



PROFITABILITY RATIO ANALYSIS AT PT. BANK NEGARA INDONESIA (PERSERO) TBK REGION 2

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ABSTRACT

This article develops the final project report into a journal-style paper and examines the profitability performance of PT. Bank Negara Indonesia (Persero) Tbk during 2020-2024. The study uses a descriptive quantitative approach based on secondary financial data, supported by field documentation and library research. Profitability is evaluated through Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Operating Expenses to Operating Income (BOPO). The results show an overall improvement in profitability during the period of observation. ROA increased from 0.59% in 2020 to 2.45% in 2024, indicating better asset utilization. ROE rose from 2.94% to 14.47%, which reflects stronger returns to shareholders. NPM improved from 5.81% to 23.41%, showing that the bank became more able to convert operating income into net profit. BOPO improved after 2021 and reached 70.73% in 2023, although it moved up slightly to 72.17% in 2024. In general, the findings indicate that BNI strengthened its earnings capacity and operational efficiency, even though cost discipline remains important for sustaining future profit growth.

Keywords: *Banking Performance; Return on Assets, Return on Equity, Net Profit Margin, Operating Expenses to Operating Income.*

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INTRODUCTION

The banking industry has a strategic role in supporting economic activity because banks function as financial intermediaries that collect funds from the public and redistribute them through credit and other financial services. As financial institutions, banks are required to maintain public trust, operational soundness, and sustainable financial performance. The performance of a bank is not only reflected in the size of its assets, branch network, or business expansion, but also in its ability to generate profit efficiently from the resources it manages. Therefore, profitability becomes an important indicator in assessing the financial strength and sustainability of banking institutions.

Profitability is essential because it reflects the bank's ability to generate earnings, strengthen capital, support business expansion, and absorb potential risks. A bank with strong

profitability has greater flexibility to improve service quality, develop financial products, and maintain institutional stability. Conversely, declining profitability may indicate inefficiency in asset utilization, weak income generation, or increasing operational cost pressure. For this reason, profitability analysis is needed to evaluate whether the bank's financial performance develops in a positive direction over time.

Financial Statements

Financial statements are formal reports that present the financial condition and financial performance of a company within a certain accounting period. These reports provide information about assets, liabilities, equity, income, expenses, and profit. Financial statements are important because they become the main source of information for internal and external users in assessing company performance. Internal users, such as management, use financial statements to evaluate operational results and formulate business strategies. External users, such as shareholders, creditors, investors, regulators, and the public, use financial statements to assess financial stability, business continuity, and accountability.

In the banking industry, financial statements have a very important function because banks manage public funds and operate under strict regulatory supervision. Financial statements help stakeholders evaluate whether a bank is able to maintain adequate capital, generate income, control expenses, and sustain its operations. Hery (2020) explains that financial statements function as a medium of communication between corporate financial activities and parties who need financial information. Therefore, financial statements are not only administrative reports, but also analytical tools for evaluating financial performance.

Financial statement analysis is needed because accounting figures cannot be understood only from their nominal values. A bank may report increasing assets or higher net income, but these increases do not automatically indicate better performance if they are not compared with other financial components. For example, profit growth should be examined in relation to total assets, total equity, operating income, and operating expenses. Sari and Hidayat (2022) explain that financial statement analysis helps users obtain deeper information from accounting data so that decision making can be carried out more accurately.

One of the common methods used in financial statement analysis is ratio analysis. Ratio analysis compares related items in financial statements to produce measurable indicators of financial performance. Through ratio analysis, users can evaluate whether a company is liquid, solvent, efficient, and profitable. Melati and Sisdianto (2023) state that financial ratios are useful because they help users assess financial performance in a more structured way. In this study, financial statement analysis is focused on profitability ratios to evaluate the financial performance of PT. Bank Negara Indonesia (Persero) Tbk during the 2020–2024 period.

Profitability

Profitability refers to the ability of a company to generate profit from the resources it owns and manages. Profitability is one of the main indicators of financial performance because it reflects how effectively management uses assets, equity, income, and operating resources to produce earnings. A company with good profitability is generally considered capable of maintaining business continuity, supporting future growth, and creating value for



stakeholders. Therefore, profitability is an important aspect in evaluating the success of financial management.

In the banking sector, profitability has broader significance because banks operate by collecting funds from the public and allocating them into productive financial activities. Kasmir (2017) explains that banking activities are closely related to collecting and distributing public funds, so banks must be managed carefully to maintain public trust and financial soundness. A profitable bank has stronger capacity to expand credit distribution, strengthen capital, improve service quality, and absorb possible financial risks. Therefore, profitability is not only important for shareholders, but also for management, regulators, creditors, and customers.

