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Performance Comparison of Indonesia's Big Banks Using The Competitive Profile Matrix Approach

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ABSTRACT

This study aims to analyze the competitive position of major banks in Indonesia based on their fundamental performance. Big banks, defined as those with a market capitalization exceeding IDR 100 trillion, significantly influence the Jakarta Composite Index. This research employs an exploratory approach to assess the competitiveness of these big banks using the Competitive Profile Matrix. The findings reveal that PT Bank Central Asia, Tbk (BBCA) holds the highest competitive advantage among Indonesian big banks. BBCA's competitive edge stems from its superior Capital Adequacy Ratio, optimal Cost-to-Income Ratio, strong Current Account Savings Account fund collection, and a conservative Loan-to-Deposit Ratio, coupled with its high Return on Equity. The study emphasizes that big banks are not solely dependent on interest income but also generate significant revenue from fees and commission-based services. Understanding the business strategies and financial ratios of these banks is crucial for investors and regulators in making informed decisions to foster stability and growth within Indonesia's banking sector.This research contributes by integrating financial ratio analysis with the Competitive Profile Matrix to assess the competitive advantage of big banks in Indonesia. Unlike previous studies, it combines various key financial ratios, offering a comprehensive framework to evaluate how these banks perform amid external market uncertainties. The findings underscore the importance of diversified income streams and operational efficiency, extending beyond traditional interest income models.Theoretically, this study affirms that internal financial strength manifested in ratios serves as a sustainable competitive advantage during market volatility. This contributes to existing theories of competitive advantage by demonstrating the role of financial resilience in maintaining long-term stability, especially for banks facing external economic shocks.

INTRODUCTION

The term "big bank" refers to large banks that possess significant size, assets, and influence in the banking market. Big banks operate on a national or international scale, with extensive branch networks, diverse financial services, and substantial capital (Bertay et al., 2013) .These banks often have the ability to shape the market, provide financial services to large corporations, and cater to high-net-worth individuals (Bremus et al., 2013). Some key characteristics of big banks include: Large Scale: They have high market valuation, typically measured by a market capitalization

exceeding IDR 100 trillion. Diverse Financial Services: They offer a wide range of banking services, including loans, investments, wealth management, and international payment services. Global Presence: They operate branches and business activities across multiple countries. Financial Strength: They possess strong financial resilience, allowing them to withstand challenging market conditions (Bertay et al., 2013; Bremus et al., 2013). Given their pivotal role in the financial ecosystem, especially amid global capital volatility, evaluating the fundamental strength and competitive advantage of big banks becomes an urgent need to inform strategic investment decisions and policy responses in times of market uncertainty.

In the Indonesian stock market, several large banks are often referred to as big banks due to their size, assets, and significant influence on the fluctuations of the Jakarta Composite Index (JCI) (Ganefi et al., 2024; Koskei & Samoei, 2024). Big banks with a market capitalization exceeding IDR 100 trillion play a central role in Indonesia's economic growth, as they hold a significant weight among the 943 listed companies on the Indonesia Stock Exchange (IDX). Their price movements significantly influence the volatility of the Jakarta Composite Index (JCI), thereby shaping investor sentiment and overall market dynamics. According to (Investing.com, 2025) over the past year, the JCI experienced a sharp decline of -14.86% and dropped further by -8.01% by the end of March 2025, driven largely by foreign capital outflows.

Previous studies have highlighted the macroeconomic linkage between large financial institutions and the stock market. For instance, (Vikaliana, 2018)emphasized that capital flight from foreign investors is a critical driver of index contraction. Similarly, Santosa & Roselli, (2023)confirmed the disproportionately large influence that big banks exert on the JCI, especially in times of market turbulence. Rahmayani & Oktavilia (2021) further attributed JCI volatility to investor responses to both global economic shifts and domestic regulatory changes. Pinem et al., (2023)analyzed the sensitivity of the JCI to macroeconomic indicators such as inflation and interest rates, underlining the JCI's role as a real-time barometer of economic stability.

