RGEC Method: Assessment Of Bank Health Levels At PT Bank Tabungan Negara (PERSERO) Tbk. Before And After Covid-19

An Suci Azzahra
Faculty of Social Science, Universitas Pembangunan Panca Budi, Medan, Indonesia

Meigia Nidya Sari
Faculty of Social Science, Universitas Pembangunan Panca Budi, Medan, Indonesia

Author correspondence: ansuci@dosen.pancabudi.ac.id[*]

Abstract. This study aims to determine the health level of PT Bank Tabungan Negara (Persero) Tbk before and after Covid-19 from the point of view of the RGEC analysis model (Risk Profile, GCG, Earning, and Capital) by analyzing the entire financial statements. The research method used in this study is to use a descriptive model of PT Bank Tabungan Negara (Persero) Tbk before (2017-2019) and during covid-19 (2020-2022). The data was then obtained by researchers using documentation techniques where the data used were financial reports to be analyzed by the Risk method (Risk-based Bank Rating) based on assessment measurements which included RGEC elements. The results of the assessment that can be concluded in the analysis of the health level of PT Bank Tabungan Negara (Persero) Tbk in terms of RGEC (Risk profile, Good Corporate Governance, Earnings, and Capital) before covid-19 in 2017-2018 in a healthy condition, while in 2019 in a fairly healthy condition and during covid-19 in 2020-2022 in a healthy condition, it is concluded that before and during covid-19 PT Bank Tabungan Negara, Tbk the bank's health level has no impact on covid-19.

Keywords: Bank Health Level, RGEC Method, Covid-19

INTRODUCTION

The banking industry plays an important role in the national economy. As financial intermediaries, banks not only play a role in collecting and channeling funds, but also in maintaining financial system stability. In this context, bank health is a critical indicator that reflects the resilience of the banking sector in the face of various risks and market uncertainties. PT BTN Tbk, as one of the state-owned banks in Indonesia, has a strategic role in supporting the housing and construction sector, making its health assessment very important.

The COVID-19 pandemic has had a major impact on the global economy, including the banking sector in Indonesia. Decreased economic activity, increased credit risk, and changes in consumer behavior are some of the challenges faced. PT BTN Tbk, as a bank that focuses on mortgage loans, may experience significant changes in its risk profile due to the impact of this pandemic.

Banking is one of the critical sectors in a country's economy, including in Indonesia. PT BTN Tbk, as one of the state-owned banks, has an important role in supporting economic stability, especially in providing housing loans. The COVID-19 global health crisis has had a significant impact on the performance of the banking sector, including Bank Tabungan Negara.

In this context, the Risk Profile, Good Corporate Governance, Earnings, and Capital (RGEC) method is used as a framework for assessing the health level of banks.

In the banking world, the assessment of the health level of banks is an important aspect that determines the sustainability and stability of financial institutions. PT BTN Tbk, as one of the state- owned banks in Indonesia, plays a vital role in the national economy, especially in financing the housing sector. With the onset of the COVID-19 pandemic, which has had a widespread impact on the global economy, it is important to evaluate how these conditions affect the health levels of banks. The RGEC (Risk Profile, Good Corporate Governance, Earnings, and Capital) method, adopted by Indonesia's Financial Services Authority (OJK), provides a comprehensive framework for such assessment. This study aims to assess the health level of PT BTN Tbk using the RGEC method, comparing conditions before and during the COVID-19 pandemic.

This study aims to analyze the effect of the COVID-19 pandemic on the health level of PT BTN Tbk. This analysis is conducted by comparing key aspects of the RGEC method before and during the pandemic, namely risk profile, corporate governance, earnings, and capital adequacy. This research is expected to provide insight into the impact of the pandemic on the banking sector and the effectiveness of strategies adopted by banks in dealing with uncertain economic conditions.

Reference:

The results of this study are expected to provide practical benefits for PT BTN Tbk in improving risk management and adaptation strategies during a pandemic. In addition, the findings of this study are also useful for OJK as a regulator, in evaluating the effectiveness of the RGEC method in crisis conditions. Academically, this study contributes to the literature that discusses the impact of the pandemic on bank health and the effectiveness of risk management in crisis conditions.

Reference:

This research uses several main theories as the basis for analysis, including:

1. Finance and Banking Theory: To understand the fundamentals of bank operations and management.
2. Risk Management Theory: In the context of risk profile assessment.
3. Corporate Governance Theory: To analyze the implementation of GCG.
4. Macroeconomic Theory: To understand the impact of external factors, such as pandemics, on bank performance.

RESEARCH METHODS

Type of quantitative data in the form of ratios which are data on the financial statements of PT BTN (Persero) Tbk in the period 2018 to 2022 and are presented in forms obtained from the IDX through the website www.btn.co.id. Secondary data sources are data from reports or documentation owned by PT BTN (Persero), Tbk. The data collection method is carried out documentation technique, collecting data in the form of financial statements of PT BTN (Persero), Tbk from 2018 to 2022 presented by PT. BTN (Persero), Tbk.

The instrument applied in this research is RGEC (*Risk Profile, Good Corporate Governance, Earnings, Capital*). RGEC is a way of evaluating bank health based on Bank Indonesia regulation number 13/1/PBI/2011 concerning universal bank health evaluation. The RGEC working procedure is a bank evaluation methodology that takes over the previous bank evaluation methodology of CAMEL. Article 2 paragraph (3) of Bank Indonesia Regulation No.13/1/PBI/2011 Regarding the Evaluation of Universal Banking Health Level, based on the scope of evaluation for several aspects, namely Risk Profile (Risk Profile), *Good Corporate Governance (*GCG), Profitability (*Earnings),* and Capital (*Capital).*

The method of analyzing the information contained in this research is to use financial statement analysis with the approach of Bank Indonesia Regulation No.13/1/PBI/2011 concerning Evaluation of the Health Level of Universal Banks RGEC procedure. The evaluation for several aspects of RGEC includes:

1. Risk Profile

Evaluation of risk profile aspects is an evaluation or review of fixed risks and the quality of the implementation of risk managers when carrying out bank operations. There are 2 ratios that can be used which include:

a. Credit risk

Credit risk can be estimated based on the *Non Performing Loan* approach by dividing all identified *non-performing* loans by all loans which are then multiplied by 100.

$$NPL = \frac{Non-performing \text{ loans}}{All \ Loans} \ x \ 100$$

Credit Risk Component Rating Criteria Matrix Table.