Profitability analysis is needed because nominal profit alone does not provide a complete picture of financial performance. A bank may record high profit, but that profit may not be efficient if it requires excessive assets, large equity, or high operating expenses. Therefore, profit must be compared with relevant financial bases to determine whether the company is truly efficient in generating earnings. Tasmita (2023) explains that profitability ratios are used to measure the ability of a company to generate profit from available resources. This means that profitability analysis does not only focus on the amount of profit, but also on the quality and efficiency of profit generation.

Kasmir (2022) states that profitability ratios can be used to measure the amount of profit obtained by a company in a certain period, compare profit development from year to year, and evaluate the return generated from company resources. In banking institutions, profitability ratios are highly relevant because they help assess asset productivity, return on equity, income conversion, and operational efficiency. Therefore, profitability analysis provides a strong basis for evaluating whether the financial performance of a bank is improving, declining, or remaining stable during a certain period.

Analysis of Profitability Ratios

Profitability ratios are financial ratios used to measure the ability of a company to generate earnings in relation to certain financial components. These ratios are important because they provide a more analytical perspective than nominal financial data. High profit does not always mean strong financial performance if the profit is not proportional to the assets, equity, income, or operating costs used to generate it. Therefore, profitability ratios are needed to transform financial statement data into clearer and more measurable indicators.

This study uses four profitability ratios, namely Return on Assets, Return on Equity, Net Profit Margin, and Operating Expenses to Operating Income. These ratios are selected because each ratio explains a different aspect of profitability. Return on Assets measures asset productivity, Return on Equity measures return on shareholders' equity, Net Profit Margin measures the ability to convert operating income into net profit, and Operating Expenses to Operating Income measures operational efficiency. By using these four ratios, the profitability performance of PT. Bank Negara Indonesia (Persero) Tbk can be analyzed more comprehensively.

Return on Assets is a profitability ratio used to measure the ability of total assets to generate profit. This ratio shows how effectively a company uses its assets to produce earnings. In banking institutions, ROA is an important indicator because assets are the main productive resources used in lending, investment, and other income-generating activities. A

higher ROA indicates that the bank is more efficient in converting its asset base into profit. Wijaya (2019) explains that ROA is useful for measuring financial performance because it shows the level of return generated from company assets.

Return on Equity is a profitability ratio used to measure the ability of a company to generate net income from shareholders' equity. This ratio reflects the return produced from the capital invested by the owners. A higher ROE indicates that the company is more effective in using equity to create profit. For shareholders and investors, ROE is an important indicator because it shows whether the capital invested in the company is managed productively. Permana et al. (2021) explain that ROE is commonly used in financial performance analysis because it provides information about the return generated from company equity.

Net Profit Margin is a profitability ratio used to measure the percentage of net income generated from operating income. This ratio shows how much operating income can be retained as net profit after expenses are deducted. A higher NPM indicates that the company has better ability to convert income into profit. In banking institutions, NPM is useful for evaluating margin strength and cost control because income growth will not improve profitability if it is followed by excessive expense growth. Nabela et al. (2023) state that NPM is an important profitability indicator because it reflects the company's ability to generate net profit from income.

Operating Expenses to Operating Income, commonly known as BOPO, is a ratio used to measure operational efficiency. BOPO compares operating expenses with operating income. Unlike ROA, ROE, and NPM, a lower BOPO indicates better performance because it shows that operating expenses absorb a smaller portion of operating income. A high BOPO indicates that operational costs are relatively large and may reduce profitability. Jumirin and Lubis (2018) explain that the relationship between operating expenses and operating income is important in assessing operational efficiency because it shows the extent to which income is used to cover operating costs.

The four profitability ratios need to be interpreted together because each ratio explains a different dimension of financial performance. ROA explains whether assets are productive, ROE explains whether equity produces adequate returns, NPM explains whether operating income can be converted into net profit, and BOPO explains whether operating costs are efficient. A bank may show improvement in one ratio but still face weakness in another ratio. Therefore, profitability analysis should not rely on only one indicator. A more complete interpretation requires several ratios so that the assessment of financial performance becomes more balanced and accurate.

Previous studies also support the use of profitability ratios in measuring financial performance. Fernos (2017) shows that profitability ratios can describe the ability of a bank to generate profit from its financial resources. Wijaya (2019) also emphasizes that ROA and ROE are useful indicators for analyzing the development of company financial performance over time. In addition, Permana et al. (2021) and Nabela et al. (2023) show that profitability ratios such as ROA, ROE, and NPM can be used to evaluate company performance from different perspectives. These studies strengthen the relevance of profitability ratios as an analytical tool in this research.

