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Expected Credit Loss Analysis for PSAK 109: Evidence from Banks in Indonesia

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ABSTRACT	INFO ARTIKEL
<p>The aim of this study is to analyze the difference of expected credit loss (ECL) value before and after PSAK 109 implementation. The event study method and a paired sample t-test to analyze this study. Data is obtained from bank financial statements listed on Indonesia Stock Exchange. The finding show ECL before and after PSAK 109 implementation is difference, where there was an increase. The increase was due to higher potential for default in times of economic crisis and lies in too much on management judgment. This study support agency theory and has implications for accounting policies standard that could make it easier to determine ECL, also for management to be prudence in disbursing loans. The novelty is research of ECL relatively new and examines entire ECL of bank financial assets and not just credit accounts, so it is hoped can provide a comprehensive impact of PSAK 109 implementation.</p> <p>© 2025 Kantor Jurnal dan Publikasi UPI</p>	<p>Article History: <i>Submitted/Received 20 Oct 2025</i> <i>First Revised 10 Nov 2025</i> <i>Accepted 17 Nov 2025</i> <i>First Available online 28 Nov 2025</i> <i>Publication Date 13 Dec 2025</i></p> <hr/> <p>Keyword: <i>Banking, Expected Credit Loss, PSAK 109</i></p>

1. INTRODUCTION

All listed companies are required to apply accounting standards in preparing financial statements (Rolando et al., 2024). High quality accounting standards must meet fundamental qualities, so that they can produce information that relevant and reliable regarding to decision making (Prasetyawati et al., 2023). The improvement of qualities are needed, especially the element of comparability which will enhance the quality of accounting information (Ikatan Akuntan Indonesia, 2024). Comparability is very important because financial statements between companies will be compared, so that comparability allows financial statements users to assess company financial condition to be compared (Franco et al., 2011). This allows companies to provide more optimal allocation of resources (Barth, 2013).

Comparability of financial statements is important in the era of globalization because transactions do not only occur within the scope of one country but across borders. In terms of capital flows, investors can invest in foreign companies. Different accounting standards between countries will cause problems, ranging from increasing costs and complexity to posing risks for companies and users of financial statements. Complexity arises because numbers in financial statements may be calculated under different accounting standards. This difference will have a major impact on the analysis of the company's financial statements and has the potential to influence decision making (Anindya et al., 2024).

Initially, Indonesia adhered to accounting standard in Generally Accepted Accounting Principles (GAAP), that issued by FASB. However, after forum in 2012, Indonesia switched to IFRS. The G20 is a strategic multilateral platform that connects developed also developing countries with purpose achieving global economic growth and prosperity in the future (Prasetyo, 2023). IFRS will facilitate the preparation of comparable financial statements to support the global economy because company transactions will be reported in a uniform format in any country that adheres to IFRS. Therefore, the adoption of IFRS will support the achievement of the G20 goals.

Indonesia has an accounting standard, namely Statement of Financial Accounting Standards (PSAK), issued by Financial Accounting Standards Board (DSAK). DSAK performs PSAK convergence to IFRS through two stages and afterwards makes PSAK amendments in line with changes in IFRS regulations. One of the most discussed amendments is the amendment of IAS 39 to IFRS 9, which was adopted in PSAK 109, before namely PSAK 71 to replace PSAK 55. The standard regulates financial instruments. This regulatory change will impact on banking because banks have many financial instruments. Banks are financial institutions that collect and distribute public funds and provide other banking services (Alam et al., 2021).

Based on a survey of finance and risk professionals in some country like Europe, Middle East, and Africa conducted by S&P Global Market Intelligence, as many as 26% of banks failed to comply with IFRS 9, which was supposed to be implemented from 1 January 2018. The implementation of PSAK 109 also encountered obstacles at the beginning of its implementation. Monitoring results from Financial Services Authority (OJK) show that small-sized banks in BUKU 1 and BUKU 2 are not ready to implement PSAK 109. In fact, it is not only banks at BUKU 1 and BUKU 2 that are experiencing difficulties, but also banks that are in the BUKU category. 3. Before PSAK 109 was effectively implemented, banks had increased their prudence by simulating the expected credit loss (ECL) calculation based on latest regulations.

