

Financial Performance Analysis of PT. Bank Rakyat Indonesia (Persero) TBK

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ABSTRACT

This study aims to determine and analyse the financial performance of PT. Bank Rakyat Indonesia (Persero) Tbk (or BRI Bank). The type of data used in this study was quantitative data. The data collection techniques involved documentation techniques and literature studies. The data analysis technique used liquidity, solvency, and profitability ratio formulas. The results of this study indicate that the financial performance of BRI Bank for the period of 2020 to 2024 shows a stable condition with increasing profitability, reflecting efficiency in asset management and interest income. Although solvency is considered ideal in terms of capital structure, the company still relies heavily on external financing. On the other hand, liquidity is not optimal because the current ratio is below standard, although cash is maintained. Thus, the company needs to strengthen liquidity management and reduce dependence on debt to improve overall financial performance.

Keywords: liquidity, solvency, and profitability

1. INTRODUCTION

Financial performance is a snapshot of a company's financial condition, analysed using financial analysis tools. This allows for the assessment of the company's financial performance and serves as a benchmark for evaluating the performance of company management over a specific period. This assessment is typically conducted using financial ratio analysis based on financial statement data. Financial performance is the result of the financial management process, reflecting the company's effectiveness and efficiency in managing its financial resources.^[1] This performance assessment encompasses aspects of profitability, liquidity, solvency, and company activity, which can be used by various parties to make informed economic decisions.

Companies operating in the banking industry still face a number of significant challenges in their efforts to achieve strong financial performance. These challenges include intense interbank competition, fluctuating macroeconomic conditions, unpredictable credit and liquidity risks, and evolving and increasingly complex regulations. Technological changes and the digitalization of banking services require rapid

management adaptation to remain relevant and efficient.^[2]

Furthermore, a common phenomenon in the field is an imbalance in the management of liquidity, solvency, profitability, and operational activities in the banking industry. Many banks face difficulties in maintaining adequate liquidity, resulting in pressure to meet their short-term obligations. Furthermore, solvency issues often arise from high debt burdens that disproportionately impact capital. Profitability is also a challenge due to declining interest income and rising

operating costs, while banks' operational efficiency remains suboptimal in maximizing asset utilization. This situation indicates the need for more integrated and strategic management to ensure a balance between these four aspects and achieve stable and sustainable financial performance.^[1]

BRI Bank is a state-owned bank experiencing similar challenges related to the management of liquidity, profitability, solvency, and activity. This is evident in the net profit and total assets data for BRI Bank for the 2020-2024 period, presented in Table 1.

Table 1. Net Profit and Total Assets Data for BRI Bank in 2020-2024 (in Millions of Rupiah)

Years	Net Profit		Total Assets	
	Amount	Improvement	Amount	Improvement
2020	18.660.393	-	1.610.065.344	-
2021	30.755.766	64,82 %	1.678.097.734	-4,23 %
2022	51.408.207	67,15 %	1.865.639.010	-11,18 %
2023	60.425.048	17,54 %	1.965.007.030	-5,33 %
2024	60.643.808	0,36 %	1.992.983.447	-1,42 %

Source: Processed secondary data, 2025

Based on 2020–2024 data, BRI Bank showed significant net profit growth until 2022, but the growth rate began to slow in 2023 and 2024, indicating a decline in the effectiveness of revenue and cost management. Meanwhile, total assets continued to increase, but with a declining growth trend year over year, indicating the need to evaluate expansion strategies and operational efficiency. Although profits continued to rise, the slowdown in profit and asset growth put pressure on profitability, liquidity, and solvency, necessitating a more efficient and adaptive financial management strategy to maintain stable bank performance.^[3]

Research conducted by Badollahi indicates that the financial performance of BRI Bank for the 2018–2022 period was in the good category.^[4] This contrasts with the findings of Hirawan et al. which indicated that BRI Bank financial performance did not meet state-owned enterprise standards.^[5]

Given the dynamics of economic development and the challenges faced by the banking sector over the past five years, as well as the discrepancies in findings from

previous studies regarding the financial performance of BRI Bank, further research covering the period 2020–2024 is essential. This research is necessary to obtain a more objective and up-to-date picture of the company's financial condition through an analysis of liquidity, solvency, profitability, and activity indicators. Furthermore, the results of this study are expected to bridge the gaps in previous findings and serve as a foundation for management and stakeholders in making strategic decisions to sustainably improve financial performance.