Based on the theoretical explanation above, this study focuses on analyzing the profitability performance of PT. Bank Negara Indonesia (Persero) Tbk during the 2020–2024



period. The analysis uses Return on Assets, Return on Equity, Net Profit Margin, and Operating Expenses to Operating Income as the main indicators. These ratios are used to answer the research question: how did the profitability performance of PT. Bank Negara Indonesia (Persero) Tbk develop during the 2020–2024 period? Therefore, the objective of this study is to analyze the profitability performance of PT. Bank Negara Indonesia (Persero) Tbk based on selected profitability ratios.

RESEARCH METHODS

This study employs a quantitative descriptive approach to analyze the profitability performance of PT. Bank Negara Indonesia (Persero) Tbk for the period 2020–2024. The analysis is conducted by calculating financial ratios and annual growth rates of key financial items, using secondary data extracted from the bank's financial statements. The design was chosen because the purpose of the article is not to test a causal model or estimate the effect of one variable on another, but to describe the movement of profitability indicators across time and interpret what those changes mean for the bank's performance. Descriptive analysis is suitable when the researcher aims to explain a phenomenon based on observed financial data and then relate the findings to relevant concepts in the literature (Sari & Hidayat, 2022).

Measurement of Profitability Ratios

Four profitability ratios are used: Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Operating Expenses to Operating Income (BOPO). These ratios provide insights into asset productivity, shareholder returns, profit conversion efficiency, and operational efficiency, respectively. Ratio Formulas:

Table 1. Measurement of Profitability Ratios

No.	Indicator	Formula	Measurement	Interpretation
1	Return on Assets (ROA)	$\frac{\text{Earnings Before Tax}}{\text{Total Assets}} \times 100\%$	Percentage (%)	A higher ROA indicates that the bank is more effective in generating profit from its assets.
2	Return on Equity (ROE)	$\frac{\text{Net Income}}{\text{Total Equity}} \times 100\%$	Percentage (%)	A higher ROE indicates stronger return generated from shareholders' equity.
3	Net Profit Margin	$\frac{\text{Net Income}}{\text{Operating Income}} \times 100\%$	Percentage (%)	A higher NPM indicates that a larger portion

No.	Indicator	Formula	Measurement	Interpretation
	(NPM)			of operating income is converted into net profit.
4	Operating Expenses to Operating Income (BOPO)	$\frac{\text{Operating Expenses}}{\text{Operating Income}} \times 100\%$	Percentage (%)	A lower BOPO indicates better operational efficiency because operating expenses absorb a smaller portion of operating income.

Annual Growth Rate

Annual growth rates are calculated to assess year-on-year changes in financial items, including assets, equity, operating income, operating expenses, pre-tax profit, and net income.

$$\text{Growth (\%)} = \frac{\text{Value}_t - \text{Value}_{t-1}}{\text{Value}_{t-1}} \times 100\%$$

Where:

Value_t = value in the current year

Value_{t-1} = value in the previous year (Wijaya, 2019).

The original final project refers to BNI Region 02 as the research context, while the financial figures used for ratio calculation are corporate financial data presented in the report. The period was selected because it captures a five-year movement in assets, equity, income, expenses, and profit, which is adequate for observing patterns of recovery, expansion, and operational efficiency in a large banking institution.

The study relies on secondary data. The main numerical data consist of total assets, total equity, operating income, operating expenses, earnings before tax, and net income. These six components are sufficient to calculate the four profitability ratios used in the analysis. In addition to the numerical data, the article uses supporting references from books and journal articles to explain the concepts of banking, financial statement analysis, and profitability measurement (Hery, 2020; Kasmir, 2017; Tasmita, 2023).

Data collection follows two techniques described in the source report. First, field-related documentation was used in the original report to obtain financial information



connected with the study setting. Second, library research was carried out by reviewing books, academic journals, and supporting written materials related to ratio analysis and banking performance. The use of library research is important because the interpretation of ratio movements should be linked to accepted financial concepts rather than presented as raw numbers only (Melati & Sisdianto, 2023).

The operational definitions of the variables are as follows. Return on Assets is calculated as earnings before tax divided by total assets multiplied by 100%. Return on Equity is net income divided by total equity multiplied by 100%. Net Profit Margin is net income divided by operating income multiplied by 100%. BOPO is operating expenses divided by operating income multiplied by 100%. For ROA, ROE, and NPM, a higher value indicates stronger profitability. For BOPO, the interpretation is reversed: a lower ratio indicates better efficiency because a smaller share of income is absorbed by operating costs (Jumirin & Lubis, 2018; Kasmir, 2022).

