PT. Bank Negara Indonesia financial statement performance analysis before and amid Covid-19 pandemic

Yusuf Rombe M Allo

Financial Analysis Study Program, Vocational Faculty, Universitas Kristen Indonesia, Jakarta, Indonesia

Abstract
This study investigates the PT. Bank Negara Indonesia Financial Statement Performance before and amids Covid-19 Pandemic. It was conducted at PT. Bank Negara Indonesia (Persero), Tbk. Jakarta. As for the considerations of researchers choosing the object of this research is PT. BNI (Persero), Tbk, is a state-owned bank with a good reputation, branches all over Indonesia, and many customers. Bank financial performance assessment in this study consists of five variables: NPF, FDR, GCG, ROA, and CAR. The research data is taken from the financial reports of PT. BNI (Persero), Tbk in 2018-2020. Data is calculated quantitatively using a predetermined measurement matrix. The results of this study indicate that all variables, such as NPF, FDR, GCG, ROA, and CAR as a whole during the pandemic, did not affect the level of PT. BNI (Persero), Tbk. Although there is a decrease, it is still categorized as healthy, so the financial performance of PT. BNI (Persero), Tbk before the Covid-19 period 2018-2019, the majority were predicated as healthy, and during the Covid-19 period 2020, the majority were also healthy. It can be concluded that the analysis of financial performance at PT. BNI (Persero), Tbk before and during the pandemic, assessed the bank's soundness level using the RGEC method, showing that the bank's health rating was following the standards set by Bank Indonesia.

Keywords: Performance, financial reports, PT. BNI (Persero), Covid-19

Introduction
Financial statement analysis is closely related to the field of accounting. Financial reports prepared by a company can be used as a tool for internal managerial decision-making and external parties [1, 2]. The company's financial statements can be analyzed using several financial ratios; with the analysis of these financial statements it can be seen the condition and development of the company that the company has achieved in the past and when it is currently running, both private business entities and state-owned companies. The financial statements that have been analyzed can be used as an auxiliary fund for making company managerial decisions [3].
To be able to know the development of the company, the company must analyze the company's financial statements. Analyzing these financial statements will get information related to the financial position and results achieved by the company and information related to decision-makers that the company's management will carry out [4, 5]. In order to know the development of the company, the company needs to know the company's financial condition. One must analyze the company's financial statements to know the financial condition.
In order to know the development of the company, the company needs to know the company's financial condition. To know the financial condition, one must analyze the company's financial statements. A company's performance can be measured from several aspects, such as financial and non-financial aspects [6, 7]. In terms of the financial aspect, company performance can be measured by analyzing the company's financial statements, which will provide critical information regarding the company's financial position. In contrast, from the non-financial aspect, company performance can be assessed from the quality of work of employees, the level of employee discipline, the accuracy of

granting work authority to employees as well as the welfare of employees, and the level of productivity [8].
Indonesia is one of the countries affected by the spread of the Corona Virus Disease 2019, commonly known as Covid-19. Starting from the first confirmed case in early March 2020, every effort has been made to suppress the increasing number of cases, such as implementing large-scale social restrictions. However, every effort made certainly has risks and impacts. As is the case with the large-scale social restrictions, which turned out to have an impact on the health sector and all sectors, one of which is the economy [9]. Behind the economic downturn, one sector still has a reasonably stable performance compared to other sectors, namely banking. However, banks must be aware of a situation full of uncertainty, considering that economic conditions and financial system stability have changed rapidly during the Covid-19 pandemic [10]. The banking industry sector, in this case, PT. Bank Negara Indonesia (Persero), Tbk, has a strategic role in building the people's economy; as we know, banking is a financial institution where the implementation of all financial activities must be based on principles and all transactions carried out must comply with applicable regulations. During the current pandemic, banks must have added value and move quickly to adapt by making new strategies and innovations to survive the Covid-19 pandemic.
In this study, three ratios are used to measure a bank's financial performance, namely the ratio of liquidity, solvency, and profitability. In this study, it was found that PT. BNI (Persero) Tbk tends to try to maintain and even improve its financial performance in the last three years in various ways, including temporarily relocating less productive units/branches to more productive branches, permanently closing unproductive outlets/branches, taking

turns opening/closing for adjacent outlets/branches, maintenance and carrying out collections both from funding units and from credit units, as well as rationalizing through prudential banking for employees who are considered less productive.

