

Financial Ratio Analysis, in Measuring Financial Performance (Case Study on PT. Bank Central Asia Tbk.)

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Abstract: *This study aims to analyze the financial performance of PT Bank Central Asia Tbk (BCA) listed on the Indonesia Stock Exchange during the period 2022–2024 using an analysis of liquidity, solvency, and profitability ratios. Data was collected through documentation methods and analyzed descriptively using financial ratios and banking ratios approaches. The results of the study show that in general, BCA's financial condition is in a healthy state. From the liquidity aspect, the loan to deposit ratio (LDR) shows a stable increase, indicating the bank's ability to distribute funds optimally. In terms of solvency, although the debt to asset ratio (DAR) and debt to equity ratio (DER) decreased, the capital adequacy ratio (CAR) increased, reflecting a stronger capital structure. In terms of profitability, return on equity (ROE) showed an increase, the non-performing loan (NPL) ratio remained stable below 2%, and the operating expense to operating income (BOPO) ratio decreased. These findings reflect good efficiency and financial performance during the period analyzed. This research shows that BCA is able to maintain financial stability and improve performance even in the midst of changing economic dynamics.*

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Introduction

The economic progress of a country is greatly influenced by economic activity in that country. All activities are the driving force of economic activities which play a very important role. One example of Indonesia's development development is in the banking sector. As we know, almost all sectors related to various financial activities always need the services of banks. To assess the good or bad health of a bank, it can be seen from the bank's financial performance (Sepang et al., 2021).

The function of financial performance is as a tool for management in the decision-making and policy process and to be able to show investors, consumers and the public in general that the company has good credibility. To be able to read, understand, and understand the meaning of financial statements, it is necessary to first analyze with various commonly used analytical tools. One of the commonly used ways to analyze a company's performance is to conduct a financial ratio analysis. Through financial ratios, the company's performance assessment can be known to then be used as a basis for making financial decisions (Galang Tanjung, 2021).

One of the banking financial institutions that is developing today is Bank Central Asia (BCA). PT Bank Central Asia (BCA) was established on February 21, 1957 with the initial name Bank Central Asia NV. This bank is one of the largest and most stable private banks in Indonesia and has gone through various national economic dynamics, including the 1998 monetary crisis. During the crisis, BCA was under the supervision of the National Banking Restructuring Agency (BPPN), but then managed to recover and grow rapidly after being acquired by the Djarum Group. In 2002, Djarum group through PT Dwimuria Investama Andalan acquired a majority stake in BCA and directed the bank towards strengthening management and service innovation. As of May 2025, the majority of BCA's shares are owned by PT Dwimuria Investama Andalan (owned by the Djarum Group), while the rest are owned by the public through the Indonesia Stock Exchange (IDX), where BCA is listed under the stock code BBCA. BCA has a long history (established in 1957) and has been able to survive and grow through various economic crises, including the 1998 crisis.

Bank Central Asia (BCA) is the best bank in Indonesia due to its consistency in recording strong financial performance, solid risk management, and continuous innovation in the field of digital services. BCA was able to post a net profit that continued to increase year over year, reflecting efficiency and effective management strategies. In addition, BCA is known as a pioneer in digital banking transformation through the development of platforms such as BCA mobile, myBCA, KlikBCA, and blu by BCA Digital that facilitate transactions and improve customer convenience. This reputation is strengthened by 24-hour customer service through Halo BCA and a reliable security system, making BCA a stable, trusted, and highly sought after bank by the public.

PT Bank Central Asia Tbk's (BCA) performance throughout 2023 showed very solid achievements, with consistent growth in various financial aspects. BCA managed to record a net profit of IDR 48.6 trillion, an increase of 19.4% compared to the previous year. This growth was supported by an increase in net interest income which reached IDR 55.9 trillion or an increase of 21.3% on an annual basis. In addition, non-interest income also increased by 9.7% to Rp18.3 trillion, mainly from increased fees and commissions. Overall, the bank's total operating income reached IDR 74.2 trillion. In terms of asset quality, BCA shows good credit risk management. This is reflected in the non-performing loan (NPL) ratio which decreased to 1.8%, as well as the loan at risk ratio which improved to 9.5%. The bank also maintains a very strong liquidity level with a Liquidity Coverage Ratio (LCR) of 386.1%, well above the regulator's minimum requirements.

In terms of credit disbursement, BCA recorded a growth of 13.8% year-on-year to Rp922 trillion, while Third Party Funds (DPK) also increased to Rp1,039 trillion with a composition of low-cost funds (CASA) of 81.2%. BCA continues to accelerate digital transformation, as reflected in the increase in digital transaction volume to 6.9 billion transactions, most of which came from mobile and internet banking channels. Overall, BCA showed a very positive performance in 2023, with growth balanced between profitability,

asset quality, and digital innovation. This information is sourced from BCA's official report and the Indonesia Stock Exchange (IDX) website (bca.co.id and idx.co.id).

According to Kasmir (2019), Ratio is a measurement used to analyze the financial statements of a company, both banking and non-bank companies. By using an analysis tool in the form of financial ratios. Financial statement analysis can be done using various financial ratios, including liquidity ratio, solvency ratio, and profitability ratio. Liquidity ratios, such as current ratios and cash ratios, are used to measure a bank's ability to meet its short-term obligations. Solvency ratios, such as debt to equity ratio and debt to asset ratio, provide an overview of a bank's capital structure and ability to meet long-term obligations. Meanwhile, profitability ratios, such as Return On Assets (ROA) and Return On Equity (ROE) to measure the ability of banks to generate profits from their assets and equity (Anwar et al., 2020).

