

## Original Research Article

## Comparative Analysis of the Health of Government-Owned Banks (Persero) During the COVID 19 Period (Case Study at PT Bank Mandiri Tbk)

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**Abstract:** Bank Mandiri won the best Financial Services Super App at the CNBC Indonesia Awards 2021 during the covid 19 pandemic. This study is to determine whether there are differences in bank performance before and after the covid pandemic. The methodology used is the Wilcoxon difference test because the data are not normally distributed. The results of statistical analysis state that there is no difference in bank performance or health at Bank Mandiri between before and after the COVID-19 pandemic.

**Keywords:** Bank, Bank Health and Performance.

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### 1. INTRODUCTION

CNBC Indonesia held the CNBC Indonesia Awards 2021 as a form of appreciation and performance achieved by economic players and the business world throughout 2021 with the theme "Indonesian Economic Awakening 2022". CNBC Indonesia Awards 2021 awarded PT Bank Mandiri (Persero) Tbk (BMRI) as 'The Best Financial Services Super App' (CNBC, 2021).

The performance of PT Bank Mandiri Tbk (BMRI) in 2020 is in accordance with the projections of many parties. The economic slowdown due to the Covid-19 pandemic that has emerged since March 2020 has eroded the bank's net profit quite deeply. The decrease in interest income and the increase in reserves to anticipate credit risk are the causes of depressed bank profits this year. Over the past year, this state-owned bank was only able to record a net profit of Rp. 17.1 trillion. Down 37.71% compared to the previous year (year on year/YoY) (Hutauruk DM & Mahadi. T, 2021).

Rahmaniah and Wibowo (2015) stated that the year 2011 to 2013 on the third BUS (Islamic Banks) nothing is declared unhealthy and potentially high financial distress, the three BUS experienced a decline in the performance of earnings as measured by ROA

and ROE and liquidity ratios. Pramana and Artini (2016) stated that during the period of 2011 to 2014 Bank Danamon always ranked 1 or very healthy. Calculation of the NPL ratio and LDR illustrates that the bank has managed the risk well. GCG assessment shows that corporate governance has been done well. Calculation of ROA and NIM shows the ability of banks to achieve high profits. Calculation of CAR is always above the minimum limit of Bank Indonesia deemed able to manage its capital (Pramana and Artini, 2016). The results stated the performance bank of PT Bank MNC International Tbk is not the difference between performance in 2017 and performance bank in 2018 (Faizal H, & Sari A). Wahyuningsih. D & Gunawan. R, 2017) stated that thus BOPO (Operating Expenses and Operating Income) and liquidity (loan deposit ratio) simultaneously significant return to profitability on assets. Wahyuningsih. D & Gunawan. R (2017) stated that there was a significant difference in the ratio of LDR, ROA, CAR, BOPO and not significant in the ratio of ROE and NPL in conventional banks and sharia banks. Putri, YF 2015), Riadi, et al., (2016) stated that the soundness of banks in 2013 to 2015 from the risk profile aspect was classified as very healthy, Good Corporate Governance was quite healthy, earnings were very healthy, and Capital was very healthy. Helsinawati (2018) stated that it had different performance of Bank DKI between 2016 and 2017. This study analyze Bank

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Mandiri Performance (Health) before Covid 19 (year 2019) and after Covid 19 (year 2020) comparatively.

## 2. MATERIALS AND METHODS

The Bank is considered as a financial institution perform various financial activities (Ismail, 2016). Bank Health is the competence of a capable bank carrying out its activities in accordance with applicable regulation (Fitrawati, Saifi & Zahro, 2016)

## 3. RESULTS AND DISCUSSION

### 3.1. RESULT

Bank Mandiri was established on October 2, 1998, as part of the banking restructuring program implemented by the Indonesian government. In July 1999, four state-owned banks, namely Bank Bumi Daya, Bank Dagang Negara, Bank Export Import Indonesia and Bank Pembangunan Indonesia were merged into Bank Mandiri, each of which has an integral role in the development of the Indonesian economy. To this day, Bank Mandiri continues the tradition of more than 140 years of contributing to the banking world and the Indonesian economy (Bank Mandiri, 2021) (Profile www.bankmandiri.co.id.)

