

FINANCIAL PERFORMANCE ANALYSIS AT PT. BANK SULSELBAR PERIOD 2017-2021

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Abstract

This study aims to determine the financial performance of PT. Bank Sulsebar for the 2017-2021 period is based on three types of ratios, namely liquidity ratios, solvency ratios and profitability ratios. The population in this study is the financial statements of PT. Sulsebar Bank. The sample in this study is the financial statements of PT. Bank Sulsebar Period 2017-2021. The data collection technique used is documentation. The data analysis technique used is descriptive quantitative method and financial ratio analysis. The results of this study indicate that the calculation of the ratio of liquidity and profitability ratios of PT. Bank Sulsebar is above the standard of the banking industry. Calculation of the solvency ratio of PT. Bank Sulsebar is below the standard of the banking industry. So it can be concluded that the financial performance of PT.

Keywords: Financial Performance, Financial Statements, Financial Ratios

1. INTRODUCTION

In conditions of a continuously developing economy, the banking sector has great potential and opportunities in its role as a source of financing for the public and the business sector. Society and the business sector as the most belligerent users of bank services, in general always have a response and responsiveness to various forms of services provided by each bank to attract the sympathy of its customers. Banks as institutions that depend heavily on customer trust will of course continue to improve their services amid competition from many other financial service providers.

Developments in the banking world are very fast and the high level of complexity can affect the performance of a bank. The high complexity of the banking business can increase the risks faced by banks in Indonesia. Prasnanugrah (2007:14) explains that banking problems in Indonesia are caused by the depreciation of the rupiah, increased interest rates and Bank Indonesia Certificates (SBI), so that this causes an increase in non-performing loans. Weak bank internal conditions such as inadequate management, lending to groups or business groups themselves and capital that cannot cover the risks faced by these banks cause bank performance to decline.

This rapid growth failed to encourage the creation of a strong banking industry. The financial crisis that hit Indonesia in mid-1997 had a very bad impact on the banking sector. In light of the many turmoils that have occurred in the banking sector, Bank Indonesia has created the Indonesian Banking Architecture (API), which is a basic framework for the Indonesian banking system that is comprehensive and provides direction, shape and order for the banking industry for the next five to ten years. The future policy directions for the development of the banking industry formulated in the API are based on the vision of achieving a sound, strong and efficient banking system in order to create financial system stability in order to help drive national economic growth.

From Under these conditions, in addition to the support from the government and banking sector supervisory authorities, to ensure that banks in Indonesia continue to exist and operate continuously, each bank's management is required to be more active in controlling all the potential resources it has. One way is through the management of the financial system. This is because finance is a supporting factor and carries out the company's operational activities. In this case, the financial report is one of the appropriate instruments to study in evaluating and measuring the company's financial performance because it contains important information including financial information about the results of operations and the financial position of the bank company.

Financial reports are basically the end result of the accounting process for a certain period which is the result of collecting financial data presented in the form of financial reports. Or other summaries that can be used as a tool for users in assessing company performance so they can make the right decisions. Analysis of financial statements will be sharper if the financial figures are compared with certain standards. These standards can be internal standards set by management, comparing financial figures with previous periods, or comparing with similar companies or entities.

Wrongone reason for analyzing financial statements is to assess company performance. Where performance appraisal is carried out to compare whether the company's condition has improved or not so that the company can consider decisions to be taken for the coming year in accordance with the company's performance. Companies will achieve profits when revenue exceeds total costs incurred. If the company's profits have increased from year to year, then the company can be said to have good performance. However, large profits are not an absolute measure of a company's financial performance.

According to Fahmi (2012: 73), financial performance can be explained as an analysis carried out to see how far the company has implemented and used the rules of financial implementation properly and correctly. The company's financial performance can be identified through an analysis of the company's financial statements which consist of balance reports, income statements, cash flow reports and reports on changes in financial position. The financial statements are then analyzed using several financial ratios, namely liquidity ratios, profitability ratios, solvency ratios and activity ratios. Through the analysis carried out, it can help management to assess the policies that have been undertaken by the company so that they can make the right decisions for the coming period.

Among the various banks that currently exist in Makassar City in general are PT. Bank Sulselbar which is one of the banks that has played an important role in regional progress since its establishment. Main Features of PT. Bank Sulselbar is the regional treasury holder and is a source of local revenue through the various banking products it issues. PT. Bank Sulselbar is a commercial bank besides conducting banking in general it is also a regional money depository. Make financial decisions in the health of the bank and the viability of the bank.