However, while these studies underscore the macro-financial linkages and vulnerability of the Indonesian market, they have not explicitly compared the internal fundamental strength and competitive positioning of big banks amid systemic shocks. This study contributes a novel perspective by integrating financial ratio analysis with the Competitive Profile Matrix (CPM) framework to identify which big banks maintain a sustainable competitive advantage, despite external market pressures. By bridging market-level dynamics with firm-level fundamentals, this research provides actionable insights for strategic investors and policymakers seeking resilience benchmarks during periods of capital market uncertainty.

Table 1. Indonesia Big Bank Based Size

Bank	Market Cap (IDR/Trilion)	Percentages JCI(%)
Bank Rakyat Indonesia (BBRI)	555	5.12
Bank Central Asia (BBCA)	964	8.90
Bank Negara Indonesia (BBNI)	139	1.28
Bank Mandiri (BMRI)	407	3.76

Source: Online Trading System, 2024

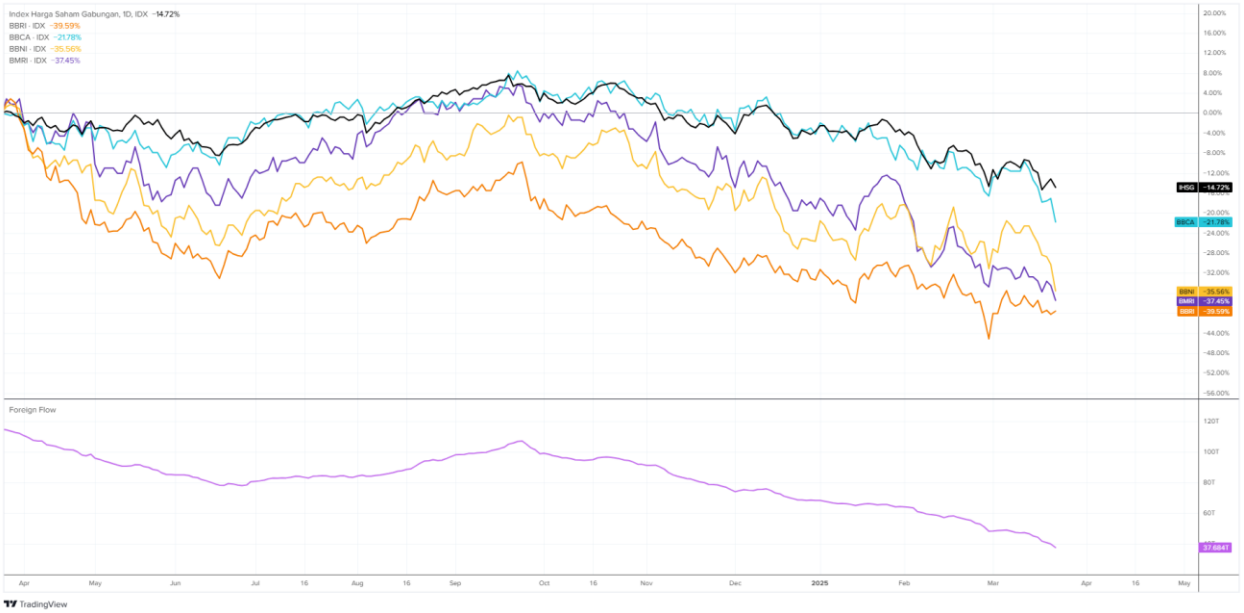

***Figure 1*. Movements of JCI, Big Banks, and Foreign Capital Flow**

Source: Trading View, 2024

In examining the significant capital outflows from Indonesia's financial market, particularly the IDR 37.6 trillion outflow recorded during the last week of March 2025, it is crucial to recognize the strong connection between these outflows and the performance of large-cap stocks. The Jakarta Composite Index (JCI) experienced a 14% decline during this period, largely driven by notable sell-offs in large banks. This highlights the volatility associated with these significant institutional players, emphasizing the essential role of large banks in the broader financial ecosystem (Gossel & Biekpe, 2012).

The drastic price declines in key big banks BBCA falling by -21%, BBNI by -35%, BMRI by -37%, and BBRI plummeting by -39% underscore the need for a detailed comparative analysis of their competitive positions. A solid framework for this analysis is provided by financial ratios through the Competitive Profile Matrix (CPM), which allows for the evaluation of performance amidst external market uncertainties. Theoretical perspectives on competitive advantage highlight that internal financial strength serves as a sustainable and controllable advantage during times of economic turbulence, making financial resilience a critical factor for survival and growth in volatile market conditions (Mansur, 2023; Puspitawati, 2022).This aligns with the work of Fred (2011) and Wheelen & Hunger (2012), who emphasize that financial strength enables organizations to better withstand external shocks.

