Analysis of PT BNI's Financial Health for 2021-2024 Based on The RGEC Method and Its Implications for Bank Sustainability

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Abstract. This study aims to analyze the financial health of PT Bank Negara Indonesia (Persero) Tbk (BNI) using the RGEC method, which consists of four main components: Risk Profile, Good Corporate Governance (GCG), Earnings, and Capital. In addition, this research explores the relationship between BNI's RGEC assessment and its commitment to sustainable banking. The method employed is descriptive quantitative, utilizing secondary data derived from BNI's annual financial reports for the period 2021–2024. The findings show that BNI's financial health improved significantly over the period. (1) The Non-Performing Loan (NPL) ratio declined from 3.7% to 2.0%, indicating better credit risk management. The Loan to Deposit Ratio (LDR) remained within the "Fairly Healthy" range at 96%. (2) GCG maintained a consistent score of 2 (Healthy), reflecting transparency, accountability, and sound governance practices. (3) Earnings performance also improved, with Return on Assets (ROA) increasing from 1.3% to 2.4%, and (4) the Capital Adequacy Ratio (CAR) averaged 20.59%, classified as "Very Healthy." Overall, BNI's composite health score rose from "Healthy" (80–84%) to "Very Healthy" (88%). These results demonstrate that BNI's financial soundness aligns with the key principles of sustainable banking, particularly in economic and governance aspects. Strong financial fundamentals allow the bank to support green financing, manage risks effectively, and contribute to long-term financial system stability. It highlights that consistent improvement in RGEC indicators can serve as a foundation for Enhancing Environmental, Social, and Governance (ESG) performance in the banking industry.

Keywords: Financial Health, RGEC, PT BNI, Sustainable Banking.

1 Introduction

The stability of a country's financial system depends heavily on the performance and health of its banking institutions. As financial intermediaries, banks channel excess funds to those needing financing. This function can only run effectively if banks are financially healthy. A healthy bank is one that can perform its roles optimally [1]. Therefore, assessing bank health is crucial to maintaining public trust and ensuring operational sustainability amid changing economic conditions.

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Sustainable banking is gaining traction in Indonesia, shifting focus from short-term profit to long-term sustainability through ESG, risk management, and governance. Bank health evaluations must reflect financial status and governance comprehensively. The RGEC method (Risk Profile, Good Corporate Governance, Earnings, and Capital) is used in Indonesia under BI Regulation No. 13/1/PBI/2011 and OJK Regulation No. 4/POJK.03/2016. Soukotta et al. [2] stated that RGEC aids strategic decisions by covering both financial and governance aspects.

BNI is a state-owned bank with a strategic role in national development. It maintains financial and operational stability through prudence and ESG-based sustainability practices. Past studies, like Juanaristo & Astika [3], assessed BNI's financial health using RGEC from 2016–2020, but did not explore links to sustainability strategies. In light of rising ESG demands, it is necessary to examine whether BNI's financial health from 2021–2024 reflects its sustainability commitments.

This study explores two main questions: (1) How is PT BNI's financial health evaluated using the RGEC method from 2021 to 2024? and (2) What is the link between RGEC-based financial health and sustainable banking? The objectives are: (1) To assess PT BNI's financial health using RGEC in 2021–2024, and (2) To examine the connection between RGEC results and PT BNI's sustainability efforts.

This research holds both theoretical and practical relevance. Theoretically, it contributes to the limited literature that connects RGEC bank assessments with sustainable banking concepts. Practically, it provides insights for regulators, bank managers, and stakeholders to design strategies that ensure financial stability while integrating sustainability. Using PT BNI as a case study, the research underscores how strong financial performance can support the shift toward responsible, sustainable banking practices.

2 Method

This research adopts a descriptive quantitative approach to assess the financial soundness of PT Bank Negara Indonesia (Persero) Tbk (BNI) during the 2021–2024 period and to analyze its conformity with sustainable banking principles. The study utilizes quantitative methods to evaluate the bank's performance using indicators outlined in the RGEC framework.

