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Analysis of Bank Performance of PT Bank Tabungan Pensiun Nasional Tbk (BTPN) Period 2016-2019

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Abstract: The purpose of this study is to analyze the level of bank performance of PT Bank Tabungan Pensiun Nasional Tbk (BTPN) from 2016 to 2019. The method used is the RGEC method (*Risk Profile, Good Corporate Governance, Earning and Capital*). The results of the study show that the bank's performance from the NPL factor of bank performance in 2016, 2017, 2018 and 2019 was very healthy. The bank performance from the LDR factor in 2016, 2017, 2018 was quite healthy but in 2019 it was not healthy. From the GCG factor of BTPN bank performance in 2016, 2017, 2018, 2019 was at a healthy level. The performance of BTPN bank from the ROA factor in 2016, 2017, 2018 and 2019 was at a very healthy level. From the NIM factor shows that the performance of BTPN banks in 2016, 2017, 2018 and 2019 was very healthy. BTPN's performance from the CAR factor in 2016, 2017, 2018 and 2019 was at a very healthy level. The composite value of Bank BTPN's performance in 2016, 2017 and 2018 was very healthy, while in 2019 the performance was healthy.

Keywords: Bank Performance and RGEC (*Risk Profile, Good Corporate Governance, Earnings and Capital*).

1. Introduction

Assessment of bank soundness is used to assess bank performance in a certain period, bank performance assessment using RGEC (*Risk Profile, Good Corporate Governance, Earning and Capital*) is applied in Indonesia to Conventional Commercial Banks and Islamic Commercial Banks. One of the banks whose performance assessment uses the RGEC method is the BTPN bank. This is in line with POJK No. 4 / POJK.03 / 2016 concerning the assessment of the soundness of Commercial banks and POJK No.8/POJK.03/2014 concerning the assessment of the soundness of Islamic Commercial Banks and sharia business units.

Bank BTPN is a foreign exchange bank that focuses on serving and empowering low-income segments of society consisting of pensioners, micro, small and medium enterprises (MSMEs), as well as productive underprivileged communities (*mass market*). (BTPN, 2020)

The Best Contact Center Indonesia (TBCCI) Award is an initiative to develop the contact center service industry in Indonesia, especially to increase employee participation in developing skills, creativity and performance. This competition was not only followed by the banking sector, but also for other sectors, such as Fin-tech, Start-up, Insurance, Government. The judging was carried out by 90 deities of a *local vote jury* consisting of contact center practitioners and the Indonesia Contact Center Association (ICCA) administrators.

Bank BTPN participated in 7 individual categories and 2 corporate categories, and won:

- Top 10 ²⁴ *The Best Contact Center Indonesia (TBCCI) 2020*
- *The Best Operation Contact Center Platinum Medal*
- *The Best Employee Engagement Gold Medal*
- ³⁰ *2 Platinum Medals , 1 Gold Medal , 4 Silver Medals and 1 Bronze Medal* (Individual Category). (BTPN, 2020)

The assessment of financial performance of PT Bank Bukopin Tbk before and after the application of branchless banking is not difference and not significant, but is not fixed value. (Helsinawati, Widyanto ML & Faizal. H, 2018). The bank's health level in term of RGEC at Sharia Commercial Banks in the period of 2013,2014 and 2015 are in healthy criteria (Kusnanto, 2017). The soundness of banks in 2013 to 2015 the risk profile aspect is classified as very healthy, Good Corporate Governance is quite healthy, earnings are very healthy, and capital is very healthy (Riadi, et, el, 2016). The Bank Tabungan Negara in the period 2014 get predicate healthy enough and in the period 2015 - 2016 increasing by obtaining the predicate healthy. (Dewi. IASK & Candradewi. MR, 2018). The value of determination or composite since 2015 until 2018 is healthy. (Faizal. H & Rodiana. R, 2019) Bank soundness level at PT bank Rakyat Indonesia Tbk is seen from the risk profile, good corporate governance, earnings and capital factors during the 2013-2017 period with an average value of 93.99% included in the "very healthy" category or composite rating 1 (PK-1) (Dewi, M, 2018). The performance ratio of PT BPD North Sumatra relating to the value of determination or composite since 2015 until 2018 is very healthy (Widyanto M. L, 2019). The result of the health research at PT Bank Bengkulu in 2014-2016 period showed that PT Bank Bengkulu get PK 1, which is very healthy (Fitriano. Y & Sofyan RM, 2019).

