

## COMPARATIVE ANALYSIS OF THE FINANCIAL PERFORMANCE OF STATE-OWNED BANKS IN INDONESIA USING THE RGEC FRAMEWORK BEFORE, DURING, AND AFTER THE COVID-19 PANDEMIC



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### Abstract

This study analyzes the financial soundness of four Indonesian state-owned banks—Bank Rakyat Indonesia (BRI), Bank Negara Indonesia (BNI), Bank Mandiri, and Bank Tabungan Negara (BTN)—using the Risk Profile, Good Corporate Governance, Earnings, and Capital (RGEC) framework as regulated in POJK No. 4/POJK.03/2016, which replaced Bank Indonesia Circular Letter No. 13/24/DPNP. A longitudinal comparative approach was applied across three periods: pre-pandemic (2015–2019), pandemic (2020–2021), and post-pandemic recovery (2022–2024), based on audited annual reports and recalculated financial ratios. Results show that the pandemic negatively affected asset quality and profitability, as indicated by increased Non-Performing Loans (NPL) and reduced Return on Assets (ROA). However, Capital Adequacy Ratios (CAR) remained well above regulatory requirements, ensuring overall financial stability. Good Corporate Governance (GCG) practices also improved consistently, acting as a stabilizing factor during the crisis. By the post-pandemic period, BRI and Mandiri achieved “Very Healthy” (PK-1) ratings, while BNI and BTN maintained “Healthy” (PK-2) status. These findings highlight the importance of credit restructuring, capital strengthening, and governance quality in sustaining the resilience of state-owned banks, offering valuable insights for policymakers in enhancing Indonesia’s financial system stability.

**Keywords:** State-Owned Banks; RGEC Framework; COVID-19; Bank Health Assessment; Good Corporate Governances

## INTRODUCTION

The banking industry constitutes a cornerstone of Indonesia's economic architecture, functioning as the primary conduit for financial intermediation, a stabilizing force for the financial system, and an essential channel for the transmission of monetary policy (Jiang et al., 2022). Within this framework, state-owned banks (Bank BUMN) occupy a particularly strategic position, commanding a dominant proportion of national banking assets and credit allocation. Consequently, the financial condition of these banks not only mirrors institutional performance but also serves as a vital indicator of systemic stability and public trust in the national financial system (Sayidah et al., 2019).

The outbreak of the COVID-19 pandemic in early 2020 precipitated profound systemic disruptions that reverberated throughout Indonesia's banking landscape (Baskoro et al., 2024). The contraction of economic activity led to a significant decline in credit demand, deterioration in asset quality, and mounting liquidity pressures (Haris et al., 2024). In response, the Government of Indonesia, in coordination with the Financial Services Authority (OJK), enacted a range of countercyclical policy measures (Huda et al., 2022). These included extensive credit restructuring programs, macroprudential relaxations, and the adoption of the Financial Accounting Standards Statement (PSAK) 71 on Financial Instruments, which introduced the expected credit loss (ECL) model (Yusdika & Purwanti, 2021).

Although these interventions successfully mitigated short-term financial shocks and preserved macroeconomic stability, they also introduced new complexities in risk assessment, provisioning, and capital management practices (Javadi, 2025). As Indonesia transitioned toward policy normalization and post-pandemic economic recovery, a pressing need emerged for a comprehensive and longitudinal evaluation of the financial soundness of state-owned banks (Wardhono et al., 2019). Such an inquiry is pivotal in discerning whether observed performance fluctuations represent temporary cyclical effects or signal deeper structural transformations within the banking system.

In response to the evolving dynamics of the financial industry, Indonesia's regulatory framework for bank soundness assessment has undergone continuous refinement. Building upon the traditional CAMELS model, the Financial Services Authority (OJK) introduced a risk-based supervisory framework through POJK No. 4/POJK.03/2016 concerning the Assessment of Commercial Bank Soundness (Keuangan, 2016). This regulation replaced Bank Indonesia Circular Letter No. 13/24/DPNP of 2011, which initially guided the implementation of the RGEC (Risk Profile, Good Corporate Governance, Earnings, and Capital) assessment approach (Luciana et al., 2025).