For example, OCBC NISP Bank, which has started a simulation of ECL calculation according to PSAK 109, but has not yet completed it until the 2018 financial statements issuance date. Mayapada Bank also experienced difficulties because the implementation of PSAK 109 resulted in a profit drop of 54% compared to the financial statement in 2017. However, for the Regional Development Bank (BPD) of East Java, the implementation of PSAK 109 actually increased profit by Rp. 34,000,000,000 due to the reserve system and it is considered as a very good implementation (Kontan.co.id, 2019).

Although there were various obstacles at the beginning of the implementation of PSAK 109, banks were required to comply with applicable financial accounting standards because banks have public accountability (Lobo et al., 2024). So that there are no implementation problems in the future, before the effective date of January 1, 2020, the majority of banks have made preparations, such as involving the management in training and preparing the infrastructure needed for the implementation of PSAK 109. Training and preparation of infrastructure are needed because the calculation of ECL under PSAK 109 is different from the previous PSAK. PSAK 109 changes the ECL calculation method become the expected credit loss method from the previous incurred loss method. New method means that banks do not need to wait for evidence that a financial instrument has decreased in value to determine the amount of ECL formed, but rather banks must have established ECL when the financial asset is acquired, and continuously evaluate the adequacy of the reserve over time.

The establishment of ECL based on PSAK 109 prevents banks from channelling their credit procyclicality. The procyclical nature means that banks only follow the economic cycle. When there is an increase in the business cycle, the bank's income will also increase, which is offset by an increase in the risk of default (Aviliani et al., 2015), which has not been calculated by banks under the incurred loss method because there is no evidence of impairment. During a period of economic downturn, this risk will be realized and banks will not have enough funds to compensate for the economic cycle (Fathoni et al., 2023). On the other hand, with the implementation of PSAK 109, banks will consider into account about risk of default from the initial stage of providing the loan. Banks will be more selective in providing loans because increasing loans will cause an increase in ECL that must be formed, and ECL is a component of expenses that will reduce profits. The decline in profits causes financial performance to appear worse. In accordance with agency theory, the principal, who in this case is the shareholder, will supervise the performance of the agent, which in this case is banking management. If banks experience a drop in profits, management will not gain the trust of shareholders. Therefore, banks must be careful in distributing loans so that the ECL formed is not too large. It is important to identifies the determinants of ECL for loan growth (Pramono et al., 2019).

The formation of ECL in PSAK 109 is carried out using a three-stage model. As the name implies, the ECL will be separate into three levels, namely stage 1, stage 2, and stage 3. When a bank provides a loan, the bank must form a stage 1 ECL. Calculation of stage 1 ECL is using 12-months ECL, which means that banks must set aside reserves to overcome the occurrence of default within the future of 12 months. When significant increase happened in credit risk from the initial recognition, ECL will be increased to stage 2. Calculation of stage 2 ECL no longer uses 12-months ECL, but uses lifetime ECL which means banks must take into account all possible defaults during the financial asset life. Lifetime ECL is counted by dividing the weighted average of credit loss by default probability. If the bank has obtained evidence that

the loan provided has decreased in value, the bank must immediately establish stage 3 ECL. Calculation of stage 3 ECL also uses lifetime ECL (Fedriata, 2023).