The steps of analysis were conducted in sequence. First, the basic financial data were organized in tabular form for each year. Second, each profitability ratio was calculated using the formulas above. Third, the annual values were compared to identify increases, decreases, and turning points. Fourth, the trend of each ratio was interpreted by linking it with changes in the underlying financial data, such as profit growth, income expansion, and cost movement. Finally, the ratio findings were discussed in relation to previous concepts and studies so that the analysis remained grounded in the literature (Permana et al., 2021; Wijaya, 2019).

Because the article is an adaptation of a final project report, the analysis remains focused on descriptive interpretation and practical meaning rather than on advanced statistical testing. This limitation does not reduce the usefulness of the study for its intended purpose. Instead, it allows the discussion to remain clear, transparent, and directly connected to the financial facts presented in the source report. The approach is therefore appropriate for a conference-style article that aims to communicate the profitability development of one banking institution in a concise but academically structured manner.

RESULTS AND DISCUSSION

Table 1 presents the basic financial data used in the ratio calculations. The table shows that BNI experienced broad financial expansion across most of the study period. Total assets grew by about 26.5% from 2020 to 2023, although they declined in 2024. Equity also expanded strongly until 2023 and then eased in the final year. More importantly, operating income, earnings before tax, and net income all rose substantially across the five-year period. This means that the profitability analysis should not be read only as a story of balance sheet growth, but also as a story of stronger earnings generation from year to year.

From the perspective of ratio analysis, the raw financial figures matter because changes in one item do not automatically imply changes in profitability quality. A bank may increase assets but still experience weak profitability if earnings do not rise in proportion to those assets. Likewise, operating income can grow while net margin falls if costs increase too

quickly. For that reason, ratio analysis is valuable because it normalizes the accounting numbers and makes comparison across years more meaningful (Melati & Sisdianto, 2023).

Table 2. Basic financial data of PT. Bank Negara Indonesia (Persero) Tbk, 2020-2024 (million rupiah)

Item	2020	2021	2022	2023	2024	Trend
Total assets	891,337,425	964,837,692	1,029,836,868	1,129,805,637	1,086,663,986	21.9%
Total equity	112,872,199	126,519,977	140,197,662	167,186,553	154,732,520	37.1%
Operating income	57,183,769	72,132,230	79,479,013	88,137,199	95,635,332	67.2%
Operating expenses	46,785,770	59,364,946	56,581,158	62,341,208	69,019,419	47.5%
Earnings before tax	5,231,444	12,767,284	22,712,839	25,255,599	26,580,458	408.1%
Net income	3,321,442	10,977,051	14,842,867	21,397,922	22,383,518	573.9%

Table 2 confirms that profit growth was stronger than the growth in assets and equity. This pattern is important because ratio improvement becomes more convincing when it is driven by better earnings quality rather than by expansion in business size alone.

Table 3. Development of profitability ratios of PT. Bank Negara Indonesia (Persero) Tbk, 2020-2024

Ratio	2020	2021	2022	2023	2024	Direction
ROA (%)	0.59	1.32	2.21	2.24	2.45	Improved
ROE (%)	2.94	8.68	10.59	12.80	14.47	Improved
NPM (%)	5.81	15.22	18.68	24.28	23.41	Improved



Ratio	2020	2021	2022	2023	2024	Direction
BOPO (%)	81.82	82.30	71.19	70.73	72.17	Improved after 2021

Three ratios that are expected to increase in good conditions ROA, ROE, and NPM all moved upward over the period, although not always at the same speed. BOPO, which is expected to decline when efficiency improves, worsened slightly in 2021 and then improved materially after that. The chart included in Figure 1 helps visualize this pattern and shows that the bank ended the period in a stronger position than it began. This broad movement is in line with the idea that profitability ratios provide a compact summary of managerial effectiveness, earnings capacity, and cost control (Kasmir, 2022; Permana et al., 2021).

The first indicator, ROA, increased from 0.59% in 2020 to 1.32% in 2021, then rose to 2.21% in 2022, 2.24% in 2023, and 2.45% in 2024. This trend means that the bank became progressively more effective in generating earnings before tax from its asset base. The steepest improvement took place between 2020 and 2022, a period in which earnings before tax grew much faster than total assets. The continued increase in 2024 is especially notable because it occurred even though total assets declined from the prior year. In other words, profitability improved not because the balance sheet became larger, but because the profit produced from the asset base became stronger.

