

Chapter V

Conclusion and Suggestion

5.1 Conclusion

Based on research and analysis result by using Risk Based Bank Rating Method, we derive the conclusion:

1. Risk Profile, to assess risk profile, we use credit risk and liquidity risk approach. From credit risk using non-performing loan formula in 2013, both Bank Central Asia and Bank CIMB Niaga received very healthy rating. In 2014, Bank Central Asia received very healthy rating and Bank CIMB Niaga received healthy rating and in 2015, Bank Central Asia and Bank CIMB Niaga received very healthy rating. From liquidity risk using loan to deposit ratio formula in 2013, Bank Central Asia received healthy rating and Bank CIMB Niaga received quite healthy rating. In 2014, Bank Central Asia received healthy rating and Bank CIMB Niaga received quite healthy rating. In 2015, again Bank Central Asia received healthy rating and Bank CIMB Niaga received quite healthy rating.
2. Good Corporate Governance, to assess good corporate governance, we use self-assessment report. From self-assessment in 2013, Bank Bank Central Asia received very good rating and Bank CIMB Niaga received good rating. In 2014, Bank Bank Central Asia received very good rating and Bank CIMB Niaga received good rating. In 2015, again Bank Bank Central Asia received very good rating and Bank CIMB Niaga received good rating.

3. Earning, to assess earning, we use return on assets and net interest margin formula. From return on assets in 2013, both Bank Central Asia and Bank CIMB Niaga received very healthy rating. In 2014, Bank Central Asia and Bank CIMB Niaga received very healthy rating and in 2015, Bank Central Asia received very healthy rating and Bank CIMB Niaga received less healthy. From net interest margin in 2013, both Bank Central Asia and Bank CIMB Niaga received very healthy rating. In 2014, both Bank Central Asia and Bank CIMB Niaga received very healthy rating. In 2015, again both Bank Central Asia and Bank CIMB Niaga received very healthy rating in three on rows.
4. Capital, we use capital adequacy formula to assess it. In 2013, both Bank Central Asia and Bank CIMB Niaga received very healthy rating. In 2014, Bank Central Asia and Bank CIMB Niaga received very healthy rating and in 2015, Bank Central Asia and Bank CIMB Niaga received very healthy rating in three on rows from 2013 to 2015.
5. Composite rating comprises the all aspects: risk profile, good corporate governance, earning and capital. In 2013, Bank Central Asia and Bank CIMB Niaga composite rating is very healthy. In 2014, Bank Central Asia and Bank CIMB Niaga composite rating is very healthy. In 2015, Bank Central Asia composite rating is very healthy and Bank CIMB Niaga composite rating is healthy.

5.2 Research Limitation

Some of the limitations that researcher face in completing the final thesis assignment, where in this thesis research researcher lays out how to calculate the rate of health coverage with the bank's risk profile, good corporate governance, earnings, and capital that use financial ratios each aspect is as follows: risk profile with the non-performing loan ratio and loan to deposit ratio, and good corporate governance with self-assessment report, earnings with return on assets and net interest margin, as well as the capital with the ratio of capital adequacy ratio. Then based on the results of the calculation of financial ratio values each aspect of these results are used as a benchmark to determine the value of the composite so that the composite rating will show the bank rating on Bank Central Asia and Bank CIMB Niaga for 2013, 2014 and 2015. Additionally, in obtaining a degree of understanding about banking, researcher was using international handbook for banking and international website were published by many author from abroad and not using the Indonesia text-book to avoid misunderstanding in writing literature review as core of fundamental thinking. Based on the description which was already explained earlier, then it could be drawn a conclusion that this research is descriptive research which does not test hypothesis.

5.3 Suggestion

Based on the conclusions and the limitations of the research, advice that can be given is mainly related to the health of the banks is as below:

1. Bank Customers

The customer must carefully determine their decision in choosing a bank. By choosing a healthy bank, bank customers are expected can anticipate risks that are often faced by the bank. So the customer can entrust their funds safely in healthy bank. From the results, both Bank Central Asia and Bank CIMB Niaga are truly recommended.

2. Investors

Investors should be more careful in determining their decision on investment to avoid losses in choosing a unhealthy bank. By choosing a healthy bank is expected to invest in the funds are used properly. From the results, both Bank Central Asia and Bank CIMB Niaga are truly recommended.

3. Bank Management

Bank management is advised to improve its performance so as to obtain a predicate. So will always be the choice of the investor and clients in implanting their funds.

4. Further Research

For the next research, it is advised to improve the degree of the research by analyzing relationship of bank rating to another variables i.e. customers, government (Financial Services Authority), creditors and etc.