The expansion of ECL coverage under the expected credit loss method does not always result in a significant increase of ECL. It all depends on how bank responds to the new standard implementation and how policies set by the regulator. Therefore, the impact of the implementation of PSAK 109 on ECL is an interesting thing to study. The implementation of PSAK 109 is relatively new because it has been effectively applied to the banking sub-sector as of January 1, 2020, so research related to the impact of its implementation is still limited. This study uses the literature on the implementation of IFRS 9 in other countries with the consideration that the implementation of IFRS 9 has been effectively implemented earlier than PSAK 109, namely in 2018. In addition, the use of IFRS 9 as the equivalent of PSAK 109 does not change the essence of PSAK 109, considering PSAK 109 itself is a form of adoption of IFRS 9.

IFRS 9 is likely to have three consequences, namely increased volatility of income, earlier recognition of impairment losses, and additional disclosure requirements (Ricapito, 2024). Based on the survey results, it was found that there was an increase in ECL during the transition to IFRS 9 (Firmansyah et al., 2023). The amount of this increase varied significantly between banks. The majority of banks in France experienced an increase in ECL of a maximum of 15%. Meanwhile, all banks in the UK experienced an increase in ECL of more than 15%. Banks in Canada showed more varied results, namely there were banks that experienced an increase in the value of ECL, but there were also banks that experienced a decrease in ECL. The increase or decrease that occurs is in the range of 40%. These varied results were due to Canadian banks' having an earlier policy of writing off bad debts compared to French banks, so Canadian banks had lower stage 3 ECL.

The survey results show that there are two banks that experienced an insignificant decrease in the value of ECL, while the rest experienced an increase. There are six banks that experienced an increase in ECL of 5%–10%, 1 bank that experienced an increase in ECL of 10%–15%, three banks that experienced an increase in ECL of 15%–20%, one bank that experienced an increase of 20%–25%, four banks that experienced an increase in ECL of 30%–40%, and only one bank experienced an increase in ECL above 40%. This means that, banking ECL has increased after the implementation of IFRS 9. The largest increase occurred in the range of 5% to 10% (Ernst and Young, 2018).

The impact of the increase in ECL was driven by retail banking services, with six banks reporting an increase of more than 40%. Even banks in Canada reported higher rates of ECL hikes. ECL stage 2 encourages an increase in the retail portfolio. In addition, credit cards and unsecured personal loans also encourage an increase in ECL (Ernst and Young, 2018). Wholesale banking services do not have a significant impact on the increase in ECL when compared to retail banking. However, banks that have recently adopted IAS 39, such as banks in the UK, generally report an increase in wholesale banking ECL of more than 40%, compared to banks that have been implementing IAS 39 for a long time. decrease in ECL (Ernst and Young, 2018).

Based on the survey result and supported by several studies conducted, PSAK 109 implementation has a positive impact on ECL value. Ningrum et al. (2021) study stated the implementation of PSAK 109 has a positive significant effect on ECL value, because PSAK 109 requires banks to form ECL when acquiring financial assets. This statement is supported by

the study of Kustina & Putra (2021), Devi et al. (2021), and Suroso (2017). Chen et al. (2020) revealed that the implementation of the Chinese version of IFRS 9 caused a 21.26% increase in the amount of ECL that must be formed on credit cards. Sugiarto & Suroso (2020) added that the implementation of PSAK 109 is forward-looking, which causes the impairment charge to be more volatile. However, the research by Orban & Tamimi (2020) shows that the results are not significant because the sample used is the largest bank in Europe, so that the credit rating of its customers is high and the probability of default is low. Magdalena & Martani (2019) research shows the same results because the expected credit loss method in IFRS 9 requires the formation of ECL at the beginning of the loan, so the estimated ECL formed will be smaller for the entire loan when compared to IAS 39.

This study was conducted to examine the impact of the implementation of PSAK 109 on the value of ECL before and after the implementation of PSAK 109. This study uses a longer period range than previous research, namely the 2018–2021 financial year, so it is expected to be able to show better results. accurate and minimizes the possibility of bias. This study also examines the entire ECL of bank financial assets and not just credit accounts like previous study, so it is hoped that it can provide a more comprehensive picture about the impact of PSAK 109 implementation on banking ECL.