Restrictions on activities due to the Covid-19 pandemic have affected economic activity nationally in all business activities without exception, which has impacted the economic sector. President Joko Widodo stated in his speech that "the Covid-19 pandemic has dealt a heavy blow to the Indonesian economy. Not only that, the pandemic has also caused world economic growth to slow down." In this regard, the authors are interested in conducting a study of the performance of the financial statements of PT. BNI (Persero) Tbk to determine the effect of the Covid-19 pandemic on the financial performance of PT. BNI (Persero), Tbk. This research is very urgent because it is to prove the concept (proof-of-concept) that external risk factors in the risk profile can affect the soundness of a bank. It is because companies, including banks, need to periodically analyze their performance to determine their business conditions and determine government policies through POJK.

Literature Review

Analysis of financial statements is basically to find out and evaluate a company's financial statements to predict the condition of the company's future financial performance, which also aims to provide more consideration for companies with their level of profitability and level of risk. Financial statement analysis is a considerate process in order to help evaluate the financial position and results of operations of the company in the present and in the past, with the aim of determining the most likely estimates and predictions regarding the condition and performance of the company in the future. Analysis of financial statements means breaking down report items into smaller units of information to see the relationship between financial reports and other data quantitatively or qualitatively; this aims to find out the company's financial condition more deeply. Analyzing a financial report is intended to dig up more information contained in the financial report. Furthermore, this analysis shows the effectiveness of company activities [11, 12].

Banking is one of the fields affected by Covid-19. In Law Number 10 of 1998 concerning banking, in Chapter 1, article 1, paragraph 2, it is explained that a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and or other forms in order to improve the standard of living of the people at large. Funds successfully collected by the bank are allocated in various forms of allocation of funds, one of which is the provision of credit [13]. According to Law No. 10 of 1998 concerning banking, what is meant by credit is the provision of money or bills that can be equated with it, based on a loan agreement between the bank and another party which requires the borrower to pay off the debt after a certain period with the provision of interest [14, 15].

The more funds disbursed, the greater the possibility of causing default, which will lead to problem loans (non-performing loans). Therefore, the principle of prudence is needed, especially in terms of lending, because the source of credit that is disbursed is not from the bank itself but funds that come from the public or third-party funds, so it is necessary to apply the precautionary principle through accurate and in-depth analysis in the suitable distribution [16, 17]. If credit that has been distributed to the public in large quantities is not paid back to the bank on time, then the credit quality can be classified as a Non-Performing Loan (NPL) which causes lousy credit.

With the Covid-19 outbreak, all industrial sectors were affected, including the banking sector; some of the impacts of Covid-19 on the banking industry in Indonesia, among others. Credit/financing growth in the banking industry has slowed or decreased. A decrease in credit in banks will undoubtedly affect the financial performance of banks. In tackling the impact of Covid-19 on the financial sector, the government has issued various policies, one of which is monetary policy [18, 19, 20]. Through Bank Indonesia, the government provided policies related to banking during the Covid-19 pandemic, including: a) BI has injected liquidity into the money market and banks, approximately 633.24 trillion Rupiah has been issued, including purchases of SBN from the secondary market, provision of banking liquidity with SBN Repo, foreign exchange swabs, and reduction of the Minimum Statutory Reserves; b) Credit or financing restructuring and determining the quality of banking assets, finance companies, and micro-enterprises in one pillar [21, 22]. Pandemic conditions and government policies will certainly affect banking financial performance. One of the banking financial performances can be measured using the RGEC method or Risk, Governance, Equity, and Capital. In the RGEC method, quality management is an important pillar. Good management quality can be seen from implementing risk management and RGEC at the bank [23, 24]. In other words, the assessment of earnings and capital factors is only the impact of the strategy carried out by management. Several studies discuss the connection between Covid-19 and the world of banking, including those showing that Covid-19 has impacted increasing financing and decreasing deposits [25]. Research shows that the performance of Islamic finance based on debt financing has fluctuated, while the performance based on equity financing has experienced growth [26].

