Analysis of Liquidity, Solvency, and Profitability Ratios Can Assessthe Financial Health of PT. Bank Central Asia,Tbk Jakarta

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ABSTRACT

KEYWORDS

Capital Adequacy Ratio;
Financial Performance;
Liquidity Ratio;
Profitability Ratio;
Solvency Ratio.

This research examines the application of liquidity, solvency, and profitability ratios in assessing the financial health of PT Bank Central Asia Tbk Jakarta during the period 2020-2024. The purpose of this research is to obtain in-depth information regarding liquidity, solvency, and profitability ratios in measuring financial performance, as well as to generate insights from processed data on the extent to which these ratios can be used to evaluate the financial condition of the bank. This study employed a descriptive method by analyzing financial statement data to determine the level of financial performance, thereby providing a clear picture of the company's financial condition. The data analyzed are quantitative in nature, obtained through library research and indirect observation via the official website. The results show that the five-year average Quick Ratio was 31.23%, indicating strong liquidity but less efficiency due to excess liquid assets. The funding structure was relatively sound with an average Loan to Deposit Ratio (LDR) of 66.83% and Loan-to-Assets ratio of 52.61%. In terms of profitability, ROA 3.08% and NIM 5.32% demonstrated good performance, while ROE 17.91% remained below the benchmark. Operational efficiency was reflected in BOPO 44.34%, and solvency was very strong with a CAR of 27.21%. Overall, BCA's performance during the period can be categorized as good, though liquidity management is needed to optimize the utilization of current assets into more productive activities.

INTRODUCTION

Based on Law No. 40 of 2007, the definition of a Limited Liability Company (PT) is a legal entity that is a capital partnership, established based on an agreement, conducts business activities with authorized capital that is entirely divided into shares, and meets the requirements set forth in this law and its implementing regulations (Kraakman & Armour, 2017). To establish a PT, it must be done by using an official deed (deed made by a notary) in which the other names of the limited liability company, capital, business field, company address, and others are included (Triantari & Purwadi, 2019). This deed must be ratified by the Minister of Law and Human Rights of the Republic of Indonesia. Based on their characteristics, the types of companies are divided into three, namely service, trade, and manufacturing companies (Listiyani, Said, & Khalid, 2023).

A Limited Liability Company is a legal entity, and the amount of company capital is registered in the articles of association (Lukashov, 2019). The wealth of the company is separate from the personal wealth of the owner, who owns the property himself. Anyone can own more than one share that is proof of ownership of the company. Shareholders have their responsibilities limited to the shares owned (Birkmose, 2017). If the company's debt exceeds

the company's wealth, then the excess debt is not the responsibility of the shareholders. If the company benefits from profits, it is distributed according to the stipulated conditions (Krajcirova, Vanova, & Orszaghova, 2016). Shareholders will receive a profit called a dividend depending on the amount of the limited liability company's profits. In addition to coming from stocks, PT capital can also come from bonds (Purwanti, 2020). The advantage obtained by bondholders is that they get a fixed interest rate regardless of the limited liability company's profit or loss (Beer & Gnan, 2015).

Competition in the business world in the current era of globalization is very rapid, especially in financial institutions including banks (Nosova, 2017). According to Kasmir (2021:12), a financial institution is any company engaged in the financial sector where its activities are either only to raise funds, or only to distribute funds or both to collect and distribute funds (Kidwell, Blackwell, Whidbee, & Sias, 2016). Every company is required to be able to more optimally manage the important functions in the company effectively and efficiently so that the company can be superior in the competition faced (Simons, 2019).

Banks are business entities that collect funds from the public in the form of deposits and distribute them to the public in the form of credit or other forms in order to improve the standard of living of many people (Law Number 10 of 1998 Amendment to Law Number 7 of 1992 concerning banking). According to Kasmir (2021:12), a bank is a financial institution whose main activity is to collect funds from the community and redistribute these funds to the community and provide other bank services (Seudib & Amadu, 2020).

Based on data in Indonesian Banking Statistics (SPI) until March 2025, the number of bank offices was recorded at 23,734 units. The development of banking in Indonesia requires supervision of the performance of the bank itself (Indonesia, 2020). As a central bank that has control over the banks to know how the financial situation and business activities of each bank are, Bank Indonesia has a banking policy that is issued and must be implemented by other banks (Yustianti & Roesli, 2018). Basically, the policies issued by Bank Indonesia aim to create and maintain the health of banks individually and banking systematically (Nasution, 2023).

Of the many banks in Indonesia, both state-owned and private banks, PT Bank Central Asia, Tbk, commonly known as bank BCA, is one of the banks with the third largest asset management in Indonesia (Xu, Xia, Qiu, Choi, & Park, 2024). By the end of 2024, BCA's total assets reached IDR 1,449.3 trillion. Based on the financial statements of PT Bank Central Asia Tbk from 2020 to 2024, the company's profit experienced a fluctuating level of financial performance with the following data: [Text to continue with specific data.