Based on the aforementioned phenomena, problems, and research gaps, the researcher is interested in conducting further research with the theme "Analysis of the Financial Performance of BRI Bank."

2. LITERATURE REVIEW

2.1 Definition of Financial Performance

Performance reflects a company's ability or level of achievement in realizing the organization's goals, objectives, vision, and mission as outlined in its strategic planning.^[6] Company performance can be viewed from various perspectives, the most

fundamental of which are financial and non-financial. Financial reports are financial aspects, while customer satisfaction, employee satisfaction, and the development of the company's business activities are non-financial aspects.^[7]

A company's financial performance is the company's achievements over a specific period, reflecting its health.^[8] Financial performance is management performance, which embodies the expansion of financial value and its estimated benefits. The consequences of estimating financial indicators are crucial for partners to understand the company's functional status and level of achievement.

Based on the understanding of several experts above, we can conclude that financial presentation is a company's achievements over a period, illustrating the company's financial well-being using indicators such as capital adequacy, liquidity, and profitability. With financial performance, companies can more effectively assess their financial condition during any given period, both in terms of asset growth and reserve expenditures.

2.2 Factors Influencing Financial Performance

The factors influencing financial performance are as follows^[9]:

- a. Employees, related to their abilities and progress at work.
- b. Jobs, concerning job design, job descriptions, and resources to carry out the work.
- c. Work mechanisms, including systems, delegation and control procedures, and organizational structure.
- d. Work environment, including factors such as location and working conditions, organizational climate, and communication.

2.3 Financial Performance Indicators

A company's financial performance can be analyzed using the following financial ratios^[10]:

A. Liquidity Ratio is a ratio used to measure a company's ability to meet its short-term obligations on time. This ratio can be calculated using:

1) Current Ratio (CR) is a financial ratio used to measure a company's ability to meet short-term obligations using its current assets. A current ratio of less than 1 indicates that the company cannot cover all current debts using only existing assets. The formula used to measure this ratio is as follows:

$$CR = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\%$$

2) The Loan to Deposit Ratio (LDR) measures the percentage of third-party funds disbursed in the form of credit, indicating a bank's ability to use funds for lending. The following formula is used:

$$LDR = \frac{\text{Total Credit}}{\text{Third Party's Total Funds}} \times 100\%$$

3) The Cash Ratio measures a company's ability to meet its short-term obligations using its cash and cash equivalents. This ratio indicates how much cash and cash equivalents are available to immediately cover current liabilities without having to rely on other current assets. The formula is as follows:

$$CR = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\%$$

B. The Solvency Ratio is a ratio used to measure a company's ability to meet all short-term and long-term obligations. This ratio can be calculated using the following methods:

1) The Debt to Asset Ratio is used to measure how much of a company's assets are financed by debt or how much debt affects asset management. The following formula is used.

$$DAR = \frac{\text{Total Obligation}}{\text{Total Assets}} \times 100\%$$

2) Debt to Equity Ratio (DER) is a ratio that shows the comparison between total debt and total equity. Using the following formula:

$$DER = \frac{\text{Total Obligation}}{\text{Total Equity}}$$

C. Profitability ratio is a ratio used to measure a company's ability to generate profits from its business activities. This ratio can be calculated using the following methods:

1) Return on Assets (ROA) is a ratio that measures a company's ability to generate profits from the total assets used. The formula is as follows:

$$ROA = \frac{\text{Net Profits after Tax}}{\text{Total Assets}} \times 100\%$$

2) Net Interest Margin (NIM) measures the bank's efficiency in generating net interest income from productive assets.

$$NIM = \frac{\text{Net Interest Income}}{\text{Productive Assets}} \times 100\%$$

2.4. Research Framework

The framework is a research concept developed by the researcher. This framework is useful for helping readers understand the purpose of this study. Based on theory and previous research, this study aims to determine the financial performance of BRI Bank, listed on the Indonesia Stock Exchange (IDX), for the 2020-2024 period. To measure financial performance, the researcher used liquidity ratios, solvency ratios, and profitability ratios.^[10] This study uses secondary data, namely data from the company's financial statements. The analytical method used in this study is descriptive qualitative. The data was obtained through intermediaries or indirectly. Therefore, the framework used by the researcher is presented in Figure 1 below.