2. Literature Review and Methodology.

² In accordance with the regulations of the Financial Services Authority in POJK No. 4 / POJK.03 / 2016 concerning the assessment of the soundness of Commercial banks and POJK No.8/POJK.03/2014 concerning the assessment of the soundness of Islamic Commercial Banks and sharia business units, banks are required to conduct an assessment of the bank's health level using the ratio approach (*based banking rating*), both individually and in consolidation, covering several factors including risk profile, corporate governance, profitability and capital (Otoritas Jasa Keuangan, 2016).

²³ The methodology used in assessing bank performance is the RGEC method (*Risk Profile, Good Corporate Governance, Earning and Capital*). The following is an explanation of RGEC:

⁸ 1. Risk Profile

The bank risk profile is assessed using the following formula

³¹ a. Non Performing Loan (NPL)

$$\text{NPL} = \text{Non-performing loans} / \text{Total Credit} \times 100\% \text{ (Jumingan 2011)}$$

⁵ b. Loan to Deposit Ratio (LDR)

$$\text{LDR} = \text{Total Credit} / \text{Third Party Funds} \times 100\%$$

(Source: SE No 13/24 / DPNP 2011). (Bank Indonesia, 2011)

2. Good Corporate Governance (GCG)

Assessment of GCG according to Bank Indonesia Circular Letter on SE BI No. 15/15 / DPNP / 2013 concerning the implementation of GCG, that GCG assessment is carried out using a self-assessment system (self-assessment). The judging factors include:

1. Implementation of Duties and Responsibilities of the Board of Commissioners.
2. Implementation of Duties and Responsibilities of the Board of Directors (Bank Indonesia, SE BI No 15/15 / DPNP / 2013) (Bank Indonesia, 2013)

3. Earning

Earning or profitability is a measure of the level of income, in calculating *earnings* the following formula is used:

a. Return On Asset (ROA)

$$\text{ROA} = \text{Profit before tax} / \text{Average Total Assets} \times 100\%$$

(Source: SE No 13 / 24 / DPNP / 2011) (Bank Indonesia, 2011)

b. Net Interest Margin (NIM)

$$\text{NIM} = \text{Net interest income} / \text{Average Earning Assets} \times 100\%$$

(Source: SE No 13/24 / DPNP / 2011) (Bank Indonesia, 2011)

4. Capital

Capital can be measured using the *Capital Adequacy Ratio (CAR)* to determine the capital adequacy value of a bank. The CAR with the following formula:

$$\text{CAR} = \text{Risk Weighted Capital} / \text{Assets} \times 100\%$$

(Source: SE No 13/24 / DPNP / 2011) (Bank Indonesia, 2011)

3. Results and Discussion

Profile of the Bank Tabungan Pensiun Nasional Tbk (BTPN).

BTPN was established on February 16, 1985. Based on the Company's Articles of Association, the scope of activities of BTPN is to carry out business activities in the commercial banking sector including sharia banking. The Islamic banking business is run by a subsidiary, namely PT Bank Tabungan Pensiunan Nasional Syariah (formerly PT Bank Sahabat Purba Danarta), in which 70% of its shares are owned by BTPN.

Bank BTPN obtained a license as a commercial bank on 22 March 1993 from the Minister of Finance of the Republic of Indonesia and license as a foreign exchange bank on 16 February 2016 and Bank Indonesia (BI).

On February 29, 2008, BTPN obtained an effective statement from BAPEPAM-LK to conduct an Initial Public Offering of BTPN (IPO) to the public totaling 267,960,220 with a nominal value of Rp100 per share with an offering price of Rp 2,850 per share. These shares were listed on the Indonesia Stock Exchange (IDX) on March 12, 2008. (britama.com)

The performance of the bank BTPN Tbk (BTPN).

Table 1. Performance of the Bank Tabungan Pensiunan Nasional Tbk (BTPN).

Performance Ratio	2019 (%)	2018 (%)	2017 (%)	2016 (%)
1. Risk Profile				
a. Non Performing Loan	0.45	0.56	0.45	0.4
b. Loan to Deposit Ratio (LDR)	171.32	96.25	96.62	95.66
2. Good Corporate Governance (GCG)	200	200	200	200
3. Earning:				
a. Return on Asset (ROA)	1.29	1.84	1.19	2.58
b. Net Interest Margin (NIM)	4.83	8.61	9.32	10.1
4. Capital				
Capital Adequacy Ratio (CAR)	23.51	23.69	24.91	25.6

Source: Financial Services Authority (OJK) 2016, 2017, 2018 and 2019

Research Results

Based on BTPN's financial performance data above, the analysis of bank health levels from 2016 to 2019 is as follows:

