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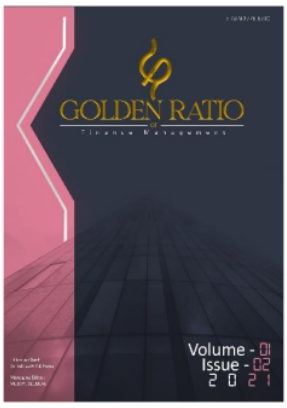

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*Corresponding author: Yusuf Rombe M. Allo, Department Management, Universitas Kristen Indonesia - Jakarta, Indonesia

E-mail: yusuf.rombe@uki.ac.id

FINANCE | RESEARCH ARTICLE

The Analysis of Financial Statements Performance: Case Studies PT. Bank Negara Indonesia (Persero)

Yusuf Rombe M. Allo[1]

[1]Department of Management, Universitas Kristen Indonesia - Jakarta. Indonesia. Email: yusuf.rombe@uki.ac.id

Abstract: The objectiveness of this study is to determine the level of growth in financial performance at PT. BNI (Persero) Tbk; starts from period 2013 to 2015. This assessment is carried out to determine how the bank's financial performance in the last few periods will be and what the conditions will be like in the coming period (forecast). That this will be useful in describing how financial performance has a vital role in a bank's business continuity so that in this study use descriptive qualitative approach. The result of this study is the growth in the financial performance is increasing from a liquidity perspective, considering that only two percentage ratios in 2015 underperformed in 2013, namely the investing policy ratio and the banking ratio. According to data shown before, the increase in the financial performance viewed from a profitability perspective is dominated by a volatile percentage ratio. There are two ratios whose performance continues to decline (e.g., Net Profit Margin and Return on Equity). According to the previous data proven, there is a gap between liquidity ratio and profitability ratio, given that the growth in the liquidity performance has increased. On the other hand, the change in profitability performance has decreased.

Keywords: Banking, Finance Management, Financial Analysis, Financial Performance
JEL Classification Code: G24, G21, E58

1. INTRODUCTION

Banks as intermediary financial institutions that operate by channeling public funds must maintain their financial performance properly. This function of the bank is essential to maintain public confidence in saving their funds in the bank. If the bank cannot maintain its financial performance properly, the bank concerned will be declared unhealthy so that public confidence in saving their funds will decrease or even disappear. These conditions will have a systemic impact on the sustainability of the bank's business and public trust in the banking world (Smaoui & Ghouma, 2020). The long-term effect can be making the bank concerned could not develop and even liquidate due to lack of funds operations fulfill its various obligations. The bank's financial performance analysis analyzes the financial performance by the growth rate to figure out the bank's condition. The author feels that the growth rate of a bank's financial performance is an exciting thing; this will illustrate whether the bank concerned is in an improving, conservative, or perhaps worsening condition. In that case, interested parties such as the public will forecast financial performance in the next period. However, there will still be an element of uncertainty in it. Every company, both large and small, profit-oriented and non-profit, will pay great attention to the company's finances (Georgescu Iuliana, 2014; Sun & Ding, 2020). The success or failure of their business is almost in part influenced or determined by the company's financial decisions. In other words, the problems that usually arise in every organization have implications for the financial sector. To assess a company's financial performance, we can know through the company's financial statements, which consist of a balance sheet, profit, loss calculation report, cash flow statement, a notice of changes in financial position (Yanikkaya et al., 2018). Financial statements are also imperative to assess the achievements and economic conditions of the company.

The financial statements will be more critical and valuable for interested parties if the data can be compared between two or more periods for analysis, which will assess the company's actual state, whether the financial performance has increased or decreased to find out more clearly about the

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position and strengths that have been achieved and the weaknesses over several periods. The financial statements need to be analyzed further in analyzing financial statements used tools or analytical techniques. The analytical tools often used are liquidity ratios, solvency ratios, profitability ratios, leverage ratios, activity ratios. Financial statements provide standard, standard, and general-purpose information because it is general and serves all parties, which can have differences and references to a piece of information (Tangngisalu et al., 2020). The use of this information contains various things that cause its limitations and weaknesses. To not get caught up in this problem, besides digging up extensive knowledge, it is necessary to analyze financial statements to expand and sharpen the data presented in the financial statements. Analyzing financial statements means digging up more information contained in a financial report. As is known, financial statements are information media that summarizes all company activities. If this information is presented correctly, it is advantageous for anyone to make decisions about the reported company. Analysis and interpretation of financial statements is a process to solve and at the same time answer problems that arise in a company organization or an organization that does not aim for profit. Analysis and interpretation are not goals, but analysis and interpretation are only tools to make or take decisions to achieve these goals (Mait et al., 2013; Svetlana Saksonova, 2014).

