



## ANALYSIS OF PROFITABILITY RATIOS AT PT. BANK NAGARI

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### ABSTRACT

*This research aims to find out how the financial development of PT. Bank Nagari, with analysis of financial data from a bank with an interest in the type of secondary data obtained from financial reports published by PT. Bank Nagari for the 2020-2022 period. The results of this research indicate that the ROA ratio of PT. Bank Nagari in 2020 to 2022 has increased, meaning PT's ROA ratio. Bank Nagari can be said to be effective and efficient in using the assets it owns. ROE ratio PT. Bank Nagari from 2020 to 2022 has not been effective and efficient because the ROE ratio is still below the assessment criteria. BOPO ratio PT. Bank Nagari from 2020 to 2022 is said to be very good because the percentage obtained is below the assessment criteria, namely 83%. therefore, the smaller the bank's BOPO, the more efficient the bank is in managing its operational costs. NPM ratio PT. Bank Nagari from 2020 to 2022 is not yet effective because it is still below the assessment criteria, namely 51%. this means that bank are not yet efficient in obtaining net profits at the sales level.*

**Keywords:** ROA, ROE, BOPO and NPM.

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### INTRODUCTION

The Covid-19 pandemic has resulted in decreased economic growth and weakened economic activity in Indonesia. This post-pandemic era is a challenge for Indonesia to restore economic conditions in Indonesia. In restoring economic conditions, banks take an active role in the progress of a country's economy, namely in encouraging the country's economic growth. This condition is due to the main role of banks as financial intermediation institutions and credit distributors in the business world to increase output in a country so that the economy can grow. Almost all parts of business, including industry, infrastructure, finance, trade, mining and others, really need banks as partners in carrying out financial transactions. All parts of business that exist today cannot be separated from the banking sector and moreover have become necessary in carrying out financial activities and the progress of a business.

In carrying out its business activities, banks as business entities have special characteristics, namely the obligation to maintain public trust, which is a fundamental principle for banks because the existence of the banking industry is very dependent on the trust of the public as owners of funds. Public funds deposited in banks are used to finance customer credit. The large role of the community in the banking industry means that

banks are also called trust institutions. This means, as a financial institutions whose basic foundation is public trust. With the principle of trust, people will want to entrust their funds to the bank and people will believe that the money will not be lost or misused by the bank and the money will be managed well by the bank. In managing public finances, banks need to analyze financial reports.

Financial report analysis means breaking down financial report items into simpler units of information and looking at their relationships which are significant or which have meaning between one another, both quantitative and non-quantitative data with the aim of providing deeper financial conditions which are very important. In the process of producing the right decision (Harahap, 2018). Financial reports are reports that show the company's financial condition at this time or in a certain period (Kasmir, 2019).

Financial report analysis is carried out with the aim of determining the bank's ability to overcome financial problems and make quick and appropriate decisions. Through financial report analysis, banks can find out the financial position, financial performance and financial strength of the banking sector. In analyzing financial reports, of course there are financial ratios, which consist of four types of financial ratios, namely liquidity ratios, solvency ratios, activity ratios and profitability ratios. Liquidity ratio, namely a ratio to measure the company's ability to meet short-term financial obligations. Solvency/leverage ratio, namely a ratio to measure a company's ability to fulfill all obligations, both long and short term. Activity ratio, namely the ratio to measure the level of the use of company wealth or company assets. Meanwhile, the profitability ratio is a ratio to measure the level of earnings or rewards obtained compared to sales or assets (Surjaweni, 2017)

Profitability ratios are ratios used by a company to assess its ability to make a profit per return (Kasmir, 2019). To see bank's ability to earn profits in a certain period, profitability ratios are used. Profitability ratios use several financial ratios such as Return On Assets (ROA), Return On Equity (ROE), Operational Costs (BOPO), and Net Profit Margin (NPM). Return On Assets is a ratio that reflects the bank's ability to control funds invested in all assets that generate profits. Return On Equity is a ratio used to measure bank management's ability to utilize available capital (equity) to generate profits after tax. The BOPO ratio, often called the efficiency ratio, is used to measure bank management's ability to control operational costs towards operational income. Net Profit Margin is a profitability ratio used to measure the percentage of net profit in a company against its net sales. This net profit margin shows the proportion of sales remaining after deducting all related costs (Yanti & Afriyeni, 2017).

