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Comparative Analysis of Financial Performance Between Banking and Non-Banking Financial Institutions: Evidence from PT Bank Mandiri (Persero) Tbk and PT Adira Dinamika Multi Finance Tbk

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Abstract

This study aims to comparatively analyse the financial performance of two Indonesian financial institutions representing distinct segments of the financial system: PT Bank Mandiri (Persero) Tbk (BMRI), one of the largest state-owned commercial banks in Southeast Asia, and PT Adira Dinamika Multi Finance Tbk (MFIN), a leading consumer financing company. Employing a descriptive-comparative approach, the study utilises secondary data drawn from audited annual financial statements for the fiscal years 2023 and 2024, supplemented by interim financial reports up to the second quarter of 2024. Financial ratio analysis encompasses profitability (ROA, ROE), operational efficiency (BOPO), asset quality (NPL gross; loss ratio), capital adequacy (CAR; DER), and liquidity (LDR; current ratio). Findings reveal that BMRI exhibits stable, defensively structured performance characterised by a meaningful improvement in asset quality, as evidenced by a decline in gross NPL from 1.72% to 1.02%, alongside improved cost efficiency with the BOPO ratio declining from 69.5% to 67.8%. Modest profitability compression — ROA falling from 2.14% to 2.08% — is attributable to accelerated asset and equity growth rather than deteriorating fundamentals. MFIN, conversely, demonstrates stronger profitability momentum, with ROA rising from 3.4% to 3.7% and ROE from 16.9% to 17.4%, though accompanied by rising leverage (DER: 2.6x to 2.7x) and a marginally elevated loss ratio. The divergence in risk-return profiles reflects the structural differences between deposit-funded intermediaries subject to prudential regulation and debt-funded consumer financing entities exposed to consumption cycle risk. These findings have implications for investors, regulators, and strategists navigating Indonesia's evolving financial landscape.

Keywords: *Bank Mandiri, Adira Finance, Financial Ratio Analysis, Non-Bank Financial Institution, Indonesia, Comparative Performance, Consumer Financing*

INTRODUCTION

The financial sector constitutes the circulatory system of a modern economy, performing the critical function of channelling resources from surplus units to deficit units, thereby facilitating investment, consumption, and economic growth (Mishkin, 2019). In Indonesia, this intermediation function is carried out by a dual-structure financial system comprising conventional banking institutions and non-bank financial institutions (NBFIs), each governed by distinct regulatory frameworks and characterised by different operational models, risk profiles, and funding structures (Otoritas Jasa Keuangan [OJK], 2023).

As Indonesia's financial sector continues to deepen following sustained post-pandemic recovery, understanding the comparative performance dynamics between these two institutional categories has become increasingly germane to policymakers, investors, and scholars alike. State-owned commercial banks, epitomised by PT Bank Mandiri (Persero) Tbk, dominate the banking landscape in terms of total assets and systemic importance. Meanwhile, consumer financing companies such as PT Adira Dinamika Multi Finance Tbk play an indispensable role in extending credit access to retail consumers particularly for motor vehicle financing who may be underserved by conventional banking channels (World Bank, 2022).

Despite their shared objective of financial intermediation, banks and NBFIs differ fundamentally in their sources of funds, regulatory capital requirements, permissible activities, and exposure to systemic risks. Prior literature has examined the performance of Indonesian banks (Sari & Oktaviani, 2021; Widyastuti et al., 2020) and financing companies (Haryanto & Widodo, 2022) in isolation; however, cross-institutional comparative studies that juxtapose bank and NBFI performance using contemporaneous data remain scarce. This study addresses that gap by conducting a systematic financial ratio analysis of BMRI and MFIN over 2023–2024, with the dual objectives of assessing institutional financial health and identifying structural determinants of performance divergence.

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The findings of this study are expected to contribute to the literature on financial institution performance in emerging markets, and to provide actionable insights for stakeholders operating within Indonesia's dynamic and rapidly evolving financial ecosystem.

LITERATURE REVIEW

2.1 Banking and Non-Bank Financial Institutions: A Conceptual Distinction

Commercial banks occupy a privileged position in any financial system by virtue of their unique ability to create money through deposit-taking and lending activities. As defined under Indonesian Law No. 10 of 1998 on Banking, commercial banks are entities that collect funds from the public in the form of deposits and redistribute them through credit and other financial services. This deposit-creation function exposes banks to systemic risk, necessitating robust prudential regulation, including capital adequacy requirements under the Basel III framework as adopted by Bank Indonesia and OJK (Basel Committee on Banking Supervision [BCBS], 2017).