Against this regulatory and empirical backdrop, the present study seeks to address existing gaps in the literature by employing a longitudinal comparative analysis using the RGEC framework across three distinct phases—pre-COVID-19 (2015–2019), during COVID-19 (2020–2021), and post-COVID-19 (2022–2023). This temporal segmentation enables a holistic understanding of banking health trends across different economic cycles, an area that remains underexplored within the Indonesian context. Furthermore, by concentrating on state-owned banks, which play an instrumental role in executing fiscal and monetary objectives, the study contributes a focused and policy-relevant perspective often absent in broader sectoral analyses. Emphasizing a trend-descriptive approach aligned with OJK's supervisory standards, this research not only enhances the empirical literature on bank

soundness evaluation in Indonesia but also provides actionable insights into the resilience and adaptive capacity of Bank BUMN in navigating financial crises and post-pandemic recovery.

## **REVIEW OF LITERATURE**

### **THE RGEC FRAMEWORK IN BANK HEALTH ASSESSMENT**

The Risk Profile, Good Corporate Governance, Earnings, and Capital (RGEC) framework represents a regulatory evolution from the traditional CAMEL methodology, incorporating a risk-based perspective consistent with Basel III prudential standards. This framework provides a multidimensional evaluation of a bank's condition by integrating aspects of governance quality, risk exposure, and long-term sustainability rather than focusing solely on profitability indicators (Marsella & Pangestuti, 2023).

From a regulatory standpoint, the implementation of the RGEC framework in Indonesia is mandated through the Financial Services Authority Regulation (POJK) No. 4/POJK.03/2016 concerning the Assessment of Commercial Bank Soundness. This regulation replaced Bank Indonesia Circular Letter No. 13/24/DPNP of 2011, thereby harmonizing the supervisory approach and reinforcing consistency in national bank health assessments (Luciana et al., 2025).

#### **Risk Profile**

The Risk Profile component reflects a bank's capability to identify, measure, monitor, and control core risk exposures—encompassing credit, market, operational, and liquidity risks. Although the POJK does not prescribe explicit weightings for each dimension, prior research highlights Risk Profile as the most crucial element within the RGEC construct (Arhinful et al., 2025). A frequently applied metric is the Gross Non-Performing Loan (NPL) ratio, which captures the proportion of impaired loans relative to total credit outstanding. The IMF (2023) notes that credit restructuring programs during the COVID-19 period were instrumental in suppressing reported NPLs; however, they may have postponed the recognition of latent credit deterioration. This finding underscores the centrality of effective credit risk management as a safeguard for banking sector stability.

#### **Good Corporate Governance (GCG)**

The Good Corporate Governance (GCG) component is assessed through a structured self-evaluation process grounded in five fundamental principles: fairness, accountability, responsibility, independence, and transparency (G. A. Sri Oktaryani et al., 2023; Napitupulu, 2023). Empirical studies demonstrate that robust governance mechanisms enhance institutional resilience and operational efficiency, particularly amid economic turbulence (Putra, 2024). While state-owned banks typically attain higher GCG scores compared to private institutions—attributable to standardized oversight structures and regulatory compliance—they continue to confront challenges related to minimizing political and policy-driven interventions in operational decision-making.

#### **Earnings**

The Earnings dimension assesses a bank's ability to generate sustainable profits, with Return on Assets (ROA) serving as the principal indicator, defined as pre-tax profit divided by total assets (Mulyanengsih, 2024). Consistent ROA performance reflects effective asset utilization, prudent cost management, and successful intermediation strategies. During the pandemic, however, downward pressures on ROA emerged due to compressed net interest

margins (NIM) and elevated provisioning expenses. Bastan et al. (2024) observe that institutions with stronger profitability ratios exhibit higher resilience to macroeconomic shocks, as their earnings capacity enables absorption of credit and operational losses.