Table 1. Net profit report

Current Year Net Profit Report (in millions of rupiah)			
Running Year	Company Profit	Increase or decrease in profit	Percentage
2020	IDR27,147,109	IDR 1,422,865	5.24%
2021	IDR 31,440,159	IDR4,293,050	13.65%
2022	IDR40,755,572	IDR 9,315,413	22.86%
2023	IDR48,658,095	IDR7,902,523	16.24%
2024	IDR 54,851,274	IDR 6,193,179	11.29%

Source : Processed, 2025

In a company, financial statements are one of the important things. According to (Hanafi, 2013:27), financial statements are considered important because they provide financial information and also the management performance of the company. In addition, financial statements are said to be important because they provide input that can be used in decision-making. Financial statements provide benefits to various parties because each party has its own interests and objectives for the financial statements provided by the bank. This information will affect the expectations of interested parties (investors, funders, the management of the company itself) and in turn will affect the value of the company.

The performance of a company's financial statements is generally analyzed using financial ratios. Financial ratio analysis aims to determine the level of liquidity, solvency, and profitability/profitability of the company. According to Kasmir (2021:310), this Liquidity Ratio aims to measure the liquidity of a bank. Based on this definition, it can be understood that this ratio refers to the company's ability to meet its short-term obligations (which are due up to one year). According to Kasmir (2021:311), the Solvency Ratio aims to measure the efficiency of banks in carrying out their activities. This ratio shows the company's ability to meet its long-term obligations. According to Kasmir (2021:311), the Profitability Ratio aims to measure the effectiveness of banks in achieving their goals. This shows the relationship between sales and company investment. Financial performance aspects including liquidity, solvency, and profitability can affect the bank's health level score.

The definition of bank health according to Bank Indonesia is in accordance with the Law of the Republic of Indonesia No. 7 of 1992 regarding banking Article 29: the bank is said to be healthy if the bank meets the bank's health provisions by paying attention to the aspects of capital, asset quality, management quality, profitability quality, liquidity, solvency, and other aspects related to the bank's business. Bank health is one of the important aspects in maintaining the stability of a country's financial system. Bank health assessments in Indonesia are regulated by the Financial Services Authority (OJK) through OJK Circular Letter Number 14/SEOJK.03/2017 using the Risk Based Bank Rating (RBBR) method. This method assesses the bank's health by taking into account the Risk Profile, Good Corporate Governance, Earnings, and Capital (RGEC) factors.

Since 2011, the supervision and regulation of banking in Indonesia has been transferred to the OJK, which then stipulated OJK Regulation No. 4/POJK.03/2016 as a conversion of PBI No. 13/1/PBI/2011. Through this regulation, banks are required to submit periodic health level reports to the OJK. In addition to the RBBR method, previous studies also used the CAMELS method, which assesses the health of banks through the aspects of Capital, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risk. However, recent research is more in line with the RGEC approach which is considered more comprehensive.

Nonetheless, to assess the financial health of a bank, financial ratios remain the main indicator used. Financial ratios that are often used in research include liquidity ratio, solvency ratio, and profitability ratio. The liquidity ratio reflects the bank's ability to meet short-term obligations, the solvency ratio indicates the bank's ability to meet its long-term obligations and capital adequacy, while the profitability ratio describes the bank's ability to generate profits.

In addition to these three ratios, there are also activity ratios and growth ratios that are commonly used in financial statement analysis. The activity ratio measures the effectiveness

of a company in using its assets, while the growth ratio describes the company's ability to improve performance over time. However, the two ratios were not discussed in this study because the focus of the research was directed towards liquidity, solvency, and profitability which are more relevant to assess the financial health of banks.

In order to run optimally, the bank needs public trust to operate. Trust is gained by maintaining the level of health in the bank itself. A healthy bank is a bank that can carry out its functions well; in other words, a healthy bank is a bank that can maintain and sustain public trust, can carry out an intermediation function, can help smooth payment traffic, and can be used by the government in implementing its various policies, especially monetary policy (Parmana, 2021:2).

The company must be selective in allocating available funds because, in general, the number of needs that must be met exceeds the amount available. Therefore, the management needs to try to obtain the necessary funds at minimal costs and favorable conditions. The main goal of the company is to increase the value of the company (Yuniningsih, Pertiwi, & Purwanto, 2019). This goal must be accompanied by the company's ability to generate profits (Alberti & Varon Garrido, 2017). Company profit is used as a tool to assess the company's performance or lack thereof. This affects the company's sustainability to move forward and cooperate with other (Barauskaite & Streimikiene, 2021). One of the factors that can show how good or bad the company's performance is by analyzing financial statements. Data on company profits is the main element in determining policies and proving the company's performance. Management has the advantage of making efforts that are able to improve the financial statements.

PT Bank Central Asia Tbk (BCA), as the largest private bank in Indonesia, has a significant role in the national economy, so the analysis of its financial health is important to assess the application of the prudential principle and maintain public trust. The research entitled "Analysis of Liquidity, Solvency and Profitability Ratios in Assessing the Financial Health of PT Bank Central Asia Tbk Jakarta" identifies the need to assess whether the ratios of liquidity, solvency, profitability, as well as activity and growth factors, can describe the financial health condition of the bank. The primary objective of this research is to determine the extent to which liquidity ratios (Current Ratio, Loan to Deposit Ratio, and Loan to Assets Ratio), solvency ratios (Capital Adequacy Ratio), and profitability ratios (Return on Assets, Return on Equity, Net Interest Margin, and Operating Expenses to Operating Income) can effectively assess and represent the financial health condition of the bank in accordance with the Risk-based Bank Rating (RBBR) framework established by the Financial Services Authority (OJK).