Non-bank financial institutions, by contrast, do not accept demand deposits from the public. Financing companies such as Adira Finance operate by raising funds through bank borrowings, bond issuances, and equity capital, which they then on-lend to consumers and businesses. This funding structure means NBFIs are inherently more sensitive to wholesale funding conditions and interest rate volatility. The OJK Regulation No. 35/POJK.05/2018 governs the operational conduct and capital requirements of Indonesian financing companies, mandating minimum equity thresholds and gearing limits that are structurally less stringent than bank capital requirements.

2.2 Financial Ratio Analysis as a Performance Assessment Tool

Financial ratio analysis remains the pre-eminent tool for assessing the performance and financial health of financial institutions (Ross, Westerfield & Jordan, 2019; Brigham & Houston, 2021). In the banking context, the CAMELS framework encompassing Capital adequacy, Asset quality, Management efficiency, Earnings, Liquidity, and Sensitivity to market risk provides a structured approach to performance evaluation (Koch & MacDonald, 2014). Return on Assets (ROA) and Return on Equity (ROE) are the canonical measures of profitability, while the ratio of Operating Expenses to Operating Income (BOPO in Indonesian terminology) captures cost efficiency.

For financing companies, the analytical framework is adapted to reflect their distinct balance sheet structure. The Debt-to-Equity Ratio (DER) replaces the Capital Adequacy Ratio (CAR) as the primary leverage metric, while the current ratio and the loss ratio (equivalent to the NPL ratio in banking) serve as proxies for liquidity and asset quality respectively. Haryanto and Widodo (2022) demonstrate that DER and ROA are the most informative indicators of sustainable performance for Indonesian financing companies, consistent with findings from broader emerging-market studies (Vo & Nguyen, 2021).

2.3 Digitalization and Financial Performance

The rapid proliferation of digital financial services is reshaping competitive dynamics across both banking and NBFI sectors. Thakor (2020) argues that digital transformation reduces operational costs, expands market reach, and enables more sophisticated credit risk assessment through alternative data. In the Indonesian context, Widyastuti et al. (2020) find that digital banking adoption is positively associated with non-interest income growth and cost efficiency improvements. For financing companies, the adoption of digital credit scoring and automated collections has been shown to improve portfolio quality and accelerate loan disbursement cycles (Prasetyo & Rahayu, 2023), suggesting that technological investment is a critical determinant of future competitive positioning.

RESEARCH METHOD

3.1 Research Design

This study adopts a descriptive-comparative research design, which is appropriate for studies that seek to describe financial characteristics and identify differences across entities without experimental manipulation (Creswell & Creswell, 2018). The study is positioned within the positivist paradigm, relying on quantifiable financial data to draw objective, evidence-based conclusions.

3.2 Data Sources and Sample

The study employs exclusively secondary data drawn from the following sources: (1) audited annual financial statements of PT Bank Mandiri (Persero) Tbk for fiscal years 2023 and 2024, published on the Indonesia Stock Exchange (IDX) and the company's investor relations portal; (2) audited annual financial statements of PT Adira Dinamika Multi Finance Tbk for fiscal years 2023 and 2024, similarly sourced from the IDX; (3) interim financial reports (Q2 2024) for both entities; and (4) macroprudential and industry statistical data published by the Otoritas Jasa Keuangan (OJK) and Bank Indonesia.

3.3 Analytical Framework

Financial performance is assessed through five analytical dimensions: (i) Revenue and Profitability Analysis examining revenue growth, operating expense trends, and net profit trajectories; (ii) Profitability Ratios ROA and ROE computed and interpreted in light of industry benchmarks; (iii) Efficiency Metric BOPO for BMRI reflecting cost-to-income dynamics; (iv) Asset Quality Indicators gross NPL ratio for BMRI and loss ratio for MFIN; and (v) Capital Structure and Liquidity CAR and LDR for BMRI, and DER and current ratio for MFIN. Comparative analysis across both institutions is conducted to highlight structural performance divergences attributable to their respective business models and regulatory environments.