According to Damayanti, (2023) The level of liquidity, solvency, and profitability ratios in companies or banks will be able to be known what the real situation is so that the financial performance of both companies and banks can be measured. The financial performance of a bank is part of the overall performance of the bank. The overall performance of the bank is an overview of the achievements that the bank has achieved in its operations.

According to Fanalisa & Juwita, (2022) Financial performance can be shown in an analysis that is carried out to see the extent to which a company has implemented using the rules of financial implementation properly and correctly. To be able to assess the good and bad financial performance of a company, stakeholders need to know the financial condition shown in the company's financial statements for several periods that it reports. A company's financial statements can be used to see and know the company's development. The financial statements that have been made by the company need to be analyzed, so as to provide more detailed information regarding the financial performance that has been achieved by the company and in the end can be used as an evaluation material for the effectiveness of the company's activities to manage all existing assets by looking at the company's ability to earn profits.

This research conducted pre-research at the company PT. Bank Cetral Asia Tbk is listed on the Indonesia Stock Exchange (IDX). PT. Bank Cetral Asia Tbk is one of the first banking financial institutions to become a public company. As a bank that has gone public since 2000, BCA has a high commitment to transparency and accountability in financial management. The company is known for its advanced banking technology system and innovative digital services to meet customer needs. BCA also has a solid reputation in the Indonesian banking industry with a consistent track record of financial performance. BCA's existence as one of the leading banks makes its position as a public company providing wider access to the financial information required for research analysis.

PT. Bank Cetral Asia Tbk has grown to become the first largest national bank in terms of assets. As shown in table 1

Table 1 Data Laba Bersih PT. Bank Central Asia Tbk (BCA) Period 2022-2024

Year	Net Profit (Rp)
2022	40.735.722.000.000
2023	48.639.122.000.000



2024	54.836.305.000.000
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Source: <http://BCA.co.id>

Based on the available financial data, the net profit of PT. Bank Central Asia Tbk (BCA) experienced a significant increase from IDR 40.74 trillion in 2022 to IDR 48.64 trillion in 2023, and again increased to IDR 54.84 trillion in 2024. This increase indicates effective financial management, but it is not yet known exactly how the ratio of liquidity, solvency, and profitability contributes to the achievement of financial performance.

According to Kasmir (2019), the liquidity ratio or often also referred to as the working capital ratio is the ability of a company to meet its short-term obligations in a timely manner. Liquidity ratio measures a bank's ability to meet its short-term obligations that must be paid immediately, such as withdrawals by customers or short-term debt payments. This ratio is important to ensure that banks do not experience liquidity difficulties that can disrupt daily operations. The solvency ratio is a ratio used to measure a company's ability to pay its long-term obligations if the company is dissolved or in other words how much of the company's assets are financed by debt.

A healthy capital structure is essential to ensure that the bank can survive in the long term as well as deal with the financial risks that may arise. The profitability ratio is a ratio that describes a company's ability to generate profits or in other words, this ratio measures how effective a company's management is in generating profits. High operational efficiency, as reflected in the low ratio of operating costs to operating income (BOPO), contributed positively to the bank's profitability.

According to Ramang et al. (2019), financial performance is the determination of certain measures that can measure the success of an organization or company in generating profits. This statement emphasizes that the evaluation of financial performance is not only based on the achievement of financial figures, but also on the company's compliance with applicable accounting principles and standards. Thus, financial performance reflects the level of accountability and transparency applied in the company's financial management. This is very important to ensure that the financial information presented can be trusted and used as a basis for decision-making by various parties, both internal and external.

Large assets and high revenue are two aspects of a company's overall success, commonly referred to as financial performance. Every banking company is required to prepare financial statements and statements for a certain company for a certain period of time to check its financial performance. The reported elements will then be checked to determine the company's health. The level of health of banking companies is an important factor that must be maintained by all banks, both the poor performance of a bank will affect customer trust in the bank (Permana et al., 2022)

This research aims to measure financial performance over a period of time. In addition, this research was conducted to provide information about the company's strengths and weaknesses, because management understands these weaknesses and can improve them. Then by knowing the strength that the company has, it can maintain or even increase the strength that is needed as a better capital for the company's future sustainability. Given its strengths and weaknesses, the effectiveness of leadership has been demonstrated so far.

Based on Table 1.1, it shows, for 2022-2024 PT. Bank Central Asia Tbk (BCA) experienced an increase in net profit. This increase indicates effective financial management,



but it is not yet known exactly how the ratio of liquidity, solvency, and profitability contributes to the achievement of financial performance.

Table 2 Total Assets,Debt,Equity,IncomeandNet Profit

PT Bank Central Asia Tbk (BCA) for 2022–2024 (in billions of rupiah)

Year	Total Assets	%	Total Debt	%	Total Equity	%	Revenue	%	Net Profit	%
2022	1.314.732		1.180.000		134.732		72.459		40.736	
2023	1.408.107	+7,10%	1.260.000	+6,78%	148.107	+9,91%	87.722	+7,64%	48.639	+19,43%
2024	1.449.301	+2,93%	1.295.000	+2,78%	154.301	+4,19%	95.051	+6,80%	54.836	+12,74%

Source: Financial Statements of PT. Bank Cetral Asia Tbk

In the financial statements from PT Bank Central Asia Tbk (BCA), the number of company assets has increased from 2022-2024. According to Hauston, (2019), the more the company's assets increase, the more the company's ability to pay off debts will increase. Equity growth is quite significant in 2023 (+9.91%) and still strong in 2024 (+4.19%), reflecting the strengthening of the capital structure. Revenue and net profit show an upward trend, but the rate of profit growth will start to slow down in 2024 (+12.74%), possibly due to operating expenses or other factors. Assets and liabilities grew steadily, indicating consistent business expansion. The table above shows the year-over-year growth rate of each indicator. In 2023, growth looks very good, especially in equities and net income, which shows profitability and capital strength have increased significantly. Then in 2024, growth is still positive but is starting to slow down, especially in net profit. This can be due to increased costs, market competition, or other external factors.