The focus of the research is limited to the main financial ratios of banks, namely the Current Ratio, LAR, LDR, CAR, NIM, ROA, ROE, and BOPO as the dominant indicators that affect performance and profit growth. The research formulation is directed to determine the extent to which the three main ratios can be used to assess BCA's financial health, with the aim of obtaining a comprehensive explanation of the influence of each ratio and the amount of its overall contribution. This research is useful for academics as theoretical development and reference for further studies, as well as for practitioners as a consideration in managerial decision-making and bank performance information to increase customer confidence.

The significance and benefits of this research are multifaceted. From an academic perspective, this study contributes to the body of knowledge in financial performance analysis

by providing empirical evidence on the application of the RGEC methodology in assessing bank health, serving as a theoretical reference for further studies in banking financial analysis, and offering a comprehensive framework for evaluating financial ratios in the context of Indonesian banking regulations. For practitioners, this research provides valuable insights for managerial decision-making by identifying areas of strength and potential improvement in financial management, offers transparent performance information that can enhance stakeholder confidence including investors, customers, and regulatory authorities, and serves as a benchmark for comparative analysis with other banking institutions.

RESEARCH METHODS

This study uses a case study method with a descriptive-verifiable approach to analyze the influence of liquidity, solvency, and profitability ratios on the financial health of PT Bank Central Asia Tbk (BCA). The descriptive approach is used to describe financial conditions based on the annual report, while the verifiable approach is used to test the influence of the three ratios on the level of bank health measured by the RGEC method in accordance with the provisions of the OJK. The research is quantitative because all data in the form of numbers are analyzed using statistics. The research population is all BCA's financial statements, while the sample is the 2020–2024 report. The subject of the study is PT BCA Tbk, while the research object includes liquidity ratio, solvency, profitability, and RGEC valuation. Operational variables are analyzed based on the indicators of each ratio. Data is obtained through literature studies and documentation, then processed using financial ratio analysis to assess the bank's performance systematically and objectively. The results of the ratio calculation are compared with OJK industry standards to determine the level of bank health, so this study can provide an analytical overview of BCA's financial position in the last five years.

Table 2. Operational Research Variables

Variable	Concept	Indicator	Formula	Scale
Liquidity (X1)	Measuring the bank's ability to meet short-term obligations	Current Ratio, LDR, LAR	CR = Current Assets / Current Liabilities; LDR = Third-Party Credits/Funds; LAR = Credits / Total Assets	Ratio
Solvability (X2)	Measuring the bank's ability to meet long-term obligations	Capital Adequacy Ratio (CAR)	CAR = Modal / ATMR × 100%	Ratio
Profitability (X3)	Measuring the bank's ability to generate profits	ROE, LONG, NIM, BOPO	ROE = Profit/Equity; ROA = Profit/Assets; NIM = Net Interest Income / Productive Assets; BOPO = Operating Expenses / Operating Income	Ratio
Financial Health (Y – RGEC)	Bank health assessment based on OJK provisions	Risk, Governance, Earnings, Capital	Average ratio based on OJK standards	Ratio

RESULTS AND DISCUSSION

Description of Research Data

Based on Appendix 1, data on bank financial ratios include liquidity, profitability, and solvency ratios, which are presented in Table 3.

Table 3. Financial Data (in millions of rupiah)

No	Account Name	Year				
		2020	**2021**	**2022**	**2023**	**2024**
1	*Current Assets*	1,023,227,762	1,177,219,079	1,259,167,396	1,337,373,238	1,378,632,665
2	*Current Liabilities*	875,246,978	1,011,884,477	1,078,439,444	1,146,965,928	1,166,216,790
3	*Total Loans*	560,757,929	603,747,486	676,420,877	776,330,914	888,379,453
4	*Total Deposit*	845,598,658	980,243,977	1,041,213,849	1,104,039,597	1,128,205,328
5	*Total Equity*	184,714,709	202,848,934	221,181,655	242,537,593	262,835,087
6	*Total Assets*	1,075,570,256	1,228,344,680	1,314,731,674	1,408,107,010	1,449,301,328
7	*Net Income*	27,147,109	31,440,159	40,755,572	48,658,095	54,851,274
8	*Equity Capital*	184,714,709	202,848,934	221,181,655	242,537,593	262,835,087
9	*Operating Income*	86,407,189	87,964,770	95,727,999	112,214,325	120,838,831
10	*Operating Expenses*	41,210,606	39,799,601	40,734,347	49,771,519	50,586,528
11	*Net interest income*	54,161,270	56,135,575	63,989,509	75,128,822	82,264,164
12	*Modal Bank*	174,351,119	188,505,072	204,705,741	226,426,139	249,056,422
13	*ATMR*	674,968,017	734,522,161	794,395,454	769,200,928	848,181,552

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

Processed Results

Race Residue

A.   *Current Ratio*

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

Table 4. Current Ratio *calculation results* (in millions of rupiah)

Year	*Current Assets*	*Current Liabilities*	Result
2020	1,023,227,762	875,246,978	116.91%
2021	1,177,219,079	1,011,884,477	116.34%
2022	1,259,167,396	1,078,439,444	116.76%
2023	1,337,373,238	1,146,965,928	116.60%
2024	1,378,632,665	1,166,216,790	118.21%

