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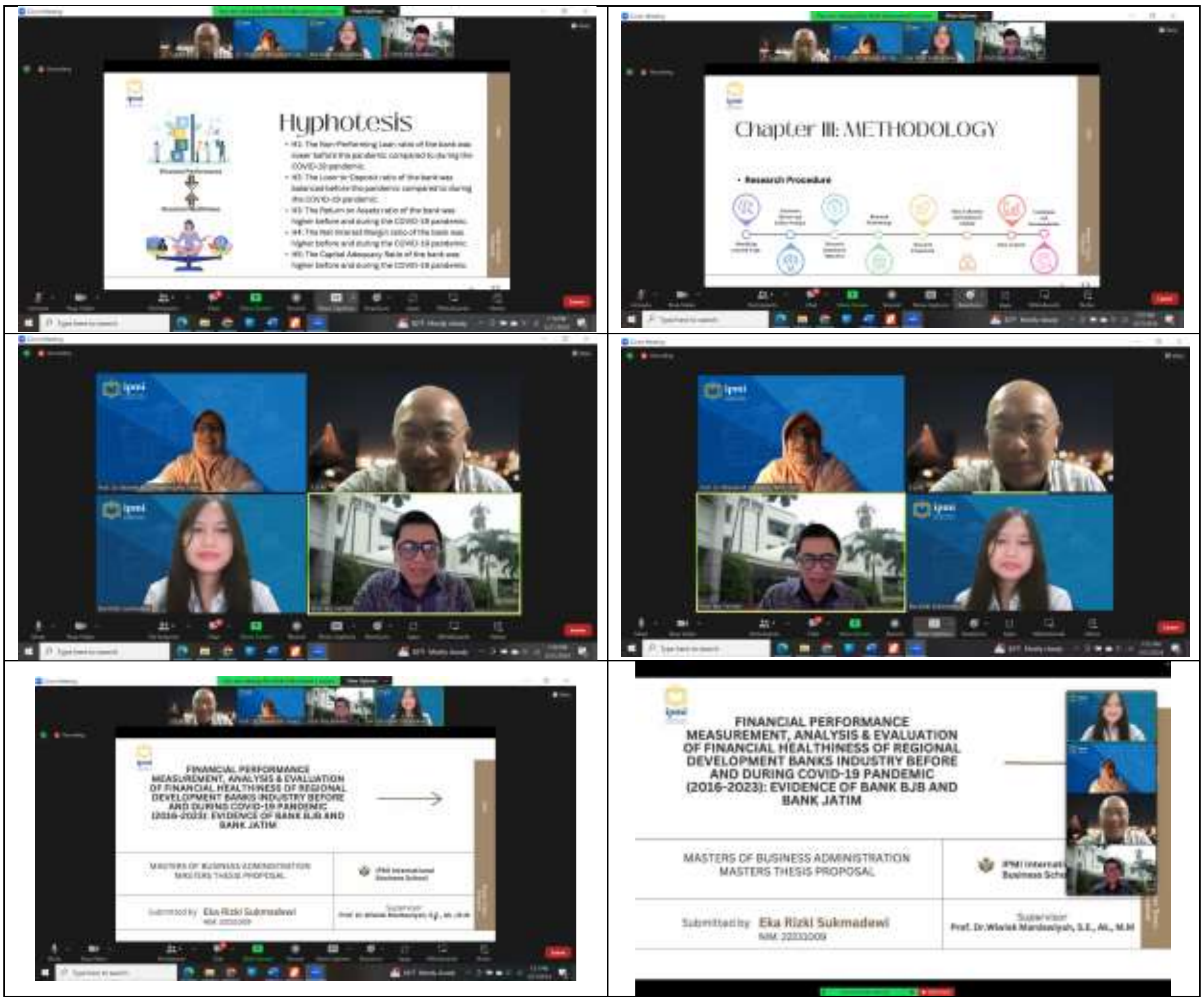
Event	:	**Proposal Thesis Defense**
Date	:	**Wednesday, March 27, 2024 at 7-8PM**
Student	:	**Eka Rizki Sukmadewi**
Title	:	**Financial Performance Measurement, Analysis & Evaluation of Financial Healthiness of Regional Development Bank Industry Before and During Covid-19 Pandemic (2016-2023): Evidence of Bank BJB and Bank Jatim**
Thesis Advisor(s)	:	**Prof. Wiwiek Marwadiyah Daryanto**
Examiners	:	**Prof. Roy Sembel & Dr. Samuel PD Anantadjaya**



