

# Camel Analysis on Bank Perkreditan Rakyat (Empirical Studies Pt.BPR Intan Jabar)

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## ABSTRACT

This study aims to determine the level of health of BPR through empirical study in PT. BPR Intan Jabar by using CAMEL method during the period of 2013 - 2016 whether classified in the predicate healthy, healthy enough, less healthy or unhealthy and see which ratio is less supportive of health BPR. CAMEL analysis has five factors, namely capital factor using CAR (Capital Adequacy Ratio), KAP (Earning Asset Quality) and PPAP (Allowance for Earning Assets Losses), management factor using General Management and Risk Management, Earning factors using ROA (Return On Assets) and BOPO (Operating Expenses to Operating Income) and liquidity factor using Cash Ratio and LDR (Loan to Deposit Ratio) ratio. The benchmark to determine the soundness of a bank after an assessment of each component CAMEL which is a variable of this study, namely by determining the assessment results are classified into the bank's health rating. Based on the results of research that has been done on PT.BPR Intan Jabar during the study period of 2013 to 2016 states that the health level of PT.BPR Intan Jabar got a healthy predicate because the CAMEL credit value above the minimum standard set by the regulator is 81.

**Keywords:** BPR, CAMEL, bank soundness, bpr Intan Jabar

## Introduction

Bank Perkreditan Rakyat (BPR) is a bank financial institution that accepts deposits only in the form of time deposits, savings, and / or other similar forms and disbursed funds as a BPR business. In accordance with Act No. 7 of 1992 concerning banking as amended by Act No.10 / 1998, the Act is expressly stipulated that BPR is a bank conducting business activities conventionally or based on sharia principles which in its activities do not provide services in the past cross payment. BPR business activities primarily to serve small businesses and rural communities. The legal form of an BPR may be a limited liability company, a Regional Enterprise or a Cooperative. In conducting its business, BPR is based on economic democracy by using the principle of prudence.

Ownership of an BPR is owned by the Government, especially the Regional Government, either the provincial government or the regional government of the kabupaten / kota and or jointly owned by the provincial and district and municipal governments. The BPR's existing status is a

subsidiary of a commercial bank or a subsidiary of a financial institution. And currently many stands of private BPR, so that competition between BPR increasingly sharp. This is becoming increasingly complicated competition between banks and BPRs. This should be the concern of BPR managers to be able to implement sound governance of BPR.

BPRs one of the financial institutions that manage public funds need to be managed well in maintaining their business and providing security to their customers for that matter need regulation and supervision related to BPR capital, credit quality given, quality management, ability to generate profit, and maintain its liquidity. One of BPR's quality monitoring tools is through bank rating.

Based on Bank Indonesia Circular Letter No.30 / 3 / UPPB dated April 30, 1997 on how to assess the financial soundness of banks from various aspects. In order to know the success of Bank Perkreditan Rakyat (BPR), it is necessary to evaluate the bank's overall soundness so that it can be reflected from its role to the people's economic policy. Determination of bank soundness using five groups of factors namely Capital (Capital),

Asset Quality (Quality of Earning Assets),  
Management (Management), Earning (Rentability),

and Liquidity (Liquidity) or so-called CAMEL.

In the CAMEL analysis, the criteria determined

by Bank Indonesia are about the percentage of financial performance that meets the requirements of the bank, the result of financial ratios used to assess the financial soundness of the bank to be declared healthy, and not harm or harm the parties concerned. From the bank soundness rating, it can be used as an evaluation of things that need to be done in the future so that the bank's performance can be improved and maintained according to the target of the banking and able to become a strong economic actor and able to provide services to its customers.

The success of a Bank Perkreditan Rakyat can be reflected from its role in the people's economic policy. In order to know the success of Rural Bank, it is necessary to evaluate the health of your bank thoroughly. The results of financial ratios are used to assess the financial soundness of the bank in a period whether it reaches the target as it has been determined. Bank health has been required by the Banking Act. 7 Year 1992 article 29 paragraph (2), namely: Banks are required to maintain bank soundness in accordance with the provisions of Capital Adequacy, Asset Quality, Quality Management, Profitability, and Liquidity as well as other aspects related to the business of the bank and shall conduct business activities with the principle of prudence. hatian.

Definition of Bank Health According to Cashmere (2008: 41) "Bank soundness can be defined as the ability of a bank to perform banking operations normally and able to meet all its obligations properly in ways that comply with applicable banking regulations."

From the background, the writer is interested in choosing and writing about the soundness of Rural Banks (BPR) is taken as the study material of researchers, because BPR is a banking company that has different characteristics compared with Commercial Bank. For that the author took the title "Analysis CAMEL at Bank Perkreditan Rakyat, empirical study at PT.BPR Intan Jabar Period 2013 - 2016.