### **Capital**

The Capital component evaluates the adequacy of a bank's capital base, typically measured through the Capital Adequacy Ratio (CAR), which represents the proportion of capital to risk-weighted assets (RWA). A higher CAR denotes stronger loss-absorption capacity, thereby ensuring business continuity during financial stress. Moudud-Ul-Huq et al. (2022) highlight that banks maintaining robust capital buffers—often supported by strategic capital injections from majority shareholders—demonstrate greater resilience in crisis environments. Consistent with Basel Committee (2017) principles, sound capital management practices not only ensure regulatory compliance but also bolster market confidence and underpin the long-term stability of the financial system.

## **RESEARCH METHOD**

This study adopts a quantitative approach with a comparative research design to assess the financial soundness of four state-owned commercial banks (Bank-BUMN) listed on the Indonesia Stock Exchange: PT Bank Rakyat Indonesia (Persero) Tbk (BRI), PT Bank Mandiri (Persero) Tbk (Mandiri), PT Bank Negara Indonesia (Persero) Tbk (BNI), and PT Bank Tabungan Negara (Persero) Tbk (BTN). The analysis encompasses three distinct periods—pre-COVID-19 (2015–2019), during COVID-19 (2020–2021), and post-COVID-19 (2022–2024)—to capture longitudinal shifts in financial performance. The unit of analysis comprises annual consolidated financial statements extracted from the official audited reports of each bank. For the 2024 period, the latest available financial data were utilized, with any missing observations explicitly disclosed to preserve research transparency and integrity.

Primary data sources include audited financial statements and Good Corporate Governance (GCG) reports published by the respective institutions. All financial ratios were recalculated using original components from these reports to maintain intertemporal consistency. Adjustments arising from changes in accounting policies—such as the adoption of Financial Accounting Standards Statement (PSAK) 71 on Financial Instruments in 2020—were documented within a data dictionary to ensure analytical accuracy (Ikatan Akuntan Indonesia, 2020).

Bank soundness was evaluated in accordance with Financial Services Authority Regulation (POJK) No. 4/POJK.03/2016 on the Assessment of Commercial Bank Soundness, employing the RGEC framework, which integrates four dimensions: Risk Profile, Good Corporate Governance, Earnings, and Capital. Following OJK guidelines, each component was measured independently and subsequently aggregated into a composite score. While no explicit weighting scheme is prescribed, the Risk Profile was assessed using the gross Non-Performing Loan (NPL) ratio as a proxy for asset quality and credit risk management effectiveness (Khotimah, 2024). Good Corporate Governance (GCG) was evaluated using self-assessment results disclosed in annual reports (Al Batayneh et al., 2021). Earnings performance was measured through Return on Assets (ROA), reflecting profitability and operational efficiency (Bastan et al., 2024), while Capital adequacy was represented by the Capital Adequacy Ratio (CAR), indicating the bank's resilience to financial shocks (Moudud-Ul-Huq et al., 2022).

Indicator scores were assigned based on OJK's classification standards, ranging from one (very healthy) to five (unhealthy). For instance, a gross NPL ratio  $\leq 2\%$  is rated as *very healthy* (score 1), while  $> 8\%$  is *unhealthy* (score 5). Similarly, an ROA  $> 1.5\%$  and a CAR  $> 12\%$  receive a score of 1, whereas negative ROA or CAR  $\leq 6\%$  correspond to a score of 5 (Keuangan, 2016).

The analytical process was descriptive in nature, aimed at identifying and visualizing longitudinal trends in the financial health of Bank-BUMN. Procedures involved calculating yearly ratios for each bank, assigning indicator scores, computing composite RGEC ratings, and illustrating results through tables and trend charts. Interpretation focused on observing structural patterns and resilience trajectories across the three periods, providing a comprehensive and data-driven understanding of the evolution of state-owned banks' financial health in Indonesia.