Research Method

This research is a type of quantitative research with a comparative approach because the data used is in the form of numbers and analyzes the data to see whether there is a decrease or increase in the ratio of the soundness level of bank PT. BNI (Persero), Tbk in 2018 - 2020 before and during the Covid-19 pandemic. This research was conducted at PT. Bank Negara Indonesia (Persero), Tbk. Jakarta. As for the considerations of researchers choosing the object of this research is PT. BNI (Persero), Tbk, is a state-owned bank with a good reputation, branches all over Indonesia, and many customers. Besides that, PT. BNI is a bank trusted by UKI to support financial and operational activities, including employee salaries and student tuition fees. The research method used is an analysis of the financial statements of PT. BNI (Persero), Tbk in 2018 - 2020. This research aims to examine the financial performance of PT. Bank Negara Indonesia Persero, Tbk before and after the Covid-19 pandemic. This study uses secondary data obtained from the financial statements of PT. BNI (Persero), Tbk 2018 – 2020. The assessment of the bank's financial performance in this study consists of five variables, namely

Non-Performing Financing (NPF - The NPF ratio, which indicates that a bank is in a maximum healthy condition, is 7%. The NPF used in the formula is financing which includes substandard loans, bad loans, and doubtful loans), Financing to Deposit Ratio (FDR - The higher the FDR ratio, the lower the bank's liquidity ability if there are depositors withdrawing funds so that the possibility of a bank in a problematic condition will be even greater. It will also influence depositors in choosing where to raise funds); Good Corporate Governance (GCG - Implementation of GCG at bank BSI using self-assessment. GCG implementation/assessment process, using three aspects of governance namely Governance structure, Governance process, and Governance outcome), Return on Assets (ROA - To obtain ROA, first find profit before tax divided by average total assets. The financial information needed to determine ROA is by dividing profit before tax with average total assets), Current Adequacy Ratio (CAR - CAR functions to determine the ability of a bank to meet capital reserves and the ability to manage capital owned. Financial information is needed to calculate CAR by dividing bank capital and Risk Weighted Assets (RWA). The measurement matrix used for each variable is as follows:

Table 1: NPF Measurement Matrix

Ratio	Descriptions
<7%	Strongly Healthy
7% - <10%	Healthy
10% - <13%	Moderate
13% - <16%	Unhealthy
> 16%	Strongly Unhealthy

Table 2: FDR Measurement Matrix

Ratio	Descriptions
50% - <75%	Strongly Healthy
75% - <85%	Healthy
85% - <100%	Moderate
100% - <120%	Unhealthy
>120%	Strongly Unhealthy

Table 3: GCG Measurement Matrix

Ratio	Descriptions
< 1,5	Strongly Good
< 2,5	Good
< 3,5	Moderate
< 4,5	Bad
5	Strongly Bad

Table 4: ROA Measurement Matrix

Ranking	Description	Criteria	Predikat Komposit
1	PK-1	>1,45%	Strongly Healthy
2	PK-2	1,25%-1,45%	Healthy
3	PK-3	0,99%-1,25%	Moderate
4	PK-4	0,765%-0,99%	Unhealthy
5	PK-5	<0,765%	Strongly Unhealthy

Table 5: CAR Measurement Matrix

Ranking	Description	Criteria	Predikat Komposit
1	PK-1	CAR>11%	Strongly Healthy
2	PK-2	9,5%≤CAR<11%	Healthy
3	PK-3	8%≤CAR<9,5%	Moderate
4	PK-4	6,5%≤CAR<8%	Unhealthy
5	PK-5	CAR<6,5%	Strongly Unhealthy