The financial statements, which consist of balance sheets, profit and loss messages, notifications of changes in financial position, and other reports, are not sufficient to provide detailed information regarding the company's performance and financial situation. The information provided is only about the absolute profit or loss achieved or the total value of assets, liabilities, and capital on the balance sheet. The report still needs to be described, and it still needs to be interpreted further by linking or connecting elements. Therefore, it is necessary to analyze the financial statements so that various information about the company's state can be produced to multiple interested parties such as creditors, shareholders, government management, employees, public accountants, etc (Sahi et al., 2013; Zhu et al., 2019). Recent study by Budianta (2000) to see how far the company's performance after being hit by the monetary crisis in 1999, which contains an increase in the current ratio is 2000 compared to the internal average. This shows that the company can pay off short-term obligations when they fall due so that the creditor's position is getting better. This means that the company's money can closely monitor working capital posts, likewise, with the decline in the solvency ratio in 2000 as measured by debt ratio to equity and the balance of debt to total assets compared to the internal average. Shows a reduced risk in the form of the company's inability to pay all obligations without reducing interest payments to creditors, thereby increasing the company's debt repayment rate. Likewise, research by Fildes & Goodwin (2021) to measure the company's level of performance, which obtained fluctuations in liquidity to changes in working capital every year and solvency is constantly above 100%, and fluctuations in profitability are caused by the inefficient use of funds and costs in the company. In this study, there are three ratios used to measure the bank's financial performance: liquidity, solvency, and profitability ratios. In this research, there are findings that PT. BNI (Persero) Tbk has tended to improve its liquidity and solvency performance in the last three years.

2. Literature Review

2.1. Financial Performance

Bank performance, in general, is a description of the achievements achieved by the bank in its operations. The bank's financial performance is a description of the bank's financial condition in a certain period, covering aspects of fundraising and distribution of funds. Performance shows something related to the strengths and weaknesses of a company. Financial performance is a description of every financial result that can be achieved by a banking company in a certain period through the company's activities to generate profits efficiently and effectively, whose progress can be measured by analyzing the financial data reflected in the financial statements. The following are some definitions of financial performance according to experts.

According to Waworuntu et al (2014), financial performance is a description of the company's success and can be interpreted as the results achieved on various activities carried out. It can be

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explained that economic performance is an analysis carried out to see the extent to which a company has implemented it using financial implementation rules correctly and adequately. According to Pavlatos (2021), the company's financial performance is one of the basic assessments of the company's financial condition based on an analysis of the company's financial ratios. Interested parties need the results of measuring the company's financial performance to see the state of the company and the level of success of the company in carrying out its operational activities. In practice, the financial statements presented by the company are not made haphazardly but must be prepared and prepared following applicable rules and standards. According to Criado-Jiménez et al (2008), financial statements are the output and final result of the accounting process; these financial statements become information material for users as ingredients in the decision-making process. According to Hasan et al (2017), financial statements are the statements that reflect the collection, tabulation, and final summarization of the accounting data. Four statements are involved: the statement of financial position, the income statement, the statement of cash flow, and retained earnings. According to Kanapickienė & Grundienė (2015), financial statements, if defined, are reports that show the company's financial condition at this time or within a certain period.

The income statement shows the income earned by the company, the costs incurred, and the net profit or loss as a result of the company's operations during a specific period. The income statement is a company financial report that is needed to analyze the company's financial position; this report provides an overview of the economic situation of the company's operational activities during a specific period. In each company, to find out the company's profit can be made by comparing the income earned with the costs incurred.

2.2. Objectives of Financial Statements

In every financial report, there are various objectives for the announcements made. This relates to the parties interested in the financial statements because their interests are a reason and the main factor why management must make financial statements that are presented periodically. According to Indonesian Accounting Standards by Aksan et al (2019), the purpose of financial statements is to provide information regarding the financial position, performance, and changes in a company's financial situation that is useful for many users in making economic decisions. According to Endri et al (2020), there are several purposes for making or compiling a financial report (i.e., Provide information about the type and amount of assets currently owned by the company. to Indonesian Accounting Standards; Provide information about the types and amounts of liabilities and capital owned by the company at this time; Provide information about the type and amount of income earned in a certain period; Provide information about the number of costs and types of costs incurred by the company in a certain period; Provide information about changes that occur to the company's assets, liabilities, and capital; Provide information about the company's management performance in a period; Provide information about the notes to the financial statements; Provide other financial information). The financial statement is an essential tool to obtain information in connection with the financial position and operational results that the company has achieved. This information can be used as a basis for making economic decisions, both by management and by external financial parties.

Financial statement analysis can maximize the information that is still relatively inadequate into broader and more accurate information; the financial statement analysis results can also show various problems contained in a financial report. Marilena & Alice (2012), financial statement analysis applies analytical tools and techniques for general purpose financial reports and related data to produce estimates and conclusions that are useful in business analysis. In analyzing financial statements, management must collect the necessary data instruments, measure and ultimately make the report meaningful. The financial statement analysis carried out by management has a purpose: simplifying the information from the financial statements. The financial ratios are an index that connects two accounting numbers and is obtained by dividing one number by another. Financial ratios are used to evaluate the company's financial condition and performance. According to Jia (2018); Nguyen (2012); Saksonova (2014), the ratio describes a relationship or comparison (mathematical relationship) between one amount and another, and using an analytical tool in the form of this ratio will be able to explain or give an overview to the analyst about the good or bad financial situation or

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position. A company, especially if the percentage of these figures are compared with the comparison ratio figures used as a standard.