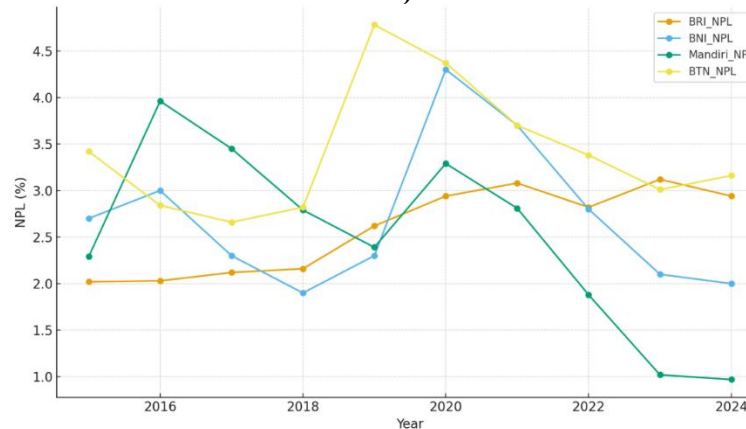
## RESULTS AND DISCUSSION

This study examines the financial health of four state-owned banks (Bank-BUMN) in Indonesia—PT Bank Rakyat Indonesia (Persero) Tbk (BRI), PT Bank Negara Indonesia (Persero) Tbk (BNI), PT Bank Mandiri (Persero) Tbk (Mandiri), and PT Bank Tabungan Negara (Persero) Tbk (BTN)—using the RGEC framework. The analysis spans three distinct periods: pre-COVID-19 (2015–2019), during COVID-19 (2020–2021), and post-COVID-19 (2022–2024). Data were obtained from the audited annual reports of each bank, and all financial ratios were recalculated to ensure methodological consistency and alignment with the Financial Services Authority (OJK) standards.

A data limitation was identified concerning BTN's Good Corporate Governance (GCG) score for 2024. Nevertheless, based on official reports, BTN was recognized as "The Most Trusted Company" in the 2024 Corporate Governance Perception Index (CGPI) (Bank BTN, 2024). This recognition signifies strong governance practices, consistent with BTN's historical performance. To preserve the integrity of the RGEC composite analysis, BTN's 2024 GCG score was conservatively estimated at 92.00, which aligns with both prior-year averages and documented improvements. This estimated value was included in the post-pandemic average calculations.

The financial health evaluation utilized the key RGEC indicators: Non-Performing Loan (NPL) gross for Risk Profile, self-assessment scores for Good Corporate Governance (GCG), Return on Assets (ROA) for Earnings, and Capital Adequacy Ratio (CAR) for Capital. Each indicator was scored on a scale of 1 (very healthy) to 5 (unhealthy) following the Financial Services Authority Regulation (POJK) No. 4/POJK.03/2016. The composite scores were then aggregated and translated into Bank Health Ratings (PK), ranging from PK-1 (Very Healthy) to PK-5 (Unhealthy).

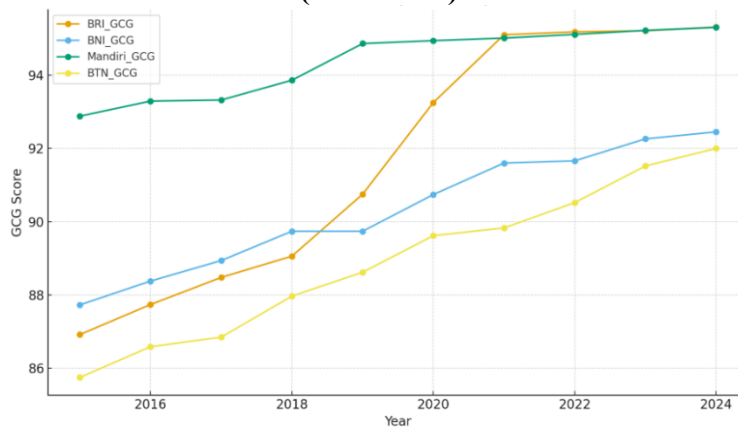
**Figure 1. Trend of Non-Performing Loan (NPL) Gross in State-Owned Banks (2015-2024)**