Result and Discussion

Table 6: Risk Profile of PT. BNI (Persero), Tbk 2018-2020

Variable	Before Covid-19				Amids Covid-19	
	2018	PK	2019	PK	2020	PK
NPF	1.52%	Strongly Healthy	1.44%	Strongly Healthy	1.35%	Strongly Healthy
FDR	79.62%	Healthy	74.31%	Strongly Healthy	68.79%	Strongly Healthy
GCG	2	Good	2	Good	1	Strongly Good
ROA	1,42%	Strongly Healthy	1,82%	Strongly Healthy	1,33%	Healthy
CAR	19,31%	Strongly Healthy	22,61%	Strongly Healthy	19,38%	Strongly Healthy

From the table above, in the NPF variable, it can be seen that PT. BNI (Persero), Tbk has a "Strongly Healthy" PK from before and during Covid-19. It shows at least lousy credit and the existence of problematic financing. Every number has increased during Covid-19 in 2020—the category of PT. BNI (Persero), Tbk is still in the category of "Strongly Healthy," which means in a safe position because of the NPF value of PT. BNI (Persero), Tbk shows a yield of less than 7% and is included in the "Strongly Healthy" composite predicate.

The level of the FDR ratio in the table above shows the growth in financing at PT. BNI (Persero), Tbk before and during Covid-19 had an average ratio level with "Good" results. Before Covid-19 entered Indonesia in 2018, PT. BNI (Persero), Tbk has experienced a composite rating of "Healthy" and has experienced an increase in the FDR ratio seen in 2020 PT every year. BNI (Persero), Tbk obtained a PK of 68.79%. The FDR ratio shows the soundness of the bank in providing its financing. The higher the FDR indicates that a bank places more emphasis on its finances on channeling more debt/financing.

The table above explains the soundness level of PT. BNI (Persero), Tbk viewed as a whole Good Corporate Governance PT. BNI (Persero), Tbk before and during covid can be categorized as "Good." Seen in 2020 PT. BNI (Persero), Tbk received a composite rating of "Strongly Good" compared to the previous year. Before and During Covid-19, the results of the table above explain that there is no effect on the GCG ratio. The overall composite rating is categorized as "Good," which is reflected in the implementation of GCG principles which is adequate, and there are only insignificant weaknesses and can immediately be "Good" by the management of PT. BNI (Persero), Tbk.

Table 6 shows that BNI can be said to be in a "Healthy" condition if the ROA is more than 1.45%; the change in the ROA ratio for each bank varies. The ROA ratio can indicate a bank's ability to generate profits by utilizing its assets. The higher the ROA, the more the bank can use its "good" assets to earn profits. You can see ROA and ROA in assessing the bank's health of PT. BNI (Persero), Tbk in 2018 - 2019 is in the "Strongly Healthy" category but in 2020 ROA PT. BNI (Persero), Tbk has decreased in the "healthy" category.

In Table 6, it can also be seen clearly that PT. BNI (Persero), Tbk is said to be "Healthy" if the bank's CAR composite rating is more than 11% (PK-1). It shows PT. BNI (Persero), Tbk, has adequate capital reserves under the provisions stipulated by Bank Indonesia regarding the Minimum Capital Adequacy Requirement (KPMM). PT.

BNI (Persero), Tbk in 2018-2020, has a sufficient capital reserve rating set by Bank Indonesia.

