

## Research Article

## Analysis Performance Bank of PT BPD Sumatra Utara Period of 2015 - 2018

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**Abstract:** This study aims are analysis of performance Bank at PT BPD Sumatra Utara by the RGEC (Risk Profile, Good Corporate Governance, Earning, Capital) method of 2015 until 2018 banks through a composite analysis. The purpose of this study is to analyze the performance Bank at PT Bank Sumatra Utara (Persero) Tbk by implementing the RGEC (Risk Profile, Good Corporate Governance, Earning, Capital) method 2015 until 2018. The method used in this study is RGEC (Risk Profile, Good Corporate Governance, Earning, Capital). The result are the performance ratio is performance bank of PT BPD Sumatra Utara are the value of determination or composite since 2015 until 2018 is very healthy, and performance bank used RGEC method are Bank Performance for Risk Profile show NPL on since 2015 until 2018 are very healthy, LDR since 2105 until 2018 are quite healthy. Bank Performance for Good Corporate Governance since 2015 until 2018 are healthy. Bank Performance for earning show ROA since 2015 until 2018 are very healthy, while NIM since 2015 until 2018 very healthy.

**Keywords:** Bank and the RGEC Method (Risk Profile, Good Corporate Governance, Earning, Capital).

### INTRODUCTION

A healthy bank is a bank that can perform its functions properly. In other words, a healthy bank is a bank that is able to keep and maintain the trust of the community, can do the intermediasi function, it can help smooth the payment as well as *lalulitas* can be used by the Government in carrying out a wide range of its policies, especially monetary policy (Christian, F. J., *et al.*, 2017).

Bank of North Sumatra won the Best Performance Award for Regional Development Bank (BPD) ranked number 1 in the category of assets of Rp25 to Rp50 trillion. BankSumut's Director of Business and Sharia, Tengku Mahmud Jeffry, received the award directly at the Best Award for Regional Heads and Regional-Owned Enterprises (BUMD) 2019, Friday (07/26/2019) at the Ballroom of Shangri-La Hotel, Jakarta. The award given by The Asian Post was obtained based on the results of research conducted by the Infobank Research Bureau for the performance of financial BUMDs from September 2017 to September 2018. The winner is determined through several criteria

taken from the financial ratios and bank growth (Prasandi, A. 2019).

Financial Services Authority Circular number 14 / SEOJK.03 / 2017 dated March 17, 2017 concerning Rating of Commercial Bank Soundness in point III.1 Procedure for Assessing the Soundness of Commercial Banks Individually Assessment of Soundness Level of Commercial Banks Individually includes an assessment of risk profile factors, Governance, profitability and capital. (Otoritas Jasa Keuangan. 2017).

This study aims to analyze of performance bank at PT Bank Sumatra Utara with RGEC (Risk Profile, Good Corporate Governance, Earning, Capital) of 2015 until 2018 period.

Based on the last studies are Putri and Damayanthi (Putri, I.D.A.D.E., & Damayanthi, I.G.A.E. 2013) that an assessment of the RGEC factor that there is no difference in bank soundness between large banks and small banks.

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Widyanto (2019) that the comparison of the performance of DKI Bank and PT BPD Jawa Tengah in 2017 are not significant difference; the comparison of the PT BPD Central Java's performance is not significant difference for 2016 and 2017, but the comparison the The performance of Bank DKI for 2016 and 2017 is significant difference. The implementation of Circular Letter Number 14 / SEOJK.03 / 2017 regional development banks period 2016 (before) and 2017 (after), shows that the assessment of financial performance of PT BPD Central Java are not significant difference, however the assessment of financial DKI Bank's performance is a significant difference. In 2017 after the implementation of Circular Letter Number 14 /SEOJK.03 / 2017 the results show that the comparison of the performance of PT BPD Jawa Tengah and Bank DKI are not significant difference. Rahmaniah and Wibowo (2015) that the year 2011 to 2013 on the third BUS (Islamic Banks) nothing is declared unhealthy and potentially high financial distress, the three buses experienced a decline in the performance of earnings as measured by ROA and ROE and liquidity ratios that FDR, but the decline no significant effect and does not experience the potential of high financial distress.