The comparative analysis focuses on key performance indicators such as Capital Adequacy Ratio (CAR), Operational Efficiency (CIR), and Profitability (ROE), which are essential for understanding which banks maintain strong operations despite substantial declines in stock prices. Empirical studies have shown that banks with robust financial ratios exhibit greater stability during market downturns, making them more attractive for long-term investment (Lahiri & Morshed, 2010). Hardiyanti & Haryanto (2022) further supports this notion, highlighting that financial resilience allows banks to emerge stronger from periods of market volatility.

Moreover, the relationship between foreign capital flows and domestic market performance is significant, as evidenced by the outflows driven by external economic factors and shifting investor sentiment (Yeşin, 2015).The withdrawal of foreign capital often correlates with adverse market movements, highlighting the vulnerability of markets that are overly dependent on external investment. This phenomenon underscores the importance of understanding how internal financial

strength can act as a buffer against external shocks, providing stability for both the institution and the market.

Ultimately, this research aims to provide actionable investment recommendations by identifying which banks maintain robust fundamental performance, even as their stock prices face significant declines. The findings are expected to assist investors and regulators in navigating the complexities of emerging market fluctuations, providing insights into banks that demonstrate both resilience and stability in their financial performance (Otieno et al., 2022). By focusing on sustainable competitive advantages, this study contributes to a deeper understanding of the factors that drive financial stability and long-term growth in the banking sector.

LITERATURE REVIEW

` The Competitive Profile Matrix (CPM) is a systematic tool designed to assess the relative strengths and weaknesses of firms within an industry by weighting critical success factors against the competitive positions held by each participant. In the finance industry, factors such as profitability, technological innovation, digital integration, regulatory compliance, and risk management are crucial; a CPM facilitates an in-depth strategic analysis (Calandro & Lane, 2007; Guevara & Maudos, 2011).

A robust CPM for the finance industry begins with the identification of critical success factors pertinent to the operational and strategic environment of financial institutions. Key factors include relative profitability, growth potential, digital transformation capabilities, and competitive market share. Calandro and Lane (Calandro & Lane, 2007) propose the relative profitability and growth matrix as a competitive analysis tool, emphasizing that elements related to profitability and growth are essential benchmarks for financial institutions. Additionally, studies indicate that competitive intensity in the banking sector is linked not only to profitability but also to operational efficiency and innovation capabilities, supported by the work of (Claessens & Laeven, 2005; Guevara & Maudos, 2011). These studies illustrate the necessity of a careful assessment of such factors for comprehensive industry analysis.

Once the critical success factors are identified, each factor is weighted based on its importance to the overall success of firms in the finance industry. Digital integration and finance-business integration have emerged as prominent factors due to the rapid evolution of financial technologies. Yao & Qin (2023) discuss how the integration of industry and finance through big data analytics is vital for enhancing decision-making processes, thereby influencing competitive positioning. Moreover, Tan et al., (2022) emphasize that innovation driven by digital transformation not only enhances market competitiveness but also redefines cost structures and customer value propositions within the banking sector. The weighting process reflects both traditional financial metrics and the increasing significance of technology-driven strategies.

Developing the matrix entails scoring key players on each weighted factor, allowing the finance industry CPM to reveal differentiated competitive strengths. Institutions demonstrating robust digital capabilities and dynamic growth rates might receive higher scores, while lower scores could highlight challenges such as outdated risk management frameworks or insufficient market penetration. This multi-dimensional evaluation approach is aligned with the findings from the relative profitability and growth matrix (Calandro & Lane, 2007); and is reinforced by evidence of how competitive intensification, discussed by (Claessens & Laeven, 2005), impacts overall industry growth.

Furthermore, a competitive analysis that incorporates both market and financial dimensions is critical in an industry dominated by rapid technological change and regulatory pressures. The CPM should also consider external threats, such as increased fintech competition, and internal weaknesses like inflexible capital structures. By juxtaposing internal capabilities with competitive

threats and opportunities, financial firms can delineate strategic priorities essential in an evolving economic landscape (Claessens & Laeven, 2005; Guevara & Maudos, 2011; Yao & Qin, 2023).

