Strategic Responses to Pressures in the Indonesian Banking Sector: A Comparative Study of BCA and BRI

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Indonesian banks faced shifting funding conditions, credit risk, digital competition, and increased regulatory demands between 2023 and 2025. The study examines sector pressures and evaluates the responses of PT Bank Central Asia Tbk (BCA) and PT Bank Rakyat Indonesia (Persero) Tbk through various funding, lending, risk-management and digital strategies. A descriptive comparative case study design was employed, drawing on audited financial statements, annual reports, regulatory publications, and other credible secondary sources. Financial ratios were selected and then combined with PESTEL and SWOT analyses to interpret the external environment, strategic responses and financial outcomes of both banks. The results show that BCA followed a more stability-oriented approach supported by a higher CASA ratio, a lower Loan-to-Deposit Ratio, better asset quality and more stable profitability. BRI adopted a more expansionary strategy emphasizing MSME lending and financial inclusion. This approach supported greater lending activity and rising earnings per share, but it also resulted in higher liquidity pressure, higher credit exposure, weaker profitability margins, and a higher dividend payout ratio. The study concludes that banks operating in the same sector conditions could generate different financial results due to their strategic priorities. Effective responses to banking-sector pressure require a balance among growth, funding capacity, credit quality, profitability, and long-term financial flexibility.

Keywords: Indonesian Banking Sector, Strategic Responses, Financial Performance, Comparative Case Study.

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1. Introduction

The Indonesian banking sector operated amid global economic uncertainty between 2023 and 2025. This phenomenon has changed the domestic environment, driven by ongoing credit expansion and the rapid growth of digital financial services. Credit of commercial banks rose 10.92% year on year, while third-party funds increased by 6.74%[1]. Although the banking sector maintained sufficient liquidity and capital, the Financial Services Authority continued to encourage banks to strengthen low-cost funding and manage potential mismatches between short-term funding and longer-term financing. Moreover, financial technology changed the competitive environment faced by conventional banks. Evidence from Indonesian commercial banks shows that the development of FinTech can affect the relationship between bank liquidity and credit risk. However, the influence varies with bank size, ownership, and economic conditions [2]. Credit quality also remained relevant in the post-pandemic period. This is due to changes in macroeconomic conditions associated with shifts in non-performing loans during and before the pandemic [3].

In this respect, such conditions require closer attention. Consequently, bank management must support lending and business growth without weakening liquidity, asset quality, profitability, or long-term financial flexibility. When liquidity becomes tighter, banks may have to increase deposit rates to attract funds, seek alternative funding, or adjust lending activities, which can affect the cost of funds and credit risk[2]. Digital information creates another layer of management complexity. Thus, investing in digital platforms does not automatically improve organizational performance. Research on BRI has identified several variables that are important to its governance of digital transformation. Those are IT architecture, data management, employee capabilities, operations, external collaboration, risk management, strategy, and audit [4]. Furthermore, research involving 325 respondents from 48 Indonesian banks also showed that technological, strategic, ecosystem, and governance capabilities play roles in digital transformation, innovation, and banking performance [5]. Therefore, bank performance should be evaluated not only by the growth of loans or transactions, but also by how management balances growth, risk, efficiency, and financial soundness.

The study is conducted on two selected large banks: PT Bank Central Asia (BCA) and PT Bank Rakyat Indonesia (Persero) Tbk (BRI). Both are major commercial banks listed in the same regulatory and economic environment in Indonesia. The two banks are a relevant comparison given their different business orientations and funding structures. BCA places strong emphasis on transaction banking, reliability of digital services, and low-cost customer deposits. Hence, its 2025 annual report states that current and savings accounts accounted for more than 80% of total third-party funds[6]. Likewise, BRI has a broader orientation on micro, small, and medium enterprise financing and financial inclusion. Its current and savings account ratio reached 70.6% in 2025, while MSME lending remained central to its business strategy[7]. The study covers the period from 2023 to 2025 and examines banks' responses to funding pressures, liquidity requirements, credit risk, digital competition, and rising operational demands. This contrast provides a useful basis for examining how different banking strategies operate under the same sector conditions. The analysis therefore considers funding structure, liquidity, asset quality, profitability, financial leverage and shareholder performance.