In a company's business activities, various obligations must be resolved immediately by the company; the intended commitments are in the form of debts that must be paid directly by the company related to its business activities (Abdul Rahman et al., 2010). Here is the notion of liquidity and the liquidity ratio according to experts: According to Martani & Khairurizka (2009), liquidity describes the amount of time expected to Elapse until an asset is Tirrenus or otherwise converted into cash or until liability has to be paid. According to Van den End & Kruidhof (2013), the liquidity ratio is a ratio that describes the company's ability to meet short-term obligations (debt), meaning that if the company is billed, the company will be able to meet the deficit, especially debt that is due. From the two understandings above, the authors can conclude that the liquidity ratio is a ratio used to measure the company's liquidity. In other words, it is a ratio used to measure the company's ability to provide cash assets to meet obligations that are due immediately or must be paid. According to Saleem & Rehman (2011), the bank's liquidity ratio aims to measure how liquid a bank serves its customers. The author uses several types of calculations in this ratio: the quick ratio, investing policy ratio, banking ratio, an asset to loan ratio, cash ratio, and loan to deposit balance. In calculating bank liquidity ratios, there are various types of calculations; the following explains each bank liquidity ratio calculation according to Hennessy & Whited (2005) (i.e., Quick Ratio (QR) is a ratio used to measure the bank's ability in fulfilling its obligations to depositors (owners of demand deposits, savings, and time deposits) with the most liquid assets owned by banks.

In each of its business activities, the company has various needs, especially those related to funds and capital, to run well. Funds will always cover multiple costs incurred by the company, both long-term and short-term. According to Nalurita (2017), solvency refers to the ability of a company to pay its debts as they mature. For example, when a company carries a high level of long-term debt relative to assets, it has lower solvency than a similar company with a low level of long-term debt. According to Popa & Ciobanu (2014), the solvency ratio is a ratio used to measure the extent to which company assets are financed with debt. In other words, it is the ratio used to measure the company's ability to fulfill all its obligations (e.g., Primary Ratio (PR) is the ratio used to measure whether the capital owned is sufficient or the extent to which the decline in total incoming assets can be covered by equity capital. Risk Assets Ratio (RAR) is a ratio used to measure the possibility of reducing risk assets. Note, securities consist of securities and time deposits; risk assets are all bank assets excluding cash or cash equivalents and securities owned by banks. Secondary Risk Ratio (SRR) is a ratio used to measure the decline in assets with a higher risk. Note, the group of low-risk assets can be fixed assets and inventory, and other assets. The secondary risk assets component is all bank assets excluding cash or cash equivalents, marketable securities, and low-risk assets. Capital Ratio (CR) is the ratio used to measure capital and allowance for write-offs in underwriting loans, especially the risk that occurs due to interest that is failed to be collected.

According to Tahir & Mushtaq (2016), the bank's profitability ratio is a ratio used to measure the bank's business efficiency and profitability in a certain period. In this ratio, the author uses several types of calculations: gross profit margin, net profit margin, return on equity, gross yield on total assets, net income on total assets, rate return on loans, interest margin on earning assets, and asset utilization. In calculating the solvency ratio of banks, there are various types of calculations; the following is an explanation of each measure of the bank's liquidity ratio according to Roy & Shijin (2019) e.g., Gross Profit Margin (GPM) is a ratio used to determine the percentage of profits from pure business activities of the bank concerned after deducting expenses. Note, operating income in the form of interest income and other operating income, operating costs in the form of interest expense, and operating expenses. Net Profit Margin (NPM) is a ratio used to measure a bank's ability to generate net income from its main operating activities. Note, net income is earnings after tax, which means income that has been deducted by income tax. Return on Equity (ROE) is a ratio used to measure a bank's ability to manage equity capital to obtain net income. Return on Total Assets (ROA) Gross Yield on Total Assets (GYTA) is a ratio used to measure management's ability to generate income from asset management. Net Income Total Assets (NITA) is a ratio used to measure management's ability to obtain overall profitability and managerial efficiency. Rate Return on Loans (RRL) is a ratio used to measure management's ability to manage credit activities. Interest Margin on

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Earning Assets (IMEA) is a ratio used to measure management's ability to obtain net interest income from managing earning assets owned by banks. Note that earning assets are securities, time deposits, and loans in rupiah and foreign currency. Assets Utilization (AU); AU is a ratio used to determine the extent to which a bank's management can manage assets to generate operating income and non-operating income. Operating Costs Operating Income (BOPO) According to Raharjo, Dwi Priyanto Agung; Setiaji (2014), BOPO compares operating costs and operating income. The percentage of efficient BOPO is in the position of 70% - 80%.