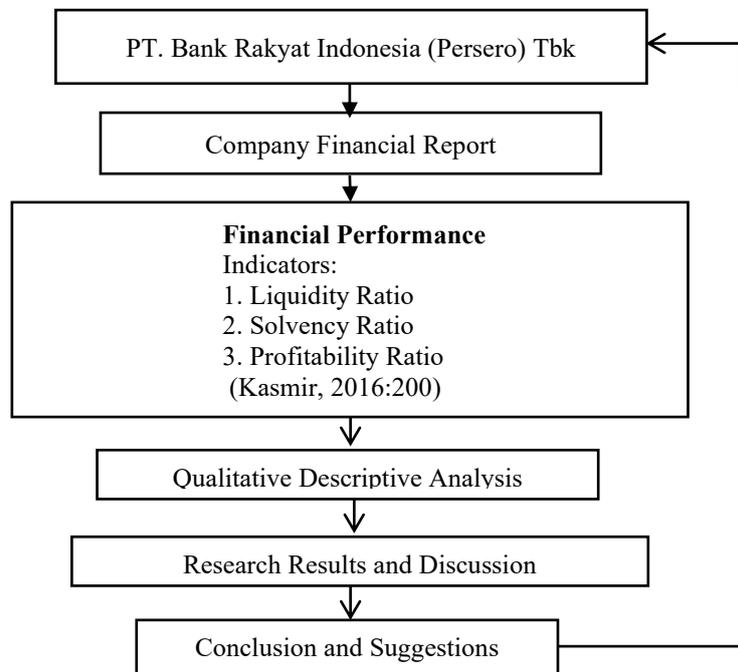


Figure 1. Research Framework

3. MATERIALS & METHODS

This study uses a quantitative approach to analyse the financial performance of BRI

Bank for the 2020–2024 period based on secondary data in the form of audited annual financial reports. The research object

includes analysis of liquidity, solvency, and profitability ratios, with data collected through documentation and literature studies. Data analysis techniques are carried out using financial ratio analysis such as Current Ratio, LDR, Cash Ratio, DAR, DER, ROA, and NIM, as well as trend analysis to observe the pattern of financial performance development from year to year.

4. RESULT

This research was conducted at BRI Bank, listed on the Indonesia Stock Exchange (IDX), by analyzing the company's published financial statements for the period 2020 to 2024. This research focuses on measuring financial performance through three types of financial ratios as explained by Kasmir [10], namely the liquidity ratio, the solvency ratio, and the profitability ratio. The liquidity ratio was analyzed using the Current Ratio, the Loan to Deposit Ratio, and the Cash Ratio to assess the bank's ability to meet short-term obligations and the efficiency of distributing credit funds to third-party funds. The solvency ratio was calculated through the Debt to Total Assets and Debt to Equity Ratio to determine the company's level of

dependence on debt in its capital structure. Meanwhile, the profitability ratios used consisted of Return on Assets and Net Interest Margin to evaluate the bank's ability to generate profits from its assets and the effectiveness in obtaining net interest income. The measurement results of each ratio were used to assess the stability, efficiency, and financial performance of BRI Bank during the five years of observation.

Liquidity Ratio Analysis of BRI Bank

The liquidity ratio reflects BRI Bank ability to meet short-term obligations, specifically ensuring the availability of funds to meet customer withdrawals. This ratio is measured using the loan-to-deposit ratio and cash ratio.

a. Current Ratio

The current ratio is a financial ratio used to measure BRI Bank ability to meet short-term obligations using its current assets. A current ratio of less than 1 indicates that BRI Bank cannot cover all current liabilities using existing assets alone. Based on the financial report data of BRI Bank from 2020 to 2024, the results of the Current Ratio calculation can be seen in Table 2.