Previous studies on Indonesian banking have focused on the relationship of liquidity, credit risk, capital adequacy, profitability and sustainaible growth with large sample of commercial banks[2], [3], [8], [9]. While these studies explain the relationships between financial factors, they provide less insight into how banks with different business models respond to the same external pressures and how those strategic choices are reflected in their financial outcomes. This study fills the gap by comparing BCA and BRI within the same regulatory, economic and digital environment during the 2023-205 period. Its novelty is in linking sector pressures, managerial responses and financial outcomes through integrated use of PESTEL, SWOT and financial ratio analysis. The comparison offers a case-cased explanation for how BCA's transaction-banking and low-cost funding orientation differs from BRI's focus on MSME lending and financial inclusion. Therefore, this study aims to investigate the main pressures affecting the Indonesian banking sector and evaluate how the responses of BCA and BRI were reflected in their funding structure, liquidity, asset quality, profitability, financial leverage and shareholder performance.

2. Literature Review And Problem Statement

Banks are intermediaries that collect deposits and lend them out. It therefore closely connects funding, lending, liquidity, and credit risk. If liquidity is deemed risky, then banks might raise deposit rates, sell liquid assets, or borrow from other institutions to meet short-term obligations. Such responses may increase funding costs and affect credit risk[2]. At the same time, lending remains an important source of income, although weak loan quality can increase non-performing loans and reduce profitability [3], [9]. Capital adequacy also supports bank resilience by providing a buffer against unexpected losses and helping banks manage risks associated with their assets and liabilities[8]. As a matter of fact, bank performance cannot be evaluated by a single financial ratio. It should be analyzed through related indicators such as funding structure, liquidity, asset quality, profitability, financial leverage, and shareholder performance.

Table 1. Synthesis of Previous Studies on Indonesian Banking

Previous Study	Focus and approach	Main Contribution	Limitation relevant to this Study
Yudaruddin et al [2]	Examined liquidity, credit risk, and FinTech development using data from 142 Indonesian commercial banks	Liquidity can reduce credit risk, while the influence of FinTech depends on bank characteristics and economic conditions	Used a broad bank sample and focused on statistical relationships rather than how particular banks responded strategically
Fakhrunnas et al [3]	Analysed macroeconomic determinants of NPLs before and during the pandemic	Macroeconomics changes affected NPLs asymmetrically and influenced borrowers' repayment capacity	Focused on the period before and during the pandemic rather than management responses in the 2023 – 2025 recovery period
Mulyana et al [4]	Conducted a case study of digital-transformation governance at BRI	Linked IT governance mechanisms supporting digital transformation	Focused on one bank and digital governance without comparing the financial effects of different strategic responses
Abdurrahman et al [5]	Surveyed 325 respondents from 48 Indonesian banks using the TOE framework	Linked technological, strategic ecosystem and governance capabilities with digital transformation and banking performance	Used perception-based, cross-sectional data and did not compare bank-specific strategies through financial indicators
Linggadjaya et al [8]	Examined 47 listed banks and the moderating role of capital adequacy in sustainable growth	Demonstrated that profitability, liquidity, leverage, inefficiency, and capital adequacy interact in shaping growth	Analysed broad statistical relationships rather than how different business orientations affected responses to common pressures
Sutrisno et al. [9]	Studied probability and stability among 35 banks providing green credit	Profitability and stability were related to capital, efficiency, liquidity risk and credit risk	Concentrated on green-credit banks and did not evaluate comparative strategic responses across individual banks