Criteria	Description	Rating
0%<2%	Very healthy	1
2%-3,5%	Healthy	2
3,5%-5%	Healthy	3
5%-8%	Less healthy	4
>8%	Unhealthy	5

Source: SE Bank Indonesia No. 13/ 24/ DPNP dated October 25, 2011.
Liquidity risk

To determine the value of this ratio, measurement provisions using the *Loan to Deposit Ratio* (LDR) are used, where this ratio uses calculations by looking at the ratio value that contains the volume of credit from the bank as well as the total funding received from various sources of receipt of funds. LDR is measured with the provisions of measuring all loans shared with funds obtained from third parties and multiplied by 100.

$$LDR = \frac{All\ Loans}{Third\ Party\ Funds}\ x\ 100$$

Table Liquidity Risk Component Rating Criteria Matrix

Criteri	Rating	Description
70%-85%	1	Very healthy
60%-<70%	2	Healt
85%-<100%	3	Healthy enough
100%-120%	4	Less healthy
>120%-<60%	5	Unhealthy

Source: SE Bank Indonesia No. 13/ 24/ DPNP dated October 25, 2011.

2. *Good Corporate Governance*

Assessment Evaluation Calculation Evaluation of GCG aspects is a review of the quality of the bank's responsibility for the implementation of GCG guidelines then guided by Bank Indonesia's requirements overriding the implementation of GCG for universal banks by looking at the characteristics and division of banking business.

***Good Corporate Governance* Risk Component Rating Criteria Matrix Table.**

Criteria	Rating	Description
Has NK < 1.5	1	Very healthy
Has NK 1.5≤ NK < 2.5	2	Healthy
Has NK 2.5≤ NK < 3.5	3	Healthy enough
Has NK 3.5≤ NK < 4.5	4	Less healthy
Has NK 4.5≤ NK < 5	5	Unhealthy

Source: Bank Indonesia Circular Letter No. 9/12/DPNP/2007

3. *Earnings*

Earnings is the profitability side of bank health evaluation. The markers of profitability evaluation are ROA (Return On Assets), ROE (Return On Equity), NIM (Net Interest Margin), and BOPO (Operating Expenses to Operating Income). the actual profit component against budget projections and the skill of the profit component in increasing capital. Bank characteristics in terms of profitability are the bank's performance in creating profits, the stability of the components that support core earnings, and the profit expertise in increasing capital and future profit prospects. Evaluation of the earning aspect is based on 4 ratios, namely:

a. *Return On Assets* (ROA)

For Muderajat Kuncor and Suharjon (2011) ROA displays the expertise of the bank in charge of how it utilizes its assets so that the company can get income. ROA can be estimated

by dividing gross profit by the estimated *average of* all assets and then multiplying by 100 percent.

$$ROA = \frac{Gross\ Profit}{Raverage\ of\ all\ assets} \ x\ 100$$

Table of Ranking Criteria for the Rentability Component (ROA).

Criteria	Rating	Description
ROA value of more than 2%	1	Very healthy
ROA value within the range of 1.26% - 2%	2	Healthy
ROA value within the range of 0.51 - 1.25%	3	Healthy enough
The ROA value is negative, the ratio ranges from 0% - 0.5%	4	Less healthy
Negative ROA value, ratio below 0%	5	Unhealthy

Source: SE Bank Indonesia No. 13/24/DPNP dated October 25, 2011.

b. *Return On Equity* (ROE)

For Muderajat Kuncor and Suharjon (2011) ROE displays the expertise of the bank manager in terms of how he utilizes his capital so that the company can get income. ROE can be estimated by dividing between gross profit and the estimated *average of* all capital then multiplied by 100 percent.

$$ROE = \frac{Gross\ Profit}{Raverage\ of\ all\ capital} \ x\ 100$$

Table Matrix of Ranking Criteria for the Rentability Component (ROA).

Criteria	Rating	Description
ROE value of more than 20%	1	Very healthy
ROE value in the range of 12.51% ≤ 20%	2	Healthy
ROE value in the range of 5% ≤ 12.51%	3	Healthy enough
The ROE value is negative, the ratio ranges from 0% ≤ 5%	4	Less healthy
Negative ROE value, ratio below 0%	5	Unhealthy

Source: SE Bank Indonesia No. 13/24/DPNP dated October 25, 2011.

c. *Net Interest Margin* (NIM)

By using *Net Interest Margin*, the terms of measurement used are by assessing the level of difference in the amount of interest on loan payments, which depends on the value of interest rates and compared to the level of difference in cash flow receipts on interest income obtained from other financial institutions and banking entities.

$$NIM = \frac{Net\ Interest\ Income}{Average\ Productif\ Asset} \ x\ 100$$

Table Matrix of Criteria for Rating the Rentability Component (NIM).