3. Research Method and Materials

3.1. Materials and Measurement

The approach used in this research is a qualitative method. In preparing this paper, the author uses secondary data as a substitute for Field Research; this is because the required data is already available on the official website of PT. BNI, which is in the form of an audited consolidated financial report and also an annual report. The following is the only writing method used by the author: Library Research. This research was conduct by collecting theoretical information, information obtained through various sources of literature such as textbooks that have something to do with the title of this paper. The result of the study collected data is of the liquidity ratio. The author presents various calculations of the liquidity ratio of PT. Bank Negara Indonesia (Persero) Tbk, the percentage growth of each balance, and an analysis of the development of these ratios. In this liquidity ratio, the authors limit the type of ratio calculation not to expand and extend the discussion. The liquidity ratio calculations used are (e.g., Quick ratio, Investing policy ratio, Banking ratio, Asset to loan percentage, Cash ratio, Loan to deposit balance, Minimum obligatory current account) as a descriptive and interpretative result into the results and discussion section.

4. Results and Discussion

4.1. Liquidity Ratio

There are three ratios used to measure the bank's financial performance: liquidity, solvency, and profitability ratios. In this research, there are findings that PT. Bank Negara Indonesia (Persero) Tbk has tended to improve its liquidity and solvency performance in the last three years. The following is the result of calculating liquidity ratios and their growth analysis displayed in Table 1:

a. Quick Ratio

$$\text{The Formula of } QR = \frac{Cash\ Assets}{Total\ Deposit} \times 100\%$$

Table 1: Quick Ratio (QR)

Year	In Million Rupiah		Quick Ratio	Growth
	Cash Assets	Total Deposit		
2013	37.322.115	282.739.954	13,20%	-
2014	40.529.064	300.264.809	13,50%	0,30%
2015	52.821.397	353.936.880	14,92%	1,42%

Based on Table 1. In the quick ratio, the higher the percentage, the better the liquidity. This ratio shows the bank's ability to meet the withdrawal of funds on deposits it collects using the cash asset portfolio it owns. Suppose seen from the growth ratio above, the quick ratio of PT. BNI tends to increase every year due to PT's composition of cash assets. BNI (Persero) Tbk grows more extensive than the total deposits it holds, and the most significant quick ratio percentage growth was in 2014-2015, namely 1.42%. This study found that ratio, the level of liquidity of PT. BNI, the highest was in 2015 with a percentage of 14.92%. The lowest was in 2013, with a ratio of 13.20%. There is a difference of 1.72%.

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b. Investing Policy Ratio (IPR)

$$\text{The Formula of } IPR = \frac{Securities}{Total\ Deposit} \times 100\%$$

Table 2: Investing Policy Ratio (IPR)

Year	In Million Rupiah		Investing Policy Ratio	Growth
	Securities	Total Deposit		
2013	10.424.153	282.739.954	3,69%	-
2014	18.975.652	300.264.809	6,32%	2,63%
2015	10.303.709	353.936.880	2,91%	-3,41%

The investing policy ratio (See. Table 2) shows that the higher the percentage, the better the liquidity. This ratio shows the bank's ability to meet the withdrawal of funds on deposits it collects by using its portfolio of securities. Suppose seen from the growth ratios mentioned above, the investing policy ratio of PT. BNI tends to fluctuate (volatile) every year, wherein 2013-2014 its investing policy ratio has increased by 2.63%, which means that its liquidity performance is strengthening, and in 2014-2015 it decreased by -3, 41%, which means weaker liquidity performance. The level of liquidity of PT BNI (Persero) Tbk was highest in 2014, with a percentage of 6.32%. The lowest level of liquidity was in 2015, with a rate of 2.91%; there is a difference of 3.41%.

c. Banking Ratio (BR)

$$\text{The Formula of } BR = \frac{Total\ Loans}{Total\ Deposit} \times 100\%$$

Table 3: Banking Ratio (BR)

Year	In Million Rupiah		Banking Ratio	Growth
	Total Loans	Total Deposit		
2013	250.637.843	282.739.954	88,65%	-
2014	277.622.281	300.264.809	92,46%	3,81%
2015	326.105.149	353.936.880	92,14%	-0,32%

In the banking ratio (displayed in Table 3), the higher the percentage, the lower the level of liquidity. The large number of loans disbursed by banks will affect the bank's liquid asset portfolio to meet the withdrawal of funds on deposits it collects. Suppose seen from the growth ratio above, the banking ratio of PT. BNI tends to fluctuate (volatile) every year, wherein 2013-2014, the banking ratio increased by 3.81%, which means that its liquidity performance is weakening, and in 2014-2015, it decreased by -0.32%, which means that its liquidity performance is strengthening. This ratio proves that the number of employees who flow PT. BNI, on average, is almost proportional to the total deposits it collects. This result can be seen from the difference in the proportion of banking ratios and the difference in nominal rupiah between total loans and total deposits, which is relatively thin. In this ratio analysis, the level of liquidity of PT. BNI, the highest was in 2013 with a percentage of 88.65%. The lowest level of liquidity was in 2014, with a ratio of 92.46%; there is a difference of 3.81%.