The studies summarized in Table 1 suggest that bank performance is influenced by several interrelated factors, although their effects vary across research settings. Liquidity may reduce credit risk, but this relationship can vary with bank characteristics, economic conditions, and the development of FinTech [2]. Macroeconomic changes can also affect borrowers' repayment capacity and the level of non-performing loans [3]. Meanwhile, profitability, leverage, liquidity, efficiency, and capital adequacy are the determinants of bank growth and stability [8] [9]. In addition, research on digital transformation further shows that governance, strategy, employee capability, data management and external collaboration influence banking performance as well as technological capability [4] [5]. Taken together, these findings suggest that financial outcomes cannot be explained by one indicator or strategic action alone. Most previous research, however, has examined broad statistical correlations, a single bank or a single issue, making it difficult to understand how different business orientations influence responses to the same banking-sector pressures.

This limitation gives rise to the research problem addressed in the present study. There is still limited comparative evidence on how major banks with different business orientations respond to similar sector pressures and how those choices are reflected in their financial performance. The cases of BCA and BRI are relevant because both operated under the same Indonesian regulatory, economic, and technological conditions during 2023-2025, yet pursued different strategic priorities. BCA was more oriented to transaction banking, low-cost funding and controlled lending, while BRI was more oriented to MSME financing and financial inclusion. Thus, this study integrates PESTEL analysis to identify external pressures, SWOT analysis to examine strategic positions and responses, and financial ratio analysis to assess related financial patterns. The comprehensive framework enables the study to relate sector conditions, management choices, and financial outcomes within the two banks.

3. Method

This study used a descriptive-comparative case study method that combined qualitative document analysis with quantitative financial-ratio analysis to examine how PT Bank Central Asia Tbk (BCA) and PT Bank Rakyat Indonesia (Persero) Tbk (BRI) responded to pressures in the Indonesian banking sector. A case-study design allows a phenomenon to be examined in its real organizational and industry context [10], while the use of more than one case supports a structured comparison of similarities and differences[11]. In addition, clear case boundaries are needed for consistent data collection and interpretation [12]. Therefore, the study was conducted only on BCA and BRI over the 2023-2025 financial years. The two banks were selected because they operate in the same Indonesian economic and regulatory environment but pursue different business priorities. Hence, the comparison allows an assessment of their management responses and financial performance in broadly similar external conditions.

Then, the study used secondary data obtained primarily from the audited financial statements and annual reports of BCA and BRI for 2023, 2024, and 2025. This resulted in six bank-year observations. Supporting information was collected from publications issued by the Financial Services Authority, Bank Indonesia and the Indonesia Stock Exchange. Furthermore, management initiatives, operational developments, and strategic priorities were identified in official company reports and press releases. Document analysis is the process of systematically selecting, reviewing, evaluating, and interpreting documentary material [13]. Additionally, secondary data available in the public domain must be reviewed for relevance, credibility, completeness, and suitability for the research question [14]. Thus, news reports were used only as contextual evidence when their information could be confirmed through official or other reliable sources. Bowen describes document analysis as a systematic process which may include organizational reports, public records, press releases and other institutional documents. [14] also highlights the importance of evaluating the quality and suitability of secondary data in the public domain before using it for research.

After the documents were collected, the financial figures were organized in a worksheet by bank, year, and performance indicator. Each amount was reconciled to the relevant notes to the financial statements and to the financial highlights reported in the annual reports. Then, financial ratio analysis was employed to examine changes and differences in funding structure, liquidity, asset quality, profitability, financial leverage and shareholder performance. The indicators were Current Account and Savings Account ratio, Loan-to-Deposit Ratio, gross Non-Performing Loan ratio, Net Profit Margin, Net Interest Income Ratio, Return on Equity, Debt-to-Equity Ratio, Earnings per Share, Price-to-Earnings Ratio, and Dividend Payout Ratio. For both banks, ratios were reported directly by the banks, based on comparable definitions. When definitions or calculation bases were different, the numbers were recalculated from audited financial data using the same formula. The results were then compared across the three-year period to identify trends, changes, and differences between the banks. The analytical frameworks and indicators used in the study are presented in Table 2.