LITERATURE REVIEW

Agency theory describes the company as a principal and agent in a contractual relationship (Jensen & Meckling, 1976). The principal gives the agent some of their authority to manage the company, that's why the agent should manage the company as best as possible, and make decisions for the benefit of the principal. The decisions taken must maximize the welfare of the principal. In fact, there is information asymmetry and the agent's drive to maximize his or her own welfare gives rise to agency conflict. To minimize agency conflict, it is necessary to supervise the agent during its profit-generating performance. The implementation of PSAK 109 will expand the scope of ECL, which is suspected of causing an increase in ECL, resulting in a decrease in profit. The decline in profit is bad information presented by management (agent) so that investors (principals) judge the performance of bank management as bad.

The standard regulates financial instruments in Indonesia was PSAK 55. PSAK 55 regulates the measurement of financial instruments and the amount of ECL that must be formed on the financial instrument. Based on this standard, banks do not have to form ECL at the beginning of the acquisition of financial assets, but banks must evaluate if there is objective prove which financial assets have experienced impairment losses at the end of reporting period (Ikatan Akuntan Indonesia, 2014). Therefore, the ECL calculation model used in PSAK 55 is the incurred model.

IFRS 9 regulates financial instruments. As a form of convergence to IFRS, PSAK 71 was issued to replace PSAK 55, then PSAK 71 changed its number to PSAK 109. PSAK 109 is effective for banks as of January 1, 2020 (Ikatan Akuntan Indonesia, 2014, 2018). PSAK 109 changes the calculation of ECL where before incurred loss method become ECL method. The formation of ECL based on PSAK 55 is only carried out when impairment of financial asset is proved. However, establishment of ECL according to PSAK 109 must be carried out on the acquisition of financial assets and evaluated for adequacy from time to time. Bank must establish a stage 1 ECL at the beginning of the acquisition of financial assets. If financial assets

risk significant increase, then ECL staging will be raised to stage 2. If objective evidence of impairment available, then ECL must be raised to stage 3. Stage 1 ECL will be calculated based on 12-months ECL, which means that banks must establish ECL to cover the risk of impairment losses in the next 12 months. Meanwhile, stage 2 and stage 3 ECL must be calculated based on lifetime ECL, which means that banks must establish ECL to cover the risk of impairment losses over the financial asset life. The difference between stage 2 and stage 3 ECL lies in interest income recording. In stage 2, interest income is recorded without being deducted by ECL. Meanwhile, in stage 3, banks record interest income based on amortization costs. The first implementation of IFRS 9 will have an impact on the company's financial statements (Gómez-Ortega et al., 2022).

HYPOTHESIS

PSAK 109 is a standard that regulates financial instruments. This standard was adopted from IFRS 9, replacing PSAK 55. The implementation of PSAK 109 will increase the prudence of banks in lending (Sibarani & Asak, 2022). Based on PSAK 55, banks do not need to form ECL when a financial asset is acquired, but it is only formed when there is evidence of an impairment in the value of a financial asset (Ikatan Akuntan Indonesia, 2014). Under the implementation of PSAK 109, banks are required to establish ECL from the start of their financial assets and evaluate their adequacy over time. If the risk increases significantly or objective evidence that the impairment of financial asset is found, bank must immediately increase the ECL staging that was formed. Therefore, the implementation of PSAK 109 led to an expansion of the coverage of ECL, thus causing the value of ECL to increase significantly.. The fourth annual IFRS 9 impairment survey by EY (2018) shows an increase in ECL in France and the UK. Ningrum et al. (2021) stated that the implementation of PSAK 109 had a positive significant effect on ECL value, so that the ECL value before and after the implementation of PSAK 109 would be different. This is because PSAK 109 requires banks to form ECL from the time of the acquisition of financial assets. This result is supported by Kustina & Putra (2021), Devi et al. (2021), Sugiarto & Suroso (2020), Suroso (2017), and Chen et al. (2020).