RGEC (*Risk Profile, Good Corporate Governance, Earning and Capital*)

1. Risk Profile

In the risk profile boxed from Scala, the criteria for Non-Performing Loan (NPL) and Loans to Deposit are as follows:

a. Non performing loan (NPL) criteria scale:

$0\% < \text{NPL} \leq 2\%$ = very healthy

$2\% < \text{NPL} \leq 5\%$ = healthy

$5\% < \text{NPL} \leq 8\%$ = quite healthy

$8\% < \text{NPL} \leq 11\%$ = less healthy

$\text{NPL} > 11\%$ = not healthy

From the performance data of Non performing Loans (NPL) at BTPN, as follows :

- 1). In 2016, 0.4% was in the position of $0\% < \text{NPL} < 2\%$ = very healthy
- 2) In 2017, 0.45% was in the position of $0\% < \text{NPL} < 2\%$ = very healthy
- 3) In 2018, 0.56% was in the position of $0\% < \text{NPL} < 2\%$ = very healthy
- 4) In 2019, 0.45% is in the position of $0\% < \text{NPL} < 2\%$ = very healthy

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Based on the results of the analysis of bank performance from the NPL factor, the bank's performance in 2016, 2017, 2018 and 2019 was very healthy.

b. Loan to deposit ratio has a scale of criteria:

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50% <LDR ≤ 75% = very healthy

75% <LDR ≤ 85% = healthy

85% <LDR ≤ 100% = quite healthy

100% <LDR ≤ 120% = less healthy

LDR > 120% = not healthy

In the performance data, the LDR performance factors of BTPN are:

- 1). In 2016, 95.66% means quite healthy
- 2). In 2017, 96.62% means quite healthy
- 3). In 2018, 96.25% means quite healthy
- 4). In 2019, 171.32% means unhealthy

Based on bank performance data from the LDR factor in 2016, 2017, 2018 was quite healthy but 2019 was not healthy

2. Good Corporate Governance (GCG)

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According to Bank Indonesia regulation data number 15/15 / DPNP / 2013, the bank soundness level from the GCG factor has the following priority scales:

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1 = very healthy

2 = healthy

3 = quite healthy

4 = less healthy

5 = not healthy

The BTPN GCG data are as follows:

- 1). In 2016 amounted to 2
- 2). In 2017 amounted to 2
- 3). In 2018 amounted to 2
- 4). In 2019 amounted to 2

From the GCG factor, the performance of BTPN banks in 2016, 2017, 2018, 2019 was at a healthy level.

3. Earnings

Based on BTPN bank performance data in terms of earnings, seen through Return on Assets (ROA) and Net Interest Margin (NIM):

a. Return on Assets (ROA) with priority scale as below :

ROA > 1.5% = very healthy

1.25% < ROA ≤ 1.5% = healthy

0.5% < ROA ≤ 1.25% = quite healthy

0 < ROA ≤ 0.5 = less healthy

ROA < 0 = not healthy

BTPN bank performance data on the ROA factor from 2016 to 2019 are as follows:

- 1). In 2016, 2.58% means very healthy
- 2). In 2017, 1.19% means very healthy
- 3). In 2018, 1.84% means very healthy
- 4). In 2019, 1.29% means very healthy

Based on this data, the BTPN bank's performance from the ROA factor in 2016, 2017, 2018 and 2019 was at a very healthy level.

b. Net Interest Margin (NIM) with an assessment scale, namely:

NIM > 3% = very healthy

2% < NIM ≤ 3% = healthy

1.5% < NIM ≤ 2% = quite healthy

1% < NIM ≤ 1.5% = less healthy

NIM < 1% = unhealthy

Bank BTPN's performance from the NIM factor is as follows:

- 1). In 2016 the NIM rate of 10.1% was very healthy
- 2). In 2017 the NIM rate of 9.32% was very healthy
- 3). In 2018 the NIM rate of 8.61% was very healthy
- 4). In 2019 the NIM rate of 4.83% was very healthy

Based on bank performance data from the NIM factor, it means that BTPN's bank performance in 2016, 2017, 2018 and 2019 was very healthy.

4. Capital

Capital Adequacy Ratio (CAR) rating scale, namely:

CAR > 11% = very healthy

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9.5% < CAR ≤ 11% = healthy

8% < CAR ≤ 9.5% = quite healthy

6.5% < CAR ≤ 8% = less healthy

CAR < 6.5% = not healthy

Bank BTPN from the CAR factor from 2016 to 2019 has the following performance levels:

- 1). In 2016, a CAR level of 25.6% means very healthy.
- 2). In 2017, the CAR level of 24.91% means very healthy.
- 3). In 2018 the CAR level of 23.69% means very healthy.
- 4). In 2019 the CAR level of 23.51% means very healthy.