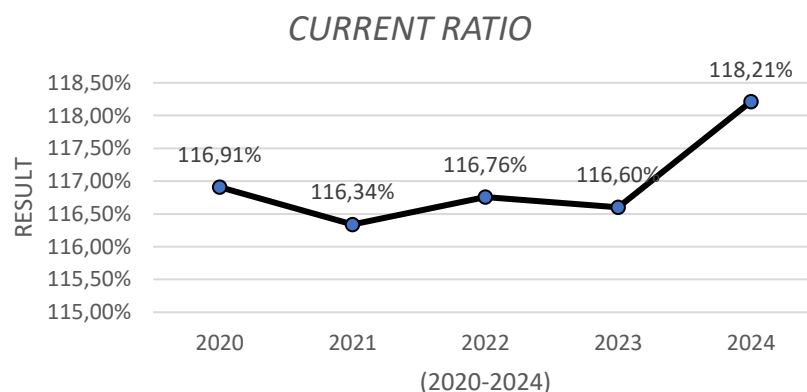Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

Figure 1. Current Ratio *calculation results*

Source: Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

B.   *Loan to Deposit Ratio*

Loan to Deposit Ratio $= \frac{\text{Total Kredit}}{\text{Dana pihak ketiga}}$ x 100%

Table 5. LDR calculation results (in millions of rupiah)

Year	Total Loans	Total Deposit	LDR
2020	560,757,929	845,598,658	66.31%
2021	603,747,486	980,243,977	61.59%
2022	676,420,877	1,041,213,849	64.96%
2023	776,330,914	1,104,039,597	70.32%
2024	888,379,453	1,128,205,328	78.74%

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

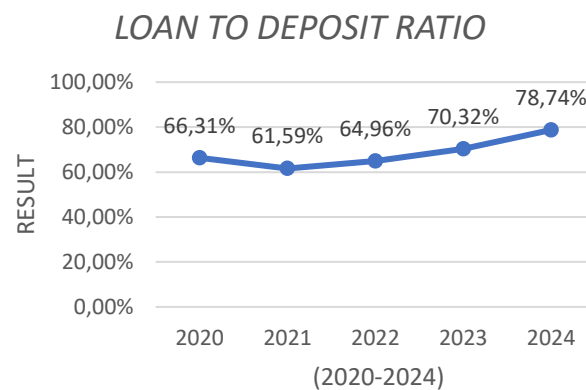**Figure 2. LDR calculation results**

Source: Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

C. *Loan to Assets Ratio*

     Loan to Assets Ratio $= \frac{\text{Total Loan}}{\text{Total Assets}}$ x 100%

Table 5. LAR calculation results (in millions of rupiah)

Year	TOTAL LOANS	TOTAL ASSETS	Result
2020	560,757,929	1,075,570,256	52.14%
2021	603,747,486	1,228,344,680	49.15%
2022	676,420,877	1,314,731,674	51.45%
2023	776,330,914	1,408,107,010	55.13%
2024	888,379,453	1,449,301,328	61.30%

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025
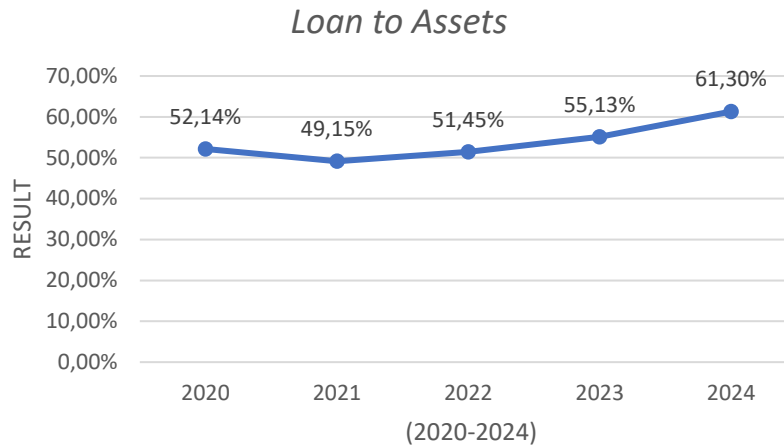
Figure 3. LAR calculation results

Source: Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

Table 6. Race Residue (in percentage results)

No	Ratio Name	Year					Average
		2020	**2021**	**2022**	**2023**	**2024**	
1	*Current Ratio*	116.91%	116.34%	116.76%	116.60%	118.21%	116.96%
2	*Loan to Deposit Ratio*	66.31%	61.59%	64.96%	70.32%	78.74%	68.39%
3	*Loan to Assets Ratio*	52.14%	49.15%	51.45%	55.13%	61.30%	53.83%

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

Profitability Ratio

A. *Return On Total Assets* (ROA)

Return On Total Assets $=$ $= 100\% \frac{Net\ Income}{Total\ Assets}$

Table 7. ROA Calculation Results (in millions of rupiah)

Year	*Net Income*	*Total Assets*	Result
2020	27,147,109	1,075,570,256	2.52%
2021	31,440,159	1,228,344,680	2.56%
2022	40,755,572	1,314,731,674	3.10%
2023	48,658,095	1,408,107,010	3.46%
2024	54,851,274	1,449,301,328	3.78%