Criteria	Rating	Description
Very high interest rate (ratio >5%)	1	Very healthy
High interest rate (NIM ratio 2.01% - 5%)	2	Healthy
Interest rate is quite high (NIM ratio 1.5-2%)	3	Healthy
Low interest percentage leads to negative (0% NIM ratio 1.49%)	4	Less healthy
Very low interest rate (NIM ratio <0%)	5	Unhealthy

Source: SE Bank Indonesia No. 13/ 24/ DPNP dated October 25, 2011.

d. Operating expenses to operating income (BOPO).

What is meant by BOPO is the ratio measured from the costs used for operational purposes shared with the value of income derived from the company's operations, then the value of the ratio will be used as a *proxy* in terms of seeing the efficiency of the entity in terms of operations as an assessment tool in Bank Indonesia standardization.

$$BoPo = \frac{Operational\ Expenses}{Operational\ Income}\ x\ 100$$

Table Matrix Criteria for Ranking the Rentability Component (BOPO).

Criteria	Rating	Description
Very high operating expense margin (BOPO <90%)	1	Very healthy
High operating expense margin (BOPO <90% -<94%)	2	Healthy
High operating expense margin (BOPO 94% - 96%)	3	Healthy enough
Low operating expense margin (BOPO 96%-100%)	4	Less healthy
Very low operating expense margin (BOPO >100%)	5	Unhealthy

Source: SE Bank Indonesia No. 13/ 24/ DPNP dated October 25, 2011.

4. Capital

*Capital Adequacy Ratio (*CAR) is a ratio in seeing the adequacy in terms of capital where this has the task of collecting risks if the bank gets a loss. RWA is Risk Weighted Assets. If it is known that the entity has a large risk-weighted asset then it can be included as credit, but credit provides a very large contribution to banks in continuing their business. This means that if demand from the public increases, it means that banking income also increases, which makes ROE and or ROA want to rise.

With the increase in public demand for debt to the bank, the entire RWA increases and then it makes CAR low.

$$CAR = \frac{Capital}{ATMR}\ x\ 100$$

Table Matrix of Criteria for Determining the Rating of Capital Factors Rating.

Criteria	Rating	Description
CAR value >12%.	1	Very healthy
CAR value >9% - 12%.	2	Healthy
CAR value 8% - 9%)	3	Healthy enough
CAR value 5% - <8%)	4	Less healthy
CAR value <5%)	5	Unhealthy

Source: SE Bank Indonesia No. 13/ 24/ DPNP dated October 25, 2011.

Composite Rating Category Matrix Table

Rating	Explanation
PK 1	Shows how well the bank is doing in the face of future changes that could have a significant impact.
PK 2	Showing the good state of the bank so that it can face future changes that can have a considerable impact.
PK 3	Shows that the banking system is in a good enough condition to cope with future changes that could have a significant impact.
PK 4	Shows that the state of banking is not good enough so that it faces future changes that can have a considerable impact.
PK 5	It shows the poor state of the banking sector that is facing future changes that could have a considerable impact.

Source: SE Bank Indonesia No. 13/24/DPNP dated October 25, 2011

RESULTS AND DISCUSSION RESULTS

Based on Bank Indonesia Regulation No. 13/1/PBI/2011 and Circular Letter No. 13/ 24/ DPNP dated October 25, 2011 regarding the Health Level Assessment System of Commercial Banks, the health assessment of PT BTN Tbk Before and During Covid-19 includes the following factors:

1. Risk Profile

a. NPL (*Non Performing Loan)*

The following are the results of the calculation of the comparison of the NPL ratio of PT BTN (Persero), Tbk before and during Covid-19.

Table of PT BTN Tbk Health Level based on NPL Before and During Covid-19

Year	Masa	NPL%	Criteria	Score
2017	Before Covid-19	2,66	Healthy	4
2018	Before Covid-19	2,82	Healthy	4
2019	Before Covid-19	4,78	Healthy Enough	3
Average NPL 3 years before Covid-19		3,42	Healthy	4
2020	During Covid-19	4,37	Healthy Enough	3
2021	During Covid-19	3,70	Healthy Enough	3
2022	During Covid-19	3,38	Healthy	4
3-year average NPL during Covid-19		3,82	Healthy Enough	3

Source: Data Processed, 2024

Based on the table above, it is known that the average NPL before Covid-19 in 2017-2019 PT BTN Tbk was 3.42%, which means healthy, while the average NPL during Covid-19 in 2020-2022 PT BTN Tbk was 3.82%, which means quite healthy. This shows that there is a positive impact on covid-19, where the NPL value has increased. The NPL ratio shows the ability of bank management to manage non-performing loans provided by the bank. The higher the NPL ratio, the worse the credit quality which causes the number of non- performing loans to increase. So it can be said that the higher the NPL ratio, the lower the performance of a bank.

a. LDR (*Loan to Deposit Ratio*)

This ratio aims to assess the level of difference in the value of credit compared and obtained from the bank with the subject of comparison of the flow of funds which is the income received from banking operations.

Table of Health Level of PT BTN (Persero), Tbk based on LDR Before and During Covid- 19

Year	Masa	LDR%	Criteria	Score
2017	Before Covid-19	103,13	Less healthy	2
2018	Before Covid-19	103,49	Less healthy	2
2019	Before Covid-19	113,50	Less healthy	2
Average LDR 3 years before Covid-19		106,71	Less healthy	2
2020	During Covid-19	93,19	Healthy Enough	3
2021	During Covid-19	92,86	Healthy Enough	3
2022	During Covid-19	92,65	Healthy Enough	3
3-year average LDR during Covid-19		92,9	Healthy Enough	3

Source: Data Processed, 2024

Based on the table above, it is known that the average LDR before Covid-19 in 2017-2019 PT BTN Tbk was 106.71%, which means less healthy, while the average LDR during Covid-19 in 2020-2022 PT BTN Tbk was 92.9%, which means quite healthy. This shows that there is a positive impact on covid-19, where the LDR value has decreased. The lower the LDR, the more pressure it will put on a bank's liquidity. This is because if the LDR of a bank is too low, it shows that the level of debt of a bank is also high which will have an impact on reducing the liquidity of a bank.