3 Result and Discussion

3.1 RGEC Calculation Result

As seen in table 1, the NPL ratio of PT Bank BNI showed a consistent downward trend from 3.7% in 2021 to 2.0% in 2024, with an average of 2.7% over the period. Despite fluctuations, the NPL remained within the "Healthy" category (ranking 2) each year. This trend reflects improved credit risk management and stronger asset quality, indicating that the bank has maintained effective control over its non-performing loans, which supports overall financial stability and aligns with sustainable banking practices [4].

Table 1. Non-Performing Loan (NPL) Ratio Rating from 2021-2024

Ranking	Category	Criteria	Year	NPL (%)	Ranking
1	Very Healthy	0% < NPL < 2%	2021	3,7	2
2	Healthy	2% ≤ NPL < 5%	2022	2,8	2
3	Moderate	5% ≤ NPL < 8%	2023	2,1	2
4	Less Healthy	8% < NPL < 11%	2024	2,0	2
5	Unhealthy	NPL > 11%	Average	2,7	2

Source: Author's work

The Loan to Deposit Ratio (LDR) of BNI shows an increasing trend from 2021 to 2024 as seen in table 2. In 2021 and 2022, the LDR was 80% and 84% respectively, categorized as "Healthy". However, in 2023 and 2024, the LDR ratio rose to 86% and 96%, which falls into the "Moderate" category. This increase indicates that BNI is becoming more aggressive in disbursing loans, which could positively impact profitability. However, it may also indicate liquidity issues, as the bank might struggle to meet customer withdrawal obligations if it allocates too much funding to long-term loans [5]. Overall, this ratio remains within tolerance limits and indicates a fairly maintained liquidity condition, although it needs to be monitored with stricter risk management strategies to maintain operational stability and uphold customer trust.

Table 2. Loan to Deposit Ratio (LDR) Rating from 2021-2024

Ranking	Category	Criteria	Year	NPL (%)	Ranking
1	Very Healthy	50% - < 75%	2021	80	2
2	Healthy	75% - < 85%	2022	84	2
3	Moderate	85% - < 100%	2023	86	3
4	Less Healthy	100% - < 120%	2024	96	3
5	Unhealthy	> 120%	Average	86,5	3

Source: Author's work

The Good Corporate Governance (GCG) assessment at PT Bank Negara Indonesia (Persero) Tbk from 2021 to 2024 consistently resulted in a Rating 2 with a "Good" predicate as seen in table 3. Although the rating remained unchanged, analysis of the composite score ranges indicates a decline in governance quality from a score below 1.5 in 2021 (approaching the "Very Good" category) to the 3.5–4.5 range in 2024 (approaching the "Poor" category). This trend suggests that while the "Good" predicate is still maintained, the effectiveness of core GCG principles, such as board oversight, information transparency, and internal controls, may be weakening. Strong governance is a fundamental pillar in supporting sustainable banking practices, and if this downward trend is not addressed promptly, it could lead to diminished public and investor trust and hinder the achievement of long-term Environmental, Social, and Governance

(ESG) objectives. Therefore, comprehensive improvements in governance are essential to preserve the bank's reputation and ensure strategic alignment moving forward.

Table 3. Good Corporate Governance (GCG) Ratio Rating from 2021-2024.

Ranking	Category	Criteria	Year	NPL (%)	Ranking
1	Very Healthy	Composite Score < 1,5	2021	2	Good
2	Healthy	1,5 < Composite Score < 2,5	2022	2	Good
3	Moderate	2,5 < Composite Score < 3,5	2023	2	Good
4	Less Healthy	3,5 < Composite Score < 4,5	2024	2	Good
5	Unhealthy	Composite Score > 4,5	Average	2	Good

Source: Author's work

Based on the ROA ratio data of PT BNI (Persero) Tbk for the period 2021 to 2024, there was a significant improvement in the bank's profitability performance. In 2021, the ROA was recorded at 1.3% and categorized as "Healthy." However, from 2022 to 2024, the ROA increased to above 2%, placing it in the "Very Healthy" category according to the applicable assessment standards. The average ROA over the four-year period reached 2.1%, reflecting the bank's consistent ability to manage its assets efficiently in generating profit.