## RESEARCH PURPOSES

This study aims to determine the level of health of BPR is measured by CAMEL analysis covering aspects of capital, productive assets, management, earnings, and liquidity at BPR Intan Jabar year 2013-2015 and evaluate the results of BPR health rating assessment during the period of 2013-2015 whether

there is improvement BPR health or otherwise decreased quality. Based on financial information about BPR in general have the same problem, so this research can be made reference especially for BPR managers and application learning materials for academics.

## THEORETICAL REVIEW AND HYPOTHESES

Definition of BPRs pursuant to the Law of the Republic of Indonesia No.10 of 1998 dated November 10, 1998 concerning banking, referred to as Bank Perkreditan Rakyat (BPR) is a bank conducting conventional business activities or based on Sharia Principles which in its activities do not provide services in payment traffic. BPR business raises funds from the public in the form of deposits in the form of time deposits, savings, and / or other similar forms.

Decree of the Board of Managing Directors of Bank Indonesia Number 30/12 / KEP / DIR dated April 30, 1997 on Procedures for Rating of Bank Perkreditan Rakyat Health Rating. Bank soundness is basically assessed by qualitative approach to various aspects that affect the condition and development of a Bank. Qualitative approach is done with the assessment of capital factors, the quality of productive assets, management, Earning / rentability, and liquidity. Each factor assessed consists of several components.

Definition of Bank Health According to Veithzal Rivai (2007: 118) "Bank soundness is a bank that can carry out its functions properly, which can maintain and maintain public trust, can perform intermediation function, the government in implementing various policies, especially monetary policy".

Understanding of the bank's health is a very wide limitation, because the health of the bank covers the health of a bank to carry out its entire banking activities.

The purpose of the Bank's Health Assessment is as a benchmark for management to determine whether bank management is in line with sound banking principles, prudential principles and in accordance with Bank Indonesia regulations, the rules of the Financial Services Authority and applicable laws and regulations including internal provisions the bank in question. Benchmark for determine the direction of coaching and bank development both individually and to support the national banking as a whole.

## FINANCIAL PERFORMANCE OF BANK

According Irham Fahmi (2011: 2) financial performance is an analysis conducted to see how far a company has implemented by using the rules of financial implementation properly and correct whether bank management is in line with sound banking principles, prudential principles and in accordance with Bank Indonesia regulations, the rules of the Financial Services Authority and applicable laws and regulations including internal provisions the bank in question. Benchmark for determine the direction of coaching and bank development both individually and to support the national banking as a whole.

## FINANCIAL PERFORMANCE OF BANK

According to Irham Fahmi (2011: 2) financial performance is an analysis conducted to see how far a company has implemented by using the rules of financial implementation properly and correctly.

The bank's financial performance is a description of the bank's financial condition for a certain period, whether it involves the fund raising aspect or channeling the fund which is usually measured by capital adequacy indicator, liquidity, and bank profitability.

### BANK HEALTH LEVEL

Based on Decree of Bank Indonesia Number 30/12 / KEP / DIR dated April 30, 1997 on Procedure of Rating of BPR Health Level The bank's health level can be assessed from several indicators. One of the first indicators used as the basis for valuation is the financial statements of the bank concerned. To assess the performance of banking companies are generally used five aspects of the assessment, namely (1) Capital, (2) Asset, (3) Management, (4) Earning, and (5) Likuidity commonly called CAMEL.

### IMPLEMENTATION CAMEL METHOD

(1) The valuation of the capital factor is based on the ratio of capital to Risk Weighted Assets (ATMR) as stipulated in Decree of the Board of Managing Directors of Bank Indonesia Number 26/20 / KEP / DIR regarding the Minimum Capital Requirement for Banks and Circular Letter of Bank Indonesia Number 26 / 2 / BPPP on the Minimum Capital Requirement for Banks for Rural Banks dated May 29, 1993. (2) The assessment on the fulfillment of KPMM is stipulated as follows: a. KPMM's 8% fulfillment is rated "Healthy" with credit score of 81, and for every 0.1% increase of KPMM fulfillment of 8% credit score plus 1 to maximum 100; b. KPMM fulfillment less than 8% to 7.9% was given "Less Healthy" rating with 65 credit score, and for 0.1% decrease of KPMM fulfillment of 7.9% credit score minus 1 to minimum 0;