In conclusion, a well-constructed Competitive Profile Matrix for the finance industry integrates both traditional and emergent success factors. The incorporation of relative profitability, digital transformation capabilities, innovation, and efficient risk management enables decision-makers to comprehend competitive dynamics accurately. Integrating insights from multiple empirical studies provides a comprehensive perspective, ensuring that the matrix benchmarks current performance and identifies strategic pathways for future growth and competitive positioning (Calandro & Lane, 2007; Claessens & Laeven, 2005; Guevara & Maudos, 2011; Tan et al., 2022; Yao & Qin, 2023) .

Financial ratios are key metrics derived from financial statements that provide valuable insights into a bank's performance and competitive positioning. Each financial ratio holds distinct importance in determining a bank's success in achieving a competitive advantage, and their relevance is supported by both theoretical and empirical foundations. The process of assigning weights to these ratios is critical, as it reflects their varying levels of impact on the bank's overall performance. In this study, a research questionnaire was distributed to informants who had been previously interviewed in an unstructured manner, allowing for expert opinions to guide the weighting of strategic factors, specifically the Critical Success Factors (CSFs) related to financial ratios (Fred, 2011).

In examining these ratios, the Capital Adequacy Ratio (CAR) stands out as a key measure of a bank's financial strength and resilience. CAR evaluates a bank's ability to absorb potential losses, thus ensuring it can withstand economic shocks and financial stress. As highlighted by (Asmara & Supardi, 2019),a higher CAR indicates a bank's robust risk management, offering stability during periods of market instability. Empirically, (Tami & Dewi, 2022) find that banks with higher CARs tend to have better risk mitigation strategies, making them more resilient to financial distress. This finding is supported by research linking CAR to lower Non-Performing Loans (NPL), further emphasizing the interrelation between capital adequacy and credit risk management.

The Non-Performing Loans (NPL) ratio, which measures the percentage of loans that are unlikely to be recovered, serves as a vital indicator of a bank's credit risk and overall financial health. Koju et al., (2018) and Koskei & Samoei, (2024) have empirically demonstrated that banks with lower NPL ratios exhibit better financial performance and stability. Additionally, (Al-Qudah et al., 2022) explore the relationship between NPL rates and Return on Equity (ROE), showing that well-managed credit risk (i.e., low NPLs) leads to higher ROE, although some variations in the strength of this relationship exist across different markets.

Cost-to-Income Ratio (CIR) is another critical metric for assessing a bank's operational efficiency. A lower CIR indicates that a bank is effectively managing its operating costs while maximizing revenue, which is crucial for profitability, particularly in times of economic downturn. Empirical studies, such as Putri et al., (2021), confirm that a lower CIR correlates with greater operational efficiency, enhancing a bank's profitability and competitive edge. Similarly, the Net Interest Margin (NIM) ratio measures the spread between interest income earned and interest expenses paid, serving as a key indicator of a bank's core profitability. Napi et al., (2024) emphasize that effective management of interest rates, reflected in the NIM, is essential for strategic decision-making in an increasingly competitive market.

Moreover, the Loan-to-Deposit Ratio (LDR) provides valuable insights into liquidity management. A balanced LDR enables a bank to maintain adequate liquidity while making efficient use of deposits for lending, which is crucial for profitability and mitigating liquidity risks (Hartanto & Syarif, 2022). Similarly, the Current Account Savings Account (CASA) ratio plays an important role in evaluating a bank's funding structure. Banks with a higher CASA ratio rely on low-cost funding, which supports competitive loan pricing and enhances profitability during periods of market volatility, as discussed by (Putri et al., 2021).

