



Comparative Analysis of Camel and RGEC Methods in Assessing the Soundness Level of PT.Allo Bank Indonesia Tbk for the 2015–2024 Period

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ABSTRACT

The objective of this study is to analyze and compare the soundness level of PT Allo Bank Indonesia Tbk during the 2015–2024 period using the CAMEL and RGEC methods, in order to determine which method is more relevant for assessing a digital bank. The method applied is a descriptive quantitative approach with a purposive sampling technique, based on secondary data drawn from the company's annual financial reports over the ten-year observation period. The results show that the CAMEL method produced fluctuating scores ranging from 63.08 to 95.21, with ratings varying from Rank 1 (Sound) to Rank 3 (Less Sound) in certain years, such as 2017 and 2024. Meanwhile, the RGEC method showed more stable results, remaining at Composite Rank 2 (Sound) with scores of 75%–85% during 2015–2020, and improving to Composite Rank 1 (Very Sound) with a score of 95% during 2021–2024. These differing results indicate that RGEC is more appropriate as the primary method due to its more comprehensive scope, covering Risk Profile, Good Corporate Governance, Earnings, and Capital, while CAMEL is better suited as a supplementary or comparative analytical tool.

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INTRODUCTION

The banking industry plays a strategic role in the economy because it performs financial intermediation functions by mobilizing public funds and channeling them to parties in need. The sustainability of this function relies heavily on a bank's capacity to manage financial resources, maintain capital adequacy, mitigate credit risk, maintain liquidity, and generate sustainable earnings. Therefore, assessing bank soundness is a critical aspect of evaluating the condition and business continuity of banking institutions (Dendawijaya, 2016; Ismail, 2020).

Developments in information technology have driven structural shifts in the banking business model. Services that previously relied extensively on brick-and-mortar branch networks have progressively shifted toward application-based and digital system services (Verhoef et al., 2021). This transition presents opportunities for banks to expand service reach and enhance operational efficiency. On the other hand, such advancements demand risk management, governance, and capital adequacy that correspond to the characteristics of the bank's business operations (Abubakar & Handayani, 2022).

PT Allo Bank Indonesia Tbk represents a relevant subject of inquiry because the 2015–2024 observation period encompasses substantial transformations in the company's corporate condition and the development of its business model. Observing a ten-year timeframe facilitates an in-depth analysis of financial indicator dynamics and shifts in bank soundness assessment results over time (Fahmi, 2020; Kasmir, 2022). However, changes in performance outcomes during this period cannot be prematurely assumed as the sole consequence of digital transformation without examining other contributing factors that influence corporate performance.

Bank soundness assessments can be executed through several frameworks, including CAMEL and RGEC (Husein & Hasib, 2016; Achmad, 2023). The CAMEL method comprises five components: Capital, Asset Quality, Management, Earnings, and Liquidity. This approach evaluates capital adequacy, asset quality, managerial aspects, profitability, and liquidity conditions. By examining specific financial indicators, CAMEL helps identify the underlying components contributing to variations in bank soundness ratings (Putra, 2018).

Meanwhile, the RGEC method encompasses Risk Profile, Good Corporate Governance (GCG), Earnings, and Capital. This approach positions risk profiles and governance as essential pillars of evaluation alongside profitability and capitalization. Under statutory regulations governing commercial bank soundness, a risk-based approach serves as the normative framework to assess bank health based on risk profile, governance, earnings, and capital (Otoritas Jasa Keuangan, 2016, 2017).

Differences in assessment components and scoring mechanisms can yield divergent representations of bank soundness. CAMEL emphasizes financial ratios, including the Loan to Deposit Ratio (LDR), whereas RGEC in this study integrates the assessment of the Non-Performing Loan (NPL) ratio, corporate governance, Return on Assets (ROA), and Capital Adequacy Ratio (CAR). These methodological distinctions must be thoroughly understood so that evaluation outcomes are not compared solely based on aggregate numerical values without considering the intrinsic characteristics of the underlying indicators (Harahap, 2021; Sujarweni, 2021).