Table 2. Calculation of the Current Ratio of BRI Bank (in Millions of Rupiah)

Years	Current Assets	Current Liabilities	CR (%)
2020	1.567.755,060	1.243.938.390	0,13
2021	1.510.713,990	1.202.055.688	0,13
2022	1.749.383,010	1.111.421.920	0,16
2023	1.836.581,690	1.186.773.306	0,15
2024	1.877.539,030	1.244.938.390	0,15

Source: Processed data, 2025

Based on Table 2, during the 2020–2024 period, BRI Bank Current Ratio showed a stable trend but remained below the ideal figure (above 1), indicating the company's liquidity remained low. In 2020 and 2021, the ratio was recorded at 0.13%, reflecting the limited current assets to cover short-term liabilities. The ratio began to improve in 2022 to 0.16% as current assets increased and current liabilities decreased, although it declined slightly again to 0.15% in 2023 and remained at the same level in 2024. Overall, despite the improvement, the company still

needs to optimize its liquidity management strategy to achieve a healthier ratio level.

b. Loan to Deposit Ratio (LDR)

The Loan to Deposit Ratio (LDR) measures BRI Bank ability to channel funds collected from third parties into loans, thus reflecting the bank's level of efficiency and liquidity in managing customer funds. Based on the financial report data of BRI Bank from 2020 to 2024, the results of the Loan to Deposit Ratio (LDR) calculation can be seen in Table 3.

Table 3. Calculation of Loan to Deposit Ratio (LDR) of BRI Bank (in Millions of Rupiah)

Years	Total Credit	total of 3 rd Party Funds	DR (%)
2020	876.977.455	1.087.424.950	80,65
2021	909.582.789	1.138.743.215	79,88
2022	1.003.566.099	1.307.884.013	76,73
2023	1.130.653.684	1.358.328.761	83,24
2024	1.221.415.200	1.365.450.104	89,45

Source: Processed data, 2025

Based on Table 5.2 above, during the 2020–2024 period, BRI Bank Loan to Deposit Ratio (LDR) fluctuated, reflecting the dynamics of its credit distribution strategy. In 2020, the LDR was at 80.65%, reflecting healthy liquidity. This ratio declined successively in 2021 (79.88%) and 2022 (76.73%), indicating increased prudence in credit distribution despite increased third-party funds. However, in 2023 and 2024, the LDR rose significantly to 83.24% and 89.45%, respectively, indicating aggressive credit expansion. While still within reasonable limits, this sharp increase needs to

be balanced with sound risk management to prevent potential liquidity pressures.

c. Cash Ratio

The Cash Ratio measures BRI Bank ability to meet its short-term obligations using its cash and cash equivalents. This ratio indicates how much cash and cash equivalents are available to immediately cover current liabilities without having to rely on other current assets. Based on the financial report data from BRI Bank for 2020 to 2024, the Cash Ratio calculation results can be seen in Table 4.

Table 4. Cash Ratio Calculation for BRI Bank (in Millions of Rupiah)

Years	Cash and cash equivalents	Current Liabilities	CR (%)
2020	171.790.168	1.243.938.390	13,81
2021	268.192.168	1.202.055.688	22,31
2022	268.192.168	1.111.421.920	24,13
2023	218.677.734	1.186.773.306	18,43
2024	205.328.380	1.244.938.390	16,49

Source: Processed data, 2025

Based on the table above, during the 2020–2024 period, BRI Bank Cash Ratio fluctuated with relatively low values, reflecting suboptimal cash liquidity. In 2020, the ratio was recorded at 13.81%, increasing to 22.31% in 2021 and 24.13% in 2022, indicating a temporary improvement in cash availability. However, the ratio declined again in 2023 to 18.43% and again to 16.49% in 2024. This situation indicates that cash and cash equivalents are only able to cover a small portion of current liabilities, necessitating more efficient cash management to maintain operational smoothness and the ability to pay short-term obligations.

operational activities using debt funding sources. This ratio measurement is carried out through the Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER).

a. Debt to Asset Ratio (DAR)

The Debt-to-Asset Ratio (DAR) indicates the proportion of a company's assets financed by debt, thus illustrating the extent of debt use in the company's capital structure. This ratio is measured by comparing total debt to total assets, thus providing an indication of the extent of financial risk a company, including Bank faces in conducting its business activities. Based on the financial report data from BRI Bank for 2020 to 2024, the Debt-to-Asset Ratio (DAR) calculation results can be seen in Table 5.