Permana D (2017) that strategic clarity in term of align with vision, priority of strategy and scope of strategy have positive significant impact on strategy implementation success in Indonesian Islamic banking. The implications of these findings are further elaborated. Riadi , *et al.*, (2016) that the soundness of banks in 2013 to 2015 from the risk profile aspect is classified as very healthy, Good Corporate Governance is quite healthy, earnings are very healthy, and Capital is very healthy. Korompis VE, Rotinsulu.TO, and Sumarauw.J, (2015) there are differences in bank's financial performance from RGEC factor between Bank BRI, Tbk and Bank Mandiri, TBK, where from *Risk Profile* factor from NPL and LDR where BRI is superior compared to Bank Mandiri, earning factor with ROA where BRI tends to decrease while Bank Mandiri Berfluaktif, then from earning factor where BRI is higher than Bank Mandiri stated healthy and for and Capital where BRI is lower than Bank Mandiri (Malayu ,S.P.H. (2011).

## MATERIALS AND METHODS

The Bank is the financial institution or money-making institution, the implementer of payment traffic, fund collectors and credit distributors, monetary stabilizers, and the dynamics of economic growth by Hasibuan, (Yuliarta, P., & Sulindawati. 2014).

According to Purnamawati, Yuliarta & Sulindawati (Bank Indonesia. 2011) that Bank is an institution that acts as a financial intermediary (*financial intermediation*) the party with the surplus of funds (*surplus unit*) with the party who need the fund (*deficit unit*) as well as the institution

functioning to smoothen the payment traffic (financial accounting)

Based on Bank Indonesia circular number 13/24/ of bank (Bank Indonesia. 2013) cited by Faizal & Rodiana (2019) as follows:

### 1. RISK PROFILE

#### A. Non Performing Loans (NPL)

##### Scale Criteria

- 0% <NPL <2% Very Healthy (VH)
- 2% <NPL <5% Healthy (H)
- 5% <NPL <8% Quite Healthy (QH)
- 8% <NPL <11% Unwell (UW)
- NPL > 11% Not Healthy (NH)

#### B. LOAN TO DEPOSIT RATIO (LDR)

##### Scale Criteria

- 50% <LDR≤75% Very Healthy (VH)
- 75% <LDR≤85% Healthy (H)
- 85% <LDR≤100% Quite Healthy (QH)
- 100% <LDR≤120% Unwell (UW)
- LDR > 120% Not Healthy (NH)

### 2. GOOD CORPORATE GOVERNANCE (GCG)

Based on Bank Indonesia circular number 15/15 / DPNP of 2013 (Bank Indonesia. 2011) concerning Rating of soundness of banks is GCG Scale Criteria as follows

- 1 = Very Healthy (VH)
- 2 = Healthy (H)
- 3 = Quite Healthy (QH)
- 4 = Unwell (UW)
- 5 = Not Healthy (NH)

### 3. EARNING

#### A. Return on Assets (ROA)

##### Scale Criteria

- ROA > 1.5% Very Healthy (VH)
- 1.25% <ROA≤1.5% Healthy (H)
- 0.5% <ROA≤1.25% Quite Healthy (QH)
- 0% <ROA≤0.5% Unwell (UW)
- ROA < 0 Not Healthy (NH)

#### B. NET INTEREST MARGIN (NIM)

##### Scale Criteria

- NIM > 3% Very Healthy (VH)
- 2% <NIM≤ 3% Healthy (H)
- 1.5% <NIM≤ 2% Quite Healthy (QH)
- 1% <NIM≤1.5% Unwell (UW)
- NIM <1% Not Healthy (NH)

### 4. CAPITAL

#### Capital Adequacy Ratio (CAR)

##### Scale Criteria

- CAR > 11% Very Healthy (VH)
- 9.5% <CAR≤ 11% Healthy (H)
- 8% <CAR≤ 9.5% Quite Healthy (QH)
- 6.5% <CAR≤ 8% Unwell (UW)
- CAR <6.5% Not Healthy (NH)

**RGEC METHOD (RISK PROFILE, GOOD CORPORATE GOVERNANCE, EARNING, CAPITAL)**

Based on Bank Indonesia Regulation No. 13 of 2011 (Prasandi, A. 2019) Article 6, banks are required to evaluate the soundness of banks individually using a risk approach ( Risk-Based Bank Rating ) and Financial Services Authority Circular number 14 / SEOJK.03 / 2017 dated March 17, 2017 (Bank Indonesia. 2011) concerning Rating of Commercial Bank Soundness in point III.1 Procedure for Assessing

the Soundness of Commercial Banks Individually Assessment of Soundness Level of Commercial Banks Individually includes an assessment of risk profile factors , Governance, profitability and capital Prasandi, A . (2019).