Source: Researcher’s own data processing (2025)

Figure 1 presents the gross Non-Performing Loan (NPL) trends for the four state-owned banks from 2015 to 2024. During the pre-COVID-19 period (2015–2019), NPL ratios were relatively stable, with BTN consistently showing the highest average NPL (3.39%) due to its focus on housing credit, while BRI maintained the lowest average (2.69%). During the COVID-19 period (2020–2021), NPLs increased sharply, with both BNI (4.30%) and BTN (4.37%) peaking above 4% in 2020, reflecting the economic downturn’s impact on repayment capacity, though both declined in 2021. Post-COVID-19 (2022–2024), recovery is evident, particularly for Mandiri, which reduced its NPL to below 1% (0.97%) in 2024, and BNI, which reached 2.00%. BTN, despite some improvement, continued to record higher NPLs (3.16%) compared to peers, underscoring its distinct risk profile. This trend highlights the role of OJK’s credit restructuring policies in stabilizing credit risk during and after the pandemic (Hidayat et al., 2021).

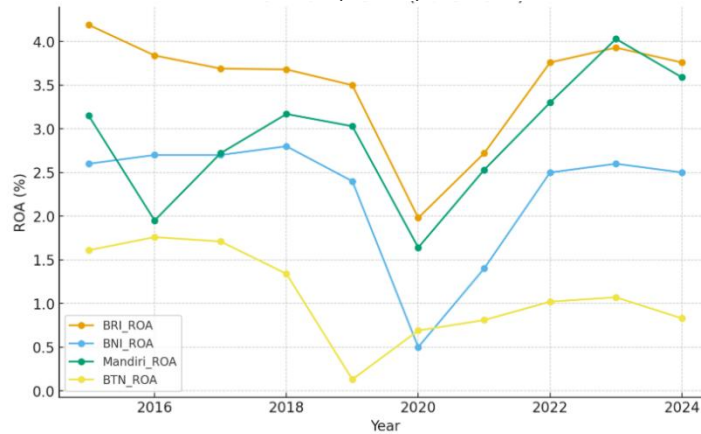
**Figure 2. Trend of Good Corporate Governance (GCG) Scores in State-Owned Banks (2015-2024)**



Source: Researcher’s own data processing (2025)

Figure 2 depicts the evolution of GCG scores across the four banks from 2015 to 2024. All banks demonstrate a consistent upward trend in governance performance, with notable improvements during the COVID-19 period (2020–2021). By 2024, Mandiri (95.3) and BRI (95.31) recorded the highest scores, reflecting robust governance practices. BTN, while improving to 92.0, remained slightly below its peers. The upward trajectory suggests that the crisis accelerated governance enhancements, particularly in transparency and risk management, thereby strengthening resilience (Friday Ogbu et al., 2024).

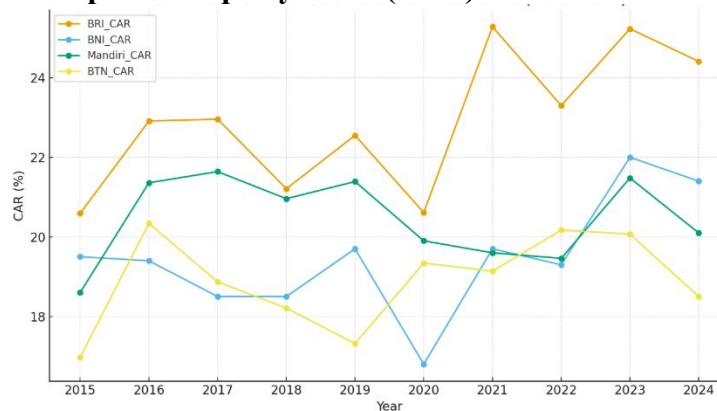
**Figure 3. Trend of Return on Assets (ROA) in State-Owned Banks (2015-2024)**