RESULTS AND DISCUSSION

4.1 Institutional Profiles

4.1.1 PT Bank Mandiri (Persero) Tbk (BMRI)

Established in 1998 through the consolidation of four state-owned banks Bank Bumi Daya, Bank Dagang Negara, Bank Ekspor Impor Indonesia, and Bank Pembangunan Indonesia in the aftermath of the Asian Financial Crisis, PT Bank Mandiri (Persero) Tbk has emerged as Indonesia's largest bank by total assets, with consolidated assets exceeding IDR 2,174 trillion as of December 2024. Listed on the Indonesia Stock Exchange under the ticker BMRI, the bank operates a fully integrated universal banking model encompassing retail banking, micro and SME financing, corporate and institutional banking, treasury operations, and an increasingly prominent digital banking ecosystem anchored by the Livin' by Mandiri super-app.

BMRI's diversified client base spanning retail depositors, micro-entrepreneurs, medium-sized enterprises, large corporates, and government institutions confers structural revenue stability and mitigates concentration risk. As a Domestic Systemically Important Bank (D-SIB) designated by OJK, the bank is subject to enhanced supervisory requirements and additional capital surcharges, reflecting its pivotal role in the stability of the Indonesian financial system.

4.1.2 PT Adira Dinamika Multi Finance Tbk (MFIN)

PT Adira Dinamika Multi Finance Tbk, listed on the IDX under the ticker MFIN and majority-owned by PT Bank Danamon Indonesia Tbk (a subsidiary of MUFG), is one of Indonesia's leading multi-finance companies. Its principal business is consumer financing, particularly for two- and four-wheeled motor vehicles, complemented by multipurpose financing and Islamic financing products. The company's funding structure relies primarily on bank credit facilities, public bond issuances, and internally generated equity, as it is statutorily prohibited from accepting public deposits.

Adira Finance operates through an extensive distribution network across Indonesia, leveraging both physical branch presence and digital channels to accelerate credit approval and enhance customer service. Its performance is intrinsically linked to the trajectory of domestic motor vehicle sales and household purchasing power, rendering it more exposed to consumption cycle volatility than a diversified commercial bank.

4.2 Financial Statements Analysis

Table 1 presents the consolidated income statement highlights for BMRI and MFIN for fiscal years 2023 and 2024 (figures in millions of IDR), followed by a quarterly performance growth table (Table 2) for the period to Q2 2024.

Table 1. Summary Income Statement – BMRI and MFIN (IDR Millions)

Company	Line Item	FY 2023	FY 2024
BMRI	Total Revenue	132,544,470	151,236,027
BMRI	Operating Expenses	56,867,491	58,610,446
BMRI	Operating Profit	74,641,563	76,059,595
MFIN	Total Revenue	2,106,767	2,266,828
MFIN	Operating Expenses	895,951	973,627
MFIN	Operating Profit	527,278	668,061

Source: *Data Processed, 2026*

BMRI recorded robust revenue growth, expanding by 14.1% from IDR 132.54 trillion in FY 2023 to IDR 151.24 trillion in FY 2024, driven by accelerated loan disbursements, widening net interest margins underpinned by the elevated interest rate environment, and growing contributions from Islamic banking subsidiaries. Operating expenses grew at a considerably more moderate pace of 3.1%, from IDR 56.87 trillion to IDR 58.61 trillion, reflecting disciplined cost management and efficiency gains from digital process automation. Consequently, operating profit expanded by 1.9%, from IDR 74.64 trillion to IDR 76.06 trillion, confirming that revenue growth was not offset by proportionate cost escalation — a hallmark of healthy earnings quality (Koch & MacDonald, 2014).

MFIN demonstrated even more pronounced growth momentum in relative terms. Revenue increased by 7.6% from IDR 2.11 trillion to IDR 2.27 trillion, consistent with an expansion in the company's managed receivables portfolio and a recovery in domestic motor vehicle credit demand. Critically, operating expenses grew by only 8.7%, from IDR 895.95 billion to IDR 973.63 billion, while operating profit surged by 26.7% from IDR 527.28 billion to IDR 668.06 billion. This disproportionate profit expansion relative to revenue growth suggests significant operating leverage, underscoring MFIN's capacity for rapid profitability scaling in a supportive demand environment.