Comments;

1. Why would you **focus on the 2 banks** (BJB & Jatim) instead of Bank Jateng & Bank DKI since the indexes are similar of about Rp. 168 trillion - Rp. 78 trillion, or even up to Rp.

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46.5 trillion as the fifth bank, Bank Kaltim, which are categorized as 51% Bank Pembangunan Daerah (BPD) as in the total percentage?

2. You choose the 2 banks due to its **GCG**, what about the other 3 banks?

3. How much were the **differences between CAMEL vs. Risk-Based Bank Rating**? Is it only on the health level assessment of commercial banks, on;

Mentioned in the provisions of POJK No. 4/POJK.03/ 2016 Article two, third paragraph concerning Health Level Assessment of Commercial Banks, Banks are required to assess the Health Level of the Bank using a risk approach (Risk-based Bank Rating) both individually and on a consolidated basis, with the scope of assessment of the factors (1) Risk profile (Non-Performing Loan (NPL) and Loan to Deposit Ratio (LDR), (2) Good Corporate Governance (GCG), (3) Earnings (ROA and NIM), (4) capital (CAR).

   a. risk profile on Non-Performing Loan to Loan to Deposit Ratio is it the same thing are the **management earning** & **liquidity** because it consists of 8 risks (credit, market, liquidity, operational, legal, strategic, compliance, reputational)?

2.1.1.1. Risk Profile

According to Bank Indonesia Regulation No. 13/1/PBI/2011, a risk profile includes an assessment of inherent risk and the quality of risk management implementation in bank operations, which includes eight main risks: credit, market, liquidity, operational, legal, strategic, compliance, and reputation risks.

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b. good corporate governance is this different from CAMEL as they NOT the one to label as "good corporate governance" because within **all categories of CAMEL leads to the same stories** which is called GCG after all – because it involves the basic principals (transparency, accountability, responsibly, fairness, independence)

> **2.1.1.2. Good Corporate Compliance**
>
> Based on POJK No. 55/POJK.03/2016 regarding the Implementation of Corporate Governance for Commercial Banks are required to conduct periodic self-evaluations to assess the implementation of bank governance and prepare a governance implementation report at the end of the year. The implementation of governance must be based on basic principles, which include transparency, accountability, responsibility, independence, and fairness, in accordance with SEOJK No. 13/SEOJK.03/2017.

c. earning ROA and NIM is it the same thing as CAMEL before **because it is about the sustainability to maintain profitability and earnings**?

> **2.1.1.3. Earnings**
>
> The profitability factors assessment contains earnings performance, sources of profitability, the sustainability of profitability, and management of earnings (Fannywaty & Daryanto, 2019). As a result, the profitability ratio is a method used to evaluate a company's ability to generate profits from its own resources. Analyzing profitability ratios can also provide a broad picture of how well the company's management is managing the business and how competitively positioned the business is in the market.

d. capital adequacy ratio is it the same thing as CAR in the previous CAMEL which is said about **finding its own sources of raising funds**?

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2.1.1.4. Capital

There are two objectives of Capital supervision, namely the Bank is responsible for all transaction activities, especially in lending, because the funds used are its own funds and third-party funds, besides that the Bank is not only focused on developing business from available assets, but also expected to have its own capital support. Capital is part of the banks' funding sources, which can be used to raise another fund, bank capital, as a protection to absorb shocks from loss of business (Greuning and Iqbal, 2011).