Table 2. Analytical Frameworks and Indicators

ANALYTICAL APPROACH	INDICATORS	PURPOSE OF ANALYSIS
PESTEL analysis	Political, economic, social, technological, environmental, and legal factors	Identifies external pressures affecting the Indonesian banking sector
SWOT analysis	Strengths, weaknesses, opportunities and threats	Examines the banks' internal positions and strategic responses
Funding Structure	CASA ratio	Assesses the proportion of low-cost customer deposits
Liquidity	Loan-to-Deposit Ratio	Evaluates the relationship between loans and customer deposits
Asset Quality	Gross NPL ratio	Assesses the level of problem loans and credit risk
Profitability	Net Profit Margin, Net Interest Income Ratio, ROE	Evaluates profit generation, interest-based earnings and returns generated from shareholder's equity
Solvency	Debt-to-Equity ratio	Examines the relationship between liabilities and equity
Shareholder Performance	EPS, P/E ratio, Dividend Payout ratio	Assesses earnings, market valuation, and dividend distribution

In addition to financial ratio analysis, the study applied SWOT and PESTEL analysis to organize the strategic factors affecting each bank. This framework classifies external influences into political, economic, social, technological, environmental, and legal factors, enabling evaluation of conditions outside a bank's direct control in relation to its strategy and performance [15]. In this study, PESTEL was used to identify regulatory developments, interest-rate and funding pressures, changes in customer behavior, digital transformation, sustainable-finance expectations, and legal requirements affecting Indonesian banks during 2023-2025. The supporting evidence was drawn from publications issued by the Financial Services Authority and Bank Indonesia, the banks' annual reports, and other credible industry sources.

The external conditions identified through PESTEL were then connected to the SWOT analysis. The SWOT method was employed to classify the internal strengths and weaknesses of BCA and BRI, as well as the opportunities and threats arising from the banking environment [16]. Internal factors were identified from financial results, business developments, management commentary and official company disclosures, while external factors were based mainly on the PESTEL findings. To reduce subjective interpretation, a factor was included only when it was supported by audited information, an official regulatory publication or more than one credible source. Then, the results of PESTEL, SWOT and financial ratio analysis were integrated to compare how the two banks responded to sector pressures and how those responses were reflected in their financial performance.

4. Results And Discussion

The study's findings show that BCA and BRI faced similar pressures in the Indonesian banking sector during 2023-2025, but responded differently due to the fact that the two banks entered the period with distinct business models, customer bases, and strategic priorities. BCA's position in transaction banking and its large base of current and savings accounts supported a strategy centred on funding stability, controlled lending and service reliability. On the other hand, BRI built its response around its extensive MSME network and financial-inclusion orientation. This encouraged broader credit distribution and market reach but also required the bank to manage a larger, more diverse loan portfolio. The difference in financial performance should therefore be viewed as the outcomes of distinct strategic choices rather than as a simple ranking of which bank performed better.

External Pressures and Strategic Responses

The PESTEL analysis identified economic, regulatory, social, technological, and environmental conditions which have influenced the strategies of both banks. Table 3 links these external conditions to the main responses identified in the SWOT analysis.

Table 3. External Pressures and Strategic Responses of BCA and BRI

PESTEL Factor	Main Pressure or Opportunity	BCA's Response	BRI's Response
Political and legal	Stronger regulatory attention to liquidity, credit quality, capital and risk management	Applied stricter credit selection and maintained a conservative lending approach	Continued lending expansion while managing regulatory and credit requirements
Economic	Higher interest rates, funding competition and rising funding costs	Relied on its high CASA ratio to maintain a low-cost funding base	Supported growth through deposit mobilization and MSME lending
Social	Greater demand for financial inclusion and changing customer behavior	Used customer loyalty and transaction banking to deepen product use	Used its extensive MSME network to broaden access to financial services
Technological	Growth of digital payments, stronger competition, cybersecurity risks, and higher technology costs	Focused on system reliability, payment services, and customer experience	Integrated digital services into its MSME and financial-inclusion ecosystem
Environmental	Growing attention to sustainable finance and environmental standards	Gradually incorporated sustainability considerations into banking activities	Continued aligning lending activities with inclusive and sustainable-finance objectives

The PESTEL analysis revealed common pressures on both banks. They include intensifying competition for customer funding, evolving interest-rate conditions, credit-quality concerns, digital transformation, and increased regulatory attention. However, the SWOT analysis shows that each bank responded with its existing strengths of their organisations.