2. GCG (*Good Corporate Governance*)

Evaluation of Calculations Evaluation of GCG aspects is a review of the quality of the bank's responsibility for the implementation of GCG guidelines and then guided by Bank Indonesia's requirements for the implementation of GCG for universal banks by looking at the characteristics and division of banking business.

Table of Health Level of PT BTN Tbk Based on GCG Value Before and During Covid 19

Year	Masa	GCG	Criteria	Score
2017	Before Covid-19	2	Healthy	2
2018	Before Covid-19	2	Healthy	2
2019	Before Covid-19	2	Healthy	2
Average GCG 3 years before Covid-19		2	Healthy	2
2020	During Covid-19	2	Healthy	2
2021	During Covid-19	2	Healthy	2
2022	During Covid-19	2	Healthy	2
3-year average GCG during Covid-19		2	Healthy	2

Source: Data Processed, 2024

Based on the table above, it is known that the average GCG before Covid-19 in 2017-2019 and during Covid-19 in 2020-2022 PT BTN Tbk was 2, which means healthy. This shows that there is a positive impact, where the GCG value has not changed or the percentage increase or decrease has not occurred in the above calculations.

3. Earnings

Measurement using aspects of ROA, ROE, NIM and BOPO aims as a review tool that will be used in measuring the level of classification in seeing the health of PT BTN (Persero), Tbk.

a. ROA (*Return Of Asset*)

For Muderajat Kuncor and Suharjon (2011) ROA displays the expertise of the bank in charge of the way it utilizes its assets so that the company can get income. ROA can be estimated by dividing gross profit by the estimated *average of* all assets and then multiplying by 100 percent.

Health Table of PT BTN (Persero), Tbk. Based on ROA Ratio Before and During Covid- 19

Year	Masa	ROA%	Criteria	Score
2017	Before Covid-19	1,71	Healthy	4
2018	Before Covid-19	1,34	Healthy	4
2019	Before Covid-19	0,13	Less healthy	2
Average ROA 3 years before Covid-19		1,06	Healthy Enough	3
2020	During Covid-19	0,69	Healthy Enough	3
2021	During Covid-19	0,81	Healthy Enough	3
2022	During Covid-19	1,02	Healthy Enough	3
3-year average ROA during Covid-19		0,84	Healthy Enough	3

Source: Data Processed, 2024

Based on the table above, it is known that the average ROA before Covid-19 in 2017-2019 PT BTN Tbk was 1.06%, which means quite healthy, while that the average ROA during Covid-19 in 2020-2022 PT BTN Tbk was 0.84%, which means quite healthy. This shows that

there is a negative impact, where the percentage value of ROA has decreased. The higher the ROA value, the company is considered good because it gets a higher rate of return on invested assets. Conversely, if the ROA value is lower, the company is considered poor because it earns a lower rate of return on invested assets.

**a. ROE (*Return on Equity)*

For Muderajat Kuncor and Suharjon (2011) ROE displays the expertise of the bank in charge of how to utilize its capital so that the company can get income. ROE can be estimated by dividing between gross profit and the estimated *average of* all assets then multiplied by 100 percent.

Health Table of PT BTN (Persero), Tbk. Based on ROE Ratio Before and During Covid-19

Year	Masa	ROE%	Criteria	Score
2017	Before Covid-19	18,11	Healthy	4
2018	Before Covid-19	14,89	Healthy	4
2019	Before Covid-19	1,00	Less healthy	2
Average ROE 3 years before Covid-19		11,3	Healthy Enough	3
2020	During Covid-19	10,02	Healthy Enough	3
2021	During Covid-19	13,64	Healthy	4
2022	During Covid-19	16,42	Healthy	4
3-year average ROE during Covid-19		13,36	Healthy Enough	3

Source: Data Processed, 2024

Based on the table above, it is known that the average ROE before Covid-19 in 2017-2019 PT BTN Tbk was 11.3%, which means quite healthy, while that the average ROE during Covid-19 in 2020-2022 PT BTN Tbk was 13.36%, which means quite healthy. This shows that there is a negative impact, where the percentage value of ROE has increased. The greater the return on equity (ROE) reflects the company's ability to generate high profits for shareholders. This has an impact on increasing company value.

b. NIM (*Net Interest Margin*)

The following are the results of the calculation of the NIM ratio of PT BTN Tbk.

Table of Health Level of PT BTN Tbk Based on NIM Ratio Before and During Covid- 19

Year	Masa	NIM%	Criteria	Score
2017	Before Covid-19	4,76	Healthy	4
2018	Before Covid-19	4,32	Healthy	4
2019	Before Covid-19	3,32	Healthy	2
Average NIM 3 years before Covid-19		4,13	Healthy	3
2020	During Covid-19	3,06	Healthy	3
2021	During Covid-19	3,99	Healthy	4
2022	During Covid-19	4,40	Healthy	4
3-year NIM average during Covid-19		3,82	Healthy	3

Source: Data Processed, 2024

Based on the table above, it is known that the average NIM before Covid-19 in 2017-2019 PT BTN Tbk was 4.13%, meaning that it was healthy, while the average NIM during Covid-19 in 2020-2022 PT BTN Tbk was 3.82%, meaning it was also healthy. This shows that there is a positive impact on covid-19, where the percentage value of NIM has decreased. The standard set by Bank Indonesia for the Net Interst Margin (NIM) ratio is 6% and above. The greater this ratio, the higher the interest income on productive assets managed by the bank so that the possibility of a bank in problematic conditions is smaller, and vice versa.

c. BOPO (Operating Expenses to Operating Income)

BOPO is the ratio of operating expenses to operating income, which is a commonly used operational efficiency indicator for banks in Indonesia.