This study is important because it compares the empirical results of both methods on the same entity across an identical observation period. Consequently, the analysis highlights patterns of fluctuation in bank health ratings, the individual components driving overall outcomes, and the implications of employing each methodology to understand banking performance. Prior studies have compared CAMEL and RGEC in commercial and Islamic banking sectors (Putra, 2018; Fazan, 2021; Faiza & Agustina, 2025); however, literature focusing on digital banks across a ten-year longitudinal horizon remains scarce.

The contribution of this research lies in its empirical comparison of two bank soundness assessment approaches across a ten-year longitudinal timeframe. The findings are expected to serve as evaluative input for management, supplementary analytical insight for investors, and an academic reference for future research on bank soundness and the digital banking landscape.

LITERATURE REVIEW

Financial Statements and Ratio Analysis

Financial statements represent the primary source of information for evaluating the financial position, performance, and operational changes of an entity. Within the theoretical accounting framework, financial reporting is structured to ensure that presented information

remains relevant and reliable for decision-makers (Suwardjono, 2020; Ghozali & Chariri, 2021). In Indonesia, financial statement presentation adheres to financial accounting standards and PSAK, which establish the recognition, measurement, and presentation of reporting line items (Martani et al., 2022; Hery, 2021a). Sari and Widyastuti (2021) examined the relationship between financial accounting standards compliance and reporting quality, while Nuryani et al. (2021) emphasized the necessity of understanding financial statement structures prior to analytical execution.

Ratio analysis is utilized to convert figures from financial statements into interpretable indicators, such as liquidity, solvency, and profitability ratios (Munawir, 2020; Kasmir, 2022; Fahmi, 2020). Critical examination of financial statements (Harahap, 2021) and the application of financial ratios to assess institutional performance (Hery, 2021b; Sujarweni, 2021) underpin the operationalization of CAR, NPL, ROA, and LDR in this study. Return on Assets has historically been utilized alongside Economic Value Added as a measurement tool for financial performance (Novita, 2005). Conversely, reported accounting numbers may be influenced by accounting policy choices and earnings management practices; hence, ratio interpretation must be approached with caution (Sulistawan et al., 2023).

Bank Soundness and Regulatory Framework

Banks carry out intermediation functions by managing public funds, necessitating periodic evaluations of their financial condition (Dendawijaya, 2016; Ismail, 2018). Bank soundness assessment encompasses capital adequacy, asset quality, profitability, liquidity, and risk governance (Dendawijaya, 2016; Ismail, 2020).

In Indonesia, Bank Indonesia (2004) initially regulated the commercial bank soundness assessment framework, which was later enhanced through the risk-based bank rating approach stipulated in POJK No. 4/POJK.03/2016 and SEOJK No. 14/SEOJK.03/2017 (Otoritas Jasa Keuangan, 2016, 2017). Furthermore, governance dimensions are fundamentally intertwined with business and professional ethics within organizational management (Agoes & Ardana, 2020).

CAMEL and RGEC Methods

The CAMEL framework assesses five core dimensions Capital, Asset Quality, Management, Earnings, and Liquidity commonly proxied by CAR, NPL, management quality ratings, ROA, and LDR (Husein & Hasib, 2016; Putra, 2018). CAR reflects a bank's capital adequacy in absorbing potential risk exposures (Putri & Rahmawati, 2021), NPL indicates the proportion of problem loans (Kasmir, 2022), ROA denotes asset productivity in generating net profits (Novita, 2005), and LDR measures the proportion of credit disbursed relative to third-party deposits mobilized (Dendawijaya, 2016).

The RGEC framework assesses Risk Profile, Good Corporate Governance, Earnings, and Capital. Unlike CAMEL, which relies heavily on financial ratios, RGEC incorporates explicit risk profiling and qualitative corporate governance, providing a broader analytical scope (Husein & Hasib, 2016; Achmad, 2023). This divergence in scope justifies the comparative examination of both frameworks on the same research subject.