BCA's response was closely related to its transaction banking model. The bank's strong customer relationships and high CASA base enabled it to compete for funding without relying heavily on higher-cost time deposits. As interest rates and funding pressure increased, maintaining low-cost deposits became a source of financial strength and a means of protecting profitability. BCA's cautious lending approach was consistent with its stability-oriented stance. By limiting credit expansion to borrowers who met its risk standards, the bank reduced its exposure to weaker-quality loans, although this approach may also have limited opportunities for faster lending growth. In contrast, BRI adopted a different approach as its business model places more focus on MSME financing and financial inclusion. Its broad distribution network and experience in microfinance provided an opportunity to expand lending among customer groups that may have less access to conventional credit. This orientation supported broader market reach and loan growth but also introduced a more complex risk profile. MSME borrowers can be more sensitive to changes in economic conditions, funding costs, and repayment capacity. Therefore, BRI faced a more difficult balance between expanding credit and maintaining liquidity and asset quality. The strategy was not necessarily weaker than BCA; rather, it had a different level and type of exposure.

The different digital strategies were also reflected in their existing customer bases. BCA focused on system reliability, transaction speed, payment services, and customer experience because digital channels support its transaction-banking model and help retain low-cost deposits. BRI focused more on expanding access among MSME customers and underserved markets through digital services. This interpretation aligns with Mulyana et. Al [4], who found that BRI's digital transformation was subject to several interrelated governance mechanisms. They are IT architecture, data management, operational capabilities, risk management, strategy, and audit. It also supports Abdurrahman et al [5], who showed that digital banking performance depends on technological, strategic, ecosystem, and governance capabilities rather than on technology investment alone.

The present findings provide a comparative perspective to those studies. While earlier research explained which organizational capabilities support digital transformation, the comparison between BCA and BRI shows that the purpose of digitalization can also differ. Digital investment supported transaction quality, customer retention, and funding stability mainly for BCA. Then, it argued for broader market access and integration of financial services in the MSME ecosystem for BRI. In both cases, digitalization opened up opportunities for fee and commission income, but the investment needed in platforms, infrastructure, and cybersecurity also continued to put pressure on costs.

Comparative Financial Findings and Discussion

Table 4 summarizes the financial indicators that most clearly reflect the strategic differences between BCA and BRI.

Table 4. Comparative Financial Indicators of BCA and BRI, 2023 - 2025

INDICATOR	BCA			BRI		
	2023	**2024**	**2025**	**2023**	**2024**	**2025**
CASA ratio (%)	80.7	82.0	84.2	64.3	67.3	70.6
Loan-to-Deposit Ratio (%)	70.2	78.4	76.8	84.7	89.4	92.0
Gross NPL ratio (%)	1.86	1.78	1.71	2.95	2.78	3.07
Net Profit Margin (%)	55.8	57.9	58.2	33.3	30.3	27.5
Net Interest Income Ratio (%)	86.2	87.1	86.9	74.6	70.0	71.0
Return on Equity (%)	20.1	20.9	20.4	19.1	18.7	17.3
Debt-to-Equity Ratio	4.77	4.48	4.60	5.20	5.16	5.45
Earnings per Share	395	445	467	378	400	428
Price-to-Earnings Ratio	24	22	17	15	10	9
Dividend Payout Ratio (%)	68.4	67.4	71.7	79.6	85.8	91.2

Funding, Liquidity and Asset Quality

Funding results are one of the clearest differences between the two banks. The CASA ratio of BCA rose from 80.7% in 2023 to 84.2% in 2025, while BRI increased from 64.3% to 70.6%. Both banks therefore increased their low-cost deposit bases. However, BCA's CASA ratio was considerably higher throughout the period, providing it with better access to relatively stable, lower-cost customer funding.