Asset Quality (1) Assessment of the factor of Earning Assets Quality (KAP) is based on 2 ratios, namely: a. Productive Assets Ratio Classified to Earning Assets; b. The Earning Assets Ratio established by the Bank against Allowance for Earning Assets Losses which must be established by the Bank. (2) Classified Earning Assets and Allowance for Earning Assets Losses that must be established are in accordance with the provisions stipulated in Decree of the Board of Managing Directors of Bank Indonesia Number 26/22 / KEP / DIR and Bank Indonesia Circular Letter Number 26/4 / BPPP regarding Earning Assets Quality and Allowance for Possible Losses on Earning Assets dated May 29, 1993, as amended by Decree of the Board of Managing Directors of Bank Indonesia Number 26/167 / KEP / DIR and Bank Indonesia Circular Letter Number 26/9 / BPPP concerning Completion of the Allowance for Possible Losses on Earning Assets on March 29, 1994. (3) Productive

Assets Ratios Classified to Earning Assets of 22.5% or more are given a credit score of 0 and for each 0.15% decrease starting from 22.5% credit score plus 1 with maximum of 100 (4) Allowance for Earning Assets Losses established by Banks against Allowance for Possible Losses on Earning Assets that must be paid tuk by Bank 0% is given a credit score of 0 and for every 1% increase starting from 0 credit score plus 1 with maximum 100.

Management (1) The assessment of management factors includes 2 (two) components, namely general management and risk management, using questionnaires / statements as referred to in Appendix 32 of this Decree. (2) The number of questions / statements is set to 25 which consists of 10 management questions / statements and 15 risk management questions / statements. (3) Scale of assessment for each question / statement set between 0 samapai to 4 with criteria: a. A value of 0 represents a weak condition; b. The values 1, 2, and 3 reflect the intermediate conditions; c. Value 4 reflects good conditions.

Earning (Rentability) (1) The valuation of profitability factor is based on 2 (two) ratios: a. Ratio of Pre-Tax Profits in the last 12 months against the average Business Volume in the same period; b. Ratio of Operating Expenses in the last 12 months to Operating Income in the same period (2) Pre-Tax Profit Ratio in the last 12 months against Average Business Volume in the same period 0% or negative is given a credit score of 0 and for every increase of 0.015% starting from 0% credit score plus 1 with maximum 100. (3) Operating Cost Ratio in the last 12 months against Operating Income in the same period of 100 % or more given a credit score of 0 and for each decrease of 0.008% credit score plus 1 with maximum 100.

Liquidity (1) Assessment of liquidity factor is based on 2 (two) ratios: a. Liquid Equity Ratio against Current Debt b. Credit Ratio to Funds Received by Bank. (2) Liquid Instruments include cash and plantings in other banks in the form of savings minus the savings of other banks at the Bank. (3) Current Liabilities include Immediate Liabilities, Savings and Deposits. (4) Credit includes: a. Loans extended to the public are reduced by the syndicated credit portion financed by other banks; b. Planting to other banks, in the form of loans extended over a period of more than 3 (three) months, c. Planting to other banks, in the form of credit in the context of syndicated loans. (5) The Funds Received include: a. Deposits and community savings; b. Loans from other non-bank maturities of more than 3 (three) months (excluding subordinated loans); c. Deposits and loans from other banks with maturities of more than 3 months; d. Core capital; and e. Loan Capital. (6) The ratio of Liquid Equity to Current Debt of 0% is given a credit score of 0 and for every increase of 0.05% of credit score plus 1 with maximum 100. (7) Loan Ratio to Funds Received by Bank as referred to in paragraph (1) letter b of 115% or more is

given a credit score of 0 and for every 1% decrease starting from the ratio of 115% credit score plus 4 with maximum 100.

Implementation of other provisions, In accordance with Paragraph 37 paragraph (3) the implementation of the provision in which sanction is related to the rating of Bank soundness is a violation of the provisions of the Legal Lending Limit (BMPK). Violations of LLL requirements are calculated based on the cumulative number of LLL violations to individual debtors, group debtors and parties related to the Bank, to the Bank's capital. Violation reduces the credit score of the result of the health rating by calculating: a. For any violation of LLL, the credit value is reduced by 5; and b. For every 1% of LLL violation the credit score is reduced again by 0.05 to a maximum of 10

The result of the assessment, On the basis of the credit value of the factors assessed obtained the combined credit score. The combined credit value after deducted by the credit score obtained by the result of the health rating. Assessment of health level is determined in 4 categories of Bank soundness level as follows: a. A credit score of 81 to 100 is given a Healthy predicate. b. Credit scores of 66 to less than 81 are labeled Fairly Healthy. c. A credit score of 51 to less than 66 is labeled Less Healthy. d. A credit score of 0 to less than 51 is not labeled Unhealthy.

Based on the explanation, the hypothesis to be tested is the assessment of Capital, Asset Quality, Management, earnings / earnings and liquidity in accordance with the classification, ie healthy BPR, BPR healthy enough, less healthy BPR or unhealthy BPR.