Digital Transformation and Digital Banking

Digital transformation is conceptualized as a multidisciplinary shift altering corporate business models, processes, and customer interactions (Verhoef et al., 2021). Within the banking sector, this structural transformation necessitates regulatory strengthening to ensure that digital acceleration aligns with prudential banking principles (Abubakar & Handayani, 2022).

Consequently, evaluating the soundness of a digital bank requires assessing not only balance-sheet metrics but also risk profiles and governance structures.

Previous Studies

Husein and Hasib (2016) conducted a comparative analysis between the CAMELS and RGEC approaches in assessing bank soundness, while Putra (2018) examined CAMEL and RGEC within Islamic banks. Fazan (2021) compared both methods at PT Bank Panin Dubai Syariah Tbk, and Noviani (2021) analyzed the soundness of Bank Rakyat Indonesia before and after the onset of the COVID-19 pandemic. Achmad (2023) compared CAMELS and RGEC across state-owned commercial banks listed on the Indonesia Stock Exchange for the 2017–2021 period, while Faiza and Agustina (2025) analyzed the financial performance of Bank BTN and Bank BNI during 2020–2022 utilizing CAMEL and RGEC. Putri and Rahmawati (2021) specifically evaluated the Capital Adequacy Ratio in commercial bank soundness assessments.

This study builds upon previous scholarship by comparing CAMEL and RGEC on an institution undergoing a direct business model transformation toward digital banking services PT Allo Bank Indonesia Tbk over an extended ten-year observation period (2015–2024).

RESEARCH METHOD

Research Design

This study applies a descriptive quantitative approach with a comparative research design. The descriptive design describes the soundness of PT Allo Bank Indonesia Tbk based on selected indicators, while the comparative design contrasts calculation outputs between the CAMEL and RGEC methods across the observation horizon (Sujarweni, 2021).

The analysis was performed on individual component scores, annual composite figures, and bank soundness categories based on the criteria applied in the underlying study. The comparison focuses on cross-period fluctuations and structural divergences between the two assessment frameworks.

Research Object and Observation Period

The object of this research is PT Allo Bank Indonesia Tbk, evaluated across a ten-year observation timeframe covering 2015 through 2024. This longitudinal scope allows for an extended evaluation of financial ratio trends and shifts in bank health classifications.

Data Types and Sources

This research utilizes secondary data collected from published annual financial statements and corporate governance reports utilized in the underlying research. The indicators examined include CAR, NPL, ROA, LDR, management indicators under the CAMEL framework, as well as Good Corporate Governance ratings and other RGEC parameters (Otoritas Jasa Keuangan, 2017; Agoes & Ardana, 2020).

Data collection was conducted using documentation techniques. Acquired data were subsequently categorized by observation year and evaluation component. For publication standards, raw figures were cross-verified against official published annual reports to ensure consistency across numbers, units, and computational formulations (Sari & Widyastuti, 2021; Martani et al., 2022).

Operationalization of the CAMEL Method

The CAMEL framework utilized in this study comprises five components (Husein & Hasib, 2016; Putra, 2018):

- 1) Capital, measured via the Capital Adequacy Ratio (CAR), reflecting capital reserves against risk-weighted assets (Putri & Rahmawati, 2021).
- 2) Asset Quality, measured via Non-Performing Loans (NPL), denoting the ratio of non-performing credit to total loan volume (Kasmir, 2022).
- 3) Management, utilizing risk management indicators and management ratings documented in the underlying research calculations.
- 4) Earnings, measured through Return on Assets (ROA), reflecting asset efficiency in generating profit (Novita, 2005).
- 5) Liquidity, measured through the Loan to Deposit Ratio (LDR), representing the proportion of disbursed loans relative to third-party deposits (Dendawijaya, 2016).