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025
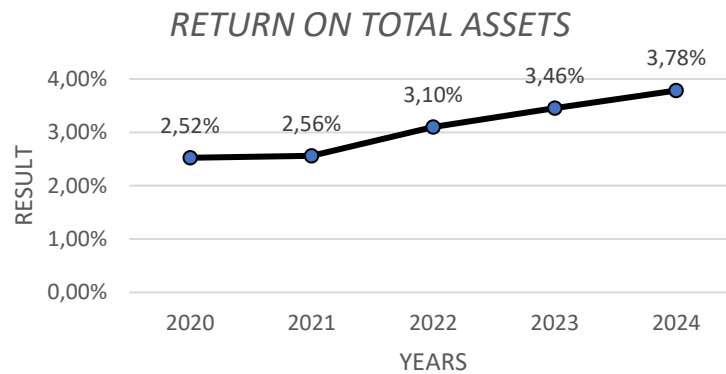
RETURN ON TOTAL ASSETS

Figure 4. ROA calculation results

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

B.   Return *on Equity*

Return on Equity = x 100% $\frac{Net\ incom}{Equity\ Capital}$

Table 8. Return on Equity Capital *Calculation Results* (in millions of rupiah)

Year	Net Income	Equity Capital	Result
2020	27,147,109	184,714,709	14.70%
2021	31,440,159	202,848,934	15.50%
2022	40,755,572	221,181,655	18.43%
2023	48,658,095	242,537,593	20.06%
2024	54,851,274	262,835,087	20.87%

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025
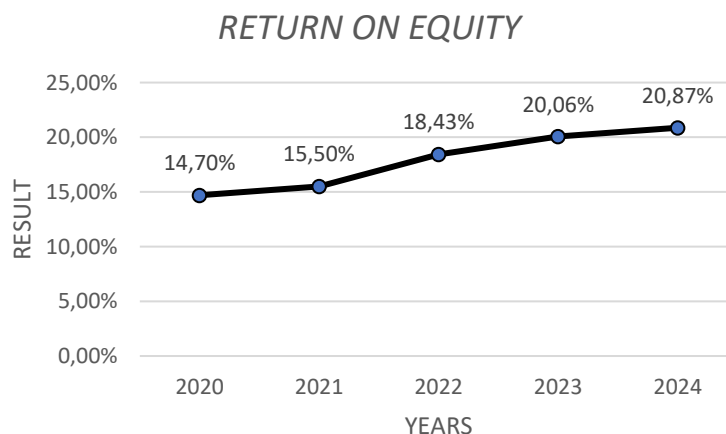
RETURN ON EQUITY

Figure 5. ROE calculation results

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

D. *Net Interest Margin* (NIM)

Net Interest Margin = x 100% $\frac{Net\ interest\ income}{Average\ productive\ assets}$

Table 9. NIM Calculation Results (in millions of rupiah)

Year	Net interest income	COUNT	BEFORE BI
2020	54,161,270	997,279,784	5.43%
2021	56,135,575	1,151,957,468	4.87%
2022	63,989,509	1,271,538,177	5.03%
2023	75,128,822	1,361,419,342	5.52%
2024	82,264,164	1,428,704,169	5.76%

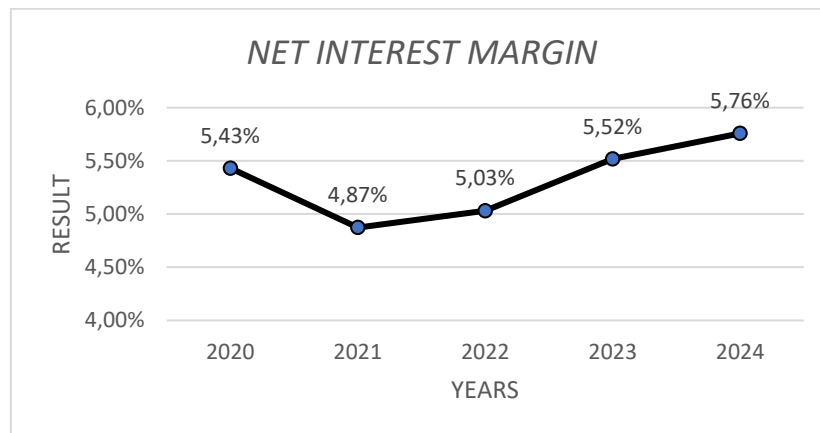Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

Figure 6. NIM calculation results

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

E. BOPO

$$BOPO = \frac{Operating\ Expenses}{Operating\ Income} \times 100\%$$

Table 10. BOPO Calculation Results (in millions of rupiah)

Year	Operating Expenses	Operating Income	Result
2020	41,210,606	86,407,189	47.69%
2021	39,799,601	87,964,770	45.24%
2022	40,734,347	95,727,999	42.55%
2023	49,771,519	112,214,325	44.35%
2024	50,586,528	120,838,831	41.86%