H1: There is a difference in the value of ECL before and after the implementation of PSAK 109.

The research framework is depicted in Figure 1 as follows:

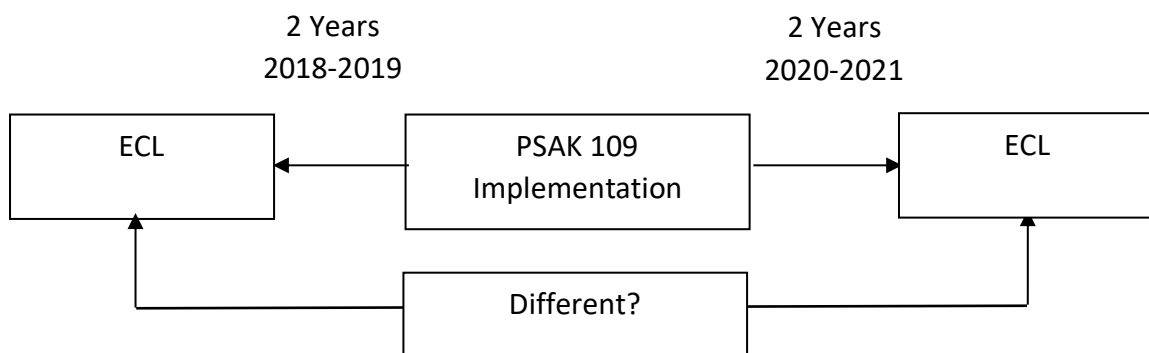


Figure 1. Research Framework

2. METHODOLOGY

The research design used is a quantitative using an event study, namely changes in the value of ECL before and after the implementation of PSAK 109. The ECL data used is obtained from the financial statements of banks listed on the Indonesia Stock Exchange (IDX). The data test tool used is StataMP 17 software. Data analysis used a paired sample t-test. The purposive sampling technique used for this study, with some following criterias:

- a. Commercial banks listed on the IDX in the 2018-2019 financial year
- b. The financial statement use IDR currency.
- c. Banks do not carry out early adoption of PSAK 109.

The population of this study includes 47 banks. Two banks were excluded because they were not registered in the 2018–2019 period. Four banks were excluded because they were Islamic banks. Five banks were excluded due to early adoption. The normality test result showed that five banks were excluded due to outliers. Based on these criteria, the number of samples that meet the requirements is 31.

Below is the equations used for this study:

$$t = \frac{\sum(ECL_2 - ECL_1)}{\sqrt{\frac{n(\sum(ECL_2 - ECL_1)^2) - (\sum ECL_2 - ECL_1)^2}{n - 1}}}$$

ECL is obtained from the entire ECL of bank financial assets.

3. RESULT AND DISCUSSION

Table 1. Descriptive Statistics

Variable	Obs	Mean	Std. dev.	Min	Max
log_eclmeanbeforepsak109	31	10.3692	1.7126	7.3172	13.3242
log_eclmeanafterpsak109	31	10.7276	1.7934	7.9291	13.6673

Source: Financial statement (Processed, 2024)

Based on the descriptive statistics in table 1, there was an increase in the maximum, minimum, and mean ECL values after the implementation of PSAK 109, which indicates that the implementation of PSAK 109 led to an increase in the value of ECL. The value of standard deviation show smaller than average value, that indicates the data is homogeneous.

Table 2. Normality Test Shapiro-Wilk

Variable	Obs	W	V	Z	Prob > z
log_eclmeanbeforepsak109	31	0.9642	1.165	0.316	0.3759
log_eclmeanafterpsak109	31	0.9442	1.817	1.237	0.1079

Source: Financial statement (Processed, 2024)

Testing the normality of the data in table 2 was carried out using the Shapiro-Wilk test. Based on the tests carried out, the value of Prob > z is greater than the research alpha value ($\alpha = 0.05$), indicate the sample data is normally distributed.