Solvency Ratio Analysis of BRI Bank

The solvency ratio is used to measure the extent to which BRI Bank finances its

Table 5. Debt-to-Asset Ratio (DAR) Calculation of BRI Bank (in Millions of Rupiah)

Years	Total Liabilities	Total Assets	DAR (%)
2020	1.347.101.486	1.610.065.344	83,67
2021	1.386.310.930	1.678.097.734	82,61
2022	1.562.243.693	1.865.639.010	83,74
2023	1.648.534.888	1.965.007.030	83,89
2024	1.669.794.400	1.992.983.447	83,78

Source: Processed data, 2025

Based on table 5.4, it can be seen that, during the 2020–2024 period, the Debt to Asset Ratio (DAR) of BRI Bank consistently remained in the high range, namely between 82% and 84%, indicating that the majority of the company's assets were financed through debt. In 2020, the DAR was recorded at 83.67% and fell to 82.61% in 2021, before rising again to 83.74% in 2022, 83.89% in 2023, and slightly down to 83.78% in 2024. The stability of this ratio reflects a consistent leverage strategy to support operations and expansion, but also indicates the need for careful debt risk management to maintain a healthy financial structure and the bank's ability to maintain its competitiveness.

b. Debt to Equity Ratio (DER)

The Debt-to-Equity Ratio (DER) is a financial ratio used to measure the extent to

which BRI Bank funding comes from debt compared to its equity. This ratio reflects the level of leverage or the use of borrowed funds in the bank's capital structure. A higher DER means that BRI Bank uses more debt to finance its operations and investments, which also indicates greater financial risk. Conversely, a low DER indicates a greater dependence on equity, resulting in lower financial risk. This ratio is important for assessing the financial health and ability of BRI Bank to meet its debt obligations and is a consideration for investors and creditors in making decisions. This ratio is measured by comparing the bank's total debt to its total equity or equity held within a certain period. Based on the financial report data from BRI Bank for 2020 to 2024, the Debt-to-Equity Ratio (DER) calculation results can be seen in Table 6.

Table 6. Debt-to-Equity Ratio (DER) Calculation for BRI Bank (in Millions of Rupiah)

Tahun	Total Kewajiban	Total Ekuitas	DER (Kali)
2020	1.347.101.486	229.466.882	5,87
2021	1.386.310.930	291.786.804	4,75
2022	1.562.243.693	303.395.317	5,15
2023	1.648.534.888	316.472.142	5,21
2024	1.669.794.400	323.189.047	5,17

Source: Processed data, 2025

Table 6. shows that, during the 2020–2024 period, BRI Bank Debt to Equity Ratio (DER) showed a tendency towards high leverage, ranging from 4.75 to 5.87 times. 2020 recorded the highest DER at 5.87 times, indicating a predominance of debt financing. Although the ratio decreased in 2021 to 4.75 times as equity increased, it rose again in subsequent years and stabilized at around 5.17 times in 2024. This indicates that BRI Bank consistently relies on external funding in its capital structure, which, while supporting expansion and growth, still

requires careful risk management to maintain financial sustainability and stability.

Profitability Ratio Analysis of BRI Bank

The profitability ratio is a ratio used to assess the ability of BRI Bank to generate profits from its business activities. This ratio can be calculated using the Net Interest Margin (NIM) and Return on Assets (ROA).

a. Return on Assets (ROA)

Return on Assets (ROA) is a financial ratio used to measure how effectively BRI Bank

generates profits from its assets. This ratio indicates the bank's ability to manage its assets to generate profits. Therefore, the higher the ROA, the more efficient the bank is in utilizing its assets. ROA is an important indicator for management, investors, and creditors in assessing the bank's overall operational performance. This ratio is

calculated by comparing net profit to total assets for the 2020-2024 period, thus providing an indication of the extent to which the bank's assets can generate profits. Based on the financial report data from BRI Bank for 2020 to 2024, the calculation results for Return on Assets (ROA) can be seen in Table 7.