Bank Nagari is the name for PT. Bank Nagari is the only bank owned by the West Sumatera regional government which aims to improve the economy of the community, especially in West Sumatera. Bank Nagari is based in the city of Padang which is located on Jl. Youth No. 21, Olo, Padang West Sumatera. Bank Nagari as a financial institution in the form of a bank, which specifically assists the government in implementing development in the region.

The following are the results of the development of initial data on PT's balance sheet and profit and loss report. Bank Nagari for the period 2020 to 2022.



**Table 1**  
**Financial Data of PT. Bank Nagari**  
**Period 2020 – 2022**  
**(In Rupiah)**

Information	Year		
	2020	2021	2022
Total Assets	25.559.008.291.909	27.982.084.555.688	30.096.359.098.249
Owner's Equity	3.207.855.881.614	3.416.642.969.672	3.682.782.535.791
Operating Income	156.026.508.439	174.030.734.296	193.433.996.686
Operational Expenses	1.131.391.020.092	1.315.173.759.117	1.526.493.765.844
Profit Before Tax	450.717.668.069	510.970.614.496	561.889.124.040
Net Profit	330.247.815.390	408.715.008.799	471.272.601.041

Source : Annual Financial Report PT. Bank Nagari

Based on table 1, it can be seen that the initial data for the balance sheet and profit and loss report of PT. Bank Nagari experiences an increase every year. This can be seen from the increase in total assets from 2020 to 2022, end Owner's Equity from 2020 to 2022 has increased. In operational income from 2020 to 2022 there was an increase. In profit before tax from 2020 to 2022 there was an increase, and in net profit or in the financial data of PT. Bank Nagari said that profit for the year increased from 2020 to 2022. In operational expenses from 2020 to 2022 there was an increase. If operational expenses increase, it will cause losses. These losses were caused by the bank's inefficiency in managing its operational activities.

## **RESEARCH METHODS**

### **Method of Collecting Data**

In the process of making this final report, the author really needs data to analyze financial reports only as a tool to see and solve existing problems, so certain methods are needed to get objective data. The method used by the author in collecting data is as follows:

a. Field research

Conduct direct research on the object in question by examining the results of the data obtained. This research can help the author complete the necessary data, with activities carried out by interviewing the company or related agency.

b. Library research

Research was also carried out in the library by searching for several books, journals, articles and final assignments as reference material in discussing Profitability Ratio Analysis material at PT. Nagari Bank.

### **Data Analysis Method**

The author analyzes the data using quantitative and qualitative methods. The quantitative method is the process of calculating the level of profitability method at PT. Bank

Nagari. Meanwhile, the qualitative explains the data that author examined during the research process.

## **RESULTS AND DISCUSSION**

In the early sixties, both the regional government and private business figures realized that in order to accelerate regional development more quickly in West Sumatera, it was necessary to have a financial institution in the form of a bank specifically to assist the government in carrying out development in the region. Against the background of this awareness, on March 12 1962, the West Sumatera Provincial Government, represented by Soelamat Dipowardjojo, and the private sector, represented by Hadis Didong, appeared before Notary Hasan Qalbi in Padang to confirm the establishment of the West Sumatera Regional Development Bank. At the request of the presenter. Notary Hasan Qalbi made deed No. 9 dated 12 March 1962 as the legal basis for the establishment of the Regional Bank of West Sumatera with the name "PT. BANK DAERAH SUMATERA BARAT. On 25 April 1962 the deputy first minister for finance of the for finance of the Republic of Indonesia issued business license for PT. Bank Pembangunan Daerah Sumatera through decree no. BUM9- 44/11 so PT. West Sumatera Regional Development Bank started to do business with its positions in Padang.

With the issuance of Law no. 13 of 1962, namely the basic provisions of Regional Development Banks, the legal basis for the establishment of Regional Development Banks must be replaced with Regional Regulations. In connection with these provisions, West Sumatera Regional Development could only be fulfilled in 1973, namely with the issuance of level 1 Regional Regulations for West Sumatera Province No. 4 of 1973 dated 8 November 1973 concerning the West Sumatera Regional Development Bank. With the issuance of this regional regulation, Notary Hasan Qalbi's deed No. 9 dated March 12 no longer applies and PT. The Regional Development Bank was changed to the West Sumatera Regional Development Bank.

