This research aimed to 1) analyze the development and soundness level of banks using RGEC method to banking companies registered in ISE during the period 2010-2016, 2) test and analyze the effect of the LTV regulation on RGEC to banks registered in the ISE during the period 2010-2016. This research was aimed to 20 banks registered in ISE and conducted in August-December 2017. The secondary data, which is used to complement the writing of this research, came from the financial statements of period 2010-2016. The documents required for this research were the financial statements of commercial banks for the period 2010-2016 accessed through www.idx.co.id and the websites of each of these commercial banks. The findings of this study indicate that the health development of 23 banks in 2010 to 2014 was in a healthy condition, but in 2015 and 2016 there was a decline to an unhealthy condition. Of the total sample of 23 banks, the average bank is in a healthy condition which reflects that the bank is ready to face significant negative influences from internal and external factors of the bank. Based on the results of binary logistic regression testing, NPL, LDR, GCG, ROA, NIM, CAR, LTV1, and LTV2 had a significant influence of 47.4% on the health of 23 banks in the period 2010-2016. Based on the partial test results, the NPL variable has a significant negative effect, GCG has a significant negative effect, ROA has a positive effect and LTV2 has a significant negative effect on the health of the bank.

Keywords: soundness, RGEC, CAMEL, Loan To Value