Table of Health Level of PT BTN (Persero), Tbk based on BOPO Ratio Before and During Covid-19

Year	Masa	BoPo	Criteria	Score
2017	Before Covid-19	82,06	Very Healthy	4
2018	Before Covid-19	85,58	Very Healthy	4
2019	Before Covid-19	98,12	Less healthy	2
Average BoPo 3 years before Covid-19		88,59	Very Healthy	4
2020	During Covid-19	91,61	Healthy	3
2021	During Covid-19	89,28	Very Healthy	4
2022	During Covid-19	86,00	Very Healthy	4
3-year average BoPo during Covid-19		88,96	Very Healthy	4

Source: Data Processed, 2024

Based on the table above, it is known that the average BoPo before Covid-19 in 2017-2019 PT BTN Tbk was 88.59%, meaning it was very healthy, while that the average BoPo during Covid-19 in 2020-2022 PT BTN Tbk was 88.96%, meaning it was also very healthy. This shows that there is a negative impact on covid-19, where the percentage value of BoPo has not changed. Operating Expenses Operating Income (BOPO) increases, profits will decrease, and vice versa if Operating Expenses Operating Income (BOPO) decreases, profits will increase.

4. Capital

The capital adequacy ratio or *Capital Adequacy Ratio* (CAR) is a capital adequacy ratio that has the task of accumulating risk if the bank gets losses. For Wayhan Soedirman (2013), suggests that all funds or other forms and recognized by the bank entity can be said to be bank capital. RWA is Risk Weighted Assets. If it is known that the entity has a large risk-weighted asset then it can be included as credit, but credit makes a very large contribution to banks in continuing their business. This means that if the demand from the public increases, it means

that banking income also increases, which makes ROE and or ROA want to rise. With the increase in public demand for debt to the bank, the entire RWA increases and then it makes CAR low.

Table of Health Level of PT BTN (Persero) Tbk based on CAR Ratio Before and During Covid- 19

Year	Masa	CAR	Criteria	Score
2017	Before Covid-19	18,87	Very Healthy	4
2018	Before Covid-19	18,21	Very Healthy	4
2019	Before Covid-19	17,32	Very Healthy	4
Average CAR 3 years before Covid-19		18,13	Very Healthy	4
2020	During Covid-19	19,34	Very Healthy	4
2021	During Covid-19	19,14	Very Healthy	4
2022	During Covid-19	20,17	Very Healthy	4
3-year average CAR during Covid-19		19,55	Very Healthy	4

Source: Data Processed, 2024

Based on table 4 above, it is known that the average CAR before Covid-19 in 2017-2019 PT BTN Tbk was 18.13%, meaning very healthy, while that the average CAR during Covid-19 in 2020-2022 PT BTN Tbk was 19.55%, meaning it was also very healthy. This shows that there is a negative impact on covid-19, where the percentage value of CAR has not changed much. The higher the CAR, the easier it is for banks to overcome potential losses caused by lending and vice versa, the lower the CAR, the higher the potential for non-performing loans.

5. RGEC (*Risk Profile, Corporate Governance, Earnings,* and *Capital*)

The following table lists the results of the assessment of the health level of state-owned banks according to the RGEC method (risk profile, good corporate governance, income and capital), as shown in the following table:

Judged based on the following scoring:

Description	Scoring
Very healthy	5
Healthy	4
Healthy enough	3
Less healthy	2
Unhealthy	1

Table of PT BTN Tbk Composite Rating Based on RGEC Method

Thn	Component Factors	Ratio	Value	1	2	3	4	5	Criteria	Ket	PK
2017	*Risk Profile*	NPL	2,66%		4				Healthy	Healthy Enough	Healt hy
		LDR	103,13%				2		Less healthy		
	GCG	*Self-Assessment*	2		4				Healthy	Healthy	
	Earnings	ROA	1,71%		4				Healthy	Healthy	
		ROE	18,11%		4				Healthy		
		NIM	4,76%		4				Healthy		
		BOPO	82,06%	5					Very Healthy		
	Capital	CAR	18,87%	5					Very Healthy	Very Healthy	
	Composite		40	32	(32/40)*100=				80,00%	4,00	
2018	*Risk Profile*	NPL	2,82%		4				Healthy	Healthy Enough	Healt hy
		LDR	103,49%				2		Less healthy		
	GCG	*Self-Assessment*	2		4				Healthy	Healthy	
	Earnings	ROA	1,34%		4				Healthy	Healthy	
		ROE	14,89%		4				Healthy		
		NIM	4,32%		4				Healthy		
		BOPO	85,58%	5					Very Healthy		
	Capital	CAR	18,21%	5					Very Healthy	Very Healthy	
	Composite Value		40	32	(32/40)*100=				80,00%	4,00	
2019	*Risk Profile*	NPL	4,78%			3			Healthy Enough	Healthy Enough	Healt hy Enou gh
		LDR	113,50%				2		Less healthy		
	GCG	*Self-Assessment*	2		4				Healthy	Healthy	
	Earnings	ROA	0,13%				2		Less healthy	Healthy Enough	
		ROE	1,00%				2		Less healthy		
		NIM	3,32%		4				Healthy		
		BOPO	98,12%				2		Less healthy		
	Capital	CAR	17,32%	5					Very Healthy	Very Healthy	
	Composite Value		40	24	(24/40)*100=				60,00%	3,00	
RGEC Composite Score Before Covid-19 (2017 - 2019)				(80+80+60) =					73,33%		Healt hy
2020	*Risk Profile*	NPL	4,37%			3			Healthy Enough	Healthy Enough	Healt hy
		LDR	93,19%			3			Healthy Enough		
	GCG	*Self-Assessment*	2		4				Healthy	Healthy	
	Earnings	ROA	0,69%			3			Healthy Enough	Healthy	
		ROE	10,02%			3			Healthy Enough		
		NIM	3,06%		4				Healthy		
		BOPO	91,61%		4				Healthy		
	Capital	CAR	19,34%	5					Very Healthy	Very Healthy	
	Composite Value		40	29	(29/40)*100=				72,50%	3,63	
20	*Risk Profile*	NPL	3,70%			3			Healthy Enough	Healthy Enough	Healt hy
		LDR	92,86%			3			Healthy Enough		
	GCG	*Self-Assessment*	2		4				Healthy	Healthy	
		ROA	0,81%			3			Healthy Enough		
		ROE	13,64%		4				Healthy		