In 1967 Law no. 14 of 1967 concerning Banking principles. Thus Law no. 19 of 1962 which was enacted earlier than Law no. 14 of 1967 must comply with law no. 14 of 1967 as the basic provisions of Indonesian Banking. Later in its development, regional regulation no. 4 of 1973 along with its amendments was felt to be no longer appropriate, so it was finally revoked and replaced with West Sumatera level 1 Provincial Regulation No. 10 of 1985 dated 31 December 1985 challenged the Regional Development Bank of West Sumatera with the approval of the minister of Home Affairs No. 584.23-432 dated 19 April 1986 and has been promulgated in the West Sumatera 1<sup>st</sup> level Provincial Gazette No. 6 dated 19 April 1986.

In order to improve service to the public, especially foreign transactions, based on the decree of the board of directors of Bank Indonesia No. 23/60/KEP/DIR dated 17 January 1991 West Sumatera Regional Development Bank became a foreign exchange Bank. To improve company performance, in 1992 West Sumatera Province level I Regional Regulation No. 15 of 1992 which was ratified by the minister of home affairs No. 584.23-407 dated March 23 1993 and promulgated in the West Sumatera Province Regional level I Regional Gazette of 1993 No. 3 series D.L.

Based on Regional Regulation no. 15 of 1992 , the Bank's capital participation from third parties are possible with the provision of at least 51% of the capital in fixed deposit is capital participation from level I and regional government II.

In order to anticipate the era of globalization and free trade, Regional Development Banks as a tool for regional autonomy feel it is necessary to increase competitive capabilities among fellow foreign exchange Banks by expanding areas

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outside the West Sumatera region in accordance with applicable regulations, by issuing level I regional regulations for West Sumatera Province No. 2 of 1996, the contents of which include changing the designation of the West Sumatera Regional Development Bank from BPD West Sumatera to Bank Nagari and increasing the authorized capital from Rp 50 billion to Rp 150 billion.

On August 16 2006 based on West Sumatera Province Regional Regulation number 3 of 2006, the legal entity form of the West Sumatera Regional Development Bank changed from a regional company to a Limited Liability Company, which was established based on the deed of company establishment number 11 February 2007 before Notary H. Hendri Final, SH and approved by the minister of Law and Human Rights of the Republic of Indonesia with decree No. W3-00074 HT. 01.01-TH. 2007 dated April 4 2007. Currently Bank Nagari has the status of a foreign exchange bank and has a Sharia Business Unit. In 2012 there was an increase in the company's authorized capital to Rp. 2 trillion and the issuance of Bank Nagari Subordinated Bonds II amounting to IDR 225 billion and in 2016 the authorized capital changed to IDR 5 trillion.

In accordance with the decision of the Extraordinary General Meeting of Shareholders on 22 June 2021 at the Bung Hatta Convention Hall, Bukittinggi, with the decision on the First Agenda regarding evaluation of the name change of PT. West Sumatera Regional Development Bank, the amendment to article 1 paragraph (1) of the articles of association regarding the company name PT. The West Sumatera Regional Development Bank which was called Bank Nagari, was changed to PT. Nagari Bank. Henceforth the nickname PT. Bank Nagari is Bank Nagari, contained in the deed of PT. Meeting Decision Statement. West Sumatera Regional Development Bank called Bank Nagari number 12 dated July 21 2021 which was made before Notary Helsi Yasin, SH., M.Kn and the deed has been approved by the minister of Law and Human Rights.

People of the Republic of Indonesia based on decree number AHU-0044671.AH.01.02. year 2021 date 19 August 2021 regarding approval of changes to the articles of association of the limited liability company PT. Nagari Bank.

From the description above we can conclude that the legal basis for the establishment and operation of PT. West Sumatera Regional Development Bank is as follows:

- a. Law No. 13 of 1962 concerning the main provisions of Regional Developments Banks.
- b. Law No. 14 of 1967 on banking principles in Indonesia.
- c. West Sumatera Province level I Regional Regulation No. 4 of 1973 November 8 1973 concerning the West Sumatera Regional Development Bank.
- d. Law no. 5 of 1974 concerning the main provisions of regional government.
- e. West Sumatera Province level I regional regulation no. 10 of 1985 concerning the West Sumatera Regional Development Bank.
- f. West Sumatera Province level I provincial Regulation No. 15 of 1992 concerning the West Sumatera Regional Development Bank.
- g. West Sumatera Province level I Provincial Regulation No. 2 of 1996 concerning the West Sumatera Regional Development Bank.
- h. West Sumatera Province Regional Regulation no. 3 of 2006, the legal entity form of the West Sumatera Regional Development Bank changed form a Regional Company to a limited liability company.