The phenomenon behind this research proposal is the significant growth in net profit in PT Bank Central Asia Tbk (BCA) during the period 2022 to 2024, which reflects the success of the company's financial management strategy. BCA's net profit increased from IDR 40.7 trillion in 2022 to IDR 48.6 trillion in 2023, and again to IDR 54.8 trillion in 2024. In addition, the company's assets, revenue, and equity also experienced a steady increase. While these achievements demonstrate strong financial performance in general, there is no clarity on the contribution of each aspect of financial ratios, such as liquidity, solvency, and profitability, to the growth.

In other words, an increase in net profit is not enough to describe a comprehensive and sustainable financial condition in the absence of an in-depth ratio analysis. Therefore, further research is needed to assess the extent to which these three main ratios affect BCA's financial performance, in order to provide a more accurate and objective picture of its financial condition and support data-driven managerial decision-making.



Based on the description above, it is very important to measure financial performance to determine the level of health of the company, therefore the author is interested in conducting research on financial ratios. This research is entitled "Analysis of Liquidity, Solvency, and Profitability Ratios in Measuring the Financial Performance of PT Bank Central Asia Tbk (BCA)".

Research Methods

This research was conducted at PT. Bank Cetral Asia Tbk is listed on the Indonesia Stock Exchange (IDX). The object of this study is the financial statements of PT. Bank Cetral Asia Tbk for the period of 2022-2024. The financial statements in question are the financial position statement and the income statement.

The type of data in this study uses quantitative data which is a type of data that can be measured or calculated directly as a variable number or number. The quantitative data in question is the financial statements of PT. The data used in this study is secondary data, which is sourced from www.idx.co.id. Secondary data is data that comes from parties or institutions that have used or published it. The data collection technique used in this study is a documentation technique, which is a data collection technique by looking at documents to obtain data about the research object. The documents in question are in the form of a financial position statement and an income statement issued by PT. Bank Cetral Asia Tbk for the period 2022 to 2024.

The analysis method used in this study is descriptive analysis, which is to provide an explanation of financial statements to measure the financial performance of PT. Bank Cetral Asia Tbk using Financial Ratios and Bank Ratios. namely, Liquidity Ratio: Loan to Deposit Ratio, Solvency Ratio: 1) Debt to Asset Ratio, 2) Debt to Equity Ratio, 3) Capital Adequacy Ratio - CAR (Capital Adequacy Ratio), Profitability Ratio: 1) Non-Performing Loan Gross, 2) Return on Equity, 3) BOPO (Operating Costs).

Result and Discussion

Research Results

Financial Performance Measurement Using Liquidity Ratio

The liquidity ratio in the banking world is used to measure a bank's ability to meet its short-term obligations (especially to customers) using available current assets. Healthy liquidity ensures that banks are able to meet the demand for withdrawals at any time without experiencing financial pressure.

The liquidity ratio used is the LDR (Loan to Deposit Ratio) ratio which is used to measure the liquidity level of a bank, by comparing the total loans disbursed (loans) with the total third-party funds collected (deposits, current accounts, and savings).

Loan to Deposit Ratio (Rasio LDR)

The results of the LDR ratio calculation of PT. Bank Central Asia Tbk can be seen in the following table:

Table 3 LDR Ratio Calculation Results

PT. Bank Central Asia Tbk (in millions of rupiah)

Year	Total Credits Awarded	Total Third-Party Funds	Percentage	Bank Standards
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2022	IDR 660,989,004	IDR 1,028,039,456	64,29%	80%
2023	IDR 758,887,839	IDR 1,088,127,570	69,74%	80%
2024	IDR 868,686,210	IDR 1,117,378,034	77,74%	80%

Source: Annual Report of PT. Bank Central Asia Tbk (data processed), 2022-2024

Based on the table above, it shows that the LDR ratio of PT. Bank Central Asia Tbk over the past three years has shown an upward trend during the period 2022 to 2024, from 64.29% in 2022 to 69.74% in 2023, and up again to 77.74% in 2024. This ratio describes the extent to which third-party funds (DPK) collected by banks are channeled in the form of credit.

Financial Performance Measurement Using Solvency Ratio

The solvency ratio is a ratio used to measure the extent to which a company's assets are financed by debt. That is, how much of the forest burden the company bears compared to its assets. This ratio can be calculated using debt to asset ratio, debt to equity ratio, and capital adequacy ratio.

Debt to Asset Ratio (Rasio DAR)

The results of the calculation of the DAR ratio of PT. Bank Central Asia Tbk can be seen in the following table:

Table 4 DAR Ratio Calculation Results
PT. Bank Central Asia Tbk (in millions of rupiah)

Year	Total Debt	Total Assets	Percentage	Bank Standards
2022	IDR 1,087,109,644	IDR 1,314,731,674	82,68%	80%
2023	IDR 1,157,675,545	IDR 1.408.107.010	82,21%	80%
2024	IDR 1,177,403,108	IDR 1,449,301,328	81,23%	80%

Source: Annual Report of PT. Bank Central Asia Tbk (data processed), 2022-2024

Based on the table above, it shows that the DAR ratio of PT. Bank Central Asia Tbk over the past three years has shown a downward trend from 2022 to 2024, although it remains above the ideal standard of 80%. In 2022, the DAR ratio was recorded at 82.68%, then decreased to 82.21% in 2023, and again dropped to 81.23% in 2024.