Table 3. Paired Sample t-test

Variable	Obs	Mean	Std. error	Std. dev.	[95% conf. interval]	
log_eclmeanbeforepsak109	31	10.3692	0.3076	1.7126	9.7410	10.9974
log_eclmeanafterpsak109	31	10.7276	0.3221	1.7934	10.0698	11.3854
Diff	31	-0.3584	0.1060	0.5904	-0.5749	-0.1418
mean(diff) = mean(log_eclmeanbeforepsak109 - log_eclmeanafterpsak109)						t = -3.3797
H0: mean(diff) = 0			Degrees of freedom = 30			
Ha: mean(diff) < 0		Ha: mean(diff) != 0		Ha: mean(diff) > 0		
Pr(T < t) = 0.0010		Pr(T > t) = 0.0020		Pr(T > t) = 0.9990		

Source: Financial statement (Processed, 2024)

The test results listed in table 3 show that there is a significant difference between ECL before and after the implementation of PSAK 109 because $\Pr(|T| > |t|)$ value is smaller compare to research alpha value ($\alpha = 0.05$). The difference is in the form of an increase in the ECL value, indicated by a negative t-count value, which means the average pre-test is lower than average post-test.

The test results show that there is a difference in the value of ECL before and after the implementation of PSAK 109. There is significant increase in the value of ECL after the implementation of PSAK 109. Before PSAK 109 was implemented, banks adopted the incurred loss method, which means that banks do not need to form ECL at the beginning of the acquisition of financial assets and are only required to form ECL when there is evidence that the financial asset has decreased in value (Ikatan Akuntan Indonesia, 2014). Meanwhile, after the implementation of the PSAK 109 standard, the calculation of ECL is carried out using the ECL method (Ikatan Akuntan Indonesia, 2018). Under this method, banks are required to establish ECL at the beginning of the acquisition of a financial asset, which includes potential impairment losses that may occur in the next 12 months and categorize it in stage 1. The amount of ECL must be evaluated over time. If there is a significant increase in risk compared to the time of acquisition of the financial asset, the ECL staging must be raised to stage 2. If afterward, objective evidence shows that the financial asset has decreased in value, the bank must raise its ECL staging to stage 3 (Ikatan Akuntan Indonesia, 2018).

Banks must take into account the risk of impairment in the value of financial assets over the life of the financial asset in the calculation of stage 2 and stage 3 of ECL. Therefore, the calculation of ECL under PSAK 109 expands the scope of ECL, thereby increasing the amount of ECL that must be formed. The implementation of IFRS 9 has succeeded in improving the company's risk management, thereby increasing transparency regarding the company's condition (Awuye & Taylor, 2025). This supported by survey that the largest increase of ECL occurred in the range of 5% to 10% (Ernst and Young, 2018).

Crisis conditions led to an increase in non-performing loans, thereby increasing the amount of ECL. According to Riza & Mawardi (2024), a number of banks reported an increase in bad loans due to the COVID-19 pandemic. The Secretary of the Ministry of Cooperatives and SMEs, Arif Rahman Hakim, also stated that the COVID-19 pandemic resulted in a decrease in business volume and a weakening of loan collectability (MLA & Rizkianto, 2023), so that banks must raise their ECL classification to stage 2 or stage 3 and calculate it based on ECL

lifetime. This result is in line with Ningrum et al. (2021), Kustina & Putra (2021), Devi et al. (2021), and Suroso (2017), which state that the implementation of PSAK 109 has a significant positive effect on the value of ECL because PSAK 109 requires banks to establish ECL from the time of acquisition of financial assets. Chen et al. (2020) revealed that the implementation of the Chinese version of IFRS 9 led to an increase in ECL on credit cards. Research by Sugiarto & Suroso (2020) also strengthens this by stating that PSAK 109 is forward-looking, which causes the impairment charge to be more volatile. However, the results of this study are not in line with research conducted by Orban & Tamimi (2020), which states that the implementation of PSAK 109 has no significant effect on the value of ECL because the research sample used is the largest bank in Europe, meaning that the credit rating of customers is high and they are likely to fail and low pay. Magdalena & Martani (2019) strengthen Orban & Tamimi (2020) by showing that the ECL method in IFRS 9 requires the formation of ECL at the beginning of the loan, so that the estimated ECL formed will be smaller for the entire loan, compared to IAS 39. Ozili (2022) state that ECL are more responsive to changes in economic policy uncertainty than nonperforming loans.