Table 2. Earnings Growth – Full Year 2023 vs. Q2 2024 (IDR Billions)

Company	Metric	FY 2023	Q2 2024
BMRI	Revenue	1,325.47	1,512.67

BMRI	Operating Expenses	568.47	586.15
BMRI	Net Profit	601.87	611.62
MFIN	Revenue	21.70	26.83
MFIN	Operating Expenses	8.96	9.74
MFIN	Net Profit	4.23	5.16

Source: *Data Processed, 2026*

The quarterly trajectory reinforces annual trends. BMRI's net profit rose by 1.6% from FY 2023 to Q2 2024, a moderate but consistent gain reflecting the bank's scale-driven earnings stability. MFIN's net profit grew by a more substantial 22.0% over the same period, from IDR 4.23 billion to IDR 5.16 billion, reflecting the amplified sensitivity of a focused financing company's profitability to operational leverage and volume-driven revenue growth.

4.3 Financial Ratio Analysis

Tables 3 and 4 present the key financial ratios for BMRI and MFIN respectively, covering the FY 2023 to FY 2024 period.

Table 3. Key Financial Ratios – PT Bank Mandiri (Persero) Tbk (BMRI)

Financial Indicator	FY 2023	FY 2024
Return on Assets / ROA (%)	2.14	2.08
Return on Equity / ROE (%)	23.0	21.4
Gross Non-Performing Loan / NPL (%)	1.72	1.02
Cost-to-Income Ratio / BOPO (%)	69.5	67.8
Capital Adequacy Ratio / CAR (%)	21.4	20.7
Loan-to-Deposit Ratio / LDR (%)	93.8	94.1

Source: *Data Processed, 2026*

Table 4. Key Financial Ratios – PT Adira Dinamika Multi Finance Tbk (MFIN)

Financial Indicator	FY 2023	FY 2024
Return on Assets / ROA (%)	3.4	3.7
Return on Equity / ROE (%)	16.9	17.4
Debt-to-Equity Ratio / DER (x)	2.6	2.7
Loss Ratio (%)	2.2	2.4
Current Ratio (%)	132	136

Source: *Data Processed, 2026*

4.3.1 Profitability

BMRI's ROA declined marginally from 2.14% to 2.08%, while ROE contracted from 23.0% to 21.4%. This profitability normalisation is a structural phenomenon attributable to the proportionally faster growth of the asset and equity base relative to net income a pattern consistent with capital optimisation strategies employed by systemically important banks (Sari & Oktaviani, 2021). Importantly, this compression does not signal deteriorating operational performance; rather, it reflects responsible balance sheet expansion. BMRI's ROA of 2.08% comfortably exceeds the Indonesian banking sector average of approximately 1.8% (OJK, 2024), affirming its superior asset utilisation efficiency.

MFIN's profitability trajectory is decidedly more positive. ROA improved from 3.4% to 3.7%, and ROE advanced from 16.9% to 17.4%, demonstrating that the company is generating incrementally superior returns from both its asset base and shareholder equity. This upward trend is consistent with expanding net interest margins in the consumer financing segment and improved operational leverage, supporting the findings of Vo and Nguyen (2021) that focused consumer finance firms in emerging markets can achieve superior return metrics relative to diversified banks during economic recovery phases.

4.3.2 Operational Efficiency

BMRI's BOPO ratio declined from 69.5% to 67.8%, representing a 170 basis point improvement in cost efficiency. In the Indonesian banking regulatory context, a BOPO ratio below 70% is considered indicative of strong operational efficiency (Bank Indonesia, 2004; OJK, 2024). BMRI's sustained progress on this metric reflects the compounding benefits of digital transformation including the migration of transactions to the Livin' super-app which reduces branch-based operational costs and enables scalable customer acquisition without proportionate increases in overhead expenditure.

4.3.3 Asset Quality

Perhaps the most striking improvement in BMRI's performance profile is the substantial decline in gross NPL from 1.72% to 1.02%, a 70 basis point reduction representing a 40.7% improvement. This positions BMRI well below the OJK's prudential threshold of 5.0% and signals effective credit risk management, including the impact of post-pandemic loan restructuring programmes and proactive non-performing exposure resolution. Declining NPL ratios are also associated with lower provisioning requirements, which provides a potential tailwind for future profitability enhancement (Widyastuti et al., 2020).