- i. Decision of the first extraordinary general meeting of shareholders on the evaluation of the name change of PT. West Sumatera Regional Development Bank, the amendment to article 1 paragraph (1) of the articles of association regarding the company name PT. The West Sumatera Development Bank, which was called Bank Nagari, was changed to PT. Nagari Bank.

## **Vision and mission**

### **a. Vision**

“Becoming a leading and trusted regional development bank in Indonesia. Becoming a leading regional development bank in the sense of being known and reputable in Indonesia. Trusted means that the bank has implemented the principles of good corporate management, provided satisfactory service, and complied with regulations honestly”.

### **b. Mission**

- 1) Contribute to encouraging economic growth and community welfare.
- 2) Fulfilling and taking care of the interests of stakeholders in a consistent and balanced manner.

The first mission, reflects the basis or background of the bank’s establishment as mandated in the deed of establishment, which are the ideals and objectives that must be implemented, to contribute to building strong economic activities to improve the welfare of society.

The second mission, the bank will always be run with the principle of fulfilling its responsibilities to owners, customers, employees and the community.

Financial institutions in the world of finance act as institutions that provide financial services to their customers. One form of financial institution is banking. According to law no. 10 of 1998 concerning banking, what is meant by a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit or other forms in order to improve the standard of living of many people. Banks in their main activities accept demand deposits, savings and deposits.

A bank is a financial institution that has the function of storing and distributing funds for people in need (Yulisari, dkk 2021). Banks are financial institutions that are a place for individuals, private business entities, state-owned companies, and even government institutions that store their funds (Hermansyah, 2020).

Financial reports are information that describes the condition of a company, which then becomes information that describes the performance of a company (Irham Fahmi, 2017). Financial reports are reports that are able to show the development of financial position and have an important meaning for the company because financial reports in the company can reflect the performance that has been achieved at a time and to see the company’s ability to overcome financial problems and determine the right decisions (Zainal and Marlius, 2017). In the financial report, namely the balance sheet, the source of the company’s funds can be seen on the liabilities side, while the allocation of funds can be seen on the assets side. Financial reports are prepared and presented in the form of a balance sheet, profit and loss report, capital changes report and cash flow report (Vernida & Marlius, 2020).

The profitability ratio is a ratio used to measure a company’s ability to generate profits from its normal business activities. The profitability ratio aims to determine the

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company's ability to generate profits during a certain period. This ratio also aims to measure the level of management effectiveness in carrying out company operations. The profitability ratio is a ratio that describes a company's ability to generate profits through all its capabilities and resources, namely those originating from sales activities, use of assets and use of capital (Hery, 2016). The formulas for calculating profitability ratios are as follows:

1. *Return On Asset* (ROA)

*Return On Asset* (ROA) is a ratio to measure the level of return on investments made by a company using all the funds (assets) it owns (Kariyanto, 2017).

**Table 2**  
**Calculation of Return On Assets PT. Bank Nagari**  
**Period 2020 – 2022**  
**(In Rupiah)**

Component	Return On Asset	
	Profit before tax	Total Assets
2020	450.717.668.069	25.559.008.291.909
2021	510.970.614.496	27.982.084.555.688
2022	561.889.124.040	30.096.359.098.249

Source: Pcessed Data

With the formula :

$$ROA = \frac{\text{Laba Sebelum Pajak}}{\text{Total Asset}} \times 100\%$$

$$1. \text{ Year 2020} = \frac{450.717.668.069}{25.559.008.291.909} \times 100\% = 1,76\%$$

Based on the ROA calculation in 2020, it was 1,76%, which shows that PT. Bank Nagari can be said to be very good, because it is greater than 1,5%. The higher the ROA generated, the more efficiently the bank uses its assets.

$$2. \text{ Year 2021} = \frac{510.970.614.496}{27.982.084.555.688} \times 100\% = 1,82\%$$

Based on the ROA calculation in 2021, it is 1,82%, which shows that PT. Bank Nagari can be said to be very good, because it is greater than 1,5%. The higher the ROA generated, the more efficiently the bank uses its assets.

$$3. \text{ Year 2022} = \frac{561.889.124.040}{30.096.359.098.249} \times 100\% = 1,86\%$$

Based on ROA calculations in 2022 it is 1,86%, which shows that PT. Bank Nagari can be said to be very good, because it is greater than 1,5%.

The higher the ROA generated, the more efficiently the bank uses its assets.