Table 7. Calculation of Return on Assets (ROA) of BRI Bank (in Millions of Rupiah)

Years	Net Profit After Tax	Total Assets	ROA (%)
2020	18.660.393	1.610.065.344	1,16
2021	30.755.766	1.678.097.734	1,83
2022	51.408.207	1.865.639.010	2,76
2023	60.425.048	1.965.007.030	3,08
2024	60.643.808	1.992.983.447	3,04

Source: Processed data, 2025

Table 7 shows that from 2020–2024, BRI Bank recorded an increasing trend in Return on Assets (ROA), from 1.16% in 2020 to a peak of 3.08% in 2023, before declining slightly to 3.04% in 2024. This increase reflects greater efficiency in utilizing total assets to generate net income, along with a significant increase in annual profit. Despite a slight decline in the last year, overall ROA remains stable and high, indicating that BRI is able to optimally manage its assets to support profitability and competitiveness in the banking industry.

b. Net Interest Margin (NIM)

Net Interest Margin (NIM) is a financial ratio used to measure the effectiveness of BRI Bank in generating net income from lending activities and investments in interest-bearing

assets. The Net Interest Margin (NIM) shows the difference between the interest income earned by a bank from loans and investments and the interest expense paid to depositors or creditors, compared to the total interest-earning assets. This ratio is important for assessing a bank's operational performance in managing its primary revenue sources and demonstrating its ability to generate profit margins from lending and interest-bearing investment activities. The higher the NIM, the better the bank's performance in generating profits from its earning assets. The NIM is calculated by comparing net interest income to earning assets for the 2020-2024 period. Based on the financial report data from BRI Bank for 2020 to 2024, the Net Interest Margin (NIM) calculation results can be seen in Table 8.

Table 8. Net Interest Margin (NIM) Calculation for BRI Bank (in Millions of Rupiah)

Years	Net Interest Income	Productive Assets	NIM (%)
2020	128.910.617	1.426.001.875	9,04
2021	141.164.784	1.484.057.418	9,51
2022	141.756.773	1.721.975.530	8,23
2023	168.270.921	1.804.977.905	9,32
2024	185.272.091	1.847.755.387	10,03

Source: Processed data, 2025

Table 8 shows that, from 2020–2024, BRI Bank demonstrated a positive trend in its Net Interest Margin (NIM), reflecting the bank's ability to generate net interest income from earning assets. NIM increased from 9.04% in

2020 to a peak of 10.03% in 2024, although it declined to 8.23% in 2022 due to faster growth in earning assets than interest income. The renewed increase in NIM after 2022 demonstrates improved efficiency and

an effective interest management strategy. Overall, BRI Bank has successfully maintained a healthy interest profit margin, reflecting strong financial intermediation performance.

DISCUSSION

Based on an analysis of BRI Bank financial statements from 2020 to 2024, the company's financial performance was found to be relatively stable but not yet fully optimal, as analysed through liquidity, solvency, and profitability ratios.

Regarding liquidity ratios, the Current Ratio indicator indicates that BRI Bank financial performance from 2020 to 2024 was not yet optimal. Throughout the period, this ratio remained below expected standards, reflecting that the company's current assets were unable to fully cover short-term liabilities. A brief increase occurred in 2022, indicating improved liquidity, but this was short-lived, as the ratio declined again in subsequent years. This underscores the need for the company to continue improving the efficiency of its current asset management to strengthen its ability to meet short-term liabilities.

The Loan to Deposit Ratio (LDR) indicator also showed significant dynamics during this period. This ratio declined at the beginning of the period, reflecting the company's cautious approach to credit distribution, reaching its lowest point in 2022. It then increased until 2024, indicating a more aggressive credit expansion strategy. However, this strategy needs to be balanced with strict risk management to avoid putting pressure on the company's liquidity.

Meanwhile, the Cash Ratio also experienced significant fluctuations. Starting from a suboptimal level at the beginning of the period, the ratio increased until it peaked in 2022, indicating efforts to strengthen the company's cash position. However, this situation was short-lived, as the ratio declined again in subsequent years. This indicates that cash management still requires serious attention to maintain liquidity and

ensure the company's ability to meet its short-term obligations in a timely manner.