Component scores were converted into credit ratings and weighted scores in accordance with the scoring mechanism defined in the underlying study. Weighted scores across all components were aggregated to determine the final CAMEL score (Bank Indonesia, 2004).

Based on the classification scheme in the underlying study, soundness ratings are categorized into four tiers: scores of 81.00–100 indicate Rank 1 (Sound), 66.00–80.99 indicate Rank 2 (Fairly Sound), 51.00–65.99 indicate Rank 3 (Less Sound), and 0–50.99 indicate Rank 4 (Unsound). Criteria and application details must be cross-referenced against official regulatory provisions prior to submission.

Operationalization of the RGEC Method

The RGEC framework applied in this study incorporates four dimensions: Risk Profile, Good Corporate Governance, Earnings, and Capital (Otoritas Jasa Keuangan, 2016).

- a) Risk Profile is proxied by NPL.
- b) Good Corporate Governance uses corporate governance self-assessment ratings documented in the source reports.
- c) Earnings is measured by ROA.
- d) Capital is measured by CAR.

Individual component ratings were converted into point scores according to the conversion matrix applied in the thesis and summed to obtain the total RGEC score. The maximum possible score in the operationalization is 20. The composite score is obtained by dividing the achieved score by the maximum score and multiplying by 100%. Consequently, a score of 17 out of 20 yields an 85% composite rating, 15 yields 75%, and 19 yields 95%. *Methodological Note:* This computational procedure reflects the specific operationalization applied in the original undergraduate thesis. For peer-reviewed publication, this simplified four-component scoring model must be clearly designated as an empirical research model and not presented as an exact replica of the supervisory assessment procedure executed by regulatory authorities.

Data Analysis Techniques

The analytical procedure was carried out in five sequential stages (Munawir, 2020):

- 1) Collecting financial data and corporate governance publications over the 2015–2024 period.
- 2) Calculating financial ratios and classifying component-level rankings.

- 3) Computing final CAMEL composite scores and RGEC percentages based on the framework applied in the study.
- 4) Comparing cross-period score variations and bank soundness classifications.
- 5) Interpreting empirical findings in light of the computational mechanics and underlying characteristics of both methods.

The comparative analysis was not limited to numerical totals. It also accounted for individual indicator dynamics, category migrations, and data limitations. This precaution prevents differences in numerical outputs from being erroneously interpreted as definitive proof of superior predictive accuracy by either method.

RESULTS AND DISCUSSIONS

Bank Soundness Assessment Results Using the CAMEL Method

The CAMEL calculations from the underlying study illustrate shifts in the soundness level of PT Allo Bank Indonesia Tbk across the 2015–2024 timeframe. Table 1 summarizes the final scores reported in the research recapitulation.

Table 1. Bank Soundness Assessment Results Using the CAMEL Method

Year	CAMEL Score	Rating Based on Thesis Criteria
2015	88.69	Rank 1 (Sound)
2016	83.83	Rank 1 (Sound)
2017	81.95	Rank 1 (Sound)
2018	87.19	Rank 1 (Sound)
2019	84.57	Rank 1 (Sound)
2020	89.25	Rank 1 (Sound)
2021	87.21	Rank 1 (Sound)
2022	86.00	Rank 1 (Sound)
2023	79.08	Rank 2 (Fairly Sound)
2024	79.08	Rank 2 (Fairly Sound)

As shown in Table 1, the highest CAMEL score achieved was 89.25 in 2020, while the lowest score was 79.08 in 2023 and 2024. Across the 2015–2022 period, the bank consistently met the criteria for the "Sound" category. In 2023 and 2024, the composite score dropped into the "Fairly Sound" category.

These variations indicate that CAMEL evaluations exhibited moderate volatility throughout the observation period. In 2016, the CAMEL score fell from 88.69 to 83.83, and further decreased to 81.95 in 2017. Following an improvement in 2018, the score fluctuated through 2022.