Table 4. Return On Asset (ROA) Ratio Rating from 2021-2024

Ranking	Category	Criteria	Year	NPL (%)	Ranking
1	Very Healthy	ROA > 1,5%	2021	1,3	2
2	Healthy	1,25% < ROA ≤ 1,5%	2022	2,2	1
3	Moderate	0,5% < ROA ≤ 1,25%	2023	2,4	1
4	Less Healthy	0% < ROA ≤ 0,5%	2024	2,4	1
5	Unhealthy	ROA ≤ 0%	Average	2,1	1

Source: Author's work

Based on the financial statements of PT Bank Negara Indonesia (Persero) Tbk (BNI) for the period 2021–2024, the Capital Adequacy Ratio (CAR) consistently demonstrated a very healthy level, with an overall upward trend over the years as seen in table 5. In 2021, BNI's CAR stood at 19.74%, slightly declined to 19.27% in 2022, then significantly increased to 21.95% in 2023, and remained high at 21.40% in 2024. The

average CAR over the four-year period reached 20.59%, well above Bank Indonesia's minimum threshold of 12% for the "very healthy" category.

Table 5. Capital Adequary Ratio (CAR) Rating from 2021-2024

Ranking	Category	Criteria	Year	NPL (%)	Ranking
1	Very Healthy	CAR ≥ 12%	2021	19,74	1
2	Healthy	9% ≤ CAR < 12%	2022	19,27	1
3	Moderate	8% ≤ CAR < 9%	2023	21,95	1
4	Less Healthy	6% < CAR < 8%	2024	21,40	1
5	Unhealthy	CAR ≤ 6%	Average	20,59	1

Source: Author's work

Throughout this period, BNI's CAR consistently ranked in the highest category (Rank 1), indicating that the bank maintained sufficient capital to absorb all business risks. This achievement reflects BNI's success in maintaining a strong capital structure, both through increased core capital and through effective risk management in credit, operations, and market exposures.

In the context of sustainable banking, BNI's high and stable CAR carries strategic significance. A strong capital base serves as a critical foundation for the bank to implement business strategies that are not only focused on short-term profitability but also on long-term social and environmental considerations. With a healthy capital adequacy ratio, BNI is well-positioned to allocate funding to green sectors (green financing), support environmentally responsible MSMEs, and develop inclusive and sustainable digital technologies.

Moreover, the bank's ability to maintain a very healthy CAR level also implies strong resilience against external shocks such as economic crises or global fluctuations resulting from climate change. This aligns with the "Governance" pillar of the ESG (Environmental, Social, and Governance) principles, which have become global standards in assessing the sustainability of financial institutions.

Therefore, the analysis of BNI's CAR indicates not only a robust financial condition but also the bank's readiness and commitment to support sustainable development agendas. This is in line with Indonesia's efforts to achieve the Sustainable Development Goals (SDGs) and transition toward a green economy.

3.2 Implications for Sustainability

Non-Performing Loan (NPL)

The consistent improvement in PT Bank BNI's NPL ratio from 3.7% in 2021 to 2.0% in 2024 reflects the bank's commitment to sustainable banking practices. By effectively managing credit risk and maintaining healthy asset quality, BNI demonstrates financial

resilience and responsibility, key pillars of sustainability in the banking sector [6]. A lower NPL ratio reduces potential losses and enhances trust among stakeholders, allowing the bank to allocate resources more efficiently toward long-term, inclusive growth [7]. This performance supports environmental, social, and governance (ESG) objectives by promoting financial stability, ethical risk management, and sustained customer confidence [8].