Debt to Equity Ratio (DER Racing)

The results of the calculation of the DER ratio of PT. Bank Central Asia Tbk can be seen in the following table:



Table 5 DER Ratio Calculation Results

PT. Bank Central Asia Tbk (in millions of rupiah)

Year	Total Debt	Total Equity	Percentage	Bank Standards
2022	IDR 1,087,109,644	IDR 221,181,655	491,5%	400%
2023	IDR 1,157,675,545	IDR 242,537,593	477,31%	400%
2024	IDR 1,177,403,108	IDR 262,835,087	447,96%	400%

Source: Annual Report of PT. Bank Central Asia Tbk (data processed), 2022-2024

Based on the table above, it shows that the DER ratio of PT. Bank Central Asia Tbk over the past three years has shown a fairly high value during the period 2022 to 2024, although it has gradually decreased every year. In 2022, DER was recorded at 491.50%, then decreased to 477.31% in 2023, and again dropped to 447.96% in 2024. The DER ratio measures the extent to which a company's total debt is compared to its own equity or capital, in other words, how much the company finances its operations with debt versus capital from owners.

Capitas Adequacy Ratio (Rasio CAR)

The results of the calculation of the CAR ratio of PT. Bank Central Asia Tbk can be seen in the following table:

Table 6 CAR Ratio Calculation Results

PT. Bank Central Asia Tbk (in millions of rupiah)

Year	Total Debt	Total Equity	Percentage	Bank Standards
2022	IDR 196,807,293,354	IDR 794,395,454,000	24,77%	12%
2023	IDR 217,694,866,013	IDR 769,200,928,000	28,30%	12%
2024	IDR 239,478,442,567	IDR 848,181,552,000	28,23%	12%

Source: Annual Report of PT. Bank Central Asia Tbk (data processed), 2022-2024

Based on the table above, it shows that the CAR ratio of PT. Bank Central Asia Tbk over the past three years has shown very strong and stable capital conditions during the period from 2022 to 2024. In 2022, the CAR ratio was recorded at 24.77%, then increased significantly to 28.30% in 2023, and decreased slightly but remained high to 28.23% in 2024.



CAR is an important indicator to measure a bank's ability to bear the risk of loss, especially those derived from credit risk, market risk, and operational risk.

Financial Performance Measurement Using Profitability Ratio

Profitability ratio is a ratio that is carried out to assess the level of a company's ability to make profits, both in terms of asset management and equity. This ratio also provides a measure of the level of management effectiveness of a company. The profitability ratio can be calculated using return on equity, non-performing loans, and operating expenses (BOPO).

Return on Equity (Rasio ROE)

The ROE (Return on Equity) ratio is a ratio used to measure net profit after tax with its own capital. This ratio shows the efficiency of the use of capital itself.

The results of the calculation of the ROE ratio of PT. Bank Central Asia Tbk can be seen in the following table:

Table 7 ROE Ratio Calculation Results
PT. Bank Central Asia Tbk (in millions of rupiah)

Year	Net Profit After Tax	Total Equity	Percentage	Bank Standards
2022	IDR 40,755,572	IDR 221,181,655	18,42%	12%
2023	IDR 48,658,095	IDR 242,537,593	20,06%	12%
2024	IDR 54,851,274	IDR 262,835,087	20,86%	12%

Source: Annual Report of PT. Bank Central Asia Tbk (data processed), 2022-2024

Based on the table above, it shows that the ROE ratio of PT. Bank Central Asia Tbk over the past three years has shown a consistent increase from 2022 to 2024. In 2022, the ROE was recorded at 18.42%, then rose to 20.06% in 2023, and increased again to 20.86% in 2024.

Non-Performing Loan Gross (Rasio NPL Gross)

The results of the calculation of the Gross NPL ratio of PT. Bank Central Asia Tbk can be seen in the following table:

Table 8 Gross NPL Ratio Calculation Results
PT. Bank Central Asia Tbk (in millions of rupiah)

Year	Total Non-Performing Loans	Total Credits Awarded	Percentage	Bank Standards
2022	IDR 11,798,348	IDR 660,989,004	1,78%	≤ 5%



2023	IDR 14,198,335	IDR 758,887,839	1,87%	≤ 5%
2024	IDR 15,578,063	IDR 868,686,210	1,79%	≤ 5%

Source: Annual Report of PT. Bank Central Asia Tbk (data processed), 2022-2024

Based on the table above, it shows that the Gross NPL ratio of PT. Bank Central Asia Tbk over the past three years has shown excellent and stable asset quality conditions. In 2022, the Gross NPL ratio was recorded at 1.78%, slightly increasing to 1.87% in 2023, then declining again to 1.79% in 2024.

