ABSTRACT

This study aims to analyze the relationship between corporate governance, market competition, and earnings management in the banking sector in Indonesia, focusing on a comparative study between Bank BCA and Bank Mandiri over the period 2018-2023.

Corporate governance is measured through board size, and ownership concentration. Market competition is measured using the squared total assets ratio and relative income ratio. Earnings management is measured using discretionary accruals with the Modified Jones model. The research method used is qualitative descriptive analysis with secondary data obtained from the annual reports of Bank BCA and Bank Mandiri.

The results of the study show that good corporate governance can reduce earnings management, while high market competition tends to increase earnings management. Bank Mandiri demonstrated superior performance compared to Bank BCA in terms of asset and net profit growth during the study period. These findings provide important implications for bank management, regulators, and investors in understanding the factors influencing earnings management in the Indonesian banking sector.
Keywords: Good Corporate Governance, Competition Index, Earnings Management, RGEC (Risk profile, GCG, Earning, and Capital).