## RESEARCH METHODS

According Sugiyono (2003) Descriptive research, is a study conducted to determine the value of independent variables, either one or more variables (independent) without making comparisons, or connect with other variables. According to Sugiyono (2003) there is also quantitative research. Quantitative research, is a study by obtaining data in the form of numbers, or qualitative data that is suspected.

This type of research is a type of quantitative

### 3. Management

Management Assessment is divided into two groups: the general management group and the risk management group.

Management factor assessment includes general management and risk management, which consists of 25 aspects, namely; 10 aspects of general management and 15 aspects of risk management. The scoring scale for each management question is rated 0 to 4 with criteria: 1) Value 0 weak condition, 2) Value 1,2,3 condition between, and 3) Value 4 good condition. Furthermore, from the sums obtained on the 25

descriptive analysis, ie data measured in a numerical scale (number). Based on the source, the data used in this study is secondary data. Secondary data is data obtained from sources other than the respondents who are subjected to research and usually in the finished form, have been collected and processed by other parties. Secondary data in this research that is, financial report of PT. Bank Perkreditan Rakyat Diamond Jabar in the period 2013 to 2016 in the form of Balance Sheet, Income Statement, and collectivity data productive assets.

## RESEARCH VARIABLE

Variable in this research is to measure the health of Bank Perkreditan Rakyat(BPR) with the guidance of the Decree of Board of Directors of Bank Indonesia Number: 30/12 / KEP / DIR dated 30 April 1997 covering CAMEL factor. Factors reviewed are:

### 1.Capital

Capital in this case is measured by Capital Adequacy Ratio (CAR) which is the ratio of ratio between total capital and Risk Weighted Assets (RWA). The ratio can be calculated by the following formula:

CAR =	$\frac{\text{Tier One Capital} + \text{Tier two Capital}}{\text{Risk Weighted Assets}}$	x 100%
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### 2.Asset Quality

Asset Quality (Asset Quality Aspect) is to assess the types of assets owned by the bank. Asset valuation must comply with Bank Indonesia regulations by comparing earning assets classified with earning assets. Then the allowance for earning assets losses on earning assets is classified. The ratio can be formulated as follows:

#### a. Earning Assets Quality

Bad Debt Ratio =	$\frac{\text{Classified Productive Asset}}{\text{Total Productive Asset}}$	x 100%
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#### b. Calculation of PPAP

Provisi =	$\frac{\text{provision for bad and doubtful debts}}{\text{Provision for loan losses}}$	x100%
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questions / statements will be obtained credit score. The formulation of management factor is: Management Ratio = General Management + Risk Management

### 4. Earning

Earning (Rentability) is a measure of the ability of banks to increase its profit whether each period or to measure the level of business efficiency and profitability achieved bank tersebut. Bank healthy bank is measured by the increasing rentabilitas. Bank Indonesia assess the condition of bank rentability in Indonesia is based on two indicators, among others:

a. Return On Assets (ROA)

ROA =	Net Profit before Tax	x 100%
	Total Assets	

b. Operational Efficiency Ratio (REO) / BOPO

Ratio BOPO =	Operating Expense	x 100%
	Operating Income	

5. Liquidity

Liquidity is an assessment of the bank's management capability in providing sufficient funds to meet all its obligations and commitments already incurred to its customers at any time. The assessment of quantitative and qualitative approaches to the liquidity factor, among others, is done through the evaluation of the components such as Cash Ratio (CR) and Loan to Deposit Ratio (LDR). The liquidity element judgment is based on two ratios:

a. Cash Ratio Formula

<b>Cash Ratio (CR) =</b>	Liquid assets	x 100%
	Current liabilities	

b. LDR formula

LDR =	Credit/Loan	x 100%
	Third Party Fund	

**RESEARCH RESULT AND DISCUSSION**

Brief History of PT BPR Intan Jabar

**History of Establishment - 1973**

In 1973 Garut established a Financial Institution under the name of Lembaga Perkreditasi Kecamatan (LPK) Based on the Decree of the Governor of West Java No. 446 / A.III / SK / 1973 on the Establishment of Sub-district Credit Institution (Lembaga Pengkreditasi Kecamatan / LPK) in West Java Province.

**Business Entity Changes - 1998**

On July 31, 1998 PD. LPK in Garut Regency changed its status to PD. LPK BPR pursuant to Decree of the Minister of Finance of the Republic of Indonesia Number KEP-467 / KM.17 / 1998 concerning the Granting of Business License as Bank Perkreditasi Rakyat Regional Bank Rural Credit Institution of Garut Kota Sub-district.