BOPO Ratio (Operating Costs)

The results of the calculation of the BOPO ratio of PT. Bank Central Asia Tbk can be seen in the following table:

Table 9 BOPO Ratio Calculation Results

PT. Bank Central Asia Tbk (in millions of rupiah)

Year	Total Operations	Operating Income	Percentage	Bank Standards
2022	IDR 32,482,665	IDR 72,241,191	44,96%	> 80%
2023	IDR 37,502,567	IDR 87,397,774	42,91%	> 80%
2024	IDR 38,054,238	IDR 94,796,454	40,14%	> 80%

Source: Annual Report of PT. Bank Central Asia Tbk (data processed), 2022-2024

Based on the table above, it shows that the ratio of BOPO PT. Bank Central Asia Tbk over the past three years has shown a positive downward trend and reflects excellent operational efficiency. In 2022, the BOPO ratio was recorded at 44.96%, then decreased to 42.91% in 2023, and decreased again to 40.14% in 2024. This decline shows that the bank's operating costs are getting more efficient in generating revenue, which means that resource management and cost control are done very well by management.

Table 10 Summary of Financial Ratio Calculation Results

PT. Bank Central Asia Tbk

Remarks	2022	2023	2024	Industry Standards
Race Residue				
<i>Loan to Deposit Ratio</i>	64,29%	69,74%	77,74%	80%
Solvency Ratio				
<i>DebttoAsset Ratio</i>	82,68%	82,21%	81,23%	80%
<i>DebttoEquity Ratio</i>	491,50%	477,31%	447,96%	400%



Capital Adequacy Ratio	24,77%	28,30%	28,23%	12%
Profitability Ratio				
Retrun on Equity	18,42%	20,06%	20,86%	12%
Non-Performing Loan Gross	1,78%	1,87%	1,79%	≤ 5%
BOPO	44,96%	42,91%	40,14%	> 80%

Source: Annual Report of PT. Bank Central Asia Tbk (data processed), 2022-2024

Based on Table 10, the financial performance of PT. Bank Central Asia Tbk (BCA) during 2022 to 2024 showed a relatively healthy and stable financial condition. In terms of liquidity ratio, the Loan to Deposit Ratio (LDR) shows an upward trend from 64.29% in 2022 to 77.74% in 2024. Although still slightly below the industry standard of 80%, this increase reflects that BCA is increasingly optimistic in channelling third-party funds (DPK) to the credit sector, which shows an improvement in the effectiveness of the bank's intermediation function.

In solvency ratios, the Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER) are both above industry standards of 80% and 400%, respectively. DAR decreased from 82.68% to 81.23% and DER decreased from 491.50% to 447.96%, indicating management's efforts to improve financial structure by reducing dependence on debt. Meanwhile, the Capital Adequacy Ratio (CAR) is far above the minimum standard of 12% set by the OJK, which is 24.77% in 2022 and increases to 28.30% in 2023, before dropping slightly to 28.23% in 2024. This shows that BCA has very strong capital to bear credit, market, and operational risks.

In terms of profitability, the Return on Equity (ROE) increased from 18.42% to 20.86%, far exceeding the industry standard of 12%, which shows that BCA has managed to maximize its own capital to generate profits. Gross Non-Performing Loans (NPLs) remain at a very low and stable level, which is below 2%, well below the maximum limit of 5% set by the OJK, indicating excellent credit quality and effective risk management. In addition, the ratio of BOPO (operating costs to operating income) also shows high efficiency, is in the range of 40% and well below the efficiency threshold of 80%.

Overall, BCA's financial ratios over the past three years have shown excellent performance. Although some ratios such as DAR and DER are still above industry standards, the downward trend shows a progressive improvement. BCA's success in keeping its CAR, ROE, NPL, and BOPO ratios within ideal limits reflects effective financial management, operational efficiency, and capital strength that support long-term business sustainability.

Discussion of the Financial Performance of PT. Bank Central Asia Tbk Reviewed from Liquidity Ratio

PT Bank Central Asia Tbk (BCA) financial performance based on the Loan to Deposit Ratio (LDR) ratio shows a positive upward trend, from 64.29% in 2022 to 77.74% in 2024. Although the ratio is still slightly below the ideal standard of the national banking industry of 80% (Kasmir, 2018; PBI No. 15/15/PBI/2013), this upward trend reflects BCA's improved intermediation function in distributing third-party funds efficiently and productively, without sacrificing liquidity stability.

Viewed from the perspective of Agency Theory (Jensen & Meckling, 1976), this achievement reflects the performance of management as a prudent and responsible agent in



managing the funds of shareholders (principals), while maintaining a balance between credit expansion and liquidity risk. Meanwhile, according to Stakeholder Theory (Freeman, 1984), the increase in controlled LDR shows BCA's commitment to meeting the expectations of stakeholders, especially customers and regulators, through healthy and sustainable liquidity management.

Furthermore, these results are strengthened by the findings of Permana et al. (2022) and Damayanti et al. (2023) who stated that LDRs close to the ideal range are important indicators in assessing the effectiveness of the bank's intermediation function and financial health. On the contrary, the results of this study are contrary to the findings of Nurriyah et al. (2022) who stated that low LDR indicates a lack of optimal distribution of funds. In this context, BCA has shown a continuous improvement in performance through a conservative strategy combined with measured credit growth.

Loan to Deposit Ratio (Rasio LDR)

The Loan to Deposit Ratio (LDR) is an indicator used to measure a bank's liquidity, which is how effectively the third-party funds collected are channeled into credit. Based on financial theory according to Kasmir (2018), the ideal LDR ratio is in the range of 80%–90%. An LDR that is too high indicates a potential liquidity risk, while an LDR that is too low indicates that credit disbursement is not optimal. Bank Indonesia Regulation No. 15/15/PBI/2013 also stipulates that banks are obliged to maintain a healthy LDR ratio in order to remain able to fulfill their obligations to customers. In the research of Damayanti et al. (2023), LDR is used as the main indicator in assessing the health of bank liquidity and is said to be healthy if it is close to the ideal range.