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025
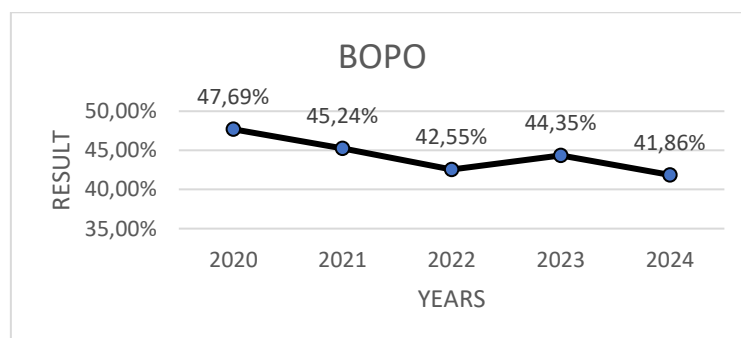

Figure 7. BOPO calculation results

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

Table 11. Profitability Ratio (in percentage results)

No	Ratio Name	Year					Average
		2020	2021	2022	2023	2024	
1	*LENGTH*						
	Net Income Total Assets	2.52%	2.56%	3.10%	3.46%	3.78%	3.08%
2	ROE	14.70%	15.50%	18.43%	20.06%	20.87%	17.91%
3	BEFORE	5.43%	4.87%	5.03%	5.52%	5.76%	5.32%
4	BOPO	47.69%	45.24%	42.55%	44.35%	41.86%	44.34%

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

Race Solvency

A.   *Capital Adequacy Ratio*

$$Capital\ Adequacy\ Ratio = \frac{Modal\ Bank}{ATMR} \times 100\%$$

Table 12. Capital Adequacy Ratio *Calculation Results* (in millions of rupiah)

Year	Modal Bank	ATMR	Result
2020	174,351,119	674,968,017	25.83%
2021	188,505,072	734,522,161	25.66%
2022	204,705,741	794,395,454	25.77%
2023	226,426,139	769,200,928	29.44%
2024	249,056,422	848,181,552	29.36%

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025
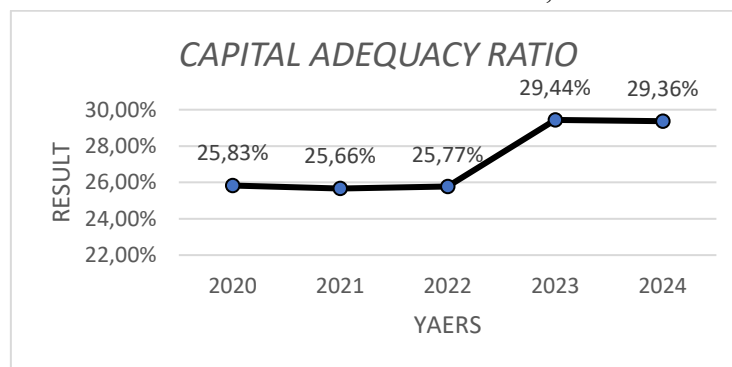

Figure 8. CAR calculation results

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

Table 13. Solvency Ratio (in percentage results)

No	Ratio Name	Year					Average
		2020	2021	2022	2023	2024	
1	*Capital Adequacy Ratio*	25.83%	25.66%	25.77%	29.44%	29.36%	27.21%

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

Discussion
Variable X Test

The processing of performance variable data is available in the following table 14:

Table 14. Results of Financial Ratio Analysis Calculation

No	Ratio Name	Year					Number of Ratios in 5 Years	Average Ratio In 5 Years
		2020	2021	2022	2023	2024		
1	Race Residue							
	Current Ratio	116.91%	116.34%	116.76%	116.60%	118.21%	584.82%	116.96%
	Loan to Deposit Ratio	66.31%	61.59%	64.96%	70.32%	78.74%	341.93%	68.39%
	Loan to Assets Ratio	52.14%	49.15%	51.45%	55.13%	61.30%	269.17%	53.83%
2	Profitability Ratio							
	LENGTH	2.52%	2.56%	3.10%	3.46%	3.78%	15.42%	3.08%
	ROE	14.70%	15.50%	18.43%	20.06%	20.87%	89.55%	17.91%
	BEFORE	5.43%	4.87%	5.03%	5.52%	5.76%	26.61%	5.32%
	BOPO	47.69%	45.24%	42.55%	44.35%	41.86%	221.71%	44.34%
	Solvency Ratio							
3	Capital Adequacy Ratio	25.83%	25.66%	25.77%	29.44%	29.36%	136.06%	27.21%

Source : Processed from the results of the financial statements of PT. Bank Central Asia Tbk, Jakarta

Race Residue

From table 14, it can be explained that the results of the liquidity ratio from 2020 to 2024 have fluctuated results.

1. Current Ratio

The Current Ratio in 2020 was recorded at 116.91% and is relatively stable until 2024 at 118.21%, with an average of 116.96%. This value shows that the bank's ability to meet short-term obligations is quite good, although in general it is still below the standard set by Kashmir which is 200%. The stability of the Current Ratio indicates that banks are able to maintain their liquidity consistently even though they have not met ideal standards.

2. Loan to Deposit Ratio (LDR)

The Loan to Deposit Ratio increased during the study period. In 2020 the LDR was 66.31% and increased to 78.74% in 2024 with an average of 68.39%. This increase shows that credit distribution to third-party funds is increasingly optimal. The LDR figure that is close to the BI/OJK standard (78–92%) illustrates that the management of third-party funds has improved, although in the early years it was still relatively low.