**Merger Process - 2010**

In 2010 the Merger process began on 7 (seven) PDs. BPR LPK in Garut Regency, Furthermore, on October 3, 2011 PD. BPR LPK in Garut Regency obtained permission from the Deputy Governor of Bank Indonesia Number 13/7 / KEP.DPG / 2011 on the granting of Business Merger / Merger Permit to

7 (seven) PD. BPR LPK becomes PD. BPR LPK Garut Kota and commenced operations on December 27, 2011.

**Changes in Legal Entity and Name - 2014**

Background by West Java Provincial Regulation No. 10 of 2014 on Changes in Legal Entities of Regional Companies of Rural Banks of Merged Outcomes In Garut Regency, Subang Regency, Cianjur Regency and Tasikmalaya Regency became Limited Liability Company, on December 11, 2014 a Company was established Limited under the name PT. BPR Intan Jabar, in accordance with the Deed of Establishment of Limited Liability Company number 47 dated December 11, 2014 and has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia in accordance with the Decree of the Minister of Justice and Human Rights No. AHU-39238.40.10.2014 dated December 11, 2014

Approval of Establishment of Limited Liability Company PT. BPR Intan Jabar with call name bij.

Transformation changes the form of legal entity and the name of the PD. BPR LPK Garut Kota become PT. BPR Intan Jabar has obtained operational permission from the Financial Services Authority on May 22, 2015 based on the Decree of the Head of

Regional 2 West Java No. Kep-21 / KR.2 / 2015 regarding the Transfer of Business License to Change of Legal Entity of PD. BPR LPK Garut Kota To PT. BPR Intan Jabar and Decision of Regional Head 2 West Java No. Kep-22 / KR.2 / 2015 on Determination of Business License Usage in the Name of PD. BPR LPK Garut Kota Becoming a Business License on behalf of PT. BPR Intan Jabar and officially start operating on June 5, 2015.

Tabel 1		
FACTORS OF WEIGHT COMPONENTS		
FACTOR	COMPONENT	WEIGHT
1. Capital	Ratio Capital To RWA	30%
2. Assets Quality	a. Classified Productive Asset To Total Productive Asset	25%
	b. Provision for Classified Productive Asset	5%
3. Management	a. General Management	10%
	b. Risk Management	10%
4. Earning	a. Return On Asset (ROA)	5%
	b. Operating Expense to Operating Income	5%
5. Liquidity	a. Cash Ratio	5%
	b. Loan to Deposit Ratio	5%

Source : Decree. Bank Indonesia Number 30/12/KEP/DIR 1997

**Tabel 2**  
**DATA ASSESSMENT COMPONENTS 2013 - 2016**

KRITERIA TINGKAT KESEHATAN BANK			2013	2014	2015	2016
<b>I. CAPITAL</b>						
CAR=	Total Capital		20.878	25.309	27.869	28.341
	Risk Weight Assets		81.508	102.438	118.663	140.148
<b>II. ASSETS PRODUKTIVE QUALITY</b>						
Assets Quality=	Classified Productive Asset		3.471	4.915	5.684	6.867
	Total Produktive Asset		98.555	124.102	149.369	171.574
Provision=	Provision for bad and doubtful debts		845	1.894	3.117	2.890
	Provision for Loan losses		845	1.894	3.117	2.890
<b>III. MANAGEMENT QUALITY</b>						
General Management	Weight 40 %		23	25	27	33
Risk Management	Weight 60 %		34	38	40	52
			57	63	67	85
<b>IV. EARNING/RENTABILITAS</b>						
ROA=	Net Profil before Tax		3.104	3.692	3.709	4.575
	Total Asset		103.333	132.047	157.114	180.164
BOPO=	Operating Expense		16.733	22.224	26.476	30.758
	Operating Income		19.848	26.089	30.320	35.743
NIM=	Net Interest Income		12.909	16.319	16.335	18.558
	Average Earning Assets		98.805	126.858	149.369	171.574
ROE=	Net Profit after tax		2.422	2.854	2.855	3.510
	Total Equity		19.987	24.029	26.386	26.404
<b>V. LIQUIDITY</b>						
CASH RATIO=	Liquid Assets		8.399	12.326	11.856	12.019
	Current liabilities		44.208	51.764	63.903	83.984
LDR=	Loan / Credit		89.248	112.282	132.755	157.780
	Third Party Fund		101.437	129.752	150.004	168.856

Source: Processed from Financial Statement and its attachment

**DATA ANALYSIS**

Descriptive analysis presented data component ratio used in calculation of capital ratio, asset, management, earnings and liquidity (CAMEL) based

on letter Decree of Director of BI No.30 / 12 / KEP / DIR 1997, at PT.BPR Intan Jabar period year 2013-2016. Successively presented in the results of the respective assessment of each ratio are as follows:

