

Financial Performance Evaluation Of PT Bank Rakyat Indonesia TBK Using Financial Ratio Analysis For 2020-2024

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Article Info	ABSTRACT
Keywords: Financial Ratio Analysis, Financial Performance, Profitability	This study evaluates the financial performance of PT Bank Rakyat Indonesia (Persero) Tbk (BRI) for the 2020-2024 period using a quantitative descriptive approach. Financial ratio analysis includes Earnings Per Share (EPS), Price-to-Earnings (P/E) Ratio, Return on Equity (ROE), Dividend Yield, and Dividend Payout Ratio, with data obtained from BRI's financial reports and other official sources. The results indicate a significant increase in EPS and ROE, reflecting improved profitability and equity management efficiency. The decrease in the P/E Ratio suggests BRI's shares have become more affordable, while the increase in Dividend Yield and Dividend Payout Ratio demonstrates the company's commitment to shareholders. This research provides strategic insights for investors, managers, and policymakers in assessing BRI's financial performance. The main conclusion highlights that BRI has maintained solid financial performance amidst global economic challenges, making it an attractive option for investors seeking stability and growth.
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INTRODUCTION

Financial evaluation is an essential step that provides in-depth information for various stakeholders, including investors, creditors, and suppliers. This information serves as a foundation to support strategic decision-making, whether related to investments or the sustainability of business relationships with a particular company (Masnoni *et al.*, 2024; Susrama, 2024). Mahmudi (2016) explains that this evaluation plays a crucial role in ensuring that companies can effectively manage their financial resources to achieve strategic objectives.

In the context of financial theory, financial performance is often used as a key indicator to reflect a company's operational success and competitiveness in the market (Nurjanah and Fathor, 2023; Oktaviyah, 2024; Fauziyah and Hwihanus, 2025). According to Kasmir (2016), financial performance represents a company's financial condition over a certain period, including its ability to increase profits, enhance operational efficiency, and provide added value to shareholders. This view aligns with Mahmudi's (2019) perspective, emphasizing the

importance of financial ratio analysis, such as profitability, liquidity, and solvency, in assessing a company's financial health.

Previous research has made significant contributions to understanding corporate financial performance. A study by Alhakim (2019), Rahardika *et al* (2022), Sintia Dwi Rahayu (2019) highlighted that financial ratio analysis, such as Earnings Per Share (EPS), Return on Equity (ROE), and Dividend Payout Ratio, provides deep insights into a company's profitability and its ability to attract investors. Another study by Firdaus and Kasmir (2021) emphasized that operational efficiency and effective financial management are critical factors supporting a company's competitiveness in increasingly competitive markets. These studies demonstrate that companies that maintain stable financial ratios are generally more trusted by stakeholders.

As one of Indonesia's largest banks, PT Bank Rakyat Indonesia (Persero) Tbk (BRI) continues to strengthen its financial performance amidst global economic challenges and increasingly complex domestic market dynamics. Based on consolidated financial statements as of September 30, 2024, BRI recorded a net profit of IDR 45.36 trillion. Loans extended reached IDR 1,353.35 trillion, while third-party funds (TPF) totaled IDR 1,362.42 trillion. Furthermore, the non-performing loan (NPL) ratio remained at a healthy level, reflecting the quality of BRI's assets. This performance underscores BRI's strong fundamentals in maintaining financial stability and adapting to ongoing economic challenges.

However, although numerous studies have discussed financial performance evaluations, most have focused on periods of stable economic conditions. Research on corporate financial performance during dynamic conditions, such as the COVID-19 pandemic and the post-pandemic economic recovery, remains very limited. Additionally, few studies have comprehensively analyzed BRI's financial performance using indicators such as EPS, P/E Ratio, ROE, Dividend Yield, and Dividend Payout Ratio during the 2020 to 2024 period. Therefore, this study aims to address these gaps by evaluating BRI's profitability performance during this period. The results are expected to make a significant contribution, not only to financial literature but also as a strategic guide for investors, managers, and policymakers in making more effective decisions in the future. Through comprehensive evaluation, this study is also expected to assist the company in identifying areas that require improvement, enabling financial management to be optimized to support the sustainability of operations and long-term company growth.

METHODS

This study employs a descriptive quantitative approach to describe and analyze Bank BRI's financial data through various financial ratios (Yusuf, 2014). The analysis is conducted statistically to identify trends and understand the implications of changes in these ratios during the 2020 to 2024 period. The primary data for the study are obtained from Bank BRI's financial reports and other official sources, covering ratios such as Earnings Per Share (EPS), Price-to-Earnings (P/E) Ratio, Return on Equity (ROE), Dividend Yield, and Dividend Payout Ratio. A case study method is used to provide an in-depth analysis of Bank BRI's financial performance, focusing on profitability and market ratios, which are considered key financial

performance indicators from an investor's perspective (Kasmir, 2016; Yusuf and Suherman, 2021).