**OBJECT AND TIME OF RESEARCH**

This research was conducted at of PT. BPD Sumatra Utara . The research time period is 2015 until 2018. The data from secondary data at [www.bpdsumut.co.id](http://www.bpdsumut.co.id) and [www.ojk.go.id](http://www.ojk.go.id)

**RESULTS AND DISCUSSION**

**Performance of PT. Bank Tabungan Negara (Persero) Tbk**

**Table1. Bank Performance**

PT BPD SUMATERA UTARA				
Performance Ratio	(Procentage)			
	2018	2017	2016	2015
1. Risk Profile				
a. Non Performing Loan (NPL)	1,35	1,44	1,19	1,54
b. Loan to Deposit Ratio (LDR)	97,91	89,14	93,89	94,08
2. Good Coporate Governance (GCG)	2	2	2	2
3. Earning				
a. Return on Asset (ROA)	2,09	2,65	2,74	2,31
b. Net Interest Margin (NIM)	7,36	7,44	7,89	7,26
4. Capital				
a. Capital Adequacy Ratio (CAR)	17,85	15,85	16,42	14,41

Based on table 1. Bank Performance PT.BPD Sumatra Utara show performance bank ratio period of 2015 -2018 by RGEC (Risk Profile, Good Corporate

Governance, Earning and Capital) Method show the performance bank is fluctuation not fixed, only GCG is fixed.

**Table2. Bank Performance for Risk Profile**

PT BPD SUMATERA UTARA				
Performance Ratio	(Procentage)			
	2018	2017	2016	2015
<b>Risk Profile</b>				
<b>A. Non Performing Loan (NPL)</b>				
a. 0% <NPL <2% Very Healthy (VH)				
b. 2% <NPL <5% Healthy (H)				
b.5% <NPL <8% Quite Healthy (QH)				
c. 8% <NPL <11% Unwell (UW)				
e. NPL > 11% Not Healthy (NH)				
Performance Ratio of NPL	1,35	1,44	1,19	1,54
Rating	Very Healthy	Very Healthy	Very Healthy	Very Healthy
<b>B. Loan to Deposit Ratio (LDR)</b>				
<b>Performance Criteria:</b>				
a. 50% <LDR <=75% Very Healthy (VH)				
b. 75% <LDR <=85% Healthy (H)				
c. 85% <LDR <=100% Quite Healthy (QH)				
d. 100% <LDR <=120% Unwell (UW)				
e. LDR > 120% Not Healthy (NH)				
Performance Ratio of LDR	97,91	89,14	93,89	94,08
<b>Rating</b>	<b>Quite Healthy</b>	<b>Quite Healthy</b>	<b>Quite Healthy</b>	<b>Quite Healthy</b>

Based on table 2. Bank Performance for Risk Profile show NPL on 2018 of 1.35 % mean very healthy, NPL on 2017 of 1.44% mean very healthy, NPL on 2016 of 1.19% mean very healthy and NPL on 2015 of 1.54 % mean very healthy, while LDR on 2018

of 97.91 % mean quite healthy, LDR on 2017 of 89.14 % mean quite healthy, LDR on 2016 of 93.89 % mean quite healthy and LDR on 2015 of 94.08 % mean quite healthy,

**Table 3. Bank Performance for Good Corporate Governance**

PT BPD SUMATERA UTARA				
Performance Ratio	(Percentage)			
	2018	2017	2016	2015
<b>Good Corporate Governance (GCG)</b>				
<b>Performance Criteria</b>				
a. 1 = Very Healthy (VH)				
b. 2 = Healthy (H)				
c. 3 = Quite Healthy (QH)				
d. 4 = Unwell (UW)				
e. 5 = Not Healthy (NH)				
Performance Ratio of GCG	2	2	2	2
<b>Rating</b>	<b>Heathy</b>	<b>Heathy</b>	<b>Heathy</b>	<b>Heathy</b>

Based on table 3. Bank Performance for Good Corporate Governanc show GCG on 2018 of 2 mean healthy, GCG on 2017 of 2 mean healthy, GCG on

2018 of 2 mean healthy, GCG on 2018 of 2 mean healthy.