d. Assets to Loan Ratio (ALR)

$$\text{The Formula of } ALR = \frac{Total\ Loans}{Total\ Assets} \times 100\%$$

In the assets to loan ratio displayed in Table 4, the higher the percentage, the lower the level of liquidity. The large composition of loans on assets will affect the bank's liquidity concerned in fulfilling the withdrawal of funds on deposits it collects. Suppose seen from the growth ratio above, the support to loan ratio of PT. BNI tends to fluctuate (volatile) every year, wherein 2013-2014, the Asset to loan ratio increased by 1.82%, which means that its liquidity performance weakened and in 2014-2015 decreased by -2, 52%, which means that the liquidity performance is strengthening. The

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level of liquidity of PT. BNI in the assets to the loan ratio analysis, the highest was in 2015, with a percentage of 64.12%. The lowest level of liquidity was in 2014, with a rate of 66.64%; there is a difference of 2.52%.

Table 4: Assets to Loan Ratio (ALR)

Year	In Million Rupiah		Assets to Loan Ratio	Growth
	Total Loans	Total Assets		
2013	250.637.843	386.654.815	64,82%	-
2014	277.622.281	416.573.708	66,64%	1,82%
2015	326.105.149	508.595.288	64,12%	-2,52%

e. Cash Ratio (CR)

$$\text{The Formula of } CR = \frac{Liquid\ Assets}{Short\ Term\ Borrowing} \times 100\%$$

Table 5: Cash Ratio (CR)

Year	In Million Rupiah		Cash Ratio	Growth
	Liquid Assets	Short Term Borrowing		
2013	37.322.115	89.943.247	41,50%	-
2014	40.529.064	84.556.251	47,93%	6,43%
2015	52.821.397	92.568.847	57,06%	9,13%

In the cash ratio, the higher the percentage, the better the liquidity. This ratio shows the bank's ability to meet withdrawals from short-term borrowing in the form of demand deposits and savings using its liquid asset portfolio. Suppose seen from the growth ratio above, the cash ratio of PT. BNI tends to increase every year.

f. Loan to Deposit Ratio (LDR)

$$\text{The Formula of } LDR = \frac{Total\ Loans}{Total\ Deposit + Equity} \times 100\%$$

In the loan to deposit ratio displayed in Table 6, the higher the percentage, the lower the level of liquidity. However, a high loan to deposit ratio represents good profitability considering that the large number of loans disbursed will generate increased interest income for the bank. According to the growth ratio displayed in Table 6, the loan to deposit ratio of PT. BNI tends to fluctuate (volatile) every year. In 2013-2014 the loan to deposit ratio increased by 0.99%, which means that its liquidity performance weakened. In 2014-2015 decreased by -1, 42%, which means more robust liquidity performance; in this ratio, the level of liquidity of PT. BNI, the highest was in 2015 with a percentage of 75.42%. The lowest level of liquidity was in 2014, with a rate of 76.84%; there is a difference of 1.42%.

Table 6: Loan to Deposit Ratio (LDR)

Year	In Million Rupiah			LDR	Growth
	Total Loans	Total Deposit	Equity		
2013	250.637.843	282.739.954	47.683.505	75,85%	-
2014	277.622.281	300.264.809	61.021.308	76,84%	0,99%
2015	326.105.149	353.936.880	78.438.222	75,42%	-1,42%

The growth ratios mentioned in Table 7 show that the loan to deposit balance has increased with a stable tendency, wherein 2013-2014, the percentage increased by 2.4%, which means that performance decreased. In 2014-2015 the rate did not change, which means the performance is stable.

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Table 7: Loan to Deposit Ratio PT. BNI in the Annual Report

Year	Loan to Deposit Ratio	Growth	Annotation
2013	85,30%	-	Healthy
2014	87,70%	2,4%	Healthy
2015	87,70%	0%	Healthy

g. Primary Minimum Statutory Reserves

The Formula of $PMSR = \frac{Current\ Account\ at\ BI\ Rupiah}{Total\ DPK\ Rupiah} \times 100\%$

Table 8: Primary Minimum Statutory Reserves (PMSR)

Year	In Million Rupiah		GWM Primer	Growth
	Current Account in BI Rupiah	Total DPK Rupiah		
2013	18.893.000	236.854.890	7,98%	-
2014	21.490.067	257.006.917	8,36%	0,38%
2015	26.725.601	293.765.548	9,10%	0,74%

In the primary minimum statutory reserve ratio (See. Table 8), the higher the ratio, the better the liquidity, but it will impact lower profitability performance. This ratio shows the ability of banks to maintain their liquidity by depositing a number of their checking accounts with Bank Indonesia, which can be used at any time if experiencing liquidity difficulties. In the primary minimum statutory reserve ratio, the level of liquidity of PT. BNI, which was highest in 2015 with a percentage of 9.10%, and the lowest level of liquidity was in 2013 with a rate of 7.98%; there is a difference of 1.12%.