In conclusion, the financial ratios explored in this study CAR, CIR, NPL, NIM, LDR, and CASA serve as vital metrics for understanding a bank's performance and resilience, particularly during periods of economic uncertainty. Empirical studies have well-documented their significant influence on profitability, risk management, and overall market position, providing a robust framework for evaluating competitive advantage in the banking sector. The financial ratios considered in this study include: CAR (Capital Adequacy Ratio). The Capital Adequacy Ratio (CAR) is used to measure a bank's ability to cover potential losses that may arise from its operational activities. This ratio indicates how strong a bank's capital is in facing potential credit, operational, and market risks (Nugroho & Sugiyanto, 2022; Hartanto & Samputra, 2023). The Cost-to-Income Ratio (CIR) is a financial ratio used to measure the operational efficiency of a bank or financial institution. CIR indicates the proportion of operating expenses relative to the operating income generated.(Hartanto & Samputra, 2023). The Non-Performing Loan (NPL) Ratio is a financial metric used to measure the credit quality of a bank's loan portfolio. NPL indicates the percentage of total non-performing loans (problematic loans) relative to the total loans disbursed by the bank (Gultom et al., 2017).

The Net Interest Margin (NIM) Ratio is used to measure a bank's profitability in its core business, which is lending activities. NIM represents the difference between the interest income earned from loans and the interest expenses paid on third-party funds (DPK), relative to total earning assets (Gultom et al., 2017). The Current Account Savings Account (CASA) Ratio measures the proportion of low-cost funds a bank holds in the form of savings accounts and demand deposits (Current Account) relative to the total third-party funds (DPK) collected by the bank. A higher CASA ratio indicates that the bank has more low-cost funds, allowing it to extend loans at lower interest costs (Quaicoe, 2021). The Loan-to-Deposit Ratio (LDR) is used to measure a bank's liquidity level by comparing the total loans disbursed to the total third-party funds (DPK) collected (Kumar, 2019). LDR indicates how aggressively a bank extends loans relative to its available funds (Gultom et al., 2017). The Return on Equity (ROE) Ratio measures the net profit generated by a bank relative to its own capital (equity) (Araújo, 2018;Islamoglu, 2015; Hartanto & Samputra, 2023). ROE reflects how efficiently a bank manages its equity to generate profits for shareholders.

RESEARCH METHOD

This study is classified as applied research, as its ultimate goal is to address practical issues and provide actionable solutions. According to Sekaran & Bougie (2016), applied research seeks to solve real-world problems, particularly in work environments that require timely and effective responses. The study adopts a quantitative research approach, focusing on the measurement and analysis of financial ratios to assess the competitive advantages of big banks in Indonesia. This approach is particularly suitable as it involves analyzing numerical data obtained from secondary sources, such as financial statements and public reports. By utilizing financial metrics the study aims to provide objective insights into the banks' performance. Additionally, the use of the Competitive Profile Matrix (CPM) adds a structured, data-driven layer to the analysis, allowing for a comparative evaluation of key banks in the sector. This quantitative method ensures a precise and reliable assessment of financial health, which is crucial for stakeholders making investment and regulatory decisions in the banking industry.

Financial Ratios are measurements derived from at least two financial items taken from financial statements. Each financial ratio carries a different weight in determining success in achieving competitive advantage. The weighting process is determined using a research questionnaire. A questionnaire is a pre-formulated set of written questions in which respondents record their answers. It serves as an efficient data collection mechanism, particularly in descriptive or explanatory studies (Sekaran & Bougie, 2016).

Table 2. Competitive Profile Matrix

Critical Succes Factors	Weight	Company 1	Company 2	Company 3
Identification of Key Competitors and Their Strengths and Weaknesses in Both Internal and External Environments	Weighting of Factor Assessments	Rating Score	Rating Score	Rating Score

Source: Fred, 2011

In this study, the questionnaire was distributed to informants who were previously interviewed in an unstructured manner. The purpose was to assign weights to strategic factors (Critical Success Factors) related to financial ratios, based on expert or respondent opinions (Fred, 2011). The Competitive Profile Matrix (CPM) identifies a company's key competitors and evaluates their strengths and weaknesses, particularly in relation to the strategic position of the target company (Fred, 2011). According to (Fred R, 2011), in table 2 the steps in constructing a Competitive Profile Matrix (CPM) are as follows: Identify the company's competitors along with their strengths and weaknesses in relation to the company's strategic position (Column 1). Assign a weight to each factor in Column 2, ranging from 0.0 (not important) to 1.0 (very important). The weight indicates the relative importance of the factor in determining success within the industry. Rate each competitor on a scale of 1 to 4, covering both internal and external issues: 4 = Major strength, 3 = Minor strength, 2 = Minor weakness, 1 = Major weakness. Multiply each factor's weight by its assigned rating to determine the weighted score for each competitor.