4. you have a citation on "Mitchell, 1925", for example, this is so outdated because so many reasons; how old were you in 1925, the sources of books of course not only from 1925, the presidents are different, the systems and the lifestyle are different

3.1 Research Design

This study analyzes two banking companies' financial performance and financial health using quantitative methods, detailing the research design, instrument, data collection method, data quality and reliability, and analysis instrument. Quantitative analysis intends to see the correlation of the variables by testing the hypotheses proposed in this study by means of different statistical research methods. Carrying out quantitative research improved the validity of a research, leveraging statistical methods for measuring results conclusively (Mitchell, 1925).

5. the sampling only consists **32 quarterly financial reports of bank BJB and Jatim** or 32 quarterly for each, for a total of 64 quarterly reports?

The study uses purposive sampling to gather data from two banking companies, PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk and PT Jawa Timur Tbk, spanning 2016–2023. The data includes 32 quarterly financial reports, with 2020 as the cutoff period for comparison during the COVID-19 pandemic.

6. is it formula correct though; $\mathbf{z = 6.56X_1 + 3.26X_2 + 6.72X_3 + 1.05X_4}$? What are the meaning of 6.56, and 3.26, and 6.72 and 1.05 of X_1, X_2, X_3, or X_4?

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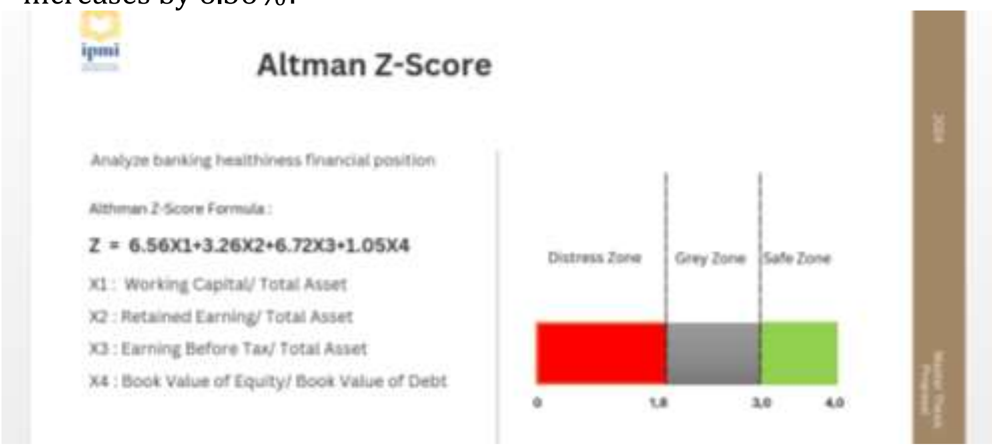
capacity is increased by X%, the revenue will increase by X%. Therefore, in manufacturing companies, the value of assets turnover often does not provide meaningful information (Sagho, M. F., & Merkusiwati, N. K. L. A., 2015).

To analyze banking institutions, the modified Z-Score model is used, the formula is as follow:

Altman Z-Scores Formula:

$$Z=6.56_{X1}+3.26_{X2}+6.72_{X3}+1.05_{X4}$$

a. $6.56X_1$ means that if z-score increases by 1%, working capital/total assets increases by 6.56%?



b. $3.26X_2$ means that if the z-score increases by 1%, the retained earnings/total asset increases by 3.26%

c. $6.72X_3$ means that if z-score increases by 1%, the earnings before tax/total assets increases by 6.72%

d. $1.05X_4$ means that if z-score increases by 1%, the BV on equity/BV on debt increases by 1.05%

7. your Turn It In is 25%. Just do & make it proper/nicer to give out the score much better score
   a. Your bibliography needs to see the obvious link within the text therein. Those need to show the last name only and instead of "*Sagho, M. F & Merkusiwati, N. K. L A*"

   b. Ensure your text to have the edited version from the original.

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