During the period 2022 to 2024, PT Bank Central Asia Tbk's LDR value shows a significant upward trend, from 64.29% in 2022 to 77.74% in 2024. This increase reflects that BCA is gradually increasing the disbursement of loans from the third-party funds raised, as well as demonstrating an increase in the efficiency of the financial intermediation function. The continued increase in LDR value also indicates that BCA is increasingly aggressive in disbursing loans, as part of its financing expansion strategy. However, despite the increase every year, BCA's LDR value during this period was still slightly below the ideal standard of the national banking industry of 80%, as mentioned by Kasmir (2014) and referring to Bank Indonesia Regulation No. 15/15/PBI/2013 concerning Minimum Mandatory Current Accounts. This shows that BCA still applies a relatively conservative approach in disbursing credit, while maintaining high liquidity reserves.

From the point of view of financial performance, this condition reflects management's prudence in maintaining a balance between liquidity and credit expansion. Adequate liquidity reserves strengthen banks' resilience to the potential for sudden withdrawals or market turmoil. On the other hand, this shows that there is still room for BCA to further optimize fund productivity through maximum credit disbursement. Thus, BCA is in a solid financial position, with prudent management of third-party funds, maintaining financial stability without neglecting future growth opportunities.

The Financial Performance of PT. Bank Central Asia Tbk Reviewed from the Solvency Ratio

PT Bank Central Asia Tbk's (BCA) financial performance from the solvency aspect shows stable conditions and tends to improve during the 2022–2024 period. This is reflected in the decrease in the Debt to Asset Ratio (DAR) from 82.68% to 81.23%, and the Debt to Equity Ratio (DER) from 491.50% to 447.96%. Although both are still slightly above the



ideal standard, the downward trend shows that BCA is starting to reduce its reliance on debt-based funding and strengthen its capital structure. Meanwhile, the Capital Adequacy Ratio (CAR) ratio is far above the OJK's minimum requirement of 12%, which is in the range of 24.77% to 28.30%, which reflects the bank's ability to absorb potential loss risks and maintain capital resilience in a sustainable manner.

Theoretically, this achievement can be explained through Agency Theory (Jensen & Meckling, 1976), in which management as an agent is responsible for running operations efficiently for the benefit of shareholders (principals). The decline in DER indicates management's steps to reduce financial risks and improve the health of the capital structure. In addition, the high CAR reflects the company's commitment to maintaining long-term stability.

From the perspective of Stakeholder Theory (Freeman, 1984), the improved solvency ratio illustrates BCA's responsibility to protect the interests of various parties, such as customers, creditors, regulators, and investors. A healthy capital structure and high capital adequacy ensure that stakeholder confidence is maintained, especially in the face of volatile economic conditions.

This finding is in line with research by Damayanti et al. (2023) which states that a strong and stable solvency ratio is an indicator of a healthy capital structure, and is supported by Wicahya (2022) who states that good solvency is a reflection of positive and sustainable financial performance in the banking sector.

Debt to Asset Ratio (Rasio DAR)

The Debt to Asset Ratio (DAR) measures the proportion of a company's total assets financed by debt. The higher the value of this ratio, the greater the company's dependence on external funding (debt) rather than its own capital. According to Kasmir (2014), the ideal value of DAR is below 80%, because the lower this ratio, the better the company's capital structure. A high DAR ratio can increase financial risk, especially if it is not balanced with proper risk management, especially in unstable economic conditions.

In research by Permana et al. (2022), it was stated that companies with a DAR above 80% can still be categorized as healthy if they have good debt repayment capabilities and are efficient in asset management.

Based on data from PT Bank Central Asia Tbk (BCA) for the period 2022 to 2024, it can be seen that the company's financial structure still shows a fairly high dependence on debt. The DAR value was recorded at 82.68% in 2022, decreased to 82.21% in 2023, and again fell to 81.23% in 2024. Although the figure is still slightly above the ideal standard of the national banking industry, the downward trend reflects management's efforts to improve the company's funding structure and reduce reliance on liabilities.

From a financial performance perspective, the high DAR describes a large level of leverage, where most of the company's assets are financed by debt. This can pose potential liquidity and solvency risks, especially when there is an increase in interest rates or economic pressures. Nevertheless, the consistent downward trend of DAR suggests that management has begun to balance the capital structure, both through new debt restrictions and through increased retained earnings.

Overall, BCA's financial condition remains healthy and under control. Although the DAR ratio is still relatively high, the downward direction is a positive indicator of strengthening the capital position and improving the financial structure. This reflects

management's commitment to maintaining long-term stability and strengthening BCA's image as a bank that not only excels in terms of operations and profitability, but also has a solid and sustainable financial structure.

Debt to Equity Ratio (Rasio DER)

Debt to Equity Ratio (DER) is a ratio used to measure the extent to which a company uses debt compared to its own capital to finance its operational activities. According to Kasmir (2014), the ideal value of DER is in the maximum range of 400%. Higher ratios reflect a high level of leverage and can increase financial risk if not managed properly. However, in the context of the banking industry, high DER is often still considered reasonable, given that banks generally rely on third-party funds as part of their intermediation function. Research by Asri Wicahya (2022) also shows that companies with high DER can still be categorized as healthy as long as they are supported by stable profitability performance and good risk management.