RESULT AND DISCUSSION

The results of this calculation were obtained through a weighting process conducted by respondents (experts) using a rating scale from 1 to 5 (very important to not important). The steps are as follows: Sum the weight scores for each factor based on respondent ratings. Divide the total score by 5 (the number of respondents). Calculate the weighting value by dividing the average score per factor by the total average score (33.8). Ensure validity, where the sum of all weightings must equal 1.

Table 3. Summary of Weighted Assessment for Critical Success Factors in Financial Ratios

Respondents	***Critical Succes Factor***							
	CAR	**CIR**	**NPL**	**NIM**	**CASA**	**LDR**	**ROE**	**Total**
R1	5	4	5	5	5	5	5	**34**
R2	5	4	5	5	5	4	5	**33**
R3	5	5	5	5	5	5	5	**35**
R4	5	4	5	5	5	4	5	**33**
R5	5	4	5	5	5	5	5	**34**
Total	**25**	**21**	**25**	**25**	**25**	**23**	**25**	**169**
Average	**5.0**	**4.2**	**5.0**	**5.0**	**5.0**	**4.6**	**5.0**	**33.8**
Weight	**0.15**	**0.12**	**0.15**	**0.15**	**0.15**	**0.14**	**0.15**	**1**

Source: Processed data, 2025

Table 4. Calculation Results of Big Bank Financial Ratios

Ratio	*Big bank*			
	BMRI	BBNI	BBRI	BBCA
CAR	20.70%	21.80%	26.80%	29.30%
CIR	37.30%	43.80%	41.30%	30.40%
NPL	1.13%	2.00%	2.90%	2.10%
NIM	5.11%	4.15%	7.70%	5.80%
CASA	73.80%	70.30%	64.20%	82.20%
LDR	92.10%	95.30%	89.20%	75.10%
ROE	19.60%	13.20%	18.90%	20.80%

Source: Processed data, 2025

Table 5. Result Rating Competitive Profile Matrix

Critical Succes Factors	*Weight*	**BMRI**		**BBNI**		**BBRI**		**BBCA**	
		Rating	*Score*	*Rating*	*Score*	*Rating*	*Score*	*Rating*	*Score*
CAR	0.15	1	0.15	2	0.30	3	0.45	4	0.60
CIR	0.12	3	0.36	1	0.12	2	0.24	4	0.48
NPL	0.15	4	0.60	3	0.45	1	0.15	2	0.30
NIM	0.15	2	0.30	1	0.15	4	0.60	3	0.45
CASA	0.15	3	0.45	2	0.30	1	0.15	4	0.60
LDR	0.14	2	0.28	1	0.14	3	0.42	4	0.56
ROE	0.15	3	0.45	1	0.15	2	0.30	4	0.60
Total	**1**		**2.59**		**1.61**		**2.31**		**3.59**

Source: Processed data, 2025

The calculation results above represent the financial performance ratios of all Big Banks, including BBMRI, BBNI, BBRI, and BBCA, which compete in Indonesia's banking industry.The next step involves rating each bank based on the following scale: 4 points if the bank holds a major strength in a particular ratio. 3 points for a minor strength. 2 points for a minor weakness. 1 point if it represents a major weakness. Each rating is then multiplied by the respective weighting value. The competitive ranking among Big Banks is determined by the bank with the highest total score in the Competitive Profile Matrix (CPM).

The Competitive Profile Matrix (CPM) analysis reveals that PT Bank Central Asia, Tbk (BBCA) holds the highest competitive advantage, achieving a total score of 3.59. BBCA's strengths are primarily driven by several key financial ratios, including: a) Capital Adequacy Ratio (CAR) – BBCA has the highest CAR among big banks, exceeding the minimum regulatory requirement of 10%-14% set by the Financial Services Authority (OJK). A higher CAR indicates strong capital reserves, allowing the bank to withstand credit and operational risks more effectively, especially during financial crises; b) Cost-to-Income Ratio (CIR) – BBCA's CIR of 30.4% is the lowest among competitors, making it the most operationally efficient bank. CIR is a key indicator of a bank's cost management and financial efficiency; c) Current Account Savings Account (CASA) Ratio – BBCA dominates in low-cost fund collection, with 82.2% of its deposits in savings and checking accounts, while only 17.8% are in term deposits. A higher CASA ratio indicates greater efficiency, as the bank relies more on low-cost funds that do not incur high interest expenses. This also reflects strong