Based on the analysis of bank health using the RGEC method, it can produce information that PT. BNI (Persero), Tbk is included in the conditions of "Strongly Healthy," "Healthy," "Moderate," "Unhealthy," or "Strongly Unhealthy." Based on the ratio of each variable, the Health Level Assessment at PT. BNI (Persero), Tbk shows that the health level follows applicable standards. In the pre-pandemic period, namely the 2018-2019 period, it can be concluded that PT. BNI (Persero), Tbk, with a composite rating of "Strongly Healthy." It is because of PT. BNI (Persero), Tbk has implemented Good Corporate Governance with "Strongly Good " and PT's capital adequacy or CAR. BNI (Persero), Tbk "Strongly Healthy" so that it does not affect the bank's soundness. During the pandemic, namely the 2020 period, it can be concluded that PT. BNI (Persero), Tbk, with a composite rating of "Strongly Good," namely PT. BNI (Persero), Tbk with a composite rating of 1 which means "Strongly Good." It is caused by implementing Good Corporate Governance, which is "Strongly Good" with sufficient capital. It proves that BNI can deal with changing conditions and other external factors because it has a "Strongly Good" development in terms of non-performing loans, third-party funds, profits generated, interest income and capital, and PT. BNI (Persero), Tbk is included in the "Strongly Healthy" rating. So that during the ongoing pandemic, it will not affect the bank's soundness. PT. BNI (Persero), Tbk as a whole experienced a not very significant drop in the composite rating, all were still categorized as "Healthy," both before and during the pandemic—variable Financing to Deposit Ratio (FDR) at PT. BNI (Persero), Tbk, if you look at the table during the pandemic, it did experience a decline. However, it is still in the "Healthy" category, which shows the bank's soundness in providing controlled financing with "Good." Of all the variables such as Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), Good Corporate Governance (GCG), Return on Assets (ROA), and Current Adequacy Ratio (CAR) as a whole during the pandemic, did not affect the level of PT. BNI (Persero), Tbk. Although there is a decrease, it is still categorized as "Healthy" so that the financial performance of PT. BNI (Persero), Tbk before the covid-19 period 2018-2019, the majority were predicated "Healthy," and during the covid-19 period 2020, the majority were also "Healthy."

Conclusion

From the analysis and research above, it can be concluded that the financial performance analysis at PT. BNI (Persero), Tbk before and during the pandemic, assessed the bank's soundness level using the RGEC method, showing that the bank's health rating was following the standards set by Bank Indonesia from the NPF assessment of PT. BNI (Persero), Tbk had an NPF value of less than 7% "Good" before or during the pandemic, so BNI was included in the "Strongly Healthy" composite rating. FDR Assessment PT. BNI (Persero), Tbk shows that BNI has increased by 5.52% and 1.56%. The GCG assessment shows that PT. BNI (Persero), Tbk experienced an increase of 0.34 and 1. The ROA assessment shows that PT. BNI (Persero), Tbk, can utilize its assets to generate profit with a composite rating of 1.65% and 1.33%, finally, in the CAR assessment of PT. BNI (Persero), Tbk, has a "Strongly Healthy" composite rating of

19.38%. Changes in the composite value, in this case, indicate that PT. BNI (Persero), Tbk is in good health, so it is considered capable of facing significant adverse effects from changes in circumstances or external factors such as covid-19. The soundness level of banks rated "Healthy" is considered to have "Good" development regarding non-performing loans, third parties, profits generated, and interest and capital income.