Source: Researcher’s own data processing (2025)

Figure 3 illustrates the ROA trends, highlighting profitability dynamics across the study periods. Pre-COVID-19, BRI exhibited the highest average ROA (3.78%), while BTN recorded the lowest (1.31%). The COVID-19 period (2020–2021) saw sharp declines, with BNI dropping to 0.50% in 2020 and BTN to 0.69%, driven by reduced net interest margins and higher provisioning under PSAK 71. Post-COVID-19 (2022–2024), a recovery is evident: BRI (3.76%) and Mandiri (3.59%) approached pre-pandemic levels by 2024, while BNI (2.50%) and BTN (0.83%) also improved, though below their historical peaks. This pattern indicates that the profitability downturn was cyclical, with stability gradually restored after the crisis (Yoo & Kim, 2015).

**Figure 4. Trend of Capital Adequacy Ratio (CAR) in State-Owned Banks (2015-2024)**



Source: Researcher’s own data processing (2025)

Figure 4 shows the CAR trends, reflecting strong capital resilience across all banks. Throughout 2015–2024, CAR levels remained well above the OJK’s 8% minimum requirement. BRI consistently led with the highest CAR, peaking at 25.28% in 2021, followed by Mandiri (20.1%), BNI (21.4%), and BTN (18.5%) by 2024. Even during the COVID-19 crisis, CAR levels were stable or improved, supported by regulatory measures and sound internal capital management. The consistently high CAR values underscore the banks’ ability to absorb economic shocks and maintain financial system stability (Gharaibeh, 2023).

#### **Pre-COVID-19 Period (2015-2019) Analysis**

During the pre-COVID-19 period, domestic banking conditions remained relatively stable with consistent performance. BTN recorded the highest average NPL (3.30%), reflecting its specific risk profile concentrated in housing credit, followed by Mandiri at 2.98%. GCG scores demonstrated generally good performance across all banks, with Mandiri leading (93.64). Regarding profitability, BRI achieved the highest ROA (3.78%), while BTN recorded the lowest (1.31%), indicating distinct business models and efficiency levels. All banks maintain CAR ratios substantially exceeding the 8% minimum threshold, demonstrating strong capital adequacy. Composite scores placed all banks in the PK-2 (Healthy) category. These combined factors resulted in rating shifts, with BRI and Mandiri improving to PK-1 (Very Healthy), while BNI and BTN maintained PK-2 (Healthy) status, a condition also found in a study of BUMN banks during the COVID-19 pandemic period (Ariyani, 2021).

#### **COVID-19 Period (2020-2021) Analysis**

The COVID-19 period revealed clear multidimensional pressures on banking indicators. All banks experienced significant NPL increases, with BNI and BTN reaching levels above 4.00%. This phenomenon reflected the impact of economic crisis on debtor repayment capacity. Despite these pressures, GCG scores showed remarkable improvement across all banks. This enhancement indicates effective governance responses, commitment to transparency, and adaptation to operational challenges during the crisis. Profitability, measured by ROA, experienced the most significant contraction, particularly for BNI and BTN, driven by narrowing interest margins and increased provision expenses due to PSAK 71 implementation. Nevertheless, CAR remained stable and even improved for some banks, supported by internal capital resilience and supportive regulatory policies. These combined factors resulted in rating shifts, with BRI and Mandiri improving to PK-1 (Very Healthy), while BNI and BTN maintained PK-2 (Healthy) status. These combined factors resulted in rating shifts, with BRI and Mandiri improving to PK-1 (Very Healthy), while BNI and BTN maintained PK-2 (Healthy) status, a condition also found in a study of BUMN banks during the COVID-19 pandemic period (Hamid et al., 2024).