customer trust, as more funds are held in savings and current accounts (Quaicoe, 2021);d) Loan-to-Deposit Ratio (LDR) – BBCA's LDR of 75% is lower than its competitors, who aggressively lend with LDRs above 80%-90%. BBCA follows a conservative lending strategy, ensuring liquidity stability and consistent profitability while mitigating liquidity risks;e) Return on Equity (ROE) – BBCA leads the sector with a ROE of 20.8%, the highest among competitors. A higher ROE reflects the bank's efficiency in generating profits from its equity, ensuring strong returns for investors. Among the seven (7) key financial ratios identified as Critical Success Factors (CSFs), BBCA outperforms in five categories, indicating strong fundamental performance. This highlights BBCA's stable liquidity, controlled credit risk, and strong CASA ratio, contributing to its high profitability (ROE).

According to research by (Bertay et al., 2013), big banks do not rely solely on interest income models. Instead, their business model focuses on fee-based income, which is part of non-interest revenue, including fees, commissions, and trading income, as a proportion of total operating income. BBCA follows this approach by leveraging Blue by BCA, its digital banking platform, as a strategic move to anticipate and adapt to the rapidly growing financial technology ecosystem. BBCA's ability to innovate and adapt positions it strongly to capture market opportunities. This aligns with the findings of (Abdelfattah et al., 2024),which emphasize that internal fundamental strength is a sustainable competitive advantage that can be maintained and controlled, even during periods of external uncertainty.

In addition to being a commercial bank, BBCA operates several subsidiaries, including PT BCA Finance (consumer financing, leasing, and factoring), BCA Finance Limited (money lending and remittance services), PT Bank BCA Syariah (Islamic banking), PT BCA Sekuritas (securities underwriting and stock brokerage), and PT Asuransi Umum BCA (general and loss insurance). To support digital financial service innovations, BBCA established PT Central Capital Ventura (CCV) in 2017. The bank offers a wide range of financial products and services, including savings products, banking transactions, electronic banking, cash management, credit cards, bancassurance, investment products, credit facilities, bank guarantees, export-import financing, and foreign exchange services. As of 2017, BBCA had 12 regional offices, comprising 146 main branches, 856 sub-branches, 244 cash offices, 1 non-regional main branch, and 1 representative office in Central Jakarta, strategically spread across Indonesia to ensure wide accessibility and comprehensive financial services.

The fundamental performance analysis of big banks indicates that PT Bank Central Asia, Tbk (BBCA) holds the highest competitive advantage compared to other major banks, particularly in terms of Capital Adequacy Ratio (CAR), Operational Efficiency (CIR), Low-Cost Fund Collection (CASA), Liquidity (LDR), and Profitability (ROE). These findings are based on the Competitive Profile Matrix (CPM) approach. In terms of market timing, an entry buy strategy can be executed using a technical analysis approach, as illustrated in the chart below.

Figure 2. Technical Analyst BBCA

Source: Trading View, 2024

The chart displaying BBCA stock price behavior shows a consistent long-term trend with prices generally rising, reaching an all-time high. However, based on a five-year cyclical pattern, significant corrections occurred in 2015 with a decline of -31%, in 2020 with a -37% drop, and most recently in 2025 with a -30% decrease. Each of these corrections led to the formation of Lower Lows (LL), indicating deeper price declines than previously observed and potentially signaling a change in the direction of the trend. This aligns with literature documenting cyclical stock price fluctuations, where investor sentiment significantly impacts stock returns and volatility, leading to variations in price dynamics (Chakraborty & Subramaniam, 2020). Additionally, in 2025, BBCA's stock price breached its previously established uptrend line, which had acted as a support level, indicating the potential for a further bearish trend.