**Table 1: Bank Mandiri performance**

Health Performance of Mandiri Bank	After Covid 19 (FY 2020)	Before Covid 19 (FY 2019)
1. Capital Adequacy Ratio	19,9	21,39
2. Non-performing productive assets and non-productive assets to total productive assets and non-productive assets	1,91	1,68
3. Non-performing productive assets to total productive assets	2,36	2,15
4. Allowance for impairment losses (CKPN) of financial assets against earning assets	5,36	2,88
5. NPL gross	3,29	2,39
6. NPL net	0,43	0,84
7. Return on Asset (ROA)	1,64	3,03
8. Return on Equity (ROE)	9,36	15,08
9. Net Interest Margin (NIM)	4,48	5,46
10. Operating Expenses to Operating Income (BOPO)	80,03	67,44
11. Cost to Income Ratio (CIR)	44,89	42,25
12. Loan to Deposit Ratio (LDR)	82,95	96,37

Source: Financial Services Authority (2020, 2021)

The data above is bank performance data before and after covid 19, where data before covid 19 was taken from bank Mandiri performance data in

2019, while data after covid 19 was taken from bank Mandiri performance data in 2020.

**Table 2: Validation test**

Case Processing Summary							
Time		Valid		Cases Missing		Total	
		N	Percent	N	Percent	N	Percent
Performance	After Covid19	12	100.0%	0	0.0%	12	100.0%
	Before Covid19	12	100.0%	0	0.0%	12	100.0%

Based on the table above that 12 data after covid is 100% valid, and 12 data before covid is 100% valid

**Table 3: Normality Test**

Tests of Normality							
Time		Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
Performance	After Covid19	.319	12	.001	.692	12	.001
	Before Covid19	.283	12	.009	.721	12	.001

a. Lilliefors Significance Correction

Based on the normality test data after covid and before covid the data is not normally distributed so use the Wilcoxon test.

**Table 4: Descriptive test**

		Descriptives			
Time			Statistic	Std. Error	
Performance	After Covid19	Mean	21.3833	8.86301	
		95% Confidence Interval for Mean	Lower Bound	1.8760	
			Upper Bound	40.8907	
		5% Trimmed Mean	19.1270		
		Median	4.9200		
		Variance	942.635		
		Std. Deviation	30.70237		
		Minimum	.43		
		Maximum	82.95		
		Range	82.52		
	Interquartile Range	36.62			
	Skewness	1.509	.637		
	Kurtosis	.825	1.232		
	Before Covid19	Mean	21.7467	8.99978	
		95% Confidence Interval for Mean	Lower Bound	1.9383	
			Upper Bound	41.5550	
		5% Trimmed Mean	18.7624		
		Median	4.2450		
		Variance	971.952		
		Std. Deviation	31.17614		
Minimum		.84			
Maximum		96.37			
Range		95.53			
Interquartile Range	34.82				
Skewness	1.691	.637			
Kurtosis	2.056	1.232			

The data before covid means 21.3833% and the mean before covid is 21.7467%

**Table 5: Wilcoxon Signed Ranks Test**

		Ranks		
		N	Mean Rank	Sum of Ranks
Before Covid19 - After Covid19	Negative Ranks	6 <sup>a</sup>	5.83	35.00
	Positive Ranks	6 <sup>b</sup>	7.17	43.00
	Ties	0 <sup>c</sup>		
	Total	12		

a. Before Covid19 < After Covid19  
 b. Before Covid19 > After Covid19  
 c. Before Covid19 = After Covid19

In the Ranks table above, there are 6 negative data ranks with a means rank of 5.83% and 6 positive data ranks with a means rank of 7.17%.

**Table 6: Wilcoxon Test**

Test Statistics <sup>a</sup>	
	Before Covid19 - After Covid19
Z	-.314 <sup>b</sup>
Asymp. Sig. (2-tailed)	.754

a. Wilcoxon Signed Ranks Test  
b. Based on negative ranks.

The Wilcoxon test results obtained a sig (2-tailed) of 0.754 which means that there is no difference in the performance of PT Bank Mandiri (Persero) Tbk between before and after covid 19.

### 3.2. DISCUSSION

Based on the results of the research, it was found that there was no difference in bank performance before and after covid 19 at PT bank Mandiri Tbk, this is in line with the research of Helsinawati et al., (2018), Faizal & Sari (2019).

Although there is no difference, it is not stable performance because there are decreases in 6 financial ratios and 6 increases in financial ratios.

## 4. CONCLUSION AND RECOMMENDATION

### 4.1. CONCLUSION

Based on the results of research that there is no difference in performance or level of bank health (soundness) at Bank Mandiri before covid 19 (year 2019) and after covid 19 (year 2020) comparatively. However but it is not constant because there are 6 ratios that have experienced an insignificant increase in Bank Mandiri's financial ratios, and 6 ratios that have decreased which is not significant.

### 4.2. RECOMMENDATIONS

Based on the conclusions above, it is expected that PT Bank Mandiri Tbk in next years can improve its financial performance.

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