3. Loan to Assets Ratio (LAR)

BCA's Loan to Asset Ratio also shows an increasing trend. In 2020, the LAR was recorded at 52.14% and rose to 61.30% in 2024 with an average of 53.83%. This increase shows that the portion of bank assets disbursed in the form of credit is getting larger. This indicates that banks are increasingly effective in utilizing their assets for productive activities.

Profitability Ratio

From table 14, it can be explained as follows:

1. Return On Total Assets (ROA)

BCA's ROA experienced a positive trend from 2.52% in 2020 to 2.93% in 2024, with an average of 3.08%. This figure shows that the bank's ability to generate profits from the total assets owned is getting better from year to year.

2. Return On Equity (ROE)

BCA's Return On Equity (ROE) increased significantly from 14.70% in 2020 to 20.87% in 2024, with an average of 17.91%. This indicates that banks are increasingly effective in generating profits from their own capital, although the average value is still slightly below the BI/OJK standard of 23%.

3.   *Net Interest Margin* **(NIM)**

BCA's Net Interest Margin is relatively stable in the range of 5%, with an average of 5.32% during the 2020–2024 period. This figure shows that the net interest income generated by banks from productive assets is quite high, so that its contribution to the bank's profitability is considered positive.

4.   **Operating Costs to Operating Income (BOPO)**

BOPO shows a consistent downward trend. In 2020 the BOPO was 47.69% and decreased to 41.86% in 2024, with an average of 44.34%. This decline indicates that the bank's operational efficiency is getting better because the operating expenses incurred are smaller than the operating income earned.

Solvency Ratio

From table 14 it can be explained as follows:

1.   *Capital Adequacy Ratio*

BCA's Capital Adequacy Ratio was always above 25% during the research period, with an average of 27.21%. This value is far above the BI/OJK minimum requirement of 12%, which means that the bank has very strong capital to bear the risk of losses and maintain financial stability.

Variable Test Y

Table 15. Results of Variable Y Analysis

Yes	Ratio Type	Ratio Year 2024	Average 5-Year ratio	Valuation	BI/OJK/CASHMERE STANDARD	Category
1	**Race Residue**					
	a. *Current Ratio*	118.21%	116.96%	Higher	≥200	Quite Healthy
	b. *Loan to Deposit Ratio*	78.74%	68.39%	Higher	≥78%	Very Healthy
	c. *Loan to Assets Ratio*	61.30%	53.83%	Higher	≤ 75%	Healthy
2	**Profitability Ratio**					
	a. ROA					
	Net Income Total Assets	3.78%	3.08%	Higher	> 1,5%	Very Healthy
	b. ROE	20.87%	17.91%	Higher	> 23%	Quite Healthy
	C. BOPO	41.86%	44.34%	Lower	> 3%	Very Healthy
	D. NIM	5.76%	5.32%	Higher	≤75%	Healthy
3	**Solvency Ratio**					
	a. CAR	29.36%	27.21%	Higher	≥12%	Very Healthy

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

The assessment of the ratio in 2024 with the average ratio of the previous 5 years is as follows:

Race Residue

From table 15 it can be explained as follows:

1. *Current Ratio*

The *Current Ratio* value in 2024 is 118.21% with a five-year average of 116.96%. When compared to the Kasmiri standard which sets an ideal value above 200%, then this ratio is below the provisions. This shows that banks are still categorized as Quite Healthy in terms of short-term liquidity, because although stable, the ability to meet current liabilities has not reached the ideal standard.

2. *Loan to Deposit Ratio (LDR)*

BCA's LDR in 2024 was recorded at 78.74% with a five-year average of 68.39%. Based on BI/OJK provisions, a healthy LDR value is in the range of 78%–92%. Thus, the condition of the bank's LDR in 2024 is in the Very Healthy category, because it reflects the bank's optimal ability to channel third-party funds into credit.

3. *Loan to Assets Ratio (LAR)*

BCA's Loan to Assets Ratio The LAR value in 2024 is 61.30% with a five-year average of 53.83%. BI/OJK standards set a healthy value ≤ 75%. Thus, the value of the bank's LAR is still in the Healthy category, because the portion of assets disbursed in the form of credit is still within reasonable and controlled limits.

Profitability Ratio

From table 4.14 it can be explained as follows:

1. Return On Total Assets (ROA)

BCA's Return On Assets Ratio in 2024 was recorded at 2.93% with a five-year average of 3.08%. The BI/OJK standard states that a healthy ROA is above 1.5%. Thus, banks are able to generate profits from the assets they own and are included in the Very Healthy category.

2. Return On Equity (ROE)

The yield for *BCA's Return On Equity* in 2024 is 20.87% with a five-year average of 17.91%. BI/OJK standards stipulate that a healthy ROE is at least 23%. This means that the bank's ROE ratio is still slightly below standard, so it is categorized as Quite Healthy.

3. Net Interest Margin (NIM)

BCA's Net Interest Margin in 2024 is 5.76% with a five-year average of 5.32%. BI/OJK provisions set a minimum limit of 3%. Thus, the value of the bank's NIM is far above the standard, so it is included in the Very Healthy category, because the ability to generate net interest income is very good.

4. BOPO

The value of BOPO in 2024 is 41.86% with a five-year average of 44.34%. BI/OJK standards set a healthy value ≤ 75%. Thus, the bank shows high operational efficiency and is in the Healthy category.

