

Financial Performance Analysis Using Liquidity, Solvency and Efficiency Ratios at PT. Bank Syariah Indonesia

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ABSTRACT. To assess the financial well-being of Bank Muamalat Indonesia, this study will use liquidity, solvency, and efficiency metrics. The research methodology used in this study is descriptive quantitative. A review of the liquidity, solvency, and efficiency ratios will help you understand the material you find while browsing through libraries and research papers. From 2019 to 2021, the data shows that the bank has a poor liquidity ratio, as seen from the Quick Ratio indicator, although the cash and loan-to-deposit ratios are good. However, the asset-to-loan ratio appears to be in good shape, based on Bank Indonesia's decision. Based on the primary ratio indicators, the solvency ratio is in a poor position in 2019 and 2020, while in 2021 it is in very good condition. The secondary risk ratio indicators for 2019-2021, when it appears to be in perfect health, support this. Based on the capital ratio indicator, the 2019-2020 period is considered unhealthy, but healthy for the 2021 period based on Bank Indonesia guidelines. The interest cost ratio and leverage multiplier indicators show that the efficiency ratio is more than 1.5, which is good news.

Keywords: Financial Performance; Liquidity Ratio; Solvency; Efficiency;

INTRODUCTION

Established in 1991, Bank Muamalat Indonesia (BMI) is the pioneer Islamic bank in Indonesia. In addition, Government Regulation (PP) No. 72, the Regulation of Islamic Banks in Indonesia, and Law No. 7 of 1992 governing banking are all based on the principle of profit sharing. All financial institutions are required to keep accurate records of deposits. A treasure trove of information about a company's history, present, and future can be revealed through such data. Good financial reporting is essential to convince others that the bank can succeed. Companies are required to disclose their financial position annually as per legal requirements. Looking at the reports provided to us allows us to determine the current state of the company.

Table 1. Total assets, deposits, financing 2019-2021

Tahun	2019	2020	2021
Total Aset	410.594.054	479.163.048	530.578.162
DPK	359.570.214	424.403.208	417.273.122
Pembiayaan	388.594.520	460.760.714	499.391.858

Sumber: www.idx.co.id

The graph above shows that Islamic banks are growing faster than conventional banks. The Forbes research team placed PT Bank Syariah Indonesia Tbk (BSI) among the world's top banks.

Based on this data, BSI is indeed one of the top five best banks in Indonesia. With this growth comes the unavoidable obligation that Bank Syariah Indonesia must comply with all relevant financial conduct regulations. We can learn more about a bank's financial health by conducting a performance review, one way of which is to compare its ratios with those of similar institutions. This analysis uses liquidity, solvency, and efficiency ratios.

METHOD

This research uses quantitative descriptive research techniques. The main purpose of descriptive research is to determine the values of independent variables, not to infer correlations between them. Research is considered quantitative when it produces results that can be measured using statistical and other quantitative approaches. The data used in this study comes from secondary sources, namely the 2019-2021 financial statements prepared by BSI Banks in Indonesia and available online through Bank Syariah Indonesia. To analyze the data, this research uses Excel and other similar programs.

RESULTS AND DISCUSSION

Liquidity Ratio of Indonesian Islamic Banks 2019-2021

$$\frac{\text{Cash Asset}}{\text{Total Deposit}} \times 100\%$$

Table 2. Results of Quick Ratio of PT Bank Syariah Indonesia

Tahun	<i>Cash Assets</i>	<i>Total Deposit</i>	<i>Quick Ratio %</i>
2019	59.522.014	75.127.736	79,22%
2020	66.808.954	120.807.166	55,30%
2021	53.050.068	114.495.780	46,33%

$$\frac{\text{Cash Asset}}{\text{Kewajiban lancar}} \times 100\%$$

Table 3. Results of Cash Ratio of PT Bank Syariah Indonesia

Tahun	<i>Liquid Assets</i>	<i>Short Term Borrowing</i>	<i>Cash Ratio %</i>
2019	59.522.014	11.391.324	522,5%
2020	66.808.954	9.415.408	708,5%
2021	53.050.068	7.569.802	700,8%