MFIN's loss ratio edged upward from 2.2% to 2.4%, a development that warrants monitoring. While the absolute level remains manageable and below comparable regional benchmarks, the directional trend may reflect credit quality pressures stemming from the expansion of the receivables portfolio into higher-risk segments, or from softer repayment capacity among lower-income borrowers facing elevated living costs. Haryanto and Widodo (2022) note that loss ratio deterioration in Indonesian financing companies is frequently a leading indicator of future profitability headwinds if not proactively addressed through tighter underwriting standards.

4.3.4 Capital Structure and Leverage

BMRI's CAR declined modestly from 21.4% to 20.7%, a natural consequence of credit expansion that absorbs risk-weighted capital. Nonetheless, at 20.7%, the ratio substantially exceeds the Basel III minimum of 8.0% and OJK's enhanced requirement for D-SIBs, providing a considerable buffer against unexpected credit losses (BCBS, 2017). The LDR, at 94.1%, indicates that the bank is deploying its deposit base productively, approaching but not breaching the regulatory comfort threshold.

MFIN's DER increased from 2.6x to 2.7x, reflecting incremental leverage to fund portfolio expansion. While the absolute level is within normal operating parameters for Indonesian financing companies for which the OJK mandates a maximum DER of 10x the upward trajectory warrants attention. Higher financial leverage amplifies earnings sensitivity to revenue shocks, and in a rising interest rate environment, elevated DER could compress net interest margins by increasing funding costs more rapidly than asset yields can be repriced. Concurrently, the improvement in the current ratio from 132% to 136%

indicates that MFIN's short-term liquidity position is strengthening, providing a partial mitigant to leverage risk.

4.4 Comparative Institutional Analysis

4.4.1 Asset Structure

BMRI's asset composition is broadly diversified across corporate loans, commercial and retail credit, government securities, interbank placements, and liquid reserves held at Bank Indonesia. This diversification distributes credit risk across multiple economic sectors and borrower segments, reducing the vulnerability of the bank's asset quality to sector-specific shocks. MFIN's asset base, by contrast, is highly concentrated in consumer financing receivables predominantly motor vehicle loans which creates a more focused but less resilient risk profile. This concentration is the principal source of the performance volatility differential between the two institutions.

4.4.2 Revenue Sources

BMRI generates revenue from a multi-channel income stream: net interest income, Islamic financing income from Mandiri Syariah, fee-based income from treasury operations, transaction banking, and wealth management. This income diversification provides structural revenue stability and reduces sensitivity to any single economic variable. MFIN's revenue is overwhelmingly derived from consumer financing margins and contractual interest income on its receivables portfolio, supplemented by administrative fees. This mono-line income structure, while enabling focused operational expertise, creates a revenue profile that is more exposed to cyclical fluctuations in vehicle sales volumes and consumer credit demand.

4.4.3 Leverage and Funding

The two institutions employ structurally different leverage frameworks. BMRI's leverage is underpinned by its deposit franchise a relatively stable and low-cost funding base constrained by the CAR regulatory ceiling, which ensures that risk-taking is bounded by a proportionate capital cushion. MFIN's leverage is wholesale-funded, driven by bank credit lines and bond market access, making it more susceptible to liquidity squeezes and funding cost spikes during periods of financial market stress. This distinction is not merely technical; it reflects a fundamental difference in systemic interconnectedness and crisis resilience.

4.4.4 Earnings Stability

BMRI's earnings profile is characterised by lower volatility and higher predictability, consistent with its diversified business model and scale advantages. Research by Sari and Oktaviani (2021) confirms that Indonesian state-owned banks exhibit lower earnings variance relative to private and non-bank financial institutions, attributable to their implicit government backing and diversified funding base. MFIN's earnings, while exhibiting stronger growth momentum, carry higher volatility risk due to their correlation with automotive industry cycles. Prasetyo and Rahayu (2023) find that Indonesian financing company earnings are significantly more sensitive to consumer confidence indices than bank earnings, corroborating the comparative stability assessment.

4.5 Digitalization and Competitive Positioning

Digital transformation is reshaping the competitive landscape for both banks and financing companies in Indonesia. For BMRI, investment in digital infrastructure is yielding measurable returns: the Livin' by Mandiri application had surpassed 24 million registered users by end-2024, driving a significant shift in transaction volumes from physical branches to digital channels. This migration reduces variable operating costs, enhances data capture for credit risk analytics, and broadens the bank's addressable retail market. Thakor (2020) theorises that digital investment by incumbent banks creates durable competitive advantages by deepening customer relationships and enabling personalised product delivery at scale.

