Available online at http://iorajournal.org/indx.php/orics /index

Operations Research: International Conference Series

e-ISSN: 2722-0974
p-ISSN: 2723-1739

Vol. 6, No. 3, pp. 131-133, 2025

Analysis of Non-Performing Loans at PT Bank BRI Tbk (2019–2023)

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Abstract

This study aims to analyze the Non-Performing Loan (NPL) ratio of PT Bank BRI Tbk during the 2019–2023 period by applying a descriptive approach combined with horizontal financial analysis. The research relies on secondary data obtained from the bank's published financial statements on the Indonesia Stock Exchange (IDX). The analysis focuses on NPL as a key indicator of credit risk without exploring causal relationships among variables. The findings show that Bank BRI's NPL ratio remained below the regulatory threshold of 5% set by Bank Indonesia, indicating that the bank was in a relatively stable condition. However, annual fluctuations highlight the importance of strengthening credit risk management, particularly in periods of economic uncertainty and aggressive credit expansion. The results emphasize that while the overall performance remains within a safe limit, proactive strategies are required to sustain long-term credit quality.

Keywords: Non-Performing Loan (NPL), descriptive analysis, horizontal analysis, financial statements, credit risk management

1. Introduction

The Banking Law No. 10 of 1998 defines banks as financial institutions that collect public funds in the form of deposits and redistribute them as credit or other financial instruments to improve the standard of living of the people (Estu et al., 2023). Beyond their social function, banks play a strategic role in supporting national economic activities such as consumption, investment, and international trade. These functions position banks as key drivers of economic stability and growth.

However, banks are also exposed to significant risks, particularly credit risk, which arises when borrowers fail to meet repayment obligations. Non-Performing Loans (NPLs) are commonly used as a benchmark to evaluate credit quality, with the NPL ratio serving as a critical indicator of banking performance (Singh et al., 2021). A low NPL ratio reflects sound credit management, whereas a rising NPL ratio signals growing vulnerabilities in the financial system.

In Indonesia, the Covid-19 pandemic and subsequent global economic slowdown placed additional pressure on the banking sector. Although the government introduced credit restructuring programs to mitigate defaults, the expiration of these policies and rising global interest rates have renewed concerns about NPL growth (Naili & Lahrichi, 2022). According to Bank Indonesia, the safe threshold for NPL is below 5%, yet maintaining this limit remains a persistent challenge in times of economic volatility.

Bank BRI, as one of Indonesia's largest state-owned banks, provides an important case study for examining NPL dynamics. Over the period 2019–2023, the bank's NPL ratio exhibited fluctuations despite continuous credit expansion. Previous studies on NPL in Indonesia have largely focused on determinants of credit risk or cross-bank comparisons (Siddique et al., 2022; Korzeb et al., 2025). However, fewer studies have offered a descriptive and longitudinal analysis of NPL performance within a single major institution, particularly during a period spanning pre- and post-pandemic conditions.

This research therefore seeks to fill that gap by conducting a descriptive and horizontal analysis of Bank BRI's NPL ratio from 2019 to 2023. By analyzing secondary data from published financial statements, this study aims to provide insights into the bank's credit quality performance and highlight the implications of NPL fluctuations for future credit risk management.

2. Methods

This research employs a descriptive design with a focus on horizontal financial analysis. The descriptive approach is applied to examine the current status and trends of Non-Performing Loans (NPL) at PT Bank BRI Tbk without testing causal relationships among variables. The horizontal analysis technique is used to compare financial data across multiple years, enabling the identification of patterns and fluctuations in NPL performance over time (Anggraini, 2022).

The study relies on secondary data obtained from the official financial statements of PT Bank Rakyat Indonesia (BRI) published on the Indonesia Stock Exchange (IDX). The observation period covers five years, from 2019 to 2023, ensuring that the analysis captures both pre-pandemic and post-pandemic conditions. The data include total credit disbursed, the value of non-performing loans, and the calculated NPL ratio.