$$\frac{\text{Total Loans}}{\text{Total Deposit} + \text{Equity}} \times 100\%$$

Table 4. LDR Results of PT Bank Syariah Indonesia

Tahun	<i>Total Loan</i>	<i>Total Deposit</i>	<i>Equity</i>	<i>LDR%</i>
2019	267.828.512	75.127.736	17.605.062	288%
2020	307.885.380	120.807.166	20.779.672	217,5%
2021	334.513.782	114.495.780	61.547.292	190,00%

$$\frac{\text{Total Loans}}{\text{Total Asset}} \times 100\%$$

Table 5. Earning Assets to Loans Ratio

Tahun	<i>Total Loan</i>	<i>Total Assets</i>	<i>Assets to Loan Ratio%</i>
2019	267.828.512	410.594.054	50%
2020	307.885.380	410.594.054	64,20%
2021	334.513.782	410.594.054	81,46%

Menghitung rasio solvabilitas pada PT. Bank Syariah Indonesia periode 2019-2021

$$\frac{\text{Equity Capital}}{\text{Total Asset}} \times 100\%$$

Table 6. Primary Ratio Results

Tahun	<i>Equity Capital</i>	<i>Total Assets</i>	<i>Primary Ratio%</i>
2019	17.605.062	410.594.054	3,30%
2020	20.779.672	410.594.054	32,20%
2021	61.547.292	410.594.054	14,97%

$$\frac{\text{Equity Capital}}{\text{Secondary Risk Asset}} \times 100\%$$

Table 7. Secondary Risk Ratio Results

Tahun	<i>Equity Capital</i>	<i>Total Secondary Risk Assets</i>	<i>Secondary Risk Ratio %</i>
2019	17.605.062	144.757.214	12,15%
2020	20.779.672	175.062.940	11,84%
2021	61.547.292	199.736.984	30,80%

$$\frac{\text{Equity Capital} + \text{RLL}}{\text{Total Loans}} \times 100\%$$

Table 8. Capital Ratio Results

Tahun	<i>Equity Capital</i>	<i>Reserve for loan loses</i>	<i>Total Loan</i>	<i>Capital ratio%</i>
2019	17.605.062	3.878.484	267.828.512	8,00%
2020	20.779.672	6.589.412	307.885.380	8,80%
2021	61.547.292	6.901.012	334.513.782	20,45%

Financial performance analysis using financial ratios

Liquidity ratio

Table 9. Liquidity Ratio and Health Category

Rasio Liquidity	2019	Kategori	2020	Kategori	2021	Kategori
<i>Quick Ratio</i>	79,22%	Tidak Sehat	55,30%	Tidak Sehat	46,33%	Tidak Sehat
<i>Cash Ratio</i>	522,40%	Sehat	700,50%	Sehat	700%	Sehat
<i>Loan to Deposit Ratio</i>	287,5%	Tidak Sehat	215%	Tidak Sehat	190%	Tidak Sehat
<i>Aset to Loan Ratio</i>	50,22%	Tidak Sehat	60%	Tidak Sehat	81%	Tidak Sehat

For the Quick Ratio calculation in 2019, the liquidity level is 79.22% as shown in the table above. This means that the bank can only fulfill its obligations to customers. Since it does not meet the 150%-174% health criteria with current cash deposits of IDR 79.22 per rupiah, the bank is considered unhealthy. With a recommended range of 150% to 174%, the bank's liquidity level of 55.30 percent in 2020 is considered alarming. This value is equivalent to IDR55.30 per rupiah, which is the value of the bank's most liquid assets that can be used to meet the obligations of depositors. In 2021, the bank has 46.33 percent of each rupiah sufficient to cover its obligations to depositors by the soundness criteria which varies between 150 and 174%. This level is where the dangerous situation lies.

Cash Ratio in 2019 amounted to 522.50% as shown in the statistical table. This indicates that the bank has assets of Rp522.50 per rupiah that can be used to pay off urgent debts. Based on monetary health rules, this puts it in the healthy category. eighty-plus percent. With a liquidity level of 709.50% in 2020, the bank is in good financial condition; this indicates that the company has sufficient liquid tools to cover its short-term liabilities of Rp 709.50 for every rupiah. With a cash ratio greater than 80%, this is considered healthy. The bank is considered to have a very good financial condition and can fulfill its short-term obligations with its assets in 2021, thanks to the liquidity level of 700.80% and the health criteria for the cash ratio > 80%.