4.2. Rentability Ratio

The types of profitability ratio calculations used are gross profit margin, net profit margin, return on total assets (gross yield on tangible assets and net income total assets), return on equity, rate return on loans, interest margin on earning assets, asset utilization, and BOPO. The following is the result of calculating profitability ratios and their growth analysis displayed in Table 9:

a. Gross Profit Margin (GPM)

The Formula of $GPM = \frac{Operating\ Income - Operating\ Expense}{Operating\ Income} \times 100\%$

Table 9: Gross Profit Margin (GPM)

Year	In Billion Rupiah		Gross Profit Margin	Growth
	Operating Income	Operating Expense		
2013	34.310	20.877	39,15%	-
2014	42.605	25.749	39,56%	0,41%
2015	45.767	27.845	39,16%	-0,40%

In the gross profit margin, the higher the ratio, the better the profitability. This ratio shows the percentage of profit generated from pure operational activities after deducting operational costs. From the growth ratio above, the gross profit margin of PT BNI (Persero) Tbk tends to fluctuate (volatile) each year, wherein 2013-2014, the gross profit margin increased by 0.41%, which means that the profitability performance strengthened and in 2014-2015 decreased by -0.40 %, which means that the profitability performance is weakening. In this ratio, the level of profitability of PT BNI (Persero) Tbk was highest in 2014, with a percentage of 39.56%. The lowest rate of profitability was in 2013, with a ratio of 39.15%; there is a difference of 0.41%.

In the net profit margin displayed in Table 10, the higher the ratio, the better the profitability. This is because this ratio shows the amount of net income obtained from pure operational activities that are carried out. Suppose, viewed from the growth ratio above, the net profit margin of PT. BNI

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tends to experience a decline every year. The fall occurred in 2014-2015 with a percentage of -5.44%; in 2015, this net income portfolio was shrinking while his portfolio of operating income was getting bigger. In this ratio, the level of profitability of PT BNI (Persero) Tbk was highest in 2013, with a percentage of 26.40%. The lowest rate of profitability was in 2015, with a share of 19.97%; there is a difference of 6.42 between the fillers.

b. Net Profit Margin (NPM)

$$\text{The Formula of } NPM = \frac{Net\ Income}{Operating\ Income} \times 100\%$$

Table 10: Net Profit Margin (NPM)

Year	In Billion Rupiah		Net Profit Margin	Growth
	Net Income	Operating Income		
2013	9.058	34.310	26,40%	-
2014	10.829	42.605	25,42%	-0,98%
2015	9.141	45.767	19,97%	-5,44%

c. Gross Yield on Total Assets (GYTA)

$$\text{The Formula of } GYTA = \frac{Operating\ Income}{Total\ Assets} \times 100\%$$

Table 11: Gross Yield on Total Assets (GYTA)

Year	In Billion Rupiah		Gross Yield on Total Assets	Growth
	Operating Income	Total Assets		
2013	34.310	386.655	8,87%	-
2014	42.605	416.574	10,23%	1,35%
2015	45.767	508.595	9,00%	-1,23%

In the ratio of gross yield on total assets shown in Table 11, the higher the ratio, the better the profitability; this is because this ratio shows the large percentage of operating income generated from managing assets owned. Suppose viewed from the growth of the proportions above, the gross yield on total assets ratio of PT. BNI tends to fluctuate (volatile) every year, wherein 2013-2014, the gross profit on total assets ratio increased by 1.35%, which means that the profitability performance is strengthening, and in 2014-2015 it decreased by - 1.23%, which means weaker profitability performance. In this ratio, the level of profitability of PT BNI (Persero) Tbk was highest in 2014, with a percentage of 10.23%. The lowest rate of profitability was in 2013, with a ratio of 8.87%; there is a difference of 1.35%.

d. Net Income on Total Assets (NITA)

$$\text{The Formula of } NITA = \frac{Net\ Income}{Total\ Assets} \times 100\%$$

Table 12: Net Income on Total Assets (NITA)

Year	In Billion Rupiah		Net Income on Total Assets	Growth
	Net Income	Total Assets		
2013	9.058	386.655	2,34%	-
2014	10.829	416.574	2,60%	0,26%
2015	9.141	508.595	1,80%	-0,80%

In the ratio of net income on total assets displayed in Table 12, the higher the ratio, the better the profitability; this is because this ratio shows the percentage of net income generated from managing assets owned. If seen from the growth of the balance above, the proportion of net income on total assets of PT. BNI tends to fluctuate (volatile) every year, wherein 2013-2014, the ratio of net income on total assets increased by 0.26%, which means that the profitability performance is strengthening,

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and in 2014-2015, it decreased by - 0.80%, which means weaker profitability performance. In this ratio, PT. BNI's level of profitability was highest in 2014, with a percentage of 2.60%. The lowest rate of profitability was in 2015, with a share of 1.80%; there is a difference of 0.80%.