However, a demand zone has been identified between the price levels of 7,025 and7,425, which serves as a key support area. This zone aligns with standard technical analysis practices where horizontal support levels and Fibonacci retracement ratios, particularly the 1.618 level, are often considered strong support markers (Sakhare & Shaik, 2023). Therefore, if the stock price falls into this zone, it could represent a potential trend reversal point or a buying opportunity for investors looking to capitalize on a potential price rebound. From a risk management perspective, it is recommended to limit losses if the stock price declines more than 10% from the entry point, a strategy emphasized in the literature to protect investor capital during bearish phases (Kahar et al., 2023). This approach highlights the importance of risk management to avoid larger losses if the negative trend persists. In terms of risk-reward ratios, BBCA stock offers a favorable 1:5 ratio, meaning for each unit of risk taken, there is a potential five-fold return if the trend reverses and the stock price tests previous peaks. This concept is also supported by research emphasizing the importance of favorable risk-reward ratios in investment portfolio management (Priyatno et al., 2024).Thus, although BBCA stock is currently in a correction phase, the identified demand zone presents an opportunity for investors to potentially profit from a trend reversal that leads to price increases.

CONCLUSIONS, LIMITATIONS, AND SUGGESTIONS

Based on the findings of this study, it can be concluded that big banks play a crucial role in the financial market, particularly in Indonesia, given their high market capitalization weight in the Jakarta Composite Index (JCI). The -14.86% decline in JCI over the past year highlights that market volatility is significantly influenced by the price movements of big bank stocks. The primary factor behind this decline is the foreign capital outflow, which reached IDR 37.6 trillion by the end of March 2025. The fundamental performance analysis of big banks indicates that PT Bank Central Asia, Tbk (BBCA) holds the highest competitive advantage compared to other major banks, particularly in Capital Adequacy Ratio (CAR), Operational Efficiency (CIR), Low-Cost Fund Collection (CASA), Liquidity (LDR), and Profitability (ROE).

Through the Competitive Profile Matrix (CPM) analysis, BBCA has demonstrated a higher competitive edge than its peers, supported by a conservative lending strategy and optimal low-cost fund management. These factors make BBCA more resilient in facing economic uncertainties and market volatility. Furthermore, this study reaffirms that big banks do not solely rely on interest income but also generate significant revenue from fee-based and commission-based income. Thus, understanding the financial performance and business strategies of big banks is essential for investors, regulators, and other stakeholders in making strategic decisions focused on long-term stability and growth in the banking sector.

This study has several important implications for investors, regulators, and other stakeholders in Indonesia's banking sector. First, the fundamental performance analysis shows that PT Bank Central Asia, Tbk (BBCA) holds a significant competitive advantage over other major banks, reflected in financial ratios such as the Capital Adequacy Ratio (CAR), Operational Efficiency (CIR), Low-Cost Fund Collection (CASA), Liquidity (LDR), and Profitability (ROE). This advantage indicates that BBCA is better able to withstand economic uncertainties and market volatility. Therefore, this finding provides valuable investment recommendations, particularly for investors looking for banks with strong fundamentals for long-term portfolios. Second, this study reaffirms the importance of income diversification in a bank's business model, where BBCA has shown its ability to generate significant revenue from fee-based services, not solely relying on interest income. This finding also provides insights for regulators and policymakers to encourage large banks in Indonesia to strengthen their business models with non-interest services, thereby ensuring stability in facing global economic fluctuations.

However, there are several limitations in this study. First, this study uses a financial ratio analysis approach that is limited to secondary data available from annual reports of banks and other public data sources. Therefore, the results obtained may not encompass other external or internal factors that could affect the bank's performance more comprehensively, such as monetary policy changes, regulatory shifts, or deeper market trends. Second, the use of the Competitive Profile Matrix (CPM) method to measure competitive advantage also has limitations, especially regarding the subjectivity in assigning weights and ratings to strategic factors. Although a questionnaire was distributed to informants, this rating process still depends on the personal perspectives of the respondents, which could affect the final results.Third, this study is limited to analyzing the major banks listed on the Indonesia Stock Exchange (IDX), so the findings may not fully represent the entire banking sector in Indonesia, particularly involving smaller banks or those not listed on the IDX. Finally, while this analysis provides insights into BBCA's competitive position among major Indonesian banks, it does not consider broader external factors such as the impact of global crises or international economic turbulence, which may affect the long-term performance of the banks.

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