In 2023, the score declined to 79.08 and remained flat in 2024. In the thesis, this decline is attributed primarily to the liquidity component. Elevated LDR figures resulted in negative credit points under the adopted scoring mechanics, reducing the liquidity component's weighted contribution to zero.

However, these findings require careful interpretation. Final CAMEL values in 2023 and 2024 depend heavily on credit point calculation rules, upper boundary constraints, and component weighting formulas (Hery, 2021b). Due to minor discrepancies observed in source table rows, the soundness category classifications for these final two years should be treated as provisional until reconciliation is finalized.

Dynamics of Financial Components Supporting CAMEL Assessment

The empirical analysis highlights notable movements across the financial ratios of PT Allo Bank Indonesia Tbk. Key metrics illustrating these dynamics include NPL, ROA, and CAR, alongside LDR, which proved pivotal in explaining the reduction in CAMEL scores.

Table 2. Summary of Financial Ratios Documented in the Study

Year	NPL (%)	ROA (%)	CAR (%)	LDR (%)
2015	4.11	2.21	21.90	91.23
2016	2.87	0.34	21.73	87.93
2017	2.41	0.42	19.60	98.58
2018	2.47	5.44	16.85	93.15
2019	4.20	1.45	16.21	78.93
2020	1.79	1.43	19.61	84.94
2021	0.29	4.14	48.82	102.23
2022	0.01	2.44	79.53	161.99
2023	0.05	3.49	83.35	149.50
2024	0.40	3.34	82.58	122.69

NPL demonstrated a marked downward trajectory following 2019, despite minor upticks in subsequent years. The ratio stood at 4.11% in 2015 and 4.20% in 2019, before declining sharply to 1.79% in 2020. During the 2021–2024 period, NPL was recorded at 0.29%, 0.01%, 0.05%, and 0.40%, respectively. Descriptively, these figures reflect an improvement in credit asset quality and a reduction in non-performing assets relative to total credit volume (Ismail, 2018).

ROA showed greater volatility over time. In 2015, ROA stood at 2.21%, subsequently dropping to 0.34% in 2016 and 0.42% in 2017. In 2018, the ratio spiked to 5.44%, before contracting to 1.45% in 2019 and 1.43% in 2020. ROA then rose to 4.14% in 2021, moderated to 2.44% in 2022, and reached 3.49% in 2023, with the thesis tables recording 3.34% in 2024.

These fluctuations in ROA demonstrate that asset efficiency in generating net income did not follow a linear path (Novita, 2005; Munawir, 2020). Consequently, interpreting these results requires examining net profit movements in tandem with shifts in total asset base. Additionally, ratio values must be aligned across source data tables, calculation formulas, and final summary sheets.

CAR was reported at 21.90% in 2015 and steadily contracted to 16.21% in 2019. After recovering to 19.61% in 2020, CAR rose substantially to 48.82% in 2021 and reached 79.53% in 2022. In 2023, CAR peaked at 83.35%, before settling at 82.58% in 2024. Based on these data points, the capital position exhibited exceptional growth during the final years of the observation period (Putri & Rahmawati, 2021).

LDR exhibited notable shifts. The ratio stood at 91.23% in 2015, dipped to 78.93% in 2019, and expanded to 102.23% in 2021. In 2022, LDR climbed to 161.99%, before adjusting to 149.50% in 2023 and 122.69% in 2024.

This pattern aligns with the rationale provided in the thesis that liquidity dynamics heavily influenced late-period CAMEL scores. Nevertheless, elevated LDR figures alone are insufficient to draw definitive conclusions regarding liquidity risk without examining funding liability structures, high-quality liquid asset reserves, maturity mismatches, and complementary liquidity indicators (Dendawijaya, 2016; Ismail, 2020).