e. Return on Equity (ROE)

$$\text{The Formula of } ROE = \frac{Net\ Income}{Equity\ Capital} \times 100\%$$

Table 13: Return on Equity

Year	In Billion Rupiah		Return on Equity	Growth
	Net Income	Equity Capital		
2013	9.058	47.683	19,00%	-
2014	10.829	61.021	17,75%	-1,25%
2015	9.141	78.438	11,65%	-6,10%

In return on equity ratio displayed in Table 13, the higher the ratio, the better the profitability; this is because this ratio shows the net income generated from the management of existing equity capital. Suppose viewed from the growth of the ratio above, the ratio of return on equity of PT. BNI tends to experience a decline every year, and the most significant decrease was in 2014-2015 with a percentage of -6.10%; it illustrates that the net income generated by PT. BNI from the management of existing equity capital continues to decline. Even the decline tends to strengthen considering that in 2013-2014 the percentage ratio only decreased by -1.25%, while in 2014-2015, the percentage ratio fell to -6.10%; This shows a contrasting decrease because there is a difference of 4.85% between the two, meaning that the percentage decline in the ratio that occurred in 2014-2015 fell almost four times compared to the previous period. This ratio proves that the growth of the equity capital portfolio owned by PT. BNI is not balancing with the change in net profit it earns every year. In contrast, the author uses the balance at the end of the year. The following is the ROE published by PT. BNI, through its Annual Report, is displayed in Table 14.

Table 14: Return on Equity PT. BNI in the Annual Report

Year	Return on Equity	Growth	Annotation
2013	22,50%	-	Healthy
2014	23,60%	1,10%	Healthy
2015	17,20%	-6,40%	Healthy

The growth ratios mentioned above are quoted in the Annual Report of PT. BNI. In Conclusion that the return on equity ratio fluctuates (volatile) with a downward trend. In the 2013-2014 period, the percentage ratio increased by 1.10%, and in the 2014-2015 period, the percentage ratio decreased by -6, 40%. This data proves that in the 2014-2015 period, there was a decline of almost six times compared to the previous period.

f. Rate Return on Loans (RRL)

$$\text{The Formula of } RRL = \frac{Interest\ Income}{Total\ Loans} \times 100\%$$

In the rate return on loans ratio displayed in Table 15, the higher the ratio, the better the profitability; this is because this ratio shows the amount of interest income obtained from all loans extended. When viewed from the growth of the balance above, the percentage of the rate of return on loans to PT BNI (Persero) Tbk tends to fluctuate (volatile) every year. In 2013-2014 the ratio of the rate of return on loans increased by 1.50%, which means that the profitability performance strengthened. In 2014-2015 decreased by -0 85%, which means that its profitability performance is weakening. In this ratio, the level of profitability of PT BNI (Persero) Tbk was highest in 2014 at 12.16%. The lowest rate of profitability was in 2013 with a percentage of 10.66%; there is a difference of 1.50%.

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Table 15: Rate Return on Loans (RRL)

Year	In Billion Rupiah		Rate Return on Loans	Growth
	Interest Income	Total Loans		
2013	26.705	250.638	10,66%	-
2014	33.750	277.622	12,16%	1,50%
2015	36.895	326.105	11,31%	-0,85%

g. Interest Margin on Earning Assets (IMEA)

The Formula of $IMEA = \frac{Interest\ Income - Interest\ Expense}{Total\ Earning\ Assets} \times 100\%$

Table 16: Interest Margin on Earning Assets (IMEA)

Year	In Billion Rupiah			Interest Margin on Earning Assets	Growth
	Interest Income	Interest Expense	Total Earning Assets		
2013	26.705	7.392	329.405	10,35%	-
2014	33.750	10.989	354.955	12,60%	2,25%
2015	36.895	11.335	417.048	11,56%	-1,04%

In the ratio of interest margin on earning assets displayed in Table 16, the higher the ratio, the better the profitability. This ratio shows the percentage of net interest income generated from the management of acquiring assets, such as securities, loans (credit), and time deposits. Suppose viewed from the growth of the above ratios, the interest margin on earning-ratio of PT. BNI tends to fluctuate (volatile) every year, wherein 2013-2014, the percentage of interest margin on acquiring assets increased by 2.25%, which means that the profitability performance is strengthening, and in 2014-2015 it decreased by - 1.04%, which means weaker profitability performance. In this ratio, the level of profitability of PT BNI (Persero) Tbk was highest in 2014 at 12.60%. The lowest rate of profitability was in 2013, with a ratio of 10.35%; there is a difference of 2.25%.

h. Asset Utilization (AU)

The Formula of $AU = \frac{Operating\ Income + Non-Operating\ Income}{Total\ Assets} \times 100\%$

Table 16: Asset Utilization (AU)

Year	In Billion Rupiah			Gross Yield on Total Assets	Growth
	Operating Income	Non-Operating Income	Total Assets		
2013	34.310	59	386.655	8,89%	-
2014	42.605	178	416.574	10,27%	1,38%
2015	45.767	54	508.595	9,01%	-1,26%