Earnings Per Share (EPS) is a key indicator used to measure a company's profitability based on the number of outstanding shares. EPS reflects the extent of profit generated by the company for each share owned by shareholders. Analyzing the trend of Bank BRI's EPS from 2020 to 2024 provides insights into how the company manages its resources to enhance profitability (Fadillah *et al.*, 2024)

The Price-to-Earnings (P/E) Ratio offers insights into market expectations regarding the company's future earnings growth. This ratio reflects the amount investors are willing to pay for each unit of net profit per share. A high P/E Ratio indicates investor confidence in the company's potential earnings growth, while a low ratio may indicate undervaluation or slower projected growth (Damodaran, 2012)

Return on Equity (ROE) measures a company's effectiveness in generating profits from its equity. A high ROE reflects management's ability to efficiently manage equity to produce profits. Analyzing Bank BRI's ROE from 2020 to 2024 provides an overview of the company's equity management effectiveness during this period (Gu *et al.*, 2024). According to financial theory, ROE is an important indicator showing how well a company utilizes shareholder resources to generate profits (Brigham and Ehrhardt, 2013). Dividend Yield measures the income generated from dividends as a percentage of the share price. This ratio is a major consideration for investors seeking passive income from their investments. A high Dividend Yield indicates the company's ability to provide attractive dividends, which is crucial for investors prioritizing income stability (Salam, 2023)

Dividend Payout Ratio, on the other hand, measures the percentage of net income distributed to shareholders as dividends. This ratio reflects the company's policy in balancing profit distribution to shareholders and reinvestment for growth. A high Dividend Payout Ratio shows that the company prioritizes returning profits to shareholders in the form of dividends, appealing to investors focused on passive income (Puspita, 2017; Silalahi and Manik, 2019).

RESULTS AND DISCUSSION

In this analysis, several key financial ratios to be discussed include Earnings Per Share (EPS), Price-to-Earnings (P/E) Ratio, Return on Equity (ROE), Dividend Yield, and Dividend Payout Ratio for the 2020 to 2024 period. By understanding these ratios, a more comprehensive view of Bank BRI's financial performance and sustainability can be obtained. This analysis utilizes data from credible sources, including annual financial reports and leading financial websites. Through in-depth and structured analysis, a better understanding of Bank BRI's financial performance and its adaptation to market dynamics and economic challenges can be achieved. Based on Bank BRI's financial reports, a recap of the financial ratios is summarized in the following table:

Table 1. Summary of Bank BRI Financial Ratios

Financial Ratios	2020	2021	2022	2023	2024
<i>Earning Per Share</i>	148.5 IDR	238.0 IDR	338.0 IDR	398.3 IDR	405.2 IDR
<i>Price to Earnings Ratio</i>	33.9	20.4	12.4	10.5	10.3

Financial Ratios	2020	2021	2022	2023	2024
<i>Return on Equity (%)</i>	9.5	10.8	17.1	19.3	18.9
Dividen Yield (%)	1.9	4.2	6.9	7.6	8.8
Dividen Payout (%)	0.7	0.7	0.9	0.8	0.9

Source: Bank BRI Financial Reports <https://www.investing.com/equities/bank-rakyat-in-ratios?form=MG0AV3>

Financial Ratio Analysis:

Based on the data obtained from Bank BRI's financial reports, presented in Table 1: Financial Ratio Summary, the analysis is as follows:

Earnings Per Share

Bank BRI's EPS consistently increased from 148.5 in 2020 to 405.2 in 2024. This significant growth indicates a substantial increase in earnings per share. Such an achievement is highly appealing to investors seeking profit growth, reflecting Bank BRI's success in improving its earnings per share over the years.

Price-to-Earnings Ratio Trend

The P/E Ratio decreased from 33.9 in 2020, a very high figure, potentially indicating that the stock was overvalued or priced too high relative to its earnings performance at the time. However, from 2021 to 2024, the P/E Ratio declined steadily, reaching 10.3 in 2024, which is considered low. A low P/E Ratio suggests that the stock is cheaper relative to the company's net earnings, presenting an opportunity for investors looking for undervalued stocks. This indicates that the company's stock price has decreased relative to its earnings per share. A lower P/E Ratio can signify that Bank BRI's stock is more affordable compared to the profits it generates, making it a potential investment opportunity for those seeking undervalued stocks (Investopedia, 2021).

Return on Equity

ROE was notably low in 2020, at 9.5, but it increased in subsequent years, reaching 18.9 in 2024. This rise indicates improved efficiency in utilizing shareholders' equity to generate profits. A high ROE demonstrates that Bank BRI has been effective in managing shareholders' resources, which is attractive to investors prioritizing management efficiency. Investors may view this as a sign of a well-managed company with strong growth prospects.

Dividend Yield

The Dividend Yield increased from 1.9 in 2020 to 8.8 in 2024, which is considered exceptionally high. This indicates a significant rise in dividends paid per share. Companies distributing a substantial portion of their earnings as dividends often attract investors seeking passive income. A higher Dividend Yield shows that Bank BRI is providing relatively larger dividends compared to its stock price, making it appealing to passive-income-oriented investors.

Dividend Payout

The Dividend Payout Ratio reflects the percentage of earnings distributed as dividends. The data shows a very high ratio of 0.7 in 2020, meaning 70% of the profits were distributed to shareholders. This figure steadily increased to 0.9 in 2024. A high Dividend Payout Ratio

indicates that the company distributes most of its net earnings to shareholders, which is attractive to investors seeking passive income in the form of dividends. The increase and stability in Dividend Payout demonstrate that Bank BRI has a consistent dividend policy, providing certainty for investors focused on passive income.

CONCLUSION

The analysis results indicate that Bank BRI has successfully improved its financial performance significantly, as evidenced by the annual increase in EPS, reflecting healthy growth in earnings per share. Furthermore, the decline in the P/E Ratio demonstrates that Bank BRI's stock has become more affordable relative to its earnings, appealing to investors seeking undervalued stocks. The increase in ROE to a high level shows that Bank BRI has been able to manage shareholders' equity more efficiently to generate profits. The significant rise in Dividend Yield indicates that Bank BRI has been providing higher dividends during the 2020-2024 period, attracting investors seeking passive income. The stable and increasing Dividend Payout Ratio (2020-2024) reflects a consistent and sustainable dividend policy, offering assurance to investors. Overall, this analysis highlights that Bank BRI has effective management and strong growth prospects, making it an attractive investment option.

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