Bank Soundness Assessment Results Using the RGEC Method

The RGEC assessment was derived by aggregating individual scores across Risk Profile, Good Corporate Governance, Earnings, and Capital, against a benchmark maximum score of 20. Table 3 presents the recapitulated results.

Table 3. Bank Soundness Assessment Results Using the RGEC Method

Year	Total Score	Maximum Score	Composite Score (%)
2015	17	20	85%
2016	15	20	75%
2017	15	20	75%
2018	17	20	85%
2019	15	20	75%
2020	17	20	85%
2021	19	20	95%
2022	19	20	95%
2023	19	20	95%
2024	19	20	95%

The results in Table 3 indicate that the RGEC composite score remained between 75% and 85% throughout the 2015–2020 period. A composite score of 85% was recorded in 2015, 2018, and 2020, while 75% was observed in 2016, 2017, and 2019. In 2021, the composite score increased to 95% and remained at that level through 2024.

This upward adjustment reflects improved performance across multiple dimensions during the later years. In the thesis, this enhancement is attributed to improvements in risk profile metrics, profitability indicators, robust capital growth, and corporate governance compliance.

Nonetheless, interpretation of the RGEC findings must account for the additive nature of the four-component scoring mechanism utilized in the study. While this linear scoring facilitates multi-year quantitative comparisons, it does not imply parity with official regulatory supervisory assessments conducted by regulatory bodies (Otoritas Jasa Keuangan, 2017). For academic publication, the conversion methodology, rating parameters, and operational boundaries must be explicitly detailed.

Comparative Analysis of CAMEL and RGEC Results

Table 4. Comparison of CAMEL and RGEC Final Results

Year	CAMEL	RGEC	Summary Description
2015	88.69	85%	Both frameworks indicate strong performance under their respective criteria.
2016	83.83	75%	Both scores declined relative to 2015 levels.
2017	81.95	75%	CAMEL approached the lower boundary of the "Sound" classification.
2018	87.19	85%	Both scores rebounded compared to 2017.
2019	84.57	75%	Both methods demonstrated renewed contractions.
2020	89.25	85%	CAMEL attained its highest score during the observation period.
2021	87.21	95%	RGEC improved, whereas CAMEL registered a slight decline.
2022	86.00	95%	RGEC remained elevated, while CAMEL continued to decline.
2023	79.08	95%	CAMEL dropped into the "Fairly Sound" category under thesis criteria.
2024	79.08	95%	Assessment patterns remained identical to 2023.

The comparative analysis reveals divergent trajectories between the two assessment frameworks (Husein & Hasib, 2016; Achmad, 2023; Faiza & Agustina, 2025), particularly between 2021 and 2024. The CAMEL score dropped from 87.21 in 2021 to 79.08 in 2023 and 2024. Conversely, RGEC advanced from 85% in 2020 to 95% in 2021 and maintained that level through 2024.

This divergence is largely explained by differences in indicator scope and component weighting. CAMEL allocates discrete, fixed weights across capital, asset quality, management, earnings, and liquidity. Under the thesis's specific calculation mechanics, high LDR figures during the final years generated negative credit points, zeroing out the liquidity component's weight and depressing the final CAMEL score despite solid performance in capital and asset quality.

In contrast, the RGEC operationalization integrated Risk Profile, Governance, Earnings, and Capital. The aggregated composite score reached 95% from 2021 to 2024. This divergence underscores that composite outputs from these two models cannot be directly compared purely by numerical magnitude, given their distinct indicator frameworks and scoring structures.

These findings highlight the necessity of interpreting composite ratings alongside their underlying financial drivers (Ghozali & Chariri, 2021; Suwardjono, 2020). CAMEL scores help identify individual component contributions and specific vulnerabilities, whereas RGEC provides an integrated overview across broader prudential dimensions. Both methodologies offer distinct analytical value.

