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Bank Health Analysis to Measure the Financial Performance of PT Bank Rakyat Indonesia Tbk for the 2015-2024 Period

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ABSTRACT

This study aims to assess the health level of PT Bank Rakyat Indonesia (Persero) Tbk during the period 2015–2024 using the RGEC (Risk Profile, Good Corporate Governance, Earnings, and Capital) method. Bank health assessments are an important aspect in maintaining the stability of the banking system, increasing public trust, and supporting the sustainability of company performance. This study uses a quantitative descriptive method by utilizing secondary data obtained from the annual reports and financial statements of PT Bank Rakyat Indonesia (Persero) Tbk for the period 2015–2024. The Risk Profile aspect measurement was carried out using Non-Performing Loan (NPL) and Loan to Deposit Ratio (LDR) ratios, the Good Corporate Governance aspect using GCG self-assessment results, the Earnings aspect using Net Interest Margin (NIM), while the Capital aspect used the Capital Adequacy Ratio (CAR). The results of this study show that BRI has excellent ability to manage risk, generate profits, maintain liquidity, and maintain capital adequacy so that it is able to support operational sustainability and business growth in the long term.

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1. Introduction

Banking has a strategic role to play in the national economy since it is an intermediary institution, as it collects funds from society and redistributes them back into the economy with credit to finance activities. Bank stability and health are essential to build public confidence in the financial system, as well as a prerequisite for future economic progress of a country. Thus, it is crucial to evaluate the health status of the bank as one of the most important criteria for a robust, efficient and continued operation.

In Indonesia, the evaluation of a bank's health is measured according to the Risk-based Bank Rating (RBBR) or RGEC method that include elements of Risk Profile, Good Corporate Governance (GCG), Earnings, and Capital. The Financial Services Authority apply this approach for an long-term method in assessing the economic illness of a bank not merely based on its fiscal public presentation but besides risk and corporation administration. With the help

of RGEC, it is possible to measure the limits of how much risk a bank can handle, what profit or return on resources it can operate with and good governance practices.

One of the banks that has an important role in the national banking system is PT Bank Rakyat Indonesia (Persero) Tbk. BRI is a state-owned bank that has a main focus on financing the Micro, Small, and Medium Enterprises (MSMEs) sector. As a bank with an extensive service network and a large number of customers, BRI has made a significant contribution to financial inclusion and national economic development. Until 2024, BRI recorded total assets of IDR 1,992.98 trillion, loans disbursed of IDR 1,354.64 trillion, and net profit of IDR 60.64 trillion. In addition, around 81.97% of BRI's loan portfolio is channeled to the MSME sector, which is the backbone of the Indonesian economy.

The period 2015–2024 is an interesting period to study because it covers various economic dynamics and the banking industry. During this period, BRI faced various challenges such as the global economic slowdown, digital transformation of banking, increased competition in the financial industry, the COVID-19 pandemic in 2020–2021, and post-pandemic economic recovery. These conditions have the potential to affect the risk level, profitability, asset quality, and capital adequacy of banks. Therefore, a comprehensive analysis is needed to find out how the health of BRI is during the period and how the bank's ability to maintain its performance and stability in the midst of changes in the business environment.

Research on bank health is important because it can provide information for various parties, such as bank management, investors, regulators, academics, and the public. For management, the results of the research can be used as evaluation material to improve the company's performance. For investors, information about the bank's health level can be the basis for investment decision-making. Meanwhile, for regulators and the public, this study can provide an overview of the stability and ability of banks to carry out their intermediation functions.

Based on this description, research on the Health Level Analysis of PT Bank Rakyat Indonesia (Persero) Tbk for the 2015–2024 Period with the RGEC Method is relevant to be carried out. This research is expected to be able to provide an overview of the health condition of BRI over the past ten years and show the development of bank performance based on the aspects of Risk Profile, Good Corporate Governance, Earnings, and Capital so that the bank's overall health level can be known.

2. Literature Review

2.1 Bank Health

Based on Financial Services Authority Regulation Number 4 /POJK.03/2016 concerning the assessment of the Health Level of general banks, the assessment factors for the Health level include risk profile, good corporate governance (management), earnings (profitability), and capital. The above method is usually abbreviated as RGEC.