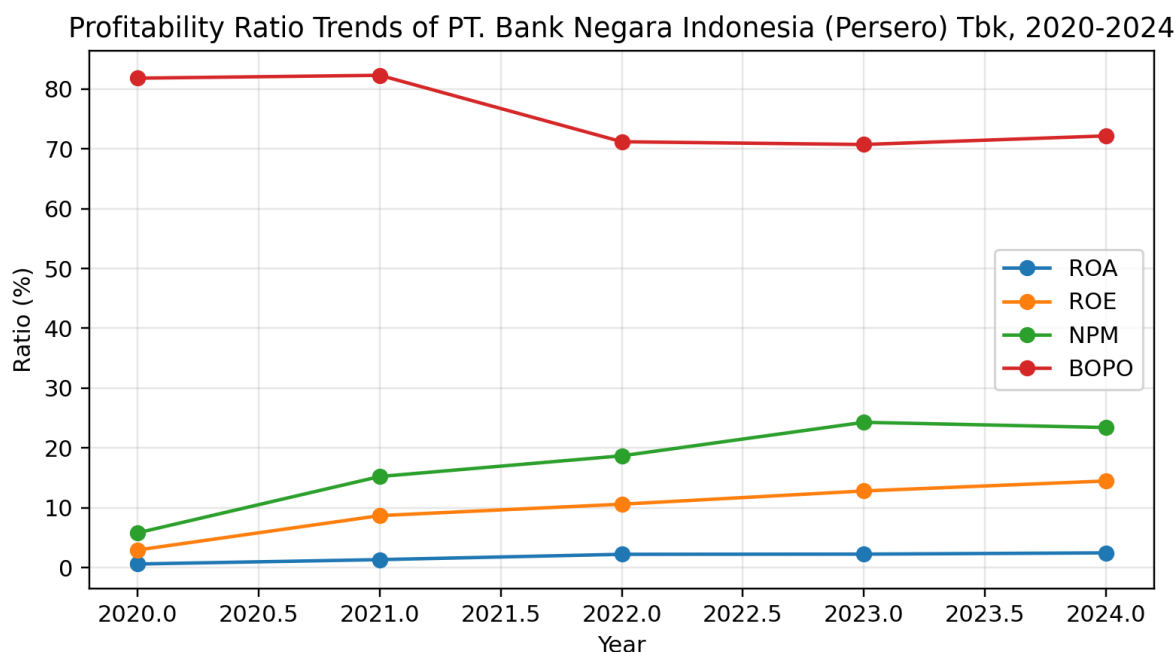
The movement of ROA is consistent with the conceptual explanation of this ratio in the literature. Wijaya (2019) explains that ROA is useful for reading whether the company's assets are being used effectively to generate returns. In the present case, the improvement from below 1% in 2020 to above 2% from 2022 onward suggests a meaningful strengthening in asset productivity. For a large bank, such improvement may reflect better loan quality, stronger interest and fee generation, or better operating leverage, although the present article does not separate those components statistically. What can be stated with confidence is that the relationship between assets and earnings before tax became more favorable during the study period.

The second indicator, ROE, rose from 2.94% in 2020 to 8.68% in 2021 and then continued climbing to 10.59% in 2022, 12.80% in 2023, and 14.47% in 2024. The increase is substantial. It means that each rupiah of equity generated a much higher amount of net income by the end of the period than at the beginning. This finding is important because ROE is closely related to the perspective of the owners or shareholders. A stronger ROE means that the bank is producing more return from the capital entrusted to it (Permana et al., 2021).

The ROE pattern also deserves attention because equity itself was growing until 2023. Normally, when the denominator grows strongly, the ratio may become difficult to raise unless profit growth is even stronger. In BNI's case, net income increased far more rapidly than equity, allowing ROE to continue improving across the five-year period. The result suggests productive use of capital and stronger earnings retention. According to Kasmir

(2022), ROE helps assess the amount of net income available relative to own capital. The present findings indicate that BNI's own capital was used increasingly well during the study period, which strengthens the positive interpretation of the bank's overall profitability.

Figure 1. Profitability ratio trends of PT. Bank Negara Indonesia (Persero) Tbk, 2020-2024



The third indicator, NPM, rose from 5.81% in 2020 to 15.22% in 2021, 18.68% in 2022, and 24.28% in 2023 before moderating slightly to 23.41% in 2024. This ratio reflects the portion of operating income that remained as net income after costs and other charges. The upward movement therefore shows that BNI became increasingly able to convert revenue into bottom-line profit. The strongest margin position occurred in 2023, while the 2024 value, although a little lower, still remained very high compared with the early period. This suggests that the bank preserved most of the efficiency gains achieved in the middle years of observation.

The interpretation of NPM is closely linked to managerial efficiency. Tasmita (2023) states that profitability ratios reveal how efficiently a business turns sales or revenue into profit. In the context of this study, the rise in NPM means that operating income growth was accompanied by increasingly effective profit conversion. This does not mean that costs stopped rising; operating expenses in fact increased in absolute terms. However, the increase in revenue and the control of relative cost burden allowed the bank to retain a larger share of income as net profit. The slight fall in NPM in 2024 should therefore be read as a moderation from a very strong level rather than as a reversal of the positive trend.