Although RGEC exhibited greater stability during the final observation years, stability alone does not establish greater empirical accuracy (Fazan, 2021; Noviani, 2021). Verifying accuracy requires independent empirical benchmarks, such as official regulatory ratings, broader risk matrices, or formal statistical testing. A balanced conclusion is that RGEC offers a broader prudential scope and generated more stable composite trends in this dataset, while CAMEL exhibited heightened sensitivity to specific financial ratio fluctuations.

Implications for Digital Bank Soundness Assessment

The study's findings provide several practical implications for evaluating banks transitioning to digital operating models. First, soundness evaluations must integrate both quantitative financial indicators and qualitative risk governance measures (Verhoef et al., 2021; Abubakar & Handayani, 2022). High capital adequacy ratios must be analyzed alongside asset quality, profitability sustainability, liquidity buffers, and governance practices.

Second, rating shifts during the latter observation years highlight the importance of active liquidity monitoring. Elevated LDR figures require joint examination alongside deposit funding profiles and credit growth dynamics. A single ratio is insufficient to reach definitive conclusions regarding a bank's capacity to fulfill short- and medium-term obligations.

Third, corporate governance assessments represent a vital component within risk-based frameworks (Agoes & Ardana, 2020). However, utilizing GCG scores in academic studies requires clear disclosure of assessment sources, evaluation methodologies, and cross-period reporting consistency. Divergences between internal self-assessment scores and quantitative financial metrics must also be addressed during interpretation (Sulistiawan et al., 2023).

For the management of PT Allo Bank Indonesia Tbk, these findings offer diagnostic insight into components that experienced marked fluctuations during the observation period. For investors, the results provide contextual information for evaluating corporate financial health (Hery, 2021a). However, investment decisions should not rely solely on bank health scores, as other fundamental variables such as equity valuation, growth prospects, and broader industry risks must also be considered.

For future researchers, these findings emphasize the need to broaden indicator scopes and cross-verify computational formulas against official regulatory guidelines. Subsequent studies should examine the consistency of both methods against verified supervisory ratings and expand sample sizes across peer institutions (Faiza & Agustina, 2025) to enhance comparative validity.

CONCLUSION

This study analyzed and compared the soundness level of PT Allo Bank Indonesia Tbk over the 2015–2024 period using the CAMEL and RGEC frameworks. Under the CAMEL methodology applied in the underlying study, the bank obtained scores of 88.69 (2015), 83.83 (2016), 81.95 (2017), 87.19 (2018), 84.57 (2019), 89.25 (2020), 87.21 (2021), and 86.00 (2022), all falling within the "Sound" classification (Bank Indonesia, 2004). In 2023 and 2024, the CAMEL score declined to 79.08, shifting the rating to "Fairly Sound" a downward movement attributed primarily to the liquidity component's scoring mechanics.

Under the RGEC methodology, composite scores were recorded at 85% in 2015, 2018, and 2020; 75% in 2016, 2017, and 2019; and 95% across the 2021–2024 period. Thus, RGEC indicated marked improvement in composite ratings during the final observation years (Otoritas Jasa Keuangan, 2017).

The comparative analysis demonstrates that the two frameworks generated divergent rating trends (Husein & Hasib, 2016; Putra, 2018), driven by differences in indicator selection and weighting structures. CAMEL provides detailed visibility into individual financial ratio contributions, whereas RGEC aggregates risk profile, governance, earnings, and capital into a consolidated composite rating. Consequently, RGEC serves as an appropriate primary analytical approach for overall prudential evaluation in this study, while CAMEL functions effectively as a complementary diagnostic tool for identifying specific financial ratio sensitivities.

These conclusions should be interpreted as provisional pending full reconciliation of minor numerical discrepancies in the source tables. Furthermore, this study does not establish that RGEC is intrinsically more accurate than CAMEL, as no external supervisory benchmark was available to test predictive accuracy. Future research should verify underlying data points, clarify component scoring baselines, and expand the empirical sample across multiple digital banking institutions (Faiza & Agustina, 2025) to strengthen comparative conclusions.

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