#### **Post-COVID-19 Period (2022-2024) Analysis**

The post-COVID-19 period demonstrated consistent recovery and improvement trends. Risk profiles showed significant enhancement, particularly for Mandiri which successfully reduced NPL below 2% and BNI which decreased to 2.30%. GCG scores continued to improve, reaching peak levels across all banks, with BTN's achievement supported by CGPI 2024 recognition. Profitability (ROA) recovered to nearly match or even exceed pre-pandemic levels, as seen in BRI and Mandiri, indicating improved operational efficiency. CAR strengthened further, confirming the resilience of state-owned banks' capital

buffers. During this period, BRI and Mandiri maintained their PK-1 (Very Healthy) ratings, while BNI and BTN consistently remained at the PK-2 (Healthy) level. During this period, BRI and Mandiri maintained their PK-1 (Very Healthy) ratings, while BNI and BTN consistently remained at the PK-2 (Healthy) level, a finding supported by research that found state-owned banks achieved a "very healthy" status overall in the post-pandemic recovery period (Zalukhu et al., 2025).

**Table 1. Average RGEC Indicators and Composite Scores by Period**

Period	Bank	Avg NPL (%)	Avg GCG Score	Avg ROA (%)	Avg CAR (%)	Avg Composite Score	Health Rating
Pre-COVID-19 (2015-2019)	BRI	2.19	88.59	3.78	22.04	1.76	PK-2
	BNI	2.44	88.91	2.64	19.12	1.72	PK-2
	Mandiri	2.98	93.64	2.80	20.59	1.60	PK-2
	BTN	3.30	87.16	1.31	18.34	1.96	PK-2
COVID-19 (2020-2021)	BRI	3.01	94.18	2.35	22.94	1.50	PK-1
	BNI	4.00	91.17	0.95	18.25	2.00	PK-2
	Mandiri	3.05	94.98	2.08	19.75	1.50	PK-1
	BTN	4.03	89.73	0.75	19.24	2.20	PK-2
Post-COVID-19 (2022-2024)	BRI	2.96	95.23	3.82	24.31	1.40	PK-1
	BNI	2.30	92.12	2.53	20.90	1.60	PK-2
	Mandiri	1.29	95.21	3.64	20.35	1.00	PK-1
	BTN	3.19	91.52	0.97	19.58	2.00	PK-2

\*Note: Post-COVID-19 period for BTN includes years 2022-2024 with assumed 2024 GCG score = 92.00\*

Source: Researcher’s own data processing (2025)

Table 1 presents a comprehensive comparison of the financial health of the four state-owned banks across the three analyzed periods. During the pre-COVID-19 period (2015–2019), all banks maintained Healthy (PK-2) status, though their performance varied according to business characteristics. BTN exhibited the highest Non-Performing Loan (NPL) ratio and the lowest Return on Assets (ROA), indicating challenges in credit management and profitability. In contrast, BRI demonstrated superior profitability performance, while Mandiri excelled in governance and overall operational efficiency.

During the COVID-19 period (2020–2021), the results revealed substantial stress on banking performance, particularly in NPL and ROA indicators, due to credit restructuring policies and declining loan demand. Nonetheless, resilience varied across banks. BRI and Mandiri improved their composite ratings to Very Healthy (PK-1), supported by strong capital adequacy and consistently high GCG scores. Meanwhile, BNI and BTN maintained

a Healthy (PK-2) status, reflecting effective risk mitigation despite pandemic-related financial pressures.

The post-COVID-19 recovery period (2022–2024) indicates a clear upward trend across nearly all indicators. Both BRI and Mandiri sustained Very Healthy (PK-1) ratings, underpinned by stable profitability and robust capital buffers. BNI and BTN also recorded notable improvements, particularly in ROA and GCG scores, though they remained within the Healthy (PK-2) category. Overall, the observed pattern underscores the resilience of Indonesia's state-owned banking system in weathering systemic shocks and its strong adaptive capacity to rebound in the post-pandemic era.