Loan to Deposit Ratio (LDR)

. The upward trend in BNI Loan to Deposit Ratio (LDR) from 2021 to 2024 reflects efforts to expand credit as part of a business growth strategy that supports national economic growth. However, this increase also requires caution in managing liquidity risk, as an excessively high LDR may indicate pressure on the bank's ability to meet short-term obligations. In the context of sustainability, liquidity stability is an important foundation for maintaining operational continuity, service quality, and stakeholder trust. This aligns with Agha [9] findings, which emphasize that the LDR plays a strategic role in influencing sustainable growth through decisions related to financing, dividend policies, and bank operational activities. Therefore, if an increase in the LDR is not accompanied by appropriate risk mitigation policies, the resulting liquidity pressure could potentially hinder the achievement of long-term sustainability goals.

Good Corporate Governance (GCG)

. The consistent "Good" rating achieved by PT Bank Negara Indonesia (Persero) Tbk in its Good Corporate Governance (GCG) assessments from 2021 to 2024 reflects the company's commitment to implementing accountable, transparent, and ethical governance as a fundamental pillar of sustainable banking practices. Although the composite scores varied over time, the steady rating indicates the bank's ability to maintain governance quality in the long term. Effective governance strengthens internal supervision and risk control systems while fostering stakeholder trust an essential component for sustaining operations and preserving corporate reputation. Through consistent GCG practices, BNI creates an environment conducive to sustainable decision-making, responsible policy implementation, and inclusive growth strategies. This performance also reinforces the bank's broader sustainability efforts by aligning governance with environmental and social responsibilities, and by enhancing the institution's resilience in an increasingly dynamic financial sector.

Return On Asset (ROA)

. The significant increase in PT BNI's ROA during the 2021–2024 period not only reflects strong financial performance but also serves as a strategic foundation for supporting the implementation of sustainable banking principles. The bank's ability to generate profit efficiently enables the financing of innovation, the strengthening of risk management, and the consistent execution of ESG programs. This reinforces the bank's operational sustainability and its contribution to the stability of the national financial system. These findings align with Antzoulatos et al. [10], who argue that sustainable banks generally maintain stable profitability levels, including high ROA, as a result of

prudent risk management and long-term strategies. Therefore, the positive ROA trend at PT BNI not only demonstrates financial efficiency but also indicates alignment with the characteristics of sustainability-oriented financial institutions.

Capital Adequary Ratio (CAR)

. The Capital Adequacy Ratio (CAR) plays a crucial role in supporting banking sustainability, as it reflects a bank's ability to maintain long-term operational stability through a sound capital structure. A high CAR indicates that PT BNI has sufficient capital to absorb various types of risks, including credit, operational, and market risks. This is essential not only to ensure the continuity of the bank's operations amid economic uncertainties but also to provide flexibility in allocating funding to strategic sectors, including sustainable projects with social and environmental impact.

In the context of sustainable banking, strong capital adequacy enables the bank to actively support green development programs, renewable energy initiatives, and inclusive financing without compromising financial stability. Therefore, the consistently "very healthy" CAR performance throughout the 2021–2024 period not only demonstrates PT BNI's financial soundness but also reinforces the institution's commitment and capacity to strategically support the sustainability agenda.

4 Conclusion

The analysis of PT Bank Negara Indonesia (Persero) Tbk (BNI) from 2021 to 2024 using the RGEC method shows that the bank consistently maintained a strong and healthy financial position. Each component like NPL, LDR, GCG, ROA, and CAR demonstrated stable performance within healthy categories, indicating effective risk management, governance, and profitability. Importantly, these financial indicators also reflect BNI's alignment with sustainable banking practices. Low NPL ratios support credit responsibility, stable LDR reflects cautious loan expansion, consistent GCG ensures ethical oversight, strong ROA indicates efficient asset use, and high CAR ensures resilience and readiness to support green and inclusive financing. Overall, BNI not only meets financial soundness criteria but also shows readiness to contribute to long-term sustainability goals through stable operations, responsible governance, and strategic financial management.

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