This regulation aims to improve the bank's ability to deal with changes and risks inherent in banking business activities. Therefore, banks are required to improve their health through the principles of prudence as well as effective risk management. Furthermore, Article 2 paragraph (3) emphasizes that banks are obliged to conduct self-assessment using a risk approach (Risk-Based Bank Rating / RBBR) both individually and consolidated. The scope of the assessment includes liquidity risk that can be measured through the Loan to Deposit Ratio, credit risk that can be measured through Non-Performing Loan, Good Corporate Governance (CGC), earnings that can be measured through Net Interest Margin (NIM), and capital adequacy level that can be measured through the Capital Adequacy Ratio (CAR).

a. Risk Profile

Risk Profile is an assessment of the risks inherent in the bank's business activities and the quality of the implementation of risk management. In bank health research, this aspect is generally measured using: Non-Performing Loan (NPL) and Loan to Deposit Ratio (LDR) .NPLs are used to measure credit risk, while LDRs are used to measure bank liquidity risk. The lower the NPL and the more optimal the LDR, the better the risk profile of the bank.

b. Good Corporate Governance (GCG)

GCG is a governance system that regulates the relationship between management, shareholders, regulators, and other stakeholders. GCG assessment is carried out through self-assessment which refers to the following principles: Transparency , Accountability, Responsibility , Independence , and Fairness. Good GCG implementation can increase investor and public trust in banks. Puni and Anlesinya (2020) define corporate governance as the process of "directing and managing business affairs towards enhancing business prosperity and corporate accountability with the ultimate goal of realizing organizational goals and long-term stakeholder value". GCG is a mechanism for directing and controlling a company so that the company's operations run according to stakeholders' expectations (Putri and Prasetyo, 2020)

c. Earnings

The earnings aspect assesses the bank's ability to generate profits sustainably. The most commonly used ratios are: Return on Assets (ROA) and Net Interest Margin (NIM). ROA shows the effectiveness of asset management in generating profits, while NIM describes the ability of banks to earn net interest income from their productive assets. Earnings management is a manager's decision to choose certain accounting policies that are considered to be able to achieve the desired goals, either to increase profits or reduce the level of reported losses (Rahmawati and Fajri, 2021)

d. Capital

Capital is used to measure the adequacy of a bank's capital in dealing with risks that may occur. Commonly used ratios are:Capital Adequacy Ratio (CAR) . The higher the CAR, the better the bank's ability to absorb potential losses and maintain its operational stability. Capital especially capital structure is a financial indicator between long-term debt and foreign capital or own capital, capital structure is very important for companies because it will affect the amount of risk that will be borne by shareholders and the level of return or profit level he expects (Wibowo, 2021).

3. Research Methodology

3.1 Research Design

This study uses a descriptive quantitative approach with a documentation study method. According to Priadana and Sunarsi (2021:41), quantitative research emphasizes analysis on numerical data (numbers) which are then analyzed with appropriate statistical methods". Meanwhile, the descriptive approach, according to Hermawan (2022:140), is a method used to present quantitative data in a descriptive form. A quantitative approach is used to measure and analyze the health level of PT Bank Rakyat Indonesia (Persero) Tbk based on indicators in the RGEC (Risk Profile, Good Corporate Governance, Earnings, and Capital) method. The descriptive research aims to provide an overview of the bank's health condition during the

2015–2024 period. The RGEC method is used as the main analytical tool that refers to the provisions of Bank Indonesia and the Financial Services Authority regarding the assessment of the risk level of bank health (Risk-Based Bank Rating). The analysis is carried out by calculating the financial ratios that represent each component of the RGEC, then comparing it with the applicable bank health assessment standards.

3.2 Participants

In quantitative research based on secondary data, the term participants can be interpreted as an object or unit of research analysis. The object of this research is PT Bank Rakyat Indonesia. The unit of analysis in this study is BRI's annual report for the period 2015–2024 which is officially published. The study used the purposive sampling technique with the following criteria:

1. Audited annual financial statements.
2. Annual report containing the results of GCG self-assessment.
3. The data is available in full for the period 2015–2024.