References

1. Monteiro AP, Vale J, Leite E, Lis M, Kurowska-Pysz J. The impact of information systems and non-financial information on company success. International Journal of Accounting Information Systems,2022:45:100557.
2. Mowen MM, Hansen DR, Heitger DL. Managerial accounting: The cornerstone of business decision-making. Cengage learning, 2022, 25.
3. Weiss JW. Business ethics: A stakeholder and issues management approach. Berrett-Koehler Publishers, 2021, 23.
4. Alipour M. The effect of intellectual capital on firm performance: an investigation of Iran insurance companies. Measuring Business Excellence,2012:16(1):53-66.
5. Frias-Aceituno JV, Rodríguez-Ariza L, Garcia-Sánchez IM. Explanatory factors of integrated sustainability and financial reporting. Business strategy and the environment,2014:23(1):56-72.
6. Hernaus T, Pejić Bach M, Bosilj Vukšić V. Influence of strategic approach to BPM on financial and non-financial performance. Baltic Journal of Management,2012:7(4):376-96.
7. Milost F. Information power of non-financial performance measures. International Journal of Business Management & Economic Research,2013:4(6):823-8.
8. Wilton N. An introduction to human resource management. An Introduction to Human Resource Management. 2019, 1-632.
9. Mahammed MA. Analysis of Covid-19 lockdown policy impact by the government of the country on the economic sector and signing of working relationships (Layoffs). International Journal of Law Reconstruction,2020:4(1):44-54.
10. Didier T, Huneeus F, Larrain M, Schmukler SL. Financing firms in hibernation during the COVID-19 pandemic. Journal of Financial Stability,2021:53:100837.
11. Fraser LM, Ormiston A, Mukherjee AK. Understanding financial statements. New York: Pearson, 2016.
12. Beerbaum DO, Puaschunder JM. A Behavioral Economics Approach to Sustainability Reporting. Available at SSRN 3381607, 2019.
13. Bhegawati DA, Utama MS. The role of banking in Indonesia in increasing economic growth and community welfare. South East Asia Journal of Contemporary Business, Economics and Law,2020:22(1):83-91.
14. Rosmika TE, Mulia A, Chairy P. The Role of BRI Bank Medan Perjuangan Unit for Customer's Households, Indonesia. Budapest International Research and Critics Institute-Journal (BIRCI-Journal),2019:2(4):363-74.
15. Berlianty T, Akyuwen RJ, Tas'an DP. Bank Credit Restructuring for Micro, Small and Medium Enterprises

Due to the Covid-19 Pandemic. Batulis Civil Law Review,2023:4(1):67-85.

16. Allen S, Čapkun S, Eyal I, Fanti G, Ford BA, Grimmelmann J, *et al*. Design choices for central bank digital currency: Policy and technical considerations. National Bureau of Economic Research, 2020.

17. Peters GW, Panayi E. Understanding modern banking ledgers through blockchain technologies: Future of transaction processing and smart contracts on the internet of money. Springer International Publishing, 2016.

18. Wang J, Cui M, Chang L. Evaluating economic recovery by measuring the COVID-19 spillover impact on business practices: evidence from Asian markets intermediaries. Economic Change and Restructuring, 2023, 1-22.

19. Wójcik D, Ioannou S. COVID-19 and finance: market developments so far and potential impacts on the financial sector and centres. Tijdschrift voor economische en sociale geografie,2020:111(3):387-400.

20. Yuan B, Leiling W, Saydaliev HB, Dagar V, Acevedo-Duque Á. Testing the impact of fiscal policies for economic recovery: does monetary policy act as catalytic tool for economic Survival. Economic Change and Restructuring,2022:55(4):2215-35.

21. Frunză I. Management of banking performance and optimization the cost of financing economic entities. InSimpozion Științific Internațional al Tinerilor Cercetători, 2018,185-194.

22. Dörry S, Schulz C. Green financing, interrupted. Potential directions for sustainable finance in Luxembourg. Local Environment,2018:23(7):717-33.

23. Setiadi Pb, Ursula S RA. Assessment of Bank Health Levels using RGEC Methods on National Private Public Banks. Assessment Of Bank Health Levels Using Rgec Methods On National Private Public Banks,2020:5(1):42-53.

24. Juanaristo RK, Astika IB. Assessment of Bank's Financial Health Using Risk Profile, Good Corporate Governance, Earnings, Capital (RGEC) Analysis. European Journal of Business and Management Research,2022:7(4):93-8.

25. Taghizadeh-Hesary F, Phoumin H, Rasoulinezhad E. COVID-19 and regional solutions for mitigating the risk of SME finance in selected ASEAN member states. Economic Analysis and Policy, 2022:74:506-25.

26. Junjunan MI, Nawangsari AT, Melania AA, Putikadyanto AP. A Comparative Study on Financial Performance between Islamic and Conventional Banking in Indonesia During the COVID-19 Pandemic. Muqtasid,2022:12(2):75-88.