The LDR in 2019 is 288.6% based on the statistics in the table. This means the bank will get Rp 288.6 for every rupiah, which is above 120% and considered unhealthy. With a value of 217.40% in 2020, it is beyond the dangerous threshold of 120%. This means that the bank will get Rp 217.40 for every rupiah received. The fact that the level is above 120% makes it unhealthy; in 2021 it becomes 190%, meaning the bank will collect IDR 190 for every rupiah received.

With a value of 50.44% for every IDR 1 asset that can cover the financing of IDR 0.5044 in 2019, the LAR calculation falls into the very healthy category as shown in the table above with a value below 75%. Entering the very healthy category in 2020 with a ratio below 75%, meaning that 64.25 percent of each Rp 1 asset can support the financing of Rp 0.6425. If you enter the healthy category, the ratio is less than 85%, meaning that in 2021, 81.47% of assets of IDR 1 can cover the financing of IDR 0.8147.

Solvency Ratio

Table 10: Solvency Ratio and Health Category

Rasio Sovabilitas	2019	Kategori	2020	Kategori	2021	Kategori
<i>Primary Ratio</i>	3,1%	Tidak Sehat	3,2%	Tidak Sehat	14,50%	Sangat Sehat
<i>Secondary Ratio</i>	12,3%	Sehat	11,50%	Sehat	30,21%	Sehat
<i>Capital Ratio</i>	8,02%	Kurang Sehat	8,22%	Tidak Sehat	20,11%	Sehat

The data table shows that the primary ratio in 2019 was 3.2%, which is below the healthy threshold of 6%. This means that for every rupiah of total assets there is a total capital of 3.%. The primary ratio in 2020 was 3.2%, which is below 6% and gives a worrying indication that total assets are supported by total capital of IDR 4.33 per rupiah. As it is more than 12% in 2021, the primary ratio is considered to be in the exceptional range of 14.50%. Thus, the total capital amounted to IDR 14.49 for every rupiah that an asset is valued at.

The above shows that the secondary risk ratio in 2019 was 12.16%. Being above 10% and meaning Rp 12.16 of capital is behind every rupiah of secondary risk assets, it is considered healthy. Overall, the secondary risk ratio in 2020 was 11.89%, which is above the 10% threshold and therefore desirable. A capital guarantee of IDR 11.89 is provided for every rupiah worth of secondary risk assets. Due to the large capital support (IDR 30.81 per rupiah, or above 10%), the secondary risk assets are considered strong in 2021 with a secondary risk ratio of 30.81%. Based on the information in the table, the capital ratio in 2019 was 8.02%. Since this amount is less than 10% of the overall finance, it is considered unhealthy. The overall capital is Rp 8.02. At a rate of 8.88% in 2020, the capital ratio is below 10% which means that a total capital of Rp 8.88 is required to guarantee each rupiah of financing. Danger has been determined. Capitalization in 2021 is Rp 20.46 per rupiah of total financing, indicating a capital ratio of 20.46%. As it is less than 25%, it is very healthy.

CONCLUSION

The following financial parameters were used to analyze the financial statements of Bank Syariah Indonesia: liquidity, solvency, and efficiency. The results showed that the bank's performance depends on Cash Ratio which is classified as healthy, Loan to Deposit Ratio which is classified as unhealthy, and Asset Loan Ratio which is classified as healthy, overall the liquidity ratio for the 2019-2020 period is considered unhealthy according to Bank Indonesia criteria. From 2019 to 2020, the solvency ratio seems to be in a bad position based on the key ratio indicators but looks good for 2021. If the Secondary Risk Ratio indicator for 2019-2021/22 is any indication, the health looks good. The capital ratio indicator shows it to be in a poor position in 2019 and 2020, but in

2021 it meets all Bank Indonesia standards. As promised, the conclusion offers a resolution to the initial problem statement.

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