Number of samples:

-10 Annual Financial Reports (2015–2024)

- 10 Annual Report (2015–2024)

3.3 Instruments

In this study, the bank's health analysis tool was designed by utilizing the main indicators of the RGEC method. The Risk Profile dimension is assessed using the Non-Performing Loan (NPL) and Loan to Deposit Ratio (LDR) ratios, the Good Corporate Governance (GCG) dimension is evaluated based on the results of the self-assessment of corporate governance, the Revenue dimension is measured through the Return on Assets (ROA) and Net Interest Margin (NIM) ratios, while the Capital dimension is measured using the Capital Adequacy Ratio (CAR). The application of these indicators is expected to provide a comprehensive insight into the health condition of PT Bank Rakyat Indonesia (Persero) Tbk throughout the period 2015 to 2024.The research instrument used was analysis using the RGEC method.

Tabel 1. Research Variables and Indicators

RGEC Components	Indicator	Formula
Risk Profile	NPL	Non-Performing Loans / Total Loans × 100%
Risk Profile	LDR	Total Third Party Credits/Funds × 100%
GCG	Nilai Self Assessment GCG	Based on the Annual Report
Earnings	NIM	Net Interest Income / Productive Assets × 100%
Capital	CAR	Modal / ATMR × 100%

Source : Primary Data, 2025

Assessment Criteria

The assessment is carried out based on bank health standards set by Bank Indonesia and OJK with the following categories:

1. Very Healthy (PK-1)
2. Healthy (PK-2)
3. Healthy Enough (PK-3)

4. Unhealthy (PK-4)
5. Unhealthy (PK-5)

3.4 Data Analysis Procedures

The data analysis technique in this study is to use financial statement analysis with the approach of the Financial Services Authority Regulation No.4/POJK.03/2016 concerning the Assessment of the Health Level of Commercial Banks using the RGEC method.

4. Findings and Result

a. Risk Profile

The risk profile is an evaluation of the potential risks that exist and the effectiveness of the implementation of risk management in banking operational activities (Sarra et al., 2022). The following is the calculation of NPLs based on BRI financial data from 2015 to 2024.

Tabel 2. Non Performing Loans BRI 2015-2024

Year	NPL Gross(%)
2015	2,10
2016	2,13
2017	2,23
2018	2,27
2019	2,80
2020	2,99
2021	3,00
2022	2,67
2023	2,95
2024	2,78

Source : Primary Data, 2025

BRI's NPL in 2015–2018, NPLs were relatively stable in the range of 2.10%–2.27%, indicating that credit quality is still well maintained. NPLs increased to around 3.00% in 2019-2021, influenced by the economic slowdown and the impact of the COVID-19 pandemic on debtors' ability to repay credit. In 2022, NPLs decreased to 2.67% in line with economic recovery and the effectiveness of the credit restructuring program. Furthermore, in 2023, NPLs increased slightly to 2.95%, but it is still well below the maximum limit of 5% set by the regulator. In 2024, there will be a recovery in the quality of credit assets with a decrease in NPLs of 2.78.

Tabel 3. Kriteria Non Performing Loans

Indicator	Criteria
NPL < 2%	Very Healthy
2% ≤ NPL < 5%	Healthy
5% ≤ NPL < 8%	Quite Healthy
8% ≤ NPL < 12%	Unhealthy
NPL ≥ 12%	Unhealthy

Source: Primary Data, 2025

Based on data from table 3, BRI's NPL is in the > value category of 2% and < of 5%. During the 2015–2024 period, BRI's NPL was in the range of 2%–3%, so that it consistently obtained the title of "Healthy" in the Risk Profile aspect. In addition to NPLs, to see the risk profile of BRI, the book calculates the Loan to Deposit Ratio.

Tabel 4. Kriteria Loan to Deposit Ratio

Tahun	LDR (%)
2015	84,16
2016	85,28
2017	88,13
2018	89,57
2019	88,64
2020	83,66
2021	83,67
2022	79,17
2023	84,73
2024	95,08*

Source : Primary Data, 2025

Based on data from BRI for the period 2015–2018, LDR increased from around 84% to almost 90%, indicating faster credit expansion than the growth of third-party funds. Furthermore, in 2019–2022, LDR declined, especially during the COVID-19 pandemic, as credit growth slowed while public fund collection increased. In 2023, the LDR will rise again to around 84.73% as credit disbursement recovers. In 2024, the LDR will increase significantly to around 95.08%, indicating more aggressive credit growth than the growth of third-party funds. If we look at the BRI LDR data, we can conclude that BRI LDR is in the healthy category.

b. Good Corporate Governance

According to Cindy, Setiawan, & Toguan (2025**),** GCG is a corporate management system based on the principles of transparency, accountability, responsibility, independence, and fairness as the foundation of healthy and sustainable corporate governance. The role of GCG is very important for an organization. According to Alzeban (2019) One of the most important functions corporate governance can perform is quality assurance of the financial reporting process.