In the BTPN performance data from the CAR factor in 2016, 2017, 2018 and 2019 was at a very healthy level.

Composite Analysis

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The composite analysis of BTPN bank performance is as follows:

Table 2. Composite Analysis of Bank Performance in 2016

Performance Ratio	Score	Rating				
	2016	1	2	3	4	5
1. Risk Profile						
a. Non Performing Loan	0.4	5				
b. Loan to Deposit Ratio (LDR)	95.66			3		
2. Good Corporate Governance (GCG)	200		4			
3. Earning:						
a. Return on Asset (ROA)	2.58	5				
b. Net Interest Margin (NIM)	10.1	5				
4. Capital						
Minimum Capital Adequacy Requirement (KPMM)	25.6	5				
Composite Rating (a)	27	20	4	3		
Composite Score (b)	30					
Composite Value (a / b)	0.9					

In the table above, the 2016 composite value of 0.9 means that BTPN bank performance was very healthy.

Table 3 Composite Analysis of Bank Performance in 2017

Performance Ratio	Score	Rating				
	2017	1	2	3	4	5
1. Risk Profile						
a. Non Performing Loan	0.45	5				
b. Loan to Deposit Ratio (LDR)	96.62			3		
2. Good Corporate Governance (GCG)	200		4			
3. Earning:						
a. Return on Asset (ROA)	1.19	5				
b. Net Interest Margin (NIM)	9.32	5				
4. Capital						
Minimum Capital Adequacy Requirement (KPMM)	24.91	5				
Composite Rating (a)	27	20	4	3		
Composite Score (b)	30					
Composite Value (a / b)	0.9					

Based on the table above, the composite value of 0.9 means that BTPN bank performance in 2017 is very healthy

Table 4 Composite Analysis of Bank Performance in 2018

Performance Ratio	Score	Rating				
	2018	1	2	3	4	5
1. Risk Profile						
a. Non Performing Loan	0.56	5				
b. Loan to Deposit Ratio (LDR)	96.25			3		
2. Good Corporate Governance (GCG)	200		4			
3. Earning:						
a. Return on Asset (ROA)	1.84	5				
b. Net Interest Margin (NIM)	8.61	5				
4. Capital						
Minimum Capital Adequacy Requirement (KPMM)	23.69	5				
Composite Rating (a)	27	20	4	3		
Composite Score (b)	30					
Composite Value (a / b)	0.9					

In the data above the composite value of 0.9 means that the BTPN bank's performance in 2018 was very healthy.

Table 5. Composite Analysis of Bank Performance in 2019

Performance Ratio	Score	Rating				
	2019	1	2	3	4	5
1. Risk Profile						
a. Non Performing Loan	0.56	5				
b. Loan to Deposit Ratio (LDR)	96.25					1
2. Good Corporate Governance (GCG)	200		4			
3. Earning:						
a. Return on Asset (ROA)	1.84	5				
b. Net Interest Margin (NIM)	8.61	5				
4. Capital						
Minimum Capital Adequacy Requirement (KPMM)	23.69	5				
Composite Rating (a)	25	20	4			1
Composite Score (b)	30					
Composite Value (a / b)	0.8333333333					

From the data above, the BTPN bank composite value in 2019 (0,833), it meant BTPN had a healthy performance

Conclusion & Suggestion

Conclusion

Based on the results and discussion, it can be concluded that :

- The bank's performance from the NPL factor, the bank's performance in 2016, 2017, 2018 and 2019 was very healthy.
- The bank performance from the LDR factor in 2016, 2017, 2018 was quite healthy but in 2019 was not healthy
- From the GCG factor, BTPN bank performance in the year 2016, 2017, 2018, 2019 was at a healthy level,
- BTPN's bank performance from the ROA factor in 2016, 2107, 2018 and 2019 was at a very healthy level,
- From the NIM factor, BTPN bank performance in 2016, 2017, 2018 and 2019 was very healthy,
- BTPN's performance from the CAR factor in 2016, 2017, 2018 and 2019 was at a very healthy level.
- The composite value of Bank BTPN's performance in 2016, 2017 and 2018 was very healthy, while in 2019 the performance was healthy.

Suggestion

It is hoped that the performance of BTPN banks will again improve to be very healthy again, after a decline in performance in 2019.

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