According to Kasmir^[10], the Current Ratio is a ratio used to measure a company's ability to meet short-term obligations using its current assets. Ideally, this ratio should be above one to reflect healthy liquidity. On the other hand, the ideal Loan to Deposit Ratio (LDR) is between eighty-five percent and one hundred and ten percent.^[10] If the LDR exceeds one hundred and ten percent, it indicates that the bank is overly aggressive in disbursing credit, exceeding its fundraising capacity, thus posing a liquidity risk, as the bank could struggle to meet its short-term obligations if funds are suddenly withdrawn. Meanwhile, for the Cash Ratio, the ideal ratio is between four and six percent.^[10] A value below four percent is considered too low and indicates insufficient cash to meet short-term obligations, potentially jeopardizing the bank's liquidity. Conversely, if it is too high, it indicates that cash is not being utilized optimally.

Based on the solvency ratio, as measured by the Debt to Asset Ratio (DAR), the financial performance of BRI Bank indicates that the bank is heavily dependent on external funding or debt to finance its operational activities and expansion. From 2020 to 2024, the DAR remained consistently high, reflecting that a significant portion of the bank's assets were financed through liabilities. Despite minor fluctuations, this trend reflects a high level of leverage. This indicates that debt financing strategies were intensively utilized to expand business scale, while the bank maintained a stable capital structure by avoiding drastic increases in debt usage that could jeopardize its overall financial health.

Furthermore, the Debt-to-Equity Ratio (DER) shows that the bank has maintained a high level of leverage in its financing structure over the past five years. This indicates that each unit of equity is supported by several times the amount of debt, indicating a heavy reliance on borrowed funds. The decline in the DER in 2021 suggests the bank's efforts to strengthen its

equity position. Overall, the high DER reflects BRI Bank strategy of maximizing growth potential through debt financing. However, this strategy still needs to be balanced with strong risk management to ensure the bank's ability to meet its financial obligations sustainably and maintain the trust of investors and creditors.

Based on Kasmir's criteria ^[10], solvency ratios, measured by the Debt-to-Asset Ratio (DAR) and Debt-to-Equity Ratio (DER), can be classified as unfavourable if their values exceed the specified limits, namely more than seventy-five percent for the DAR and more than two times for the DER. At BRI Bank, the Debt-to-Equity Ratio (DAR) from 2020 to 2024 was in the range of over eighty percent, meaning the majority of the bank's assets were financed by debt, reflecting a high level of leverage and categorized as unfavourable.^[10] Meanwhile, BRI Bank Debt-to-Equity Ratio (DER) ranged from nearly five to six times, also considered unfavourable because it indicates a high dependence on external funding, with every rupiah of equity supported by approximately five rupiah of debt. Nevertheless, BRI was able to maintain a consistent capital structure without drastic increases and demonstrated efforts to strengthen its equity position, as evidenced by the decrease in DER in 2021, reflecting continued attention to risk management within its debt-driven growth strategy.

Regarding profitability ratios, specifically Return on Assets (ROA), BRI Bank financial performance showed a positive trend from 2020 to 2024. ROA reflects the bank's ability to generate net income from its total assets. During this period, there has been a consistent increase, reflecting the increasingly efficient use of assets to generate profits. This increase can be attributed to the optimization of productive asset management, effective operational cost control, and improved credit quality, which has reduced the risk of loan losses. However, a slight decline occurred in 2024, likely influenced by external conditions such as macroeconomic pressures, interest rate

fluctuations, or increased funding costs that impact asset profitability. Nevertheless, ROA generally remains indicative of a healthy financial position and reflects the bank's ability to utilize assets to generate consistent profits.

Furthermore, the Net Interest Margin (NIM), which is an indicator of a bank's effectiveness in generating net income from the difference between interest income and interest expenses, data shows fluctuations during the 2020–2024 period. NIM generally increased from the beginning to the end of the period, although it experienced a temporary decline in 2022. This fluctuation reflects dynamics in the bank's asset and liability management strategy, including adjustments to interest rates on loans and third-party funds, as well as the influence of market competition on applicable interest rates. The increase in NIM in recent years demonstrates the bank's success in more optimally managing its interest margin, for example by increasing interest income from loans while maintaining a manageable funding cost. The decline in 2022 was likely driven by market pressures that lowered lending rates or increased funding costs. However, the subsequent recovery suggests a successful strategic adjustment to restore profitability. Overall, the increase in NIM indicates that the bank was able to strengthen net interest income, a key component of the bank's revenue structure.