**Table 4. Bank Performance for Earning**

PT BPD SUMATERA UTARA				
Performance Ratio	(Percentage)			
	2018	2017	2016	2015
<b>A. Return on Assets (ROA)</b>				
<b>Performance Criteria</b>				
a. ROA > 1.5% Very Healthy (VH)				
b. 1.25% <ROA≤1.5% Healthy (H)				
c. 0.5% <ROA≤1.25% Quite Healthy (QH)				
d. 0% <ROA≤0.5% Unwell (UW)				
e. ROA < 0 Not Healthy (NH)				
Performance Ratio of ROA	2,09	2,65	2,74	2,31
<b>Rating</b>	<b>Very Healthy</b>	<b>Very Healthy</b>	<b>Very Healthy</b>	<b>Very Healthy</b>
<b>B. Net Interest Margin (NIM)</b>				
<b>Performance Criteria</b>				
a. NIM > 3% Very Healthy (VH)				
b. 2% <NIM≤ 3% Healthy (H)				
c. 1.5% <NIM≤ 2% Quite Healthy (QH)				
d. 1% <NIM≤1.5% Unwell (UW)				
e. NIM <1% Not Healthy (NH)				
Performance Ratio of NIM	7,36	7,44	7,89	7,26
<b>Rating</b>	<b>Very Healthy</b>	<b>Very Healthy</b>	<b>Very Healthy</b>	<b>Very Healthy</b>

Based on table 4. Bank Performance for earning show ROA on 2018 of 2.09 % mean very healthy, ROA on 2017 of 2.65 % mean very healthy, ROA on 2016 of 2.74% mean very healthy and ROA on

2015 of 2.31 % mean very healthy, while NIM on 2018 of 7.36 % mean very healthy, NIM on 2017 of 7.44 % mean very healthy, NIM on 2016 of 7.89 % mean very healthy and NIM on 2015 of 7.26 % mean very healthy.

**Table 5. Bank Performance for Capital**

PT BPD SUMATERA UTARA				
Performance Ratio	(Percentage)			
	2018	2017	2016	2015
<b>Capital Adequacy Ratio</b>				
<b>Performance Criteria</b>				
a. CAR > 11% Very Healthy (VH)				
b. 9.5% <CAR≤ 11% Healthy (H)				
c. 8% <CAR≤ 9.5% Quite Healthy (QH)				
d. 6.5% <CAR≤ 8% Unwell (UW)				
e. CAR <6.5% Not Healthy (NH)				
Performance Ratio of CAR	17,85	15,85	16,42	14,41
<b>Rating</b>	<b>Very Healthy</b>	<b>Very Healthy</b>	<b>Very Healthy</b>	<b>Very Healthy</b>

Based on table 5. Bank Performance for capital show CAR on 2018 of 17.85 % mean very healthy, CAR on 2017 of 15.85 % mean very healthy, CAR on 2016 of 16.42% mean very healthy and CAR on 2015 of 14.41 % mean very healthy,

**Table 6. Bank Performance Ranking of 2015 at PT BPD SUMATERA UTARA**

Performance Ratio	Score	Ranking					Scale
		1	2	3	4	5	
<b>1. Risk Profile</b>							
a. Non Performing Loan (NPL)	1,54	5					VH
b. Loan to Deposit Ratio (LDR)	94,08			3			QH
<b>2. Good Coporate Governance (GCG)</b>			4				
<b>3. Earning</b>							
a. Return on Asset (ROA)	2,31	5					VH
b. Net Interest Margin (NIM)	7,26	5					VH
<b>4. Capital</b>							
a. Capital Adequacy Ratio (CAR)	14,41	5					VH
Composite Ranking (A)	27	20	4	3	0	0	
Composite Score (B)	30						
Composite Value (A/B)	0,900						