In the asset utilization ratio displayed in Table 16, the higher the percentage, the better the profitability; This ratio shows the number of overall incomes (operating income + non-operating income) obtained from managing assets owned. When viewed from the growth in the percentages above, the asset utilization ratio at PT BNI (Persero) Tbk tends to fluctuate (volatile) every year. In 2013-2014 its asset utilization ratio increased by 1.38%, which means its profitability performance strengthened, and in 2014-2015 it decreased by -1, 26%, which means that the profitability performance is weakening. In this ratio, the level of profitability of PT. BNI, which was highest in 2014 with a percentage of 10.27%. The lowest rate of profitability was in 2013, with a ratio of 8.89%; there is a 1.38%.

i. Operating Expenses to Operating Income (BOPO)

The Formula of $BOPO = \frac{Operational\ Cost}{Operational\ Income} \times 100\%$

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Table 17: Operating Expenses to Operating Income (BOPO)

Year	In Billion Rupiah		BOPO	Growth
	Operating Expenses	Operating Income		
2013	20.877	34.310	60,85%	-
2014	25.749	42.605	60,44%	-0,41%
2015	27.845	45.767	60,84%	0,40%

In the ratio of operating expenses to operating income (BOPO), the lower the ratio, the better the profitability. The percentage level of BOPO that is too low represents small (unnatural) expenses/costs. The company is too focused on making profits without paying attention to quality and welfare. Employees because of the small operational costs incurred. In this ratio, the level of profitability of PT BNI (Persero) Tbk was highest in 2013, with a percentage of 60.85%. The lowest rate of profitability was in 2014, with a ratio of 60.44%. The following is a BOPO published by PT. BNI through its Annual Report following Table 18. The growth ratios mentioned above are quoted in the Annual Report of PT. BNI, it can be concluded that the BOPO ratio continues to increase every year without any slowdown, and the growth that occurred in the 2014-2015 period was a contrasting growth of 7.50%; it proves that the growth in the percentage of BOPO PT. BNI in the 2014-2015 period increased eight times compared to the previous period, which means that the profitability performance decreased and the costs incurred increased. The percentage level of the BOPO ratio of PT. BNI in 2013 and 2014 was categorized into an unhealthy percentage, considering that in the literature, it is written that the rate of healthy BOPO is in the ratio of 70% - 80%.

Tabel 18: Operating Expenses Operating Income of PT. BNI in Annual Report

Year	Operating Expenses to Operating Income (BOPO)	Growth	Annotation
2013	67,10%	-	Unhealthy
2014	68,00%	0,90%	Unhealthy
2015	75,50%	7,50%	Healthy

4.3. Discussion

In the ratio of operating expenses to operating income (BOPO), the lower the ratio, the better the profitability. The percentage level of BOPO that is too low represents small (unnatural) expenses/costs. The company is too focused on making profits without paying attention to quality and welfare. Employees because of the small operational costs incurred. In this ratio, the level of profitability of PT BNI (Persero) Tbk was highest in 2013, with a percentage of 60.85%. The lowest rate of profitability was in 2014, with a ratio of 60.44%; there is a difference of 0.41% between the two. The growth ratios mentioned above are quoted in the Annual Report of PT. BNI, it can be concluded that the BOPO ratio continues to increase every year without any slowdown, and the growth that occurred in the 2014-2015 period was a contrasting growth of 7.50%; it proves that the growth in the percentage of BOPO PT. BNI in the 2014-2015 period increased eight times compared to the previous period, which means that the profitability performance decreased and the costs incurred increased. The percentage level of the BOPO ratio of PT. BNI in 2013 and 2014 were categorized into an unhealthy percentage, considering that in the literature, it is written that the portion of healthy BOPO is in the ratio of 70% - 80%.

5. Conclusion

Based on liquidity analysis, the authors conclude that the growth in the financial performance of PT. BNI is increasing from a liquidity perspective, considering that only two percentage ratios in 2015 underperformed in 2013, namely the investing policy ratio and the banking ratio. According to data shown before that the growth ratios that have cash assets elements are excellent. These ratios are the quick ratio, cash ratio, and primary minimum compulsory current account. The author concludes that the availability of cash assets of PT. BNI, to meet liquidity needs every year, continues to increase.

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Based on the Solvency of PT. BNI, growth in the financial performance of PT BNI (Persero) Tbk in terms of solvency is increasing. According to data shown before, the percentage growth in the solvency ratio of PT. BNI (Persero) Tbk continues to grow every year, especially the capital ratio, whose increase does not experience a slowdown. Growth in the financial performance of PT. BNI in terms of profitability is decreasing. According to data shown before that the increase in the financial performance of PT. BNI, viewed from a profitability point of view, is dominated by a volatile percentage ratio, and there are two ratios whose performance continues to decline, namely net profit margin and return on equity. According to the previous data, there is a gap between liquidity and profitability, given that the growth in the liquidity performance of PT. BNI has increased so that, on the other hand, the growth in profitability performance has decreased.

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