (Risk Based Bank Rating) in accordance with the objective of Bank Indonesia implement Basel II are adopted into Bank Indonesia Regulation No.13 / 1 / PBI / 2011 regarding Commercial Banks and reinforced by Mail Bank Indonesia Circular No.13 / 24 / DPNP Date October 25, 2011 Concerning Commercial Banks. The purpose of the application of the bank with an approach based on risk (Risk Based Bank Rating) is a bank must have a high sensitivity to the risk that the bank can determine the risk of what will happen in the future.

SUGGESTION

1. The soundness of a bank is an important thing that can make the stakeholders give confidence to invest their funds into the bank. In order to improve the level of health, suggested a whole bank of samples in this study continue to strengthen its business activities so that the amount of assets owned increased, the amount of the distribution of funds in the form of credit or placement in other banks is increasing, as well as operating income and profit earned for years- The next year is increasing.
2. Based on the calculation of the ratio of NPL, PDN, GCG, LDR, ROA, ROE, NIM, ROA, and the CAR in 2011-2013 did not all ratios have increased, there are some ratio in a given year had decreased. It should be noted that in the following years these ratios over the years remained stable, and also need to increase liquidity in order to increase the income that can increase the risks of concern occurs if the low level of bank liquidity.

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