The fourth indicator, BOPO, was 81.82% in 2020 and slightly worsened to 82.30% in 2021. After that, it improved sharply to 71.19% in 2022 and 70.73% in 2023, before edging



up to 72.17% in 2024. Because a lower BOPO indicates that operating income is less heavily absorbed by operating expenses, the decline after 2021 is a positive sign. The ratio shows that BNI's operating efficiency improved materially during the period. Even though the ratio increased slightly in 2024, the value remained much better than in 2020 and 2021, so the general efficiency story is still favorable.

Jumirin and Lubis (2018) emphasize that the relationship between operating expenses and operating income is a practical indicator of operational efficiency. The findings in this article support that view. BNI's operating expenses rose from Rp46,785,770 million in 2020 to Rp69,019,419 million in 2024, but operating income increased even more strongly from Rp57,183,769 million to Rp95,635,332 million. The result was a lower BOPO after 2021. This is an important point because large firms may report higher absolute expenses simply because business activity expands. Ratio analysis shows whether the expense burden is becoming heavier or lighter relative to the income produced. In BNI's case, the burden generally became lighter after the first two years.

When all four ratios are interpreted together, a consistent conclusion emerges. ROA indicates more productive assets, ROE shows stronger return on capital, NPM points to better profit conversion from income, and BOPO reveals improved efficiency in the use of operating costs. Taken together, these findings suggest that BNI's profitability improvement was not one-dimensional. It was visible in the relationship between assets and profit, in the relationship between equity and profit, in the relationship between income and net margin, and in the relationship between expense and income. This kind of consistency strengthens the reliability of the overall interpretation.

Table 4. Year-on-year growth of selected financial items, 2021-2024 (%)

Item	2021	2022	2023	2024
Assets	8.2	6.7	9.7	-3.8
Equity	12.1	10.8	19.3	-7.4
Operating income	26.1	10.2	10.9	8.5
Operating expenses	26.9	-4.7	10.2	10.7
Pretax profit	144.0	77.9	11.2	5.2
Net income	230.5	35.2	44.2	4.6

A year-by-year reading of the data helps clarify how the profitability transition took place. In 2020, the bank reported the lowest values for ROA, ROE, and NPM, while BOPO

was already above 81%. This combination indicates a period in which profitability was still weak relative to assets, equity, and income. By 2021, profits rose sharply and the ratios improved, but BOPO did not yet improve because operating expenses also grew materially. The year 2021 can therefore be interpreted as an early recovery stage in which earnings strengthened, although full efficiency improvement had not yet been achieved.

The period 2022-2023 appears to be the strongest phase of operational consolidation. ROA passed 2%, ROE moved above 10%, NPM continued to climb, and BOPO fell decisively into the low 70% range. This combination is important because it shows simultaneous progress on both the profit side and the efficiency side. In financial analysis, isolated ratio improvement can sometimes be misleading; for example, ROE may rise only because leverage changes. In this case, however, the joint improvement of ROA, ROE, NPM, and BOPO suggests that the positive trend was broad rather than narrow.

The 2024 figures introduce a more nuanced picture. ROA and ROE still improved, which means asset productivity and return on equity continued to strengthen. At the same time, NPM softened slightly and BOPO moved upward from its best level in 2023. This divergence suggests that the bank still succeeded in increasing profit, but the pace of efficiency gain slowed. Such a result is not unusual in large organizations. Once a major phase of recovery and adjustment has passed, maintaining additional efficiency gains often becomes more difficult, and cost pressure can reappear through staffing, technology, compliance, or business development expenditure.

To provide another view of performance movement, Table 3 shows the annual percentage change of the underlying financial items. The table does not replace ratio analysis, but it helps explain why the ratios moved as they did. For example, strong growth in earnings before tax during 2021 and 2022 helps explain the rise in ROA, while very rapid growth in net income relative to equity supports the increase in ROE. Likewise, the fact that operating income growth exceeded operating expense growth in 2022 and 2023 explains the decline in BOPO during those years.

The relationship between nominal figures and ratios is especially important in banking research. Hery (2020) and Sari and Hidayat (2022) both emphasize that financial statement analysis should not stop at reading totals. Large numbers may look impressive, but their meaning depends on proportion and trend. A bank can report a large increase in assets while earning quality remains stagnant, or it can report higher revenue while margin quality weakens because costs rise faster. The present findings show why the interpretive step matters: BNI's profitability improvement was not just a matter of scale, but a matter of stronger proportional returns.