Solvency Ratio

1. Cash Adequacy Ratio (CAR)

BCA's CAR value in 2024 is 29.36% with a five-year average of 27.21%. The BI/OJK standard sets a minimum of 12%. Thus, the value of the bank's CAR far exceeds the minimum limit, so it is categorized as Very Healthy, because the bank has more than enough capital to bear the risk of loss.

Y-Variable Test (RGEC)

Table 15. Results of Variable Analysis Y (RGEC)

RGEC Components	Indicator/Ratio	2020	2021	2022	2023	2024	Average	Criteria (OJK/Standard)	2024 Assessment Results
Risk (R)	Current Ratio	116.91%	116.34%	116.76%	116.60%	**118.21%**	116.96%	≥200% healthy	Enough
	LDR	66.31%	61.59%	64.96%	70.32%	**78.74%**	68.39%	78–92% healthy	Very Healthy
	LAR	52.14%	49.15%	51.45%	55.13%	**61.30%**	53.83%	≤75% healthy	Excellent
Governance (G)	(Governance (results of BCA's annual report: compliance, audit, risk management)	1.5	1	1	1	**1**	1.1	Excellent Category (OJK)	Excellent
Earnings (E)	LENGTH	2.52%	2.56%	3.10%	3.46%	**3.78%**	3.08%	≥1.5% healthy	Excellent
	ROE	14.70%	15.50%	18.43%	20.06%	**20.87%**	17.91%	≥23% healthy	Good
	BEFORE	5.43%	4.87%	5.03%	5.52%	**5.76%**	5.32%	≥3% healthy	Very Healthy
	BOPO	47.69%	45.24%	42.55%	44.35%	**41.86%**	44.34%	≤75% healthy	Very Healthy
Capital (C)	CAR	25.83%	25.66%	25.77%	29.44%	**29.36%**	27.21%	≥12% healthy	Very Healthy

Source : Financial statements of PT. Bank Central Asia Tbk, Jakarta. Processed, 2025

1. *Risk* **(R)**

The risk component is measured by *Current Ratio*, LDR, and LAR.

    a. *The Current Ratio* in 2024 is 118.21%, which is below the healthy standard ≥200%, so it is only in the Quite Healthy category.

    b. The LDR is 78.74%, in accordance with the healthy standard of 78–92%, so it is included in the Very Healthy category.

    c. The LAR is 61.30%, lower than the ≤75% limit, so it is categorized as Excellent.

Overall, the risk component showed fairly good conditions as the two ratios (LDR and LAR) were very healthy, although the Current Ratio was still low.

2. *Governance* **(G)**

The governance assessment is taken from the GCG *Self Assessment* report published per semester of 2020-2024, However, because this study uses annual data, the GCG score is calculated based on the average score of the first semester and semester II each year, so that it can be aligned with other financial ratio data periods. Thus, corporate governance based on the average every year during the 2020-2024 period is at a value of 1 which is considered very good because it consistently meets the aspects of compliance, audit, and risk management. Based on the provisions of the OJK, the assessment uses the I-V scale:

I   = Very Good

II   = Good

III   = Good enough

IV   = Less Good

V   = Not Good

4. *Earnings* **(E)**

The earnings component is measured by ROA, ROE, NIM, and BOPO.

a. The ROA in 2024 is 3.78%, higher than the standard ≥1.5%, so it is considered Very Good.

b. The ROE is 20.87%, slightly below the standard ≥23%, so it is categorized as Good.

c. The NIM of 5.76%, greater than the ≥3% limit, is in the Very Healthy category.

d. BOPO of 41.86%, lower than the standard ≤75%, so it is classified as Very Healthy.

Overall, the earnings component showed excellent conditions, driven by high efficiency and profitability.

5. *Capital* (C)

The capital component is measured by CAR. The CAR in 2024 is 29.36%, far above the standard ≥12%, so it is categorized as Very Healthy. This shows that banks have very strong capital in absorbing risks. Thus, the results of the RGEC assessment show that Bank BCA is in a very healthy condition overall, especially because its governance, *earnings*, and capital are very good, while risks still need to be considered in the liquidity aspect (*Current Ratio*).

CONCLUSION

The results of the study show that liquidity, solvency, and profitability have a positive influence on Bank BCA's financial health based on the RGEC method. Liquidity, measured through the Current Ratio, LDR, and LAR, indicates very healthy conditions in LDR and LAR, although the Current Ratio is still below the OJK standard. Solvency assessed via CAR shows very healthy performance with values well above the minimum requirements, thus strengthening the Capital (C) component. The profitability, as reflected by ROA, ROE, NIM, and BOPO, is mostly in the very healthy category, except for ROE, which is still in the good category but remains productive. Overall, these three variables contributed to the improvement in RGEC's performance, which was also confirmed by the results of the Risk Profile, GCG, Earnings, and Capital analysis in the 2020–2024 period, where almost all indicators showed very healthy conditions. Compared to previous studies, the results are consistent in showing the strength of LDR, CAR, ROA, and NIM, with significant differences in BOPO, which is now more efficient. Therefore, BCA's level of financial health is generally in the very good category, prompting banks to maintain liquidity stability, strengthen capital structure, increase efficiency and non-interest income, and enhance governance, especially in the aspect of digital risk.

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