Based on the determination of composite PT BPD Sumatra Utara in 2015 is the composite rating of 27, composite score of 30 results from 6 ratios multiple

high score is 5. Total value of composite of 0.90 mean the performance bank of PT Bank Sumatra Utara is Very Healthy

**Table 7. Bank Performance Ranking of 2016 at PT BPD SUMATERA UTARA**

Performance Ratio	Score	Ranking					Scale
		1	2	3	4	5	
<b>1. Risk Profile</b>							
a. Non Performing Loan (NPL)	1,19	5					VH
b. Loan to Deposit Ratio (LDR)	93,89			3			QH
<b>2. Good Coporate Governance (GCG)</b>			4				
<b>3. Earning</b>							
a. Return on Asset (ROA)	2,74	5					VH
b. Net Interest Margin (NIM)	7,89	5					VH
<b>4. Capital</b>							
a. Capital Adequacy Ratio (CAR)	16,42	5					VH
Composite Ranking (A)	27	20	4	3	0	0	
Composite Score (B)	30						
Composite Value (A/B)	0,900						

Based on the determination of composite PT BPD Sumatra Utara in 2016 is the composite rating of 27, composite score of 30 results from 6 ratios

multiple high score is 5. Total value of composite of 0.90 mean the performance bank of PT Bank Sumatra Utara is Very Healthy

**Table 8. Bank Performance Ranking of 2017 at PT BPD SUMATERA UTARA**

Performance Ratio	Score	Ranking					Scale
		1	2	3	4	5	
<b>1. Risk Profile</b>							
a. Non Performing Loan (NPL)	1,44	5					VH
b. Loan to Deposit Ratio (LDR)	89,14		4	3			QH
<b>2. Good Coporate Governance (GCG)</b>							
<b>3. Earning</b>							
a. Return on Asset (ROA)	2,65	5					VH
b. Net Interest Margin (NIM)	7,44	5					VH
<b>4. Capital</b>							
a. Capital Adequacy Ratio (CAR)	15,85	5					VH
Composite Ranking (A)	27	20	4	3	0	0	
Composite Score (B)	30						
Composite Value (A/B)	0,900						

Based on the determination of composite PT BPD Sumatra Utara in 2017 is the composite rating of 27, composite score of 30 results from 6 ratios

multiple high score is 5. Total value of composite of 0.90 mean the performance bank of PT Bank Sumatra Utara is Very Healthy

**Table 9. Bank Performance Ranking of 2018 at PT BPD SUMATERA UTARA**

Performance Ratio	Score	Ranking					Scale
		1	2	3	4	5	
<b>1. Risk Profile</b>							
a. Non Performing Loan (NPL)	1,35	5					VH
b. Loan to Deposit Ratio (LDR)	97,91			3			QH
<b>2. Good Coporate Governance (GCG)</b>			4				
<b>3. Earning</b>							
a. Return on Asset (ROA)	2,09	5					VH
b. Net Interest Margin (NIM)	7,36	5					VH
<b>4. Capital</b>							
a. Capital Adequacy Ratio (CAR)	17,85	5					VH
Composite Ranking (A)	27	20	4	3	0	0	
Composite Score (B)	30						
Composite Value (A/B)	0,900						

Based on the determination of composite PT BPD Sumatra Utara in 2018 is the composite rating of 27, composite score of 30 results from 6 ratios multiple high score is 5. Total value of composite of 0.90 mean the performance bank of PT Bank Sumatra Utara is Very Healthy

## CONCLUSION

Based on result and discussion so the conclusion is performance bank of PT BPD Sumatra Utara the value of determination or composite since 2015 until 2018 is very healthy, and performance bank used RGEC method are Bank Performance for Risk Profile show NPL on since 2015 until 2018 are very healthy, LDR since 2105 until 2018 are quite healthy. Bank Performance for Good Corporate Governance since 2015 until 2018 are healthy. Bank Performance for earning show ROA since 2015 until 2018 are very healthy, while NIM since 2015 until 2018 very healthy. Bank Performance for capital show CAR since 2015 until 2018 are very healthy.

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