**Tabel 3**  
**Health Level Based CAMEL Comparative 2013-2016**

No.	Factor	Year							
		2013		2014		2015		2016	
urt	CAMEL	Rasio (%)	Nilai	Rasio (%)	Nilai	Rasio (%)	Nilai	Rasio (%)	Nilai
	Yang dinilai								
1.	CAPITAL (30%)								
a.	CAR	25,61	30	24,71	30	23,49	30	20,22	30
2.	ASET QUALITY (30%)								
a.	Asset Productive Quality	3,52	25	3,96	25	3,80	25	4,00	25
b.	Provision	845	5	1.894	5	3.117	5	2.890	5
3.	MANAJEMEN (20%)								
a.	General Management	23	5,75	25	6,25	27	6,75	33	8,25
b.	Risk Management	34	5,67	38	6,33	40	6,67	52	8,67
4.	EARNING (10%)								
a.	ROA	3,00	5	2,80	5	2,36	5	2,54	5
b.	REO/BOPO	84,31	5	85,18	5	87,32	5	86,06	5
5.	LIKUIDITAS (10%)								
a.	Cash Ratio	19,00	5	23,81	5	15,55	5	14,31	5
b.	LDR	87,98	5	86,54	5	88,50	5	93,44	5
	Nilai kredit akhir		91,42		92,58		93,42		96,92

Source : P r o c e s s e d f r o m

**Tabel 4**  
**CAMEL rating criteria**

No	CAMEL	Nama Rasio	Skala Rasio	Predikat
1	Capital	C A R	$\geq 8,0 \%$ $\geq 7,9 \%$ - $< 8,0 \%$ $\geq 6,5 \%$ - $< 7,9 \%$ $< 6,5 \%$	Sound Sound enough Sound Less Unsound
2	Asset Quality	a. KAP  b. PPAP	$0,00 \%$ - $\leq 10,35 \%$ $>10,35 \%$ - $\leq 12,60 \%$ $>12,60 \%$ - $\leq 14,85 \%$ $>14,85 \%$ 81 - 100 66 - $< 81$ 51 - $< 66$ 0 - $< 51$	Sound Sound enough Sound Less Unsound Sound Sound enough Sound Less Unsound
3	Management	a. General Management b. Risk Management	81 - 100 66 - $< 81$ 51 - $< 66$ 0 - $< 51$	Sound Sound enough Sound Less Unsound
4	Earning Ability	a. ROA	$\geq 1,215 \%$ $\geq 0,999 \%$ - $< 1,215 \%$ $\geq 0,765 \%$ - $< 0,999 \%$ $< 0,765 \%$	Sound Sound enough Sound Less Unsound
		b. BOPO	$\leq 93,52$ $> 93,52$ - $\leq 94,72$ $> 94,72$ - $\leq 95,92$ $> 95,92$	Sound Sound enough Sound Less Unsound
5	Liquidity	a. Cash Ratio	$\geq 4,05 \%$ $\geq 3,30 \%$ - $< 4,05 \%$ $\geq 2,55 \%$ - $< 3,30 \%$ $< 2,55 \%$	Sound Sound enough Sound Less Unsound
		b. LDR	$\leq 94,75$ $> 94,75$ - $\leq 98,50$ $> 98,50$ - $\leq 102,25$ $> 102,25$	Sound Sound enough Sound Less Unsound

Source : Decree. Bank Indonesia Number 30/12/KEP/DIR 1997

### 1. Capital Factor

The calculation of the ratio of KPMM / CAR in table 3 can be seen that KPMM / CAR in 2013 amounted to 25.61%. In 2014 there was a decrease of 0.90% to 24.71%, by 2015 there was a decrease of 1.22% to 23.49% and in 2016 there was also a decrease of 3.27 to 20.22. In table 3 it can be seen that the value of KPMM / CAR in 2013 until 2016 continues to decline, it shows that the ability of PT.BPR Intan Jabar to bear the risk of any credit / productive assets at risk of declining, but the ratio of CAR in 2013 , 2014, 2015 and 2016 are still in healthy condition as they are still above the criteria set by Bank Indonesia at a minimum of 8%.

### 2. Asset Factors

The results of calculation of earning assets in table 3 shows that the ratio of APYD to AP in the year of 2013 at 3.52% and an increase in 2014 of 0.44% to 3.96% and then in 2015 decreased by 0.16% to 3.80%, and in 2016 again increased by 0 , 20% to 4.00%. APYD to AP ratio seen from 2013 to 2016 at PT. BPR Intan Jabar tends to continue to increase, except in 2015. This makes the possibility

of non-receipt of funds invested in productive assets the year is increasing. Nevertheless APYD ratio to AP at PT. BPR Intan Jabar is still in healthy condition.