21	*Earnings*	NIM	3,99%		4			Healthy	Healthy	
		BOPO	89,28%	5				Very Healthy		
	Capital	CAR	19,14%	5				Very Healthy	Very Healthy	
	omposite Value	40	31	(31/40)*100=				77,50%	3,88	
20 22	*Risk Profile*	NPL	3,38%			3		Healthy Enough	Healthy Enough	Healt hy
		LDR	92,65%			3		Healthy Enough		
	GCG	*Self-Assessment*	2		4			Healthy	Healthy	
	Earnings	ROA	1,02%			3		Healthy Enough	Healthy	
		ROE	16,42%		4			Healthy		
		NIM	4,40%		4			Healthy		
		BOPO	86,00%	5				Very Healthy		
	Capital	CAR	20,17%	5				Very Healthy	Very Healthy	
RGEC Composite Score During Covid-19 (2020 - 2022)				(72,5+77,5+7 7,5) =				75,83%		Healt hy

Source: Data Processed, 2024

The results of the analysis of the health level of PT BTN Tbk using the provisions of the RGEC model during the research period illustrate the results of the assessment based on performance in the classification of Composite Rating 2 (PK-2) both before and during covid-19, where these results are known by looking at the calculation of previous ratios obtained using previous measurement methods which on average result in a good health classification or the company is said to be healthy.

DISCUSSION

In accordance with the results of research on the health level of PT BTN, Tbk Before and During Covid-19. Based on Bank Indonesia Regulation No.13/1/PBI/2011 and SE No.13/24/DPNP dated October 25, 2011 concerning the Health Level Assessment System for Commercial Banks, the results of the RGEC factor analysis test are as follows:

1. Risk Profile

The financial ratios used in assessing the health level of PT BTN Tbk as measured in terms of *risk profile* can use two measurement models including using LDR and using NPL measurements.

a. **NPL (*Net Performing Loan*)**

The NPL value before Covid-19 in 2017-2018 is 2.66% and 2.82% PT BTN Tbk means healthy except in 2019, namely 4.78% which is quite healthy, while that the NPL value during Covid-19 in 2020-2021 is 4.37% and 3.70% PT BTN Tbk means quite healthy except in 2022, namely 3.38% healthy. The comparison of NPLs before and during covid- 19 is an increase. This is in accordance with the NPL rating

matrix where the NPL ratio between 2%-3.5% is included in the healthy criteria and 3.5%-5% is included in the moderately healthy criteria. This shows that although the bank's credit quality can be said to be good, PT BTN Tbk should be more selective and careful in providing credit to customers and following credit regulations set by Bank Indonesia to avoid bad debts.

b. LDR (*Loan to Deposit Ratio*)

The LDR value before Covid-19 in 2017-2019 was 103.13%, 103.49% and 113.50% of PT BTN Tbk, meaning that it was less healthy, while the LDR value during Covid-19 in 2020- 2021 was 93.19%, 92.86% and 92.65% of PT BTN Tbk, meaning it was less healthy. The comparison of LDR before and during covid-19 is a decrease. If the LDR value is too high, it will affect the profit earned. LDR is too high, this indicates that the amount of credit disbursed has decreased. The decrease in credit disbursed, the profit generated by the bank also decreased. PT Bank Tabungan Negara should also pay more attention to all bank obligations, especially short-term obligations and try to balance lending with the amount of funds received from third parties so that bank liquidity can be maintained.

c. GCG (*Good Corporate Governance*)

The level of bank health in terms of the value of *Good Corporate Governance* at PT BTN Tbk in 2017-2019 is 2 and categorized as healthy, while that of GCG during Covid-19 in 2020-2021 is 2 and categorized as healthy. This shows that in 2017-2022 the quality of PT BTN Tbk's management of the implementation of GCG principles has been running well, so that PT BTN Tbk is classified as a trusted bank. Good GCG implementation will increase *stakeholder* confidence to carry out transactions with the bank concerned, because by looking at the GCG value of a bank, *stakeholders* can find out the risks that may occur when making transactions with the bank.

2. Earnings

The financial ratios used in assessing the health level of BUMN commercial banks in terms of *Earnings* in this study using three indicators, namely by using the formulas ROA, ROE, NIM, and BOPO.

a. ROA (*Return of Asset*)

The ROA value before Covid-19 in 2017-2018 is 1.71% and 1.34% PT BTN Tbk means healthy except in 2019 which is 0.13% less healthy, while that the ROA value during Covid-19 in 2020-2021 is 0.69%, 0.81% and 1.02% PT BTN Tbk means

quite healthy. Comparison of ROA before and during covid-19 is a decrease. This is in accordance with the ROA rating matrix where the ROA ratio of 1.26%-2% is included in the healthy criteria and 0.5%-1.25% is included in the moderately healthy category. This shows that PT BTN Tbk's ability to generate profits by relying on its assets has decreased even though it is still running well.