For MFIN, digital transformation is a strategic imperative rather than an incremental enhancement. The financing business is inherently process-intensive credit assessment, document verification, disbursement, and collection and digitalisation of these workflows can meaningfully compress turnaround times, reduce operational costs, and improve credit quality through enhanced data analytics. Prasetyo and Rahayu (2023) demonstrate that financing companies investing in digital credit scoring exhibit statistically significant improvements in loss ratios over two-to-three-year investment horizons, suggesting that MFIN's current technology investments could generate material portfolio quality improvements in the medium term.

4.6 Financial Health Assessment and Risk Profile

Both institutions are assessed to be in sound financial condition based on the ratio analysis conducted. BMRI demonstrates robust capital buffers, improving asset quality, and disciplined cost management, consistent with a financially healthy institution operating comfortably within regulatory parameters. The minor compression in profitability ratios is interpreted as a consequence of deliberate balance sheet expansion, not as a sign of operational deterioration.

MFIN's financial health is affirmed by its strengthening profitability indicators and improving liquidity ratios. However, two risk factors merit ongoing vigilance: first, the upward trend in the loss ratio could develop into a more material credit quality issue if economic conditions deteriorate or if portfolio expansion outpaces underwriting rigour; second, the incremental increase in DER, while currently benign, reduces the company's margin of safety against funding disruptions. Risk mitigation through product diversification beyond motor vehicle financing for example, into property-backed financing or SME credit would improve portfolio resilience and reduce cyclical exposure.

4.7 Strategic Outlook: 3–5 Year Horizon

Over the medium term, BMRI is expected to pursue selective credit expansion with strategic emphasis on sustainable finance and green lending, consistent with the Indonesian government's commitment to the Paris Agreement and OJK's Sustainable Finance Roadmap (OJK, 2021). The bank will also deepen its digital ecosystem, leveraging open banking integration and data monetisation to grow non-interest income streams. Capital optimisation, through dividend policy and targeted balance sheet efficiency, will likely be deployed to sustain ROE at competitive levels despite continued asset base expansion.

MFIN's strategic trajectory will likely involve diversification beyond its core motor vehicle financing franchise into multipurpose and property-backed financing products, reducing cyclical revenue concentration. Securing access to longer-duration and lower-cost funding source including Sukuk and sustainability-linked bonds will be critical to managing leverage costs and improving net interest margin resilience. Continued investment in digital infrastructure and credit risk analytics will be essential to maintaining portfolio quality as the company pursues volume growt.

CONCLUSION

This study presents a systematic comparative analysis of the financial performance of PT Bank Mandiri (Persero) Tbk and PT Adira Dinamika Multi Finance Tbk over the 2023–2024 period, representing the banking and non-bank financial institution segments of Indonesia's financial system respectively. The findings reveal that both institutions operate in sound financial condition, but exhibit starkly different risk-return profiles rooted in their distinct business models, funding structures, and regulatory environments.

BMRI is characterised by defensive stability: a large, diversified asset base; improving asset quality (NPL declining from 1.72% to 1.02%); superior cost efficiency (BOPO improving to 67.8%); and a robust capital position (CAR of 20.7%). Modest profitability compression is attributable to accelerated balance sheet expansion, not fundamental weakness, and ROA of 2.08% remains above sector averages. MFIN, by contrast, exhibits dynamic growth momentum: ROA improving from 3.4% to 3.7% and operating profit surging 26.7%, yet accompanied by rising leverage and a marginally deteriorating loss ratio that warrants monitoring.

The comparative analysis underscores a fundamental principle of financial institution analysis: performance cannot be evaluated in isolation from business model and regulatory context. The superior ROA of MFIN does not imply superior overall financial strength; equally, BMRI's ROA compression does not signal weakness. Rather, the two institutions occupy distinct risk-return coordinates appropriate to their respective roles in the financial ecosystem.

Digitalization emerges as a critical cross-sectional enabler of future performance, with both institutions investing significantly in technology-driven efficiency and market expansion. Future research should examine the long-term impact of digital investment on financial performance indicators across a broader panel of Indonesian banking and NBFI institutions, employing regression-based methodologies to isolate the causal effect of technological adoption on profitability and asset quality.

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