The calculation of the ratio of PPAP in table 3 shows that the ratio of PPAPYD to PPAPWD in 2013 is 100%; year 2014 of 100%; 2015 by 100%; and by 2016 by 100%. From the calculation results can be seen that from 2013 to 2016 shows a stable position of PPAPYD because it has been established in accordance with the provisions of Bank Indonesia and shows that against any credit granted and non-performing loans have formed reserves to anticipate risks.

### 3. Management Factors

Assessment of management factor at PT.BPR Intan Jabar from 2013 s.d. 2015 is quite healthy with the value is considered not optimal because there are some weaknesses such as organizational structure is not complete, technological system is not adequate, and the quality of human resources is still weak, and the implementation of risk management has not been going well and in 2016

there have been some improvements so that the value the management factor becomes healthy.

#### 4. Earning Factors

The calculation of ROA ratio in table 3 shows that the ratio of ROA in 2013 amounted to 3% and a decrease in 2014 by 1% to 2.80%, then in 2015 there was a decline in return of 0.44% to 2.36% and In the

year 2016 there was an increase of 0.18%. Viewed from the table above then the profit level of PT. BPR Intan Jabar that shows the level of efficiency of the use of property of a financial institution declined, and in 2016 began to improve efficiency. Nevertheless ROA ratio at PT. BPR Intan Jabar is still in a healthy condition because the value of ROA in 2013 until 2016 is still above the standard set by Bank Indonesia.

The calculation of BOPO ratio in table 3 shows that the ratio of BOPO in the year of 2013 is 84.31% and the increase in the year 2014 is 0.87% to 85.18%, then in the year 2015 increased by 2.14% to 87, 32%, and in 2016 decreased by 1.26%. In this ratio from 2013 to 2015 it shows that the higher percentage of BOPO ratio means that the operational cost used is higher but in 2016 it decreases, it indicates that the smaller the percentage of BOPO ratio, the better it will be on the condition of PT. BPR diamond Jabar. This is because the operational costs used are getting smaller. Overall BOPO ratio at PT. BPR Intan Jabar is in a healthy condition, because it is above the standard set by Bank Indonesia.

#### 5. Liquidity Factors

The calculation of bank soundness measurement based on profitability factor is divided into two namely by using cash ratio and LDR. Based on Bank Indonesia Regulation No.30 / 12 / KEP / DIR / 1997 on Bank Soundness Rating Procedure, liquidity factor is said to be healthy if it reaches CR value equal to nilai 4.05% and LDR value  $\leq 94.75\%$ . Measurement of bank health based on liquidity factor in PT.BPR Intan Jabar can be seen from the analysis that has been done. CR calculation based on SK DIR BI No. 30/12 / KEP / DIR / 97, then the CR on PT.BPR Diamond Jabar is on the criteria of a healthy condition. Calculation of LDR based on Decree No. DIR BI. 30/12 / KEP / DIR / 97, then the LDR on PT.BPR Intan Jabar included in the criteria of a healthy condition.

### DISCUSSION

#### a. Capital Factor

Based on Bank Indonesia Regulation No.30 / 12 / KEP / DIR / 1997 on how to appraise bank soundness, capital factor is said to be healthy when it reaches  $\geq 8\%$ . From the result of bank health

measurement analysis based on capital factor at PT.BPR Intan Jabar shows that PT.BPR Intan Jabar since 2013 until 2016 is in healthy condition criterion.

#### b. Asset Quality Factor

Based on Bank Indonesia Regulation No.30 / 12 / KEP / DIR / 1997 on Bank Rating, the productive quality asset factor APYD ratio to AP is said to be healthy if it reaches a value between 0-10.35%, and the ratio of PPAPYD against PPAPWD is said to be healthy when it reaches

value  $\geq 81\%$ . From the result of bank health measurement analysis based on ratio APYD to AP at PT.BPR Intan Jabar show that PT.BPR Intan Jabar is in healthy condition criterion. Then from the result of bank health measurement analysis based on PPAPYD ratio to PPAPWD at PT.BPR Intan Jabar shows that PT.BPR Intan Jabar is in healthy condition criterion.

#### c. Management Factors

The measurement of bank health based on Management factor at PT.BPR Intan Jabar is on the criteria of Healthy condition in 2013, 2014, and 2015, while the year 2016 is healthy. This can be seen from the analysis that has been done. Factors used to measure health in PT.BPR Intan Jabar in terms of general management and risk management.