The literature also helps explain why a multi-ratio approach is preferable. According to Melati and Sisdianto (2023), ratio groups serve different analytical purposes and should ideally be read together. In this article, ROA answers the question of asset effectiveness, ROE answers the question of capital return, NPM answers the question of margin quality, and BOPO answers the question of operational efficiency. Each ratio highlights a different side of performance. When all four move in a consistent direction, the conclusion becomes



stronger. When they diverge, the analyst can identify which area requires greater attention from management.

In practical banking management, profitability is closely tied to strategic choices about asset allocation, funding structure, pricing, digital investment, and cost control. Kasmir (2017) views banks as institutions that must both collect and distribute funds while preserving soundness and public trust. From that perspective, profitability is not merely a shareholder concern. It is also related to the institution's ability to maintain service quality, absorb operational risk, and support future business expansion. A bank with stable and improving profitability generally has more flexibility to invest in service improvement and risk management capacity.

For branch and regional management contexts such as Region 02, the findings also have practical relevance even though the financial data in the report are corporate-level figures. Regional offices contribute to business acquisition, portfolio monitoring, operational service quality, and implementation of strategic programs. Therefore, improvements in profitability at the corporate level still carry managerial meaning at the regional level. They remind operational units that asset quality, credit analysis, service efficiency, and disciplined execution all feed into the broader profitability outcomes ultimately recorded by the bank. In that sense, ratio analysis can function not only as a corporate assessment tool but also as a managerial communication tool across organizational layers.

The source report also describes BNI as an institution that combines traditional banking services with digital and premium-service development. Although the current article does not isolate the financial impact of each service line, the profitability trend is consistent with the idea that business diversification and service innovation can support earnings growth when they are managed effectively. A wide product base can strengthen operating income, but it also requires careful cost governance. The improvement in ROA, ROE, and NPM suggests that the bank succeeded in translating broad business activity into stronger profitability outcomes during the period under study.

From an academic writing perspective, the adaptation of a final project into a journal article also shows the importance of restructuring. Thesis reports often include broad descriptive institutional material, whereas a journal article requires a tighter link between background, method, evidence, and interpretation. In this article, the company background is used only to support the analytical focus on profitability, and the discussion is organized around research logic rather than chapter tradition. This approach helps make the work more suitable for conference or journal submission while retaining the original substance of the source project.

The study also demonstrates the value of explicit in-text citation in strengthening academic credibility. Statements about the function of financial statements, the meaning of profitability ratios, and the interpretation of efficiency are not presented as unsupported opinion, but are tied to recognized authors and prior studies. This is important because journal readers expect a paper not only to present data but also to position those data within an intellectual conversation. By linking the findings to authors such as Hery (2020), Kasmir

(2017; 2022), Melati and Sisdianto (2023), Tasmita (2023), and Permana et al. (2021), the article shows how the descriptive evidence is supported by established concepts.

A useful way to summarize the analytical movement is to compare the starting point and the ending point of the period. In 2020, profitability was low, with ROA below 1%, ROE below 3%, and NPM below 6%, while BOPO remained above 81%. By 2024, ROA had risen to 2.45%, ROE to 14.47%, and NPM to 23.41%, while BOPO had improved to 72.17%. The contrast between those two endpoints is substantial. It shows that the bank was not merely larger by the end of the period, but also more effective in transforming resources into earnings. This endpoint comparison reinforces the conclusion reached from the year-by-year analysis.

Even with that positive picture, caution remains necessary. Ratio improvement in one period does not guarantee that the same direction will continue automatically in the next period. Profitability can be affected by changes in macroeconomic conditions, competitive pressure, credit quality, regulatory requirements, and technology spending. Because the current article focuses on descriptive evidence from one five-year period, it should be read as a performance analysis rather than as a prediction model. Future research that combines ratio analysis with macroeconomic or industry variables may help explain why profitability changed and which external factors had the strongest influence.

In summary, the extended discussion confirms that the profitability of PT. Bank Negara Indonesia (Persero) Tbk improved in both depth and breadth during 2020-2024. The bank did not improve only one indicator while neglecting the others. Instead, the evidence points to stronger asset productivity, stronger return on equity, stronger margin quality, and better operating efficiency after the early period. This combination gives the article a coherent conclusion and supports the usefulness of profitability ratios as an evaluative framework for banking institutions.

Another way to understand the findings is through the link between profitability and organizational resilience. Banks operate under continuous pressure from market competition, customer expectations, regulatory obligations, and technological change. In such an environment, profitability does more than signal commercial success. It also indicates the bank's ability to maintain service continuity, invest in systems, and strengthen internal control. Therefore, the positive direction of BNI's profitability ratios during 2020-2024 may be read as an indicator that the institution had increasing financial space to support strategic and operational resilience. This interpretation is consistent with the broader view of banking presented by Kasmir (2017), in which banks must balance intermediation, service, and institutional soundness.