The different lending priorities are also visible in the liquidity results. The LDR of BCA increased from 70.2% to 76.8% but remained lower than BRI's level. BRI's LDR increased more steadily, reaching 92.0% in 2025. This indicates that BRI allocated a larger share of customer deposits to lending, consistent with its stronger focus on MSME financing and business expansion. On the contrary, BCA maintained a bigger liquidity buffer.

Then, a similar pattern emerged in asset quality. BCA's gross NPL ratio declined from 1.86% to 1.71%. BRI's ratio initially improved in 2024 but then increased to 3.07% in 2025. The results suggest that BCA's more stringent credit selection was associated with more stable asset quality, while BRI's more diversified lending activities were associated with greater credit exposure.

These results are broadly consistent with [2] who found that bank liquidity is closely related to credit risk in Indonesia. Their findings also indicate that aggressive lending and financial innovation can increase risk when they are not supported by careful liquidity and credit management. The present findings also support [3] who showed that loan quality can change in response to economic conditions and borrowers' repayment capacity.

Nevertheless, the comparison does not prove that BRI's lending strategy was directly responsible for its higher NPL ratio. It shows that a higher LDR, broader credit exposure, and a higher NPL ratio occurred alongside its more expansion-oriented strategy. The CASA, LDR and NPL movements suggest that each bank's funding model determined the extent to which it could expand lending, while managing liquidity and credit risk. BCA's larger low-cost deposit base gave it more room to maintain liquidity and apply selective credit standards. Then, BRI's broader MSME orientation required a greater proportion of deposits to be channelled into lending and exposed the bank to borrowers whose cash flows might be more susceptible to economic fluctuations. This extends the findings of Yudaruddin et al [2] and Fakhrunnas et al [3] by showing that the relationships among liquidity, lending and loan quality may vary depending on bank's business orientation even if the banks are in similar sector environments.

Profitability

The profitability indicators show a more stable trend for BCA. Its Net Profit Margin improved from 55.8% in 2023 to 58.2% in 2025. Meanwhile, BRI's margin declined from 33.3% to 27.5%. The strong positioning of CASA of BCA appears to have helped the bank manage funding costs and retain a larger share of its income as profit. Although BRI continued to expand its lending activities, a decline in margins suggests that funding, operating, and credit-related costs are weighing more heavily on its earnings.

A similar pattern was shown for the Net Interest Income ratio. BCA's ratio held steady at around 86%-87%, while BRI's ratio fell from 74.6% to 70.0%, before rebounding slightly to 71.0% in 2025. This implies that BCA retained a larger proportion of interest income after interest expenses. The difference reflects BCA's higher CASA ratio and lower dependence on time deposits.

The same behavior also shows in ROE. BCA maintained an ROE at around 20% during the period while BRI dropped from 19.1% in 2023 to 17.3% in 2025. Both were still profitable, but BCA generated more stable returns from its equity base. On the contrary, BRI's declining ROE suggests that growth in equity and business activity was not accompanied by a similar rate of profit growth.

The profitability results are broadly consistent with [8], which showed that profitability, liquidity, leverage, efficiency, and capital strength interact to shape sustainable bank growth. Their research also explains that lower funding costs may improve a bank's ability to maintain profitability and attract stronger borrowers. Similarly, [9] found that bank profitability and stability are influenced by the mixed effects of funding conditions, credit risk, operational pressures and capital.