The analysis procedure consisted of three steps:

a) Data Collection – Gathering annual financial statement data related to credit and NPL.
b) Horizontal Comparison – Calculating year-to-year changes in total credit, NPL value, and NPL ratio.
c) Interpretation – Assessing whether the observed NPL ratio values fall within the safe threshold set by Bank Indonesia (<5%) and discussing implications for credit risk management.

This methodological framework provides a systematic basis for evaluating the stability of Bank BRI's credit quality and identifying challenges that may arise in maintaining NPL levels under economic uncertainty.

3. Results and Discussion

The descriptive and horizontal analysis of PT Bank BRI Tbk's Non-Performing Loans (NPL) from 2019 to 2023 shows fluctuations that reflect both internal banking strategies and external economic conditions.

In 2019, BRI recorded total credit of IDR 907.39 billion, with NPL amounting to IDR 25.29 billion, resulting in an NPL ratio of 2.62%. This value was well below the 5% threshold set by Bank Indonesia, indicating sound credit quality. The following year, 2020, marked a significant increase in total credit to IDR 1,020.19 billion. NPL rose to IDR 28.02 billion, driving the NPL ratio to 2.94%. Although still categorized as "good," this rise coincided with the onset of the Covid-19 pandemic, which placed financial stress on many borrowers.

In 2021, credit disbursement continued to grow to IDR 1,042.87 billion, while NPL climbed to IDR 31.24 billion, pushing the ratio to 3.08%. This increase signaled greater pressure on asset quality and moved BRI's performance closer to the "fair" category. External shocks, including prolonged pandemic effects and sluggish economic recovery, were major contributors to this condition.

By 2022, however, BRI succeeded in reducing its NPL value to IDR 30.45 billion, while credit surged to IDR 1,139.08 billion. The NPL ratio fell to 2.67%, suggesting improved credit risk management and effective implementation of restructuring policies. This performance reflects the bank's ability to adjust lending strategies and manage restructured accounts effectively.

In 2023, total credit reached IDR 1,266.43 billion, the highest in the observed period. NPL rose to IDR 37.32 billion, increasing the ratio to 2.95%. While still below the 5% threshold, the rebound in NPL highlights the challenges of maintaining credit quality amid global inflationary pressures, rising interest rates, and post-pandemic policy normalization. External risks, including geopolitical conflicts in Europe and tightened global financial conditions, also contributed to borrower repayment difficulties.

Overall, the five-year analysis shows that BRI's NPL ratio remained within safe limits but displayed year-to-year volatility. This indicates that strong credit growth alone does not guarantee stable portfolio quality. Instead, proactive credit risk management—such as selective lending, continuous monitoring, and robust restructuring mechanisms—becomes crucial. Externally, macroeconomic conditions, interest rate cycles, and global uncertainty remain key drivers of NPL dynamics.

The findings underscore that while BRI has successfully kept its NPL ratio below the regulatory threshold, the bank must continue to strengthen its risk management framework to safeguard financial stability in the face of uncertain economic conditions.

4. Conclusion

This study analyzed the Non-Performing Loan (NPL) ratio of PT Bank BRI Tbk from 2019 to 2023 using a descriptive and horizontal analysis approach. The results show that although BRI's NPL ratio remained below the regulatory threshold of 5% set by Bank Indonesia, fluctuations occurred during the five-year period. The increase in NPL during 2020–2021 reflected the adverse impact of the Covid-19 pandemic, while improvements in 2022 demonstrated the effectiveness of restructuring and credit risk management strategies. However, the subsequent rise in 2023 indicates that external pressures such as global inflation, rising interest rates, and geopolitical uncertainty continue to pose significant challenges.

The findings highlight two key implications. First, sustained credit expansion must be balanced with prudent risk management to prevent deterioration in asset quality. Second, external shocks remain a critical factor influencing NPL trends, underscoring the need for adaptive and forward-looking policies. Academically, this study contributes to the literature by providing a longitudinal descriptive analysis of a major Indonesian bank's NPL performance during both pre- and post-pandemic conditions. Practically, the results emphasize the importance of strengthening monitoring systems, enhancing early warning mechanisms, and adopting flexible restructuring policies to maintain long-term credit stability.

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