#### d. Earning/Rentability Factor

Based on Bank Indonesia Regulation No.30 / 12 / KEP / DIR / 1997 on how to assess the soundness of the bank, the profitability factor is said to be healthy if it reaches the value of ROA  $\geq 1,215\%$  and BOPO  $\leq 93,52\%$ . Measurement of bank financial health based on profitability factor in PT.BPR Intan Jabar can be seen from the analysis that has been done. The calculation of bank soundness based on profitability factor is divided into two, that is by using ROA and BOPO. Calculation of ROA ratios based on Decree of DIR BI No. 30/12 / KEP / DIR / 97 then obtained ROA on PT.BPR Diamond Jabar is in the criteria of a healthy condition because more than 1,215%. Calculation of BOPO Ratios based on Decree No. DIR BI. 30/12 / KEP / DIR / 97, the ratio of BOPO PT.BPR Intan Jabar is in the criteria of a healthy condition because the ratio is less than 93.52%.

#### e. Liquidity Factors

The calculation of bank soundness based on profitability factor is divided into two, using cash ratio and LDR. Based on Bank Indonesia Regulation No.30 / 12 / KEP / DIR / 1997 on Bank Soundness Rating Procedure, liquidity factor is said to be healthy when it reaches CR of  $\geq 4,05\%$  and LDR value  $\leq 94,75\%$ . Measurement of bank health based on liquidity factor in PT.BPR Intan Jabar can be seen from the analysis that has been done. CR calculation based on SK DIR BI No. 30/12 / KEP / DIR / 97, then the CR on PT.BPRIntan Jabar is on the criteria of a healthy condition. Calculation of LDR based on Decree No. DIR BI. 30/12 / KEP / DIR / 97, then the LDR on PT.BPR Intan Jabar included in the criteria



of a healthy condition. Calculation of bank soundness (CAMEL) based on Decree No. DIR BI. 30/12 / KEP / DIR / 97 then the TKS at PT.BPR Intan Jabar with the value of 2013 is 91.42, Year 2014 of 92.58, Year 2015 of 93.42, and Year 2016 of 96.92 for 4 ( four) consecutive years are in the criteria of healthy conditions because the value is more than 81 and during the period 2013-2016 there is no violation as a reduction in the bank's health value.

## CONCLUDE

From the results of analysis and discussion, it can be concluded on the rating of health on PT.BPR Intan Jabar as follows:

- a. The assessment of bank soundness at PT.BPR Intan Jabar year 2013-2016 based on CAMEL analysis, shows in the predicate of Sound , with credit value of 93,42 in 2011, then 93,42 in 2014, 2015 is 93,24, and 96.92 in 2016.
- b. Assessment of bank soundness at PT.BPR Intan Jabar year 2013-2016 based on capital factor analysis, indicated in the predicate healthy. However, in the range of the value of the ratio achieved indicates that many assets are less productive.
- c. Assessment of bank soundness at PT.BPR Intan Jabar year 2013-2016 based on Asset factor analysis which is divided into two components, namely KAP(Assets Quality) and PPAP (Provision), indicate in healthy predicate. But the increasingly large Asset Quality Ratio is an indicator that the greater the amount of risk assets. And the amount of Provision has been in accordance with the applicable provisions.
- d. Assessment of bank soundness in PT.BPR Intan Jabar year 2013-2015 based on the analysis of management factors that are divided into two components, namely general management and risk management, indicate the predicate healthy enough, while in 2016 quite healthy.
- e. Rating of bank soundness at PT.BPR Intan Jabar year 2013-2016 based on earnings factor analysis which is divided into ROA and REO / BOPO, indicate

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in healthy predicate. Decreased ROA ratio is an indicator that the ability to earn profits in the last three years decreased while in 2016 experienced a pretty good improvement. While the ratio of REO / BOPO in 2016 which decreased indicates that banking management is more efficient.

Whereas in the previous year 2014, the year 2015 experienced an increase means there are inefficient costs.

f. Assessment of bank soundness at PT.BPR Intan Jabar year 2013-2016 based on analysis of liquidity factor which is divided into cash ratio and LDR ratio, indicated in the predicate healthy because it has fulfilled provision sesuai regulator provisions that is Bank Indonesia currently switching its supervision to the Service Authority Finance (OJK).

## RECOMMENDATION

1. Factors that need to be optimized are management factors where there are still weaknesses, namely the need for the development of information systems in the form of ATM networks, Internet banking and SMS banking and improving the quality of Human Resources including the quantity needed especially for employees who perform Compliance, and risk management functions.

2. The quality of productive assets, although in healthy category, but in nominal terms tends to increase, the problem of non-performing loans increases. It is necessary to get attention through the determination of the strategy of handling non-performing loans, among others, in the form of problematic credit pens. The settlement of nonperforming loans will have a positive impact on the profit factor.

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