Based on data from PT Bank Central Asia Tbk (BCA) for the period 2022 to 2024, it can be seen that BCA's capital structure is still highly dependent on debt. The DER ratio was recorded at 491.50% in 2022, decreased to 477.31% in 2023, and again dropped to 447.96% in 2024. These values are still above the ideal standard of 400%, but the consistent downward trend reflects a real effort on the part of management to strengthen the company's capital structure, both through increased equity and reduced reliance on long-term liabilities.

The value of the DER that exceeds the ideal threshold indicates that the proportion of debt in BCA's capital structure is quite dominant, which can be a signal of the company's high leverage. This high level of leverage has the potential to increase financial risk, especially in the event of economic stress, market turmoil, or rising interest rates. Nevertheless, the downward trend of DER for three consecutive years is a positive indicator that management is actively directing financial policy towards a healthier and more sustainable capital structure.

From the point of view of financial performance, the decline in DER indicates an increase in the balance between the use of debt and equity in financing. Although BCA's DER is still relatively high, this condition can be tolerated as long as asset quality is maintained and other financial ratios such as Capital Adequacy Ratio (CAR) and Non-Performing Loans (NPL) show healthy performance—two aspects that BCA has managed to maintain well.

Overall, BCA's financial condition remains stable and healthy. The gradual decline in the DER ratio reflects management's commitment to maintaining a balance between debt and equity, as well as strengthening investor confidence in the company's financial policies. This shows that BCA is in a solid position to support sustainable growth and maintain business stability amid growing economic dynamics.

Capital Adequacy Ratio (Rasio CAR)

Capital Adequacy Ratio (CAR) is a ratio used to measure the adequacy of a bank's capital in bearing the risk of loss, whether derived from credit, market, and operational risks. According to the provisions of the Financial Services Authority (OJK), the ideal CAR value is at least 12%. This ratio is an important indicator in assessing the bank's ability to maintain operational stability amid various potential risks. Research by Permana et al. (2022) also confirms that a high CAR value indicates a strong capital structure, as well as the bank's ability to support business growth and protection against external risks.

Based on data from PT Bank Central Asia Tbk (BCA) for the period 2022 to 2024, the bank's capital condition was recorded to be very strong and stable, even far exceeding the



minimum standards set by the OJK. The CAR ratio is at 24.77% in 2022, increasing to 28.30% in 2023, and decreasing slightly to 28.23% in 2024. Despite the slight decline, the value is still at a very high level and shows excellent capital stability.

The value of the CAR which is far above the OJK's minimum standard of 12% indicates that BCA has a very healthy capital structure and is able to absorb potential losses without disrupting its business operations. Despite a slight decline in 2024, BCA's management is still able to maintain consistent capital adequacy amid asset growth and credit expansion. This high ratio also reflects investors, regulators, and the public's confidence in financial resilience and corporate governance.

In the context of financial performance, this conservative capital structure provides BCA with flexibility in dealing with economic pressures and market volatility. This reflects the application of prudential principles and effective risk management by BCA's management. Overall, this condition confirms that BCA is in a very solid financial position, with a capital structure that not only supports optimal operations, but also strengthens BCA's reputation as one of the strongest and most trusted banks in Indonesia.

The Financial Performance of PT. Bank Central Asia Tbk Reviewed from the Profitability Ratio

PT Bank Central Asia Tbk's (BCA) financial performance in terms of profitability showed very positive results during the 2022–2024 period. The increase in Return on Equity (ROE) from 18.42% to 20.86% reflects the efficiency of capital use in generating profits. The decrease in the BOPO ratio from 44.96% to 40.14% indicates an increase in operational efficiency, while the stable Gross Non-Performing Loan (NPL) ratio below 2% indicates good credit quality and effective risk management.

According to Agency Theory (Jensen & Meckling, 1976), this achievement indicates the success of management (agents) in managing the company efficiently and responsibly for the benefit of shareholders (principals). The increase in ROE and the decrease in BOPO reflect optimal resource management and increased company value.

From the perspective of Stakeholder Theory (Freeman, 1984), high profitability and controlled credit risk indicate a company's commitment to all stakeholders, such as customers, investors, regulators, and the public. Stable performance strengthens public confidence and supports long-term business sustainability.

These results are in line with the research of Nurriyah et al. (2022) and Permana et al. (2022) which affirm that profitability and efficiency are the main indicators in assessing the healthy financial performance of banks.

Return on Equity (Rasio ROE)

Return On Equity measures the efficiency of using equity in generating profits. The higher the ROE, the better the company's performance in maximizing returns for shareholders. Kasmir (2014) sets a minimum ROE standard of 12% for the banking sector as an indicator of healthy profitability. In the study of Damayanti et al. (2023), ROE values are used as key indicators to assess profitability performance, and high ROE indicates efficient capital management.

Return on equity of PT Bank Central Asia Tbk (BCA) for the period 2022 to 2024, it can be concluded that BCA's financial performance shows high profitability and excellent

capital management efficiency. The ROE ratio has increased from 18.42% in 2022, increased to 20.06% in 2023, and increased again to 20.86% in 2024. This upward trend reflects that BCA is increasingly able to optimize the use of equity to generate net profit, which means that banks carry out their business activities productively and profitably.

In terms of financial performance, the overall ROE value that is consistently well above the industry minimum standard of 12% indicates that BCA is not only able to maintain operational stability, but also excels in providing added value to shareholders. This reflects the high efficiency in self-management of funds, as well as the success of business strategies in creating sustainable profit growth.