### **Comparative Analysis and Implications**

This study provides comprehensive longitudinal insights into the resilience and adaptive capacity of Indonesia's state-owned banking sector. Robust Good Corporate Governance (GCG) practices acted as effective shock absorbers during the COVID-19 crisis, with continuous improvements in GCG scores indicating that the pandemic served as a catalyst for enhancing governance quality and transparency. Profitability pressures experienced during the crisis were largely attributed to increased provisioning expenses following the implementation of PSAK 71; however, the rapid post-2021 recovery in Return on Assets (ROA) suggests that the profitability decline was cyclical rather than structural. Capital resilience emerged as a key stability pillar, with all banks maintaining Capital Adequacy Ratios (CAR) significantly above regulatory thresholds. Regarding credit risk, the anticipated rise in Non-Performing Loans (NPL) during the pandemic was effectively mitigated through comprehensive restructuring programs, underscoring the success of Financial Services Authority (OJK) initiatives and the enhancement of banks' risk management capabilities (Nofiantoro & Putri, 2021).

Performance variations among banks offer important practical implications. The success Performance variations among banks carry practical implications. The sustained achievement of PK-1 ratings by Mandiri and BRI was driven by strong GCG implementation, disciplined NPL control (notably in Mandiri), and high profitability. Conversely, BNI and BTN are encouraged to prioritize profitability enhancement strategies and, in BTN's case, to focus specifically on optimizing housing loan risk management in order to attain higher composite health ratings.

Overall, the findings reaffirm the resilience of Indonesia's state-owned banking system. Sound regulatory frameworks and adequate government capital support effectively stabilized the sector in the short term, while good governance and adaptive risk management provided the foundation for sustainable recovery and long-term growth. Furthermore, the results validate the RGEC framework as a robust and integrative tool for evaluating bank soundness under both normal and crisis conditions, contributing valuable insights for regulators, practitioners, and scholars in the field of financial stability assessment.

### **CONCLUSION**

This study longitudinally assesses the financial health of four Indonesian state-owned banks (BRI, BNI, Mandiri, and BTN) using the RGEC framework across three distinct economic periods: pre-pandemic, during the pandemic, and post-pandemic. The analysis yields several key conclusions.

First, the RGEC framework effectively captured the dynamic impact of economic shocks and recovery on bank health, confirming its robustness as a comprehensive assessment tool under both normal and crisis conditions. Second, Indonesian state-owned banks demonstrated remarkable systemic resilience. Despite significant pressure on asset quality (NPL) and profitability (ROA) during the COVID-19 crisis, all banks maintained capital adequacy ratios (CAR) well above the regulatory minimum, ensuring stability. Third, Good Corporate Governance (GCG) proved to be a critical stabilizing factor, with scores improving consistently throughout the crisis, highlighting its role as a shock absorber and a key driver of recovery.

The study also reveals divergent performance patterns among the banks. BRI and Mandiri achieved and sustained a "Very Healthy" (PK-1) rating post-crisis, attributed to their superior profitability, strong capital buffers, and excellent governance. In contrast, while remaining "Healthy" (PK-2), BNI and BTN faced greater challenges, particularly in managing profitability and specific credit risks associated with their portfolios (e.g., BTN's housing credit).

These findings offer important practical implications. For regulators, they validate the effectiveness of countercyclical policies like credit restructuring and macroprudential relaxation in stabilizing the system. For bank management, the results underscore the necessity of strengthening GCG practices and developing tailored risk management strategies to navigate future crises. The cyclical nature of the ROA decline suggests that the impact of PSAK 71, though significant, was temporary, and banks have successfully adapted.

In summary, the Indonesian state-owned banking sector has not only weathered a severe economic crisis but has also emerged with enhanced governance and risk management capabilities. This resilience underscores their pivotal role in maintaining national financial stability. Future research could extend this longitudinal approach to include private banks for a comparative analysis or delve deeper into the long-term effects of PSAK 71 implementation on risk provisioning behavior.

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