Utami and Rahmawati (2021) show that the implementation of good GCG has been proven to increase the credibility of financial statements because every financial decision taken by management is supervised by an effective governance mechanism. Indrawati and Putri (2021) found that the application of GCG in the financial sector has a stronger positive impact on the quality of financial statements compared to the non-financial sector.

Tabel 5. Tabel Good Corporate Governance BRI 2015-2024

Year	GCG Composite Rating	Predicate
2015	2	Good/Healthy
2016	2	Good/Healthy
2017	2	Good/Healthy
2018	2	Good/Healthy
2019	2	Good/Healthy
2020	2	Good/Healthy
2021	2	Good/Healthy
2022	2	Good/Healthy
2023	2	Good/Healthy
2024	2	Good/Healthy

Source :Primary Data, 2025

c. Earning

Earnings is one of the main components in the bank's health assessment method, both in the RGEC approach. Earnings indicate the bank's ability to generate profits sustainably from its operational activities. An adequate level of profit reflects that the bank is able to carry out its intermediation function effectively, manage risks well, and maintain its business continuity.

Tabel 6. Tabel Good Corporate Governance BRI 2015-2024

Year	Net Interest Margin (NIM) %
2015	8,13
2016	8,00
2017	7,93
2018	7,45
2019	6,98
2020	6,00
2021	6,81
2022	7,16
2023	7,73
2024	7,67
Rata-rata	7,19

Source :Primary Data, 2025

In 2015–2019, BRI's NIM was at a very high level (>6%), indicating the ability to generate strong net interest income from productive assets. In 2020, NIM fell to around 6.00% due to the COVID-19 pandemic, interest rate reductions, and credit restructuring programs. In 2021–2024, NIM increases again in line with economic recovery and BRI's focus on micro segments that have higher margins. In 2024, NIM will remain in the range of 7.67%, one of the highest in the Indonesian banking industry. According to the provisions of the bank's health assessment, the higher the NIM indicates the better the bank's ability to manage productive assets to generate interest income. With a consistent NIM above 6%, BRI during the 2015–2024 period can be categorized as having a very healthy performance in terms of Earnings.

d. Capital

Brigham and Houston (2015) state that capital structure decisions also directly affect the amount of risk borne by shareholders and the level of expected profit.One of the indicators for determining the capital health of a company, we can calculate the Capital Adequacy Ratio. Referring to Bank Indonesia Circular Letter No. 13/24/DPNP of 2011 as follows:

Tabel 7. Criteria CAR

Rank	Criteria CAR	Predicate
1	CAR ≥ 12%	Very Healthy
2	9% ≤ CAR < 12%	Healthy
3	8% ≤ CAR < 9%	Quite Healthy
4	6% ≤ CAR < 8%	Unhealthy
5	CAR ≤ 6%	Unhealthy

Source : Bank Indonesia,2011

Capital Adequacy Ratio (CAR) is calculated to measure the level of capital adequacy of a bank in bearing the risk of losses that may arise from its operational activities and credit distribution. The CAR shows how strong the bank's capital is in dealing with various risks, such

as credit risk, market risk, and operational risk. The calculation of the BRI CAR Value from 2015 to 2024 is as follows:

Tabel 7. CAR BRI 2015-2025

Year	Capital Adequacy Ratio (CAR)%
2015	8,13
2016	8,00
2017	7,93
2018	7,45
2019	6,98
2020	6,00
2021	6,81
2022	7,16
2023	7,73
2024	7,67
Rata-rata	7,19

Source : Primary Data, 2025

Based on the table above, in 2015-2017 the value of CAR increased from 20.58% to 22.95%. This shows a significant strengthening of capital. Furthermore, in 2018, CAR decreased slightly to 21.20% in line with the increase in credit disbursement and the growth of risk-weighted assets (ATMR). In 2019, the CAR rose again to 22.55%. In 2020, there was a decrease to 20.60% due to the impact of the COVID-19 pandemic on the banking sector. In 2021, CAR reached a high level of 25.28%, indicating very strong capital during the economic recovery period. In 2022–2024, CAR remains at a very healthy level of above 23%, far exceeding the regulator's minimum requirements. In 2023, CAR was recorded at 25.23% and in 2024 it was 24.41%.