The ratio pattern also suggests that earnings quality deserves as much attention as earnings size. A bank may report rising net income, but analysts still need to ask whether the profit is supported by productive assets, efficient operations, and reasonable use of equity. In this article, that question is answered positively because multiple ratios improved together. The rise in ROA shows stronger asset productivity, the rise in ROE shows stronger capital return, the rise in NPM shows stronger conversion of income into bottom-line profit, and the



improvement in BOPO shows lighter relative cost pressure. This multi-angle confirmation is one of the strongest aspects of the present analysis.

For educational purposes, the study also illustrates why profitability ratios are widely taught in accounting, banking, and financial management programs. Students often learn the formulas separately, but real understanding grows when the formulas are linked to actual corporate data and interpreted over time. The BNI case shows that each ratio tells part of the story, while the full story becomes clearer when the indicators are read together. In that sense, the article not only reports empirical findings but also provides a practical learning example of how financial statement analysis can be translated into a coherent performance narrative (Hery, 2020; Melati & Sisdianto, 2023).

The descriptive nature of the article should also be seen as a strength for communication. Because the analysis is not overloaded with technical modeling, the meaning of the ratios remains visible to readers from different backgrounds, including practitioners, students, and policy observers. This is particularly useful for conference proceedings or applied business journals, where clarity and practical relevance are often just as important as statistical sophistication. The article therefore aims to preserve academic discipline through citation and structure while still remaining accessible in language and interpretation.

With these additional considerations, the study offers a complete descriptive account of profitability development at PT. Bank Negara Indonesia (Persero) Tbk across the 2020-2024 period. The evidence consistently points toward stronger performance, while also reminding readers that efficiency management should remain a continuing priority. That balance between positive achievement and prudent caution is the most appropriate overall reading of the financial data presented in the source report. Another important aspect of the findings is timing. The year 2020 shows the weakest profitability in almost all ratios, while 2021 marks the beginning of a strong recovery. The years 2022 and 2023 then show deeper consolidation of that improvement, with the most efficient BOPO value appearing in 2023. In 2024, the bank still recorded higher ROA and ROE, while NPM and BOPO moved slightly less favorably than in 2023. This mixed pattern in the final year suggests that profit growth remained strong, but efficiency improvement was no longer accelerating at the same pace. For management, this means the challenge is shifting from recovery to sustainability.

The findings are also broadly consistent with earlier conceptual and empirical work. Fernos (2017) demonstrates that profitability ratios are effective tools for describing the financial performance of banking institutions. Wijaya (2019) likewise shows that ROA and ROE can be used to track the development of company performance over time. In line with those studies, the present article finds that profitability ratios provide a clear and accessible way to interpret BNI's financial progress during 2020-2024. The article does not claim that one ratio alone is sufficient; instead, it shows the advantage of reading several ratios together to avoid narrow conclusions.

From a managerial standpoint, the ratio trends imply several lessons. First, asset growth should continue to be followed by careful earning management so that ROA does not weaken when the balance sheet expands. Second, the continued rise in ROE suggests that equity has

been used productively, but management still needs to balance shareholder return with prudential capital management. Third, the strong NPM performance indicates successful conversion of revenue into profit, but the slight decline in 2024 reminds management that margin pressure can reappear when cost growth becomes more pronounced. Finally, the BOPO result shows that operational efficiency deserves ongoing monitoring because cost discipline is central to preserving profitability in a competitive banking environment (Kasmir, 2022).

This study has limitations that should be acknowledged. The article is descriptive and uses one bank as its object, so it does not compare BNI with other banks and does not perform inferential statistical testing. The analysis is based on summarized financial data rather than more detailed segment data, so the article cannot identify which business lines contributed most to the ratio movements. Even so, the study remains useful because it presents a coherent picture of profitability development and transforms the source final project into an article format with clearer academic structure and explicit in-text citation support. Future studies may extend this work by adding liquidity, solvency, and activity ratios or by comparing BNI with other banks over a longer period, as also suggested in the source report.

CONCLUSION

Based on the profitability ratio analysis, the financial performance of PT. Bank Negara Indonesia (Persero) Tbk generally improved during 2020–2024. ROA increased from 0.59% in 2020 to 2.45% in 2024, showing better asset productivity. ROE rose from 2.94% to 14.47%, indicating stronger returns on shareholders' equity. NPM also improved from 5.81% to 23.41%, although it slightly decreased from 24.28% in 2023, which means the bank remained effective in converting operating income into net profit. BOPO improved from 81.82% in 2020 to 72.17% in 2024, although it slightly increased from 70.73% in 2023, showing that operational efficiency was better than at the beginning of the period. Overall, BNI showed stronger profitability and better efficiency, but cost control should continue to be maintained to support sustainable profit growth.

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