ABSTRACT

Bank is an industry that relies on public trust in its business activities. Banks are trusted by customers to save their funds. Banks must be able to maintain the trust of their customers, therefore the health of the bank can be maintained. One of them is that banks must maintain their liquidity so that banks can fulfill their obligations and maintain their performance so that banks always gain trust from the public. The results of the quality assessment of various aspects that affect the performance conditions of a bank are bank health. Assessment of bank soundness is an effort to restore public confidence in banks.

The purpose of this study was to determine the effect of risk profile, good corporate governance, earnings, and capital on bank health. In this study data were collected through document collection from annual reports of state-owned banks listed on the Indonesia Stock Exchange (IDX) for the period 2011-2018. The data analysis technique used in this study is the RGEC (Risk Profile, Good Corporate Governance, Earnings, and Capital) method and then the data analysis is performed with the likelihood ratio test, the Wald test, and the goodness of fit test processed using the SPSS (Statistical Package for Social Science).

The results showed that the LDR had a significant effect on bank health. LDR has a significance value of 0.037 (smaller than alpha). Whereas NPL, GCG, ROA, NIM, and CAR do not significantly influence bank health.

Keywords: bank health, RGEC, Risk Profile, Good Corporate Governance, Earnings, Capital