b. **ROE (*Return of Equity*)**

The ROE value before Covid-19 in 2017-2018 is 18.11% and 14.89% PT BTN Tbk means healthy except in 2019 which is 1.00% less healthy, while that the ROE value during Covid-19 in 2020 is 10.02% PT BTN Tbk means quite healthy, while that the ROE value during Covid-19 in 2021-2022 is 13.64% and 16.42% which means healthy. Comparison of ROE before and during covid-19 is an increase. This is in accordance with the ROE ranking matrix where the ROE ratio of 12.51% ≤ 20% is included in the healthy criteria, 5% ≤ 12.51% is included in the moderately healthy criteria and 0% ≤ 5% is included in the less healthy category. This shows that PT BTN Tbk's ability to earn profits by relying on its capital has increased. The greater the return on equity (ROE) reflects the company's ability to generate high profits for shareholders. This has an impact on increasing the value of the company.

c. **NIM (Net Interest Margin)**

The NIM value before Covid-19 in 2017-2019, namely 4.76%, 4.32% and 3.32% of PT BTN Tbk means healthy, as well as the NIM value during Covid-19 in 2020-2021, namely 3.06%, 3.99% and 4.4% of PT BTN Tbk means healthy. This is in accordance with the NIM rating matrix where the NIM ratio of 2.01% - 5% is included in the healthy criteria, so it can be concluded that during 2017-2019 PT BTN Tbk had good bank management capabilities in managing its productive assets to generate the company's net interest income. The comparison of NIM before and during covid-19 is a decrease. If the NIM ratio increases, it shows that the bank generates a greater amount of income than its productive assets. If the NIM value is too high, it will affect the profit earned.

d. **BOPO (Operating Expenses to Operating Income)**

The BoPo value before Covid-19 in 2017-2018 is 82.06% and 85.58% PT BTN Tbk means very healthy except in 2019 which is 98.12% less healthy, while that the BoPo value during Covid-19 in 2020 is 91.61% PT BTN Tbk means healthy, while that the average BoPo during Covid-19 in 2021-2022 is 89.28% and 86% which means very healthy. The comparison of BoPo before and during covid-19 is not experiencing a high

increase. This is in accordance with the BOPO rating matrix where the BOPO ratio <90% is included in the very healthy criteria. This shows that the ability of PT BTN Tbk has a bank management capability that is still very good in managing operating expenses and operating income. If the BOPO level is low, then the bank is said to be healthy, on the other hand, if the BOPO level is high, then the bank is categorized as less healthy.

3. Capital

The CAR value before Covid-19 in 2017-2019, namely 18.87%, 18.21% and 17.32% of PT BTN Tbk, means that it is very healthy, as well as the CAR value during Covid-19 in 2020- 2021, namely 19.34%, 19.14% and 20.17% of PT BTN Tbk, which means it is also very healthy. This is in accordance with the CAR rating matrix where the CAR value> 12% is included in the very healthy criteria, so it can be concluded that during 2017-2022 PT BTN Tbk had a good bank management ability in managing its productive assets to generate the company's net interest income. The comparison of CAR before and during covid-19 is an increase. The higher the CAR, the easier it is for banks to overcome potential losses caused by lending and vice versa, the lower the CAR, the higher the potential for non-performing loans.

a. **RGEC aspects (*Risk Profile, GoodICorporateIGovernance, Earnings, and Capital*).** Using the RGEC method to assess the health level of PT BTN Tbk, namely by looking at the risk profile, good corporate governance, income and capital in all aspects and then comparing the 3-year period before covid-19 (2017-2019) with an average value of 73.33% which means healthy, while the 3-year period during covid-19 (2020-2022) with an average value of 73.33% which means healthy 75.83% which means healthy. Based on the analysis of the financial statements, the composite rating weight between 71-85 percent is included in the composite rating 2 (PK2) with healthy criteria. Both periods are at a comprehensive level 2 health standard (PK-2).

CONCLUSIONS

Based on the questions raised, the results of the research and discussion that has been carried out, it can be concluded that the health level of PT Bank Tabungan Negara (Persero) Tbk using the RGEC method before and during covid-19 is as follows:

1. *Risk profile* assessment results of PT Bank Tabungan Negara (Persero) Tbk before and during covid-19 using 2 indicators, namely:
   a. NPL
   b. Before covid-19 in 2017-2019 was in a healthy condition, but when in 2019 it decreased to a fairly healthy condition.

2. During covid-19 in 2020-2021 it was in a fairly healthy condition, but when in 2022 it increased to a healthy condition.

    a. LDR

    b. Before covid-19 in 2017-2018 was in a less healthy condition.

    c. During covid-19 in 2020-2022, it is in a fairly healthy condition, which has increased from the period before covid-19 (2017-2019).

3. The results of the assessment of *Good Corporate Governance* (GCG) of PT Bank Tabungan Negara (Persero) Tbk before and during covid-19 (2017-2022) successively obtained a GCG value of 2, which means that the implementation of GCG principles in that year has been well implemented. The smaller the composite value, the better the management's ability to implement GCG principles.

4. The results of the *Earnings* Assessment of PT Bank Tabungan Negara (Persero) Tbk before and during covid-19 using four ratios namely ROA, ROE, NIM and BOPO.

    a. ROA

    b. Before covid-19 in 2017-2018 was in a healthy condition, but when in 2019 it experienced a drastic decline to a less healthy condition.

    c. During covid-19 in 2020-2022, it is in the same condition, which is quite healthy.

    d. ROE

    e. Before covid-19 in 2017-2018 was in a healthy condition, but when in 2019 it experienced a drastic decline to a less healthy condition.

    f. During covid-19 in 2020 it was in a fairly healthy condition, but when in 2021-2022 it increased to a healthy condition.

    g. NIM Before and during covid-19, namely from 2017-2022, it was in good health.

    h. BOPO

5. Before covid-19 in 2017-2018 was in a very healthy condition, but when in 2019 it experienced a drastic decline to a less healthy condition.