Overall, BCA's condition is very strong, both in terms of profitability, efficiency, and financial stability. The continuous increase in ROE performance is an indicator that BCA is able to manage equity carefully, maintain investor confidence, and have an effective growth strategy amid the dynamics of the banking industry. This strengthens BCA's position as a solid, competitive bank, and able to maintain superior performance in a sustainable manner.

Non-Performing Loan Gross (NPL Gross)

Non-Performing Loans (NPLs) show the percentage of non-performing loans of the total credit provided by the bank. According to the provisions of the Financial Services Authority (POJK No. 15/POJK.03/2017) and the Bank Indonesia Circular Letter (SE BI No. 13/30/DPNP), the ideal value of the NPL ratio is less than 5%. This ratio is an important indicator in assessing how well a bank manages its credit risk. Low NPLs reflect good credit portfolio quality as well as minimal risk of default. Research by Nurriyah et al. (2022) also confirms that NPLs are the main indicator in assessing the effectiveness of banks' intermediation and risk management functions.

Based on data on Non-Performing Loan Gross of PT Bank Central Asia Tbk (BCA) for the period 2022 to 2024, the bank's financial condition and asset quality show an excellent and stable level of health. The Gross NPL ratio was recorded at 1.78% in 2022, slightly increased to 1.87% in 2023, then decreased again to 1.79% in 2024. Despite slight fluctuations, the value of the Gross NPL ratio for the three years remains far below the maximum limit set by the Financial Services Authority (OJK), which is 5%. This indicates that BCA is able to maintain the quality of its credit portfolio well, as well as demonstrate the effectiveness of the credit risk management implemented.

This low level of non-performing loans reflects BCA's prudence in disbursing loans, selectivity in granting credit, and the ability of debtors to meet their payment obligations. With a consistent Gross NPL ratio below 2%, it can be concluded that BCA has a healthy intermediation performance and a very low credit risk potential. It also shows that BCA's lending policy is based on the principles of prudence and strong risk analysis.

Overall, BCA's condition can be said to be very healthy, not only in terms of profitability and capital, but also in terms of asset quality and risk management. The low gross NPL ratio supports efficient intermediation performance, strengthens operational stability, and affirms BCA's position as one of the most trusted and stable banks in Indonesia.

BOPO Ratio (Operating Costs)

The BOPO (Operating Costs to Operating Income) ratio is an important indicator used to measure the level of operational efficiency of a bank. The lower the value of this ratio, the more efficient the bank's performance in generating revenue from its operational activities. According to the national banking industry standards, the ideal BOPO ratio is below 80%.

Kasmir (2014) stated that the high BOPO ratio indicates that the bank's operating costs are close to or even exceeding the revenue earned, which can indicate unhealthy financial conditions. Research by Permana et al. (2022) also confirms that BOPO is a key indicator of efficiency that has a direct effect on bank profitability.

Based on PT Bank Central Asia Tbk's (BCA) BOPO ratio data from 2022 to 2024, it can be seen that the bank's operational efficiency is at a very good level and shows a positive trend. In 2022, BCA's BOPO ratio was recorded at 44.96%, then decreased to 42.91% in 2023, and again dropped to 40.14% in 2024. This gradual decline reflects that BCA is becoming more efficient in managing operational costs to generate revenue, which demonstrates the effectiveness of its consistently implemented management strategies and cost control policies. The BOPO value, which is consistently well below the national banking industry standard (80%), shows that BCA has a very high level of operational efficiency. This low ratio also reflects BCA's ability to optimize revenue—both from interest and non-interest sources—without burdening operations at high costs. This efficiency directly contributes to increasing profit margins and strengthening banks' competitiveness amid fierce competition in the banking industry.

Overall, BCA showed excellent performance in terms of operational efficiency. The bank's management is able to maintain a lean cost structure even as the company continues to grow and innovate. This not only supports sustainable profitability, but also strengthens BCA's position as a bank that excels in resource management, business process efficiency, and long-term growth sustainability.

Conclusion and Recommendation

Based on the results of the financial ratio analysis which includes liquidity, solvency, and profitability ratios, it can be concluded that PT Bank Central Asia Tbk (BCA) financial performance during the 2022–2024 period is in a healthy and stable condition. In general, BCA is able to maintain positive financial performance growth despite the changing economic dynamics. This is reflected in the consistent trend of increasing net profit, assets, and operational efficiency from year to year.

Judging from the liquidity ratio, the Loan to Deposit Ratio (LDR) shows an increasing trend from 2022 to 2024. Although the LDR value is still slightly below the industry standard of 80%, this condition shows that BCA is able to channel third-party funds more optimally without neglecting the prudential principle. Thus, the bank's intermediation function is running well and the liquidity level is maintained within safe limits.

In terms of solvency ratio, the Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER) are still above industry standards, but show a consistent downward trend. This indicates an improvement in capital structure and a reduction in dependence on debt. Meanwhile, the Capital Adequacy Ratio (CAR) is well above the OJK's minimum requirements, reflecting BCA's strong capital ability to withstand various financial risks and support long-term business sustainability.

Furthermore, in terms of profitability ratio, BCA's performance showed excellent results. Return on Equity (ROE) has increased and is well above industry standards, which signifies the effectiveness of capital use in generating profits. The Gross Non-Performing Loan (NPL) ratio remained below the maximum limit set by the regulator, indicating that credit quality was well maintained. In addition, the declining BOPO ratio reflects increasingly

optimal operational efficiency. Overall, the results of this study prove that PT Bank Central Asia Tbk has a strong, efficient, and sustainable financial performance.

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