The comparison also shows that business expansion and profitability did not go in the same director both banks. BRI's stronger lending activity supported increasing EPS but the decline in its Net Profit Margin and ROE suggests that the additional scale did not produce strong returns equally. In contrast, BCA's higher CASA ratio and more selective lending approach were associated with steadier margins and equity returns. This provides a case-based explanation for the relationships identified by Linggadjaya et al [8] and Sutrisno et al [9]. Both studies showed that profitability depends on the mixed effects of liquidity, leverage, efficiency, credit risk and capital rather than on growth alone.

Financial Leverage and Shareholder Performance

DER of BCA decreased from 4.77 in 2023 to 4.60 in 2025 while BRI increased from 5.20 to 5.45. This indicates that BRI's expansion-oriented strategy coincided with a higher DER over the review period. However, caution is warranted with DER in banking because customer deposits constitute a large share of banks' liabilities. Hence, it is more suitable as a comparative leverage indicator rather than a comprehensive measure of solvency. Then, EPS rose for both banks. EPS of BCA increased from 395 to 467 while BRI increased from 378 to 428. This shows that both continued to generate higher earnings per outstanding share despite sector-wide challenges.

However, both P/E ratios moved in the opposite direction. BCA's P/E ratio dropped from 24 to 17 while BRI fell from 15 to 9. The decline suggests that even earnings growth failed to prevent a decline in market valuations. Investors may also have considered expected growth, liquidity pressure, credit exposure and general stock market conditions. BCA continued to receive a higher market multiple, but the decline in the P/E ratios of both banks means that the ratio should not be interpreted as a direct measure of management effectiveness.

Dividend policies were also different. BCA has maintained a dividend payout ratio of approximately 67%-71% over time, indicating a good balance between shareholder distributions and retained earnings. On the contrary, BRI increased its payout ratio from 79.6% in 2023 to 91.2% in 2025. Therefore, it gave shareholders a larger immediate distribution, but it also left a smaller proportion of profit available for retention and future financial flexibility. These shareholder indicators suggest another strategic trade-off. While the higher payout ratio of BRI provided a larger immediate distribution to shareholders, when considered alongside its higher DER and liquidity pressure, it may also have reduced the earnings retained to support future expansion or absorb unexpected risks. BCA's more stable payout policy was more in line with its stability-oriented approach. The contrast suggests that shareholder returns should be seen as part of a set of measures of management effectiveness, which include funding, liquidity and risk indicators.

Overall, the comparison shows that the different financial outcomes of BCA and BRI were closely related to their underlying business models and strategic priorities. BCA's transaction banking orientation supported low-cost funding, liquidity, controlled credit exposure and relatively stable profitability. BRI's MSME and financial-inclusion focus supported broader lending and market coverage but required the bank to absorb greater funding, operating and credit pressures. The findings extend prior studies by showing that the relationships among liquidity, credit risk, profitability, and digital transformation are shaped by each bank's strategic context. Management effectiveness should therefore be evaluated based on how well a strategy fits the bank's funding capacity, customer base, risk profile, and long-term objectives, rather than by comparing a single financial indicator in isolation.

5. Conclusion

The comparison between BCA and BRI shows that banks in the same industry pressure can produce different financial results because of their business orientation and operational priorities. BCA's reliance on low-cost deposits and selective lending contributed to stronger liquidity, asset quality, and profitability. The focus of BRI on MSME financing and financial inclusion encouraged broader credit distribution, but it was accompanied by more pressure on margins, loan quality and financial flexibility. Therefore, the results suggest that growth should be evaluated alongside banks' capacity to preserve earnings, maintain loan quality, and respond to changing market conditions.

From a practical point of view, banks seeking credit growth need stronger monitoring of liquidity and borrower quality, while more conservative banks should ensure that cautious lending does not impede sustainable growth. Differences in business models may also be useful for regulators to consider when assessing bank resilience. Given the data for only two large banks over three years, the findings are not intended to represent the entire Indonesian banking sector. Future research can include a broader range of banks, a longer observation period, and examine additional indicators such as operational efficiency, capital adequacy, and digital investment outcomes.

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