6. During covid-19 in 2020 it was in a healthy condition, but when in 2021-2022 it increased to a very healthy condition.

7. The results of the *Capital* assessment of PT Bank Tabungan Negara (Persero) Tbk before and during covid-19, namely from 2017-2022, are in a very healthy condition.

8. The results of the assessment of the health level of PT Bank Tabungan Negara (Persero) Tbk seen from the RGEC aspects (*Risk profile, Good Corporate Governance, Earnings, and Capital)* before and during covid-19:

a. Before covid-19 in 2017-2018 was in a healthy condition, but when in 2019 it decreased to a fairly healthy condition.

b. During covid-19 2020-2022 is in a healthy condition, which has increased from the period before covid-19 (2019).

ACKNOWLEDGMENTS

REFERENCE

Fahmi. 2011. Accounting Report Analysis. Bandung: Alfabeta.

Farid and Siswanto. 2011. Financial Statement Analysis. Jakarta: Bumi Aksara.

Gede, D., et al. (2017). Analysis of Bank Health Level Assessment at PT Bank Sentral Asia Tbk Based on the RGEC Method. E-Journal of Management Unud, Vol. 6, No. 1, 2017: 32-59. FEB Udayana University.

Indonesian Accounting Association, PSAK No. 1 concerning financial statements-revised edition 2015. Publisher of the Financial Accounting Standards Board PT. Raja Grafindo. Indriantoro, N. & Supomo, B. (2011). Business Research Methodology. Yogyakarta: BPFE.

Indrawan. 2016. Quantitative, Qualitative, and Mixed Research Methods for Management, Development, and Education. Bandung: PT Rafika Aditama

Cashmere. 2011. Banking Basics. Revised Edition. Jakarta: PT Raja Grafindo Persada. Kuncoro, M., & Suhardjono. (2011). Banking Management Theory and

Application. Yogyakrta: BPFE. Martani, Dwi. 2012. Intermediate Accounting Based on PSAK. Jakarta: Salemba Empat.

Bank Indonesia Regulation No.13/1/PBI/2011 dated October 5, 2011, regarding Bank Health Assessment. Jakarta: Bank Indonesia.

Bank Indonesia Circular Letter No. 13/24/DPNP dated October 25, 2011, regarding Calculation Matrix

RGEC Factor Component Analysis for Commercial Banks. Jakarta: Bank Indonesia.

Bank Indonesia Circular Letter No. 15/15/DPNP dated April 29, 2013, regarding the Implementation of Good Corporate Governance for Commercial Banks. Jakarta: Bank Indonesia.

Bank Indonesia Circular Letter No. 9/12/DPNP/2007, Regarding the Implementation of Good Corporate Governance for Commercial Banks. Jakarta: Bank Indonesia.

Susanto, H., et al. (2016). Analysis of Bank Health Level Using the RGEC Approach (Risk Profile, Good Corporate Governance, Earnings, Capital) (Study on PT Bank Mandiri (Persero) Tbk. listed on the IDX in 2010-2014). Journal of Business Administration, Vol. 35 No. 2 June 2016. Brawijaya University.

Sutrisno. 2012. Financial Management Theory Concepts and Applications. Yogyakarta: Ekonisia.

Triandaru, S. & Budisantoso, T. (2014). Banks and Other Financial Institutions.Yogyakarta: Salemba Empat.

Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking dated November 10, 1998. Jakarta: Minister of State Secretary of the Republic of Indonesia.

Veithzal, R., et al. (2012). Commercial Bank Management: Banking Management from Theory to Practice.

Jakarta: PT Raja Grafindo Persada.

Yessi, N. P. N. P., et al. (2015). Analysis of Bank Health Level by Using the RGEC Approach (Risk Profile, Good Corporate Governance, Earnings, Capital) Study at PT Bank Sinar Harapan Bali for the Period 2010-2012. Journal of Business Administration Vol. 1 No. 1 January 2015. Faculty of Administrative Sciences, Brawijaya University Malang.

Financial Services Authority (OJK). (2020). Guidelines for Rating the Health Level of Commercial Banks (RGEC). Jakarta: OJK.

Bank Indonesia. (2020). Indonesia Economic Report. Jakarta: Bank Indonesia.

World Bank. (2020). The Global Economic Outlook During the COVID-19 Pandemic: A Changed World. Washington, DC: World Bank.

State Savings Bank. (2021). Annual Report. Jakarta: PT Bank Tabungan Negara (Persero) Tbk.

Sufian, F. & Habibullah, M. S. (2009). Bank-Specific and Macroeconomic Determinants of Bank Profitability: Empirical Evidence from the China Banking Sector. Frontiers of Economics in China, 4(2), 274-291.

Financial Services Authority (OJK). (2020). Guidelines for Rating the Health Level of Commercial Banks (RGEC). Jakarta: OJK.

State Savings Bank. (2021). Annual Report. Jakarta: PT Bank Tabungan Negara (Persero) Tbk.

World Bank. (2020). The Global Economic Outlook During the COVID-19 Pandemic: A Changed World. Washington, DC: World Bank.

McKinsey & Company. (2020). COVID-19 and the Future of Banking. McKinsey Global Banking Practice.

Hartmann-Wendels, T., Pfingsten, A., & Weber, M. (2020). Bank Management and Control. Springer.

Sufian, F. & Habibullah, M. S. (2009). Bank-Specific and Macroeconomic Determinants of Bank Profitability: Empirical Evidence from the China Banking Sector. Frontiers of Economics in China, 4(2), 274-291.