2. *Return On Equity (ROE)*

Return On Equity (ROE) is a ratio calculated by comparing net profit with the company's total equity (Budiman, 2021).

**Table 3**  
**Calculation of Return On Equity PT. Bank Nagari**  
**Period 2020 – 2022**  
**(In Rupiah)**

<b>Component</b>	<i>Return On Equity</i>	
	<b>Net Profit</b>	<b>Owner's Equity</b>
2020	330.247.815.390	3.207.855.881.614
2021	408.715.008.799	3.416.642.969.672
2022	471.272.601.041	3.682.782.535.791

Source : Processed Data

With Formula :

$$ROE = \frac{\text{Laba Bersih}}{\text{Modal Sendiri}} \times 100\%$$

$$1. \text{ Year 2020} = \frac{330.247.815.390}{3.207.855.881.614} \times 100\% = 10,29\%$$

Based on the ROE calculation in 2020, it was 10,29%, which shows that PT. Bank Nagari can be said to be not good because it can be seen from the assessment criteria, namely less than 13%. If ROE is lower, the bank can be said to be inefficient on obtaining net profit after tax.

$$2. \text{ Year 2021} = \frac{408.715.008.799}{3.416.642.969.672} \times 100\% = 11,96\%$$

Based on the ROE calculation in 2021, it is 11,96%, which shows that PT. Bank Nagari can be said to be not good, because it can be seen from the assessment criteria, namely less than 13%. If ROE is lower, the bank can be said to be inefficient in obtaining net profit after tax.

$$3. \text{ Year 2022} = \frac{471.272.601.041}{3.682.782.535.791} \times 100\% = 12,79\%$$

Based on the ROE calculation in 2022, it is 12,79%, which shows that PT. Bank Nagari can be said to be not good because it can be seen from the assessment criteria, namely less than 13%. If ROE is lower, the bank can be said to be inefficient in obtaining net profit after tax.

3. *Operating Cost Ratio (BOPO)*

The operating expense ratio is used to measure the level of efficiency and ability of a bank in carrying out its operational activities.





**Table 4**  
**Calculation of Operational Costs Against PT's Operational Income**  
**Bank Nagari Period 2020 – 2022**  
**(In Rupiah)**

Component	BOPO	
	Total Operating Income	Total Operational Expenses
2020	156.026.508.439	1.131.391.020.092
2021	174.030.734.296	1.315.173.759.117
2022	193.433.996.686	1.526.493.765.844

Source : Processed Data

With Formula :

$$\text{BOPO} = \frac{\text{Total Biaya Operasional}}{\text{Total Pendapatan Operasional}} \times 100\%$$

$$1. \quad \text{Year 2020} = \frac{1.131.391.020.092}{156.026.508.439} \times 100\% = 72,51\%$$

Based on BOPO calculations in 2020, it was 72,51%, which shows that PT. Bank Nagari can be said to be very good, because it can be seen from the assessment criteria, namely less than 83%. The smaller the BOPO, the more efficiently the bank controls its operational costs.

$$2. \quad \text{Year 2021} = \frac{1.315.173.759.117}{174.030.734.296} \times 100\% = 75,57\%$$

Based on BOPO calculations in 2021, it is 75,57%, which shows that PT. Bank Nagari can be said to be very good, because it can be seen from the assessment criteria, namely less than 83%. The smaller the BOPO, the more efficiently the bank controls its operational costs.

$$3. \quad \text{Year 2022} = \frac{1.526.493.765.844}{193.433.996.686} \times 100\% = 78,91\%$$

Based on the BOPO calculation in 2022, it is 78,91%, which shows that PT. Bank Nagari can be said to be very good, because it can be seen from the assessment criteria, namely less than 83%. The smaller the BOPO, the more efficiently the bank controls its operational costs.

### 3. *Net Profit Margin* (NPM)

Net Profit Margin is a ratio that can be used to find out how much net profit after tax is compared to the amount of sales (Surjaweni, 2020).