Due to the increasing number of defaults during the COVID-19 pandemic, credit accounts became the largest contributor to the increase in ECL. However, banking financial assets are not just credit. In practice, banks often do not form ECL for other financial assets because management believes that these financial assets are collectible. This is indeed not wrong because PSAK 109 gives the freedom to determine ECL staging indicators (Ningrum et al., 2021), so to suppress the increase in ECL, management uses its judgment (Bholat et al., 2018). There are two problems in the implementation of PSAK 109, namely a significant increase in ECL and the formation of ECL that relies heavily on management judgment. The formation of a ECL that is too large will reduce the amount of capital that can be disbursed in the form of credit. On the other hand, the use of management judgment in reducing the amount of ECL will also reduce bank prudence, thereby reducing banking resilience in the face of crises. Therefore, it is important to set a more objective amount of ECL and collect it as soon as possible after the due date to avoid potential defaults. Too much provision that making by bank from current profit, has no relation to recovery of bad loans in future (Podder & Mamun, 2004). Banks must be more prudent in providing loans (Lobo et al., 2024).

Both of these problems can be solved through economic digitization as the use of information technology to create, adapt, market, or consume goods and services. Economic digitization encourages more accurate bank financial reporting, through the establishment of a more objective ECL and faster and more efficient collection. Based on a survey conducted in Europe, artificial intelligence-based receivable collection software is able to accelerate the collection of credit that has been in arrears for 30 days. Within two weeks, thirty percent of the credit arrears can be collected. Engelmann (2021) research find that the formula most commonly applied in calculating ECL is inconsistent, and this is support by Guo et al. (2023). Gubareva (2021) also suggest to reduce the subjectivity of calculating ECL under IFRS 9. The use of software could minimize this inconsistency and subjectivity. Parnes (2021) research try to conduct comprehensive framework for ECL computations to assist banks. The increase in collectibility and credit write-offs will reduce the ECL value from the previous stage 2 or stage 3. If the loan has been collected or written off, the previously established ECL value can be written off.

4. CONCLUSION

This study proves that the implementation of PSAK 109 resulted in a significant increase, so that there was a difference in the value of ECL after the implementation of PSAK 109 due to the expansion of ECL under the ECL method and the COVID-19 pandemic conditions, which increased loan defaults, thus encouraging an increase in ECL staging. In addition to the significant increase in the value of ECL, there are other problems, namely the formation of ECL, which is too based on management judgment, so that ECL for some financial assets is not formed. The implementation of PSAK 109 increases the value of ECL, which will result in a decrease in profit. A decrease in profit will cause management to get a bad rating from investors because, based on agency theory, investors judge management's performance through its ability to generate profits. Therefore, banks must be careful in disbursing loans so that they do not need to increase their ECL staging. Bank prudence can be increased through the use of artificial intelligence-based software in the formation of ECL and collection of receivables.

Further research can extend the testing period for the impact of implementing PSAK 109 during the COVID-19 pandemic until after the pandemic ends. This is important to study because Abad & Suarez (2017) state that the impact of implementing PSAK 109 will be more visible during times of economic decline, so it is necessary to prove whether, once the pandemic is over, the implementation of PSAK 109 will increase the value of ECL compared to PSAK 55. This study research the entire ECL of bank financial assets and not just credit accounts, could provide a more comprehensive picture of the impact of the implementation of PSAK 109 on banking expected credit loss.

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