

CHAPTER V

CONCLUSION

5.1 Conclusion

Based on the analysis of data and discussion that refers to the problem and research objectives, the research conclusion can be formulated as follows:

There is a difference result of financial ratio analysis in Government - Owned Banks, among others:

1. BNI, BRI, Bank Mandiri, and BTN provides a large percentage of the loan to total assets. BNI provides a great credit financing in the rubber industry and chemical sector, accounting for the largest GDP for Indonesia. Meanwhile BRI and Bank Mandiri give great credit to the micro loans, and BTN on the housing sector. BNI has a percentage of credit risk tends to decrease for year 2010-2014. This can be seen from the ratio of nonperforming earning assets, NPL, and low quality credit in BNI. Slowdown global economic conditions and the depreciating rupiah in 2015 made BNI credit risk increased. During 2010-2015 BRI, Bank Mandiri, and BTN increased credit risk in the event of sluggish economic and decreasing commodity prices. But the increase was not significant. That is GOBs are still able to cover non-performing loans.
2. Market risk in GOBs fluctuate during the period 2010-2015. There are several factors that cause these changes. External factors such as changes in foreign exchange rates and deteriorating economic conditions in Indonesia are one of the reasons the market risk increased of the bank.

Nevertheless internal policies such as loans received by banks, loan installment payments, and increase in interest expense also contributed affect market risk. But the market risk in GOBs are still far from the maximum standards set by bank .

3. BNI, BRI, Bank Mandiri, and BTN has a composition of liquid assets to meet the needs of customer funds, as deed a large financing to deposit at more than 5%. For risk Loan to Deposit Ratio (LDR), BNI, BRI and Bank Mandiri received the title very healthy level, because it is in the range 78%-92%. Meanwhile BTN have higher LDR ratio, meaning that BTN has a poor ability to meet short-term liabilities when billed by depositors.
4. During the period 2010-2015 ROA owned by BNI, BRI and Bank Mandiri are in very health level, as more than 2%. This means that the performance of BNI, BRI and Bank Mandiri in generating profits are excellent. Meanwhile BTN had ROA ratio tends to decrease annually, by 2014 BTN just received the title of a bank that is healthy enough to make a profit. But in 2015 the ROA of BTN increased, this is in line with the housing program conducted by BTN and the results exceeded the target. For the measurement of the ratio of net interest margin (NIM) in 2010-2015, the GOBs are in a very healthy condition, because it has more than 3% NIM.
5. Percentage of Capital Adequacy Ratio (CAR) in GOBs during the period 2010-2015 are in very healthy level and has been in accordance with the provisions of Basel III, banks are required to provide a total capital of at least 8% of risk weighted assets. GOBs also have a core capital above the Basel III provisions in the amount of 6%, this means that banks can absorb

the risks that occur when the economic crisis both from within and outside the country and capable of supporting loss when problems occur.

5.2 Limitation of the Research

The author is aware of the limitations of research in this study. These limitations include:

1. Risk profile factors that is used only inherent risk without using the quality assessment of risk management (KPMR).
2. Good Corporate Governance factor (GCG) is not included in determining the financial ratio in Government-Owned Banks.
3. Risk profile factors that is used only three of the eight risk which is owned by Conventional Bank.

5.3 Suggestion

From the conclusions in this study, the authors suggest the following:

1. For Bank Negara Indonesia (BNI)

BNI is a bank that has a good risk management. This is evident from BNI credit risk tends to fall every year and BNI can mitigate other risks such as market risk, liquidity, earnings and capital. However External factors such as slowdown of economic condition in Indonesia, become a barrier for the bank to show a good performance it can be seen from the increase of NPL in 2015. So the BNI should strengthen management performance and selective in granting credit.

2. For Bank Rakyat Indonesia (BRI)

BRI is a bank that generate higher profit among other banks. Yet the trend is fluctuate every year. BRI should strengthen the performance of risk management performance, because at the time of Indonesia's economic is slowdown, credit risk, market risk, and liquidity risk tends to increase in BRI.

3. For Bank Mandiri

As with BRI, Bank Mandiri is second bank that generate higher profit, yet Bank Mandiri need to improve management of risks, because in the event of disruption on external factors such as slowdown of global economic conditions, the bank is likely to increase the risk.

4. For Bank Tabungan Negara (BTN)

BTN is focused on housing finance. So most of the assets of the company is a long-term credit. BTN should also provide a large portion of short-term credit. Thus BTN can meet short-term liabilities when billed depositors. In the midst of uncondutive economic condition in Indonesia, BTN risk management performance in 2015 showed an increase compared with the previous year. It can be seen from the decline in the NPL ratio and increase in ROA.

5. For Next Researchers

This study uses three (3) factors of RBBR method ie risk profile, earnings, and capital. At the risk profile factors, researcher just use 3 (three) of the eight (8) risks associated with Government-Owned Banks and researcher also did not include factors of Good Corporate Governance. Therefore, it's

expected future researchers can use more RBBR factors that authors not use in future studies.

