

ABSTRACT

ANALYSIS OF BANKING SOUNDNESS USING CAMEL METHOD (CASE STUDY ON BANKS LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE PERIOD 2019-2021)

By :

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This study aims to determine the influence of Capital, Asset Quality, Management, Earnings (Profitability), and Liquidity on the Bank Health Level in the banking sector listed on the Indonesia Stock Exchange (IDX) during the period 2019-2021. The research methodology employed is quantitative research with an associative approach used to identify the cause-and-effect relationships among independent variables and the dependent variable. In this study, the researcher examines the impact of CAR (Capital Adequacy Ratio), NPL (Non-Performing Loans), NPM (Net Profit Margin), ROA (Return on Assets), and CR (Loan to Deposit Ratio) on the bank health level. Based on the population and sample criteria, the study focuses on 47 banking companies listed on the Indonesia Stock Exchange during the period 2019-2021. The sample selection utilized purposive sampling, resulting in a total of 37 banking companies included in the study. The research findings indicate that Capital does not have a significant effect on the Bank Health Level in the banking sector listed on the IDX during the period 2019-2021. Asset Quality influences the Bank Health Level in the banking sector listed on the IDX during the period 2019-2021. Management does not have a significant effect on the Bank Health Level in the banking sector listed on the IDX during the period 2019-2021. Earnings (Profitability) influence the Bank Health Level in the banking sector listed on the IDX during the period 2019-2021. Asset Quality influences the Bank Health Level in the banking sector listed on the IDX during the period 2019-2021.

Keywords: Financial Performance, CAMEL, Soundness of Bank.