**Table 5**  
**Calculation of PT's Net Profit Margi Nagari Bank**  
**PrIOD 2020 – 2022**  
**(In Rupiah)**

<i>Net Profit Margin</i>		
<b>Component</b>	<b>Net Profit</b>	<b>Total Operating Income</b>
2020	330.247.815.390	156.026.508.439
2021	408.715.008.799	174.030.734.296
2022	471.272.601.041	193.433.996.686

*Source* : Processed Data

With Formula :

$$NPM = \frac{\text{laba Bersih}}{\text{Total Pendapatan}} \times 100\%$$

$$1. \text{ Year 2020} = \frac{330.247.815.390}{156.026.508.439} \times 100\% = 21,16\%$$

Based on the NPM calculation in 2020, it was 21,16%, which shows that PT. Bank Nagari can be said to be very bad, because it can be seen from the assessment criteria, namely less than 51%. If the NPM is low then the bank is not efficient in measuring its operational ability to generate profits.

$$2. \text{ Year 2021} = \frac{408.715.008.799}{174.030.734.296} \times 100\% = 23,48\%$$

Based on the NPM calculation in 2021, it is 23,48%, which shows that PT. Bank Nagari can be said to be very bad, because it can be seen from the assessment criteria, namely less than 51%. If the NPM is low then the bank is not efficient in measuring its operational ability to generate profits.

$$3. \text{ Year 2022} = \frac{471.272.601.041}{193.433.996.686} \times 100\% = 24,36\%$$

Based on the NPM calculation in 2022, it is 24,36%, which shows that PT. Bank Nagari is not very good, as can be seen from the assessment criteria, namely less than 51%. If the NPM is low then the bank is not efficient in measuring its operational ability to generate profits.

## Discussion

An overview of the profitability level of PT Bank Nagari from 2020 to 2022 concluded that:



**Table 6**  
**Comparison of Profitability Ratios of PT. Bank Nagari**  
**Period 2020 – 2022**

<b>Ratio</b>	<b>Industry Average</b>
<b>ROA</b>	5,98%
<b>ROE</b>	40%
<b>BOPO</b>	94%
<b>NPM</b>	10%

1. From the ROA ratio of PT. Bank Nagari in 2020 the value is 1.76%, in 2021 the ROA value is 1.82%, in 2022 the ROA value is 1.86%. So the ROA of PT. Bank Nagari is said to be very good, because from 2020 to 2022 it has increased. Therefore, if ROA is higher, the bank will operate effectively and efficiently in utilizing its assets with the aim of making a profit.
2. From the ROE ratio of PT. Bank Nagari in 2020 the value is 10.29%, in 2021 the value is 11.96%, in 2022 the value is 12.79%. ROE has increased from 2020 to 2022. However, PT. Bank Nagari's ROE is said to be not good because the criteria level is below 13% and still below BI standards. Therefore, ROE is inefficient to utilize its capital in making a profit.
3. From the BOPO ratio of PT. Bank Nagari in 2020 the value is 72.51%, in 2021 the value is 75.57%, in 2022 the value is 78.91%. The BOPO ratio has increased from 2020 to 2022. PT. Bank Nagari's BOPO ratio is said to be very good because the level of assessment criteria is below 83%. The smaller the BOPO ratio, the more efficient the bank is in controlling its operating costs and the profit earned by the bank will be maximized.

From the NPM ratio of PT. Bank Nagari in 2020 amounting to 21.16%, in 2021 the value is 23.48%, in 2022 the value is 24.36%. The NPM ratio from 2020 to 2022 has increased. However, the NPM ratio of PT. Bank Nagari is said to be very unfavorable because the level of assessment criteria is below 51%. This means that the bank's ability to earn profits by managing bank operating costs has not been effective

## **CONCLUSION**

Based on the results of the analysis in the previous chapter, an overview of the level of profitability ratio analysis at PT Bank Nagari during the 2020-2022 period can be concluded that:

1. From the ROA ratio of PT Bank Nagari from 2020 to 2022 has increased. Therefore, if ROA is higher, the bank will operate effectively and efficiently in utilizing its assets with the aim of making a profit.
2. From the ROE ratio of PT Bank Nagari from 2020 to 2022 has increased. PT Bank Nagari's ROE ratio is said to be unfavorable because the profit percentage is low and still below BI standards. Therefore, the bank has not been effective and efficient in using its capital to make a profit.

3. From the BOPO ratio of PT Bank Nagari from 2020 to 2022 has increased. The BOPO ratio is said to be very good, because the percentage gain is below the assessment criteria. This means that if the BOPO ratio is smaller, the bank is more efficient in managing operating costs to obtain its operating income.
4. From the NPM ratio of PT Bank Nagari from 2020 to 2022 it has increased. Although the value of the NPM ratio each year has met BI standards, the NPM ratio is still below the assessment criteria of 51%. This means that the bank's ability to earn net profit at the sales level has not been effective.

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