An ROA above two percent indicates excellent financial performance and efficient asset utilization in generating profits.^[10] Meanwhile, the Net Interest Margin (NIM) also showed a general increase from the beginning to the end of the period, although it fluctuated in 2022. An NIM above ten percent demonstrates a bank's excellent ability to manage its interest margin.^[10] Therefore, the increase in ROA and NIM during this period reflects BRI Bank success in consistently improving its profitability and operational efficiency.

Based on the description of Bank liquidity, solvency, and profitability ratios for the 2020–2024 period, it can be concluded that

the company's financial performance is stable but not yet fully optimal. Liquidity ratios show fluctuations in the Loan to Deposit Ratio (LDR) and Cash Ratio, with the LDR experiencing changes but remaining within the ideal standard limits, while a relatively high Cash Ratio indicates potential inefficiencies in cash utilization. In terms of solvency, the Debt-to-Asset Ratio (DAR) and Debt-to-Equity Ratio (DER) reflect a high dependence on external financing, with the majority of assets financed by debt, and the DER indicates a high level of leverage. However, the bank remains able to maintain a stable capital structure. Meanwhile, profitability ratios such as Return on Assets (ROA) and Net Interest Margin (NIM) show a positive trend, with ROA increasing and remaining above the two percent threshold.^[10] This indicates efficiency in asset management and control of interest income and interest expenses. Overall, BRI Bank has successfully maintained good profitability and prudently managed liquidity and solvency risks. Although improvements in liquidity management and a reduction in reliance on debt are still needed to optimize and sustain financial performance.

Financial performance reflects a company's achievements, demonstrating its soundness and business continuity.^[8] The findings at BRI, which exhibited a capital structure with a high level of leverage while maintaining capital stability and managing risks effectively, indicate that the company is able to maintain financial health amid external challenges, particularly related to solvency. Puspitasari et al. emphasized that financial performance is a key indicator of a company's ability to generate profits and maintain competitiveness in the market. BRI Bank increasing and stable profitability data, with positive ROA and NIM, confirms the bank's ability to utilize assets efficiently and implement an effective interest income management strategy.^[11]

The results of this study align with those of Hirawan et al. ^[5] and Zulkipli et al. ^[12], which showed that BRI Bank financial performance during the study period experienced

improvements in profitability aspects, such as Net Profit Margin (NPM) and continued net profit growth. Although the company's liquidity and solvency are healthy and stable, profitability has not yet fully reached the expected optimal standard. This indicates that while the company is able to maintain overall financial health, there is still room for improvement in efficiency and resource management.

CONCLUSION

Based on the analysis and discussion of the financial performance of BRI Bank from 2020 to 2024, it can be concluded that the financial performance of BRI Bank during the period 2020 to 2024 shows a stable condition with continuously increasing profitability, reflecting efficiency in asset management and interest income. Although solvency is considered ideal in terms of capital structure, the company remains highly dependent on external financing. On the other hand, liquidity is not optimal because the current ratio is below standard, although cash is maintained. Thus, the company needs to strengthen liquidity management and reduce reliance on debt to improve overall financial performance.

Research Limitations

Based on the researcher's direct experience in this research process, several limitations were encountered and could serve as factors that future researchers should consider to further refine their research. This study certainly has shortcomings that need to be addressed in future research. These limitations include:

- a. This study uses only secondary data in the form of quantitative financial reports, thus failing to consider qualitative factors such as internal management policies, macroeconomic conditions, or other external factors that can also influence a company's financial performance.
- b. The analysis in this study focuses solely on one company, BRI Bank, without making comparisons with other banks in

the national banking industry. This limits the generalizability of the findings and the evaluation of the company's relative competitive position.

- c. The study only covers the period 2020–2024, thus failing to capture long-term trends and the ongoing effects of the company's financial strategy, particularly those related to the impact of medium- to long-term policies on liquidity management, leverage, and profitability.

Declaration by Authors

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