In Bank BRI's health research for the 2015–2024 period, CAR is used to assess whether BRI's capital is in the healthy category or not based on Bank Indonesia/OJK's criteria in the Capital component of the RGEC method. Because the total value of CAR BRI during the 2015-2024 period is above 20%, based on Bank Indonesia's criteria, BRI obtained a Rank 1 (Very Healthy) in terms of capital in each research year.

5. Discussion

The RGEC method aims to assess the bank's ability to deal with risks, implement good governance, generate profits, and maintain capital adequacy. This assessment is considered more comprehensive than the CAMEL method because it emphasizes a risk-based approach (risk-based supervision). Calculation of Risk Profile as seen from the NPL value of a bank. According to banking risk management theory, NPLs indicate the ability of banks to manage credit risk. The lower the NPL, the better the credit quality of a bank. During the 2015–2024 period, BRI's NPL was in the range of around 1.1%–2.3%, still far below the maximum limit of 5% set by the regulator. This condition shows that BRI is able to maintain the quality of productive assets despite having large exposure to the MSME sector. This shows that BRI has a higher credit risk than corporate credit.

In 2020, there was an increase in credit risk due to the COVID-19 pandemic. Many debtors experience a decrease in their ability to pay, so credit quality decreases. However, BRI was able to control the increase in NPLs through credit restructuring and strengthening credit loss reserves. After the pandemic, NPLs declined again in line with the national economic recovery.

This research is in line with the credit risk theory which states that banks with an effective credit monitoring system are able to minimize the possibility of default. BRI's low NPLs indicate the effectiveness of credit risk management and the good quality of the financing portfolio.

Next, we see from Bank BRI's Good Corporate Governance in 2015 – 2024, During the 2015–2024 period, the results of BRI's GCG self-assessment were consistently in the "Good" category (Rank 2). This shows that the implementation of corporate governance has been effective. The success of GCG implementation is reflected in the strengthening of the internal audit function consisting of active supervision of commissioners and audit committees, integrated risk management, compliance with OJK and BI regulations and digital transformation accompanied by strengthening internal control. Agency theory states that conflicts of interest between owners and management can be minimized through the implementation of good governance. The consistency of BRI's GCG values shows the effectiveness of the supervisory mechanism so that it is able to maintain operational stability and investor confidence.

In the calculation of earnings, the seen is the Net Interest Margin of a company. This is an indicator of the bank's ability to generate net interest income from productive assets. BRI is known to have the highest NIM among state-owned banks due to the dominance of microcredit which generates larger interest margins. During 2015–2024, NIM remained in the very healthy category despite interest rate pressures and the pandemic. A high NIM indicates the bank's ability to obtain optimal interest spreads. The stability of NIM BRI reflects the strength of MSME-based and micro-based business models.

The last part, for the calculation of capital on the health of the bank, CAR measures the ability of the bank's capital to absorb the risk of loss. During 2015–2024, CAR BRI is in the range of around 20%–25%, well above the minimum regulatory requirements of 8% and the threshold of the very healthy category of 12%. This condition shows that BRI has a very strong capital cushion to face various business risks. The post-pandemic increase in CAR demonstrates BRI's success in strengthening its capital structure through increased retained earnings and effective management of risk-weighted assets. According to the bank's capital theory, capital serves as a buffer against unexpected losses. BRI's high CAR reflects its large capacity to support credit expansion while maintaining financial stability.

6. Conclusion

Based on the results of the analysis of the health level of PT Bank Rakyat Indonesia (Persero) Tbk using the RGEC (Risk Profile, Good Corporate Governance, Earnings, and Capital) method during the 2015-2024 period, it can be concluded that BRI is consistently in a healthy condition to be very healthy. This is reflected in the company's ability to maintain asset quality, liquidity, corporate governance, profitability, and capital adequacy amid various economic dynamics, including the global economic slowdown and the COVID-19 pandemic.In the next study, various types of banks can be compared to assess the health of the bank. In addition, it can also add future time periods.

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