The following is the financial data of PT. Bank Sulselbar for the last 5 (five) years from 2017 to 2021 can be seen from the following table:

Table 1. Total Assets and Net Income of PT. Bank Sulselbar Period 2017-2021

Year	Total Assets (In Million Rupiah)	Change (%)	Net Profit (In Million Rupiah)	Change (%)
2017	17,545,644	-	539,445	-
2018	20,576,423	17,27	591,474	9,64
2019	23,541,662	14,41	616,691	4,26
2020	24,830,410	5,47	620,931	0.69
2021	27,784,973	11.90	651,826	4.98

Source: Financial Report of PT. Bank Sulselbar (Data processed 2022)

Based on table 1 above, shows that the total assets and net profit of PT. Bank Sulselbar, which also increases every year, but if the percentage increase is calculated, the total assets and net profit of PT. Sulselbar Bank experienced fluctuations. Where in 2018 the increase in total assets was 17.27% and then fell in 2019 to 14.41% then fell again in 2020 by 5.47% and rose again to 11.90% in 2021. This shows that increase in total assets at PT. Bank Sulselbar every year due to the growth in lending & financing and the collection of Third Party Funds (DPK) and the increase in fluctuations occurs due to the growth in lending & financing and the collection of Third Party Funds (DPK) which are dominated by loans provided by companies.

2. IMPLEMENTATION METHOD

In this study using a type of quantitative descriptive research. Quantitative descriptive research is a problem solving procedure that is investigated by using the current state of the subject or object of research based on the facts that appear or as they are. This study uses quantitative data from financial reports in the form of balance sheets and income statements because in this study researchers study, analyze, and draw conclusions from the financial statements of PT. Sulselbar Bank.

Research variables are defined as attributes, properties or values of an object with certain variations set by the researcher to be explored and then a conclusion is made

(Sugiyono, 2014:46). This study aims to determine the financial performance of PT. Bank Sulselbar by analyzing financial reports. Therefore, researchers used one variable, namely the financial performance of PT. Sulselbar Bank.

The population of this research is the financial statements of PT. Sulselbar Bank. The sample used in this study is the financial statements of PT. Bank Sulselbar Period 2017-2021.

Techniquecollecting data in this study using documentation techniques is the most important step in research, because the research objective is to obtain data. Where the data obtained is the history of the company, organizational structure, financial reports including balance sheet reports, profit and loss. The data comes from the official website of PT. Sulselbar Bank namelywww.banksulselbar.co.id

3. RESULTS AND DISCUSSION

3.1 Research Results

1. Liquidity Ratio

The liquidity ratio is used to measure a company's ability to deal with maturing liabilities. To calculate this ratio, data sourced from the financial statements of PT. Bank Sulselbar Period 2017-2021. The following is an analysis of the liquidity ratio consisting of the Current Ratio and the Cash Ratio.

a. Current Ratio

The ratio to measure the company's ability to pay short-term obligations or debts that are due soon when billed as a whole is measured by the formula:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Debt}} \times 100\%$$

The following presents the results of calculating the current ratio of PT. Bank Sulselbar Period 2017-2021:

Table 4. Current Ratio Calculation ResultsPT. Bank Sulselbar Period 2017-2021

Year	Current assets (In million rupiah)	Current Debt (In Millions of Rupiah)	Current Ratio (%)	Industry Standard (120.84%)
2017	17,315,529	14,079,273	122.98	On
2018	20,318,556	16,679,100	121.82	On
2019	23,250,858	19,198,998	121,10	On
2020	24,504,405	20,233,248	121,10	On
2021	27,133,015	22,439,614	120.91	On

Source: Financial Report of PT. Bank Sulselbar (Data processed 2022)

Based on the data in table 4, it can be seen that there has been a continuous decrease in the current ratio from 2017 to 2021 which was caused by a significant increase in current

debt balances. while current assets have increased every year from 2017 to 2021 due to an increase in the position of current asset posts. This indicates that the ability of PT. Bank Sulselbar is in good condition because the ratio is above the banking industry standard, so the company is able to cover its current debts.

b. Cash Ratio

This ratio is used to measure how much cash is available to pay debts as measured by the formula:

$$\text{Cash Ratio} = \frac{\text{Cash and cash equivalents}}{\text{Current Debt}} \times 100\%$$

The following presents the results of calculating the cash ratio (cash ratio) of PT. Bank Sulselbar Period 2017-2021:

Table 5. Cash Ratio Calculation Results PT. Bank Sulselbar Period 2017-2021

Year	Cash and cash equivalents (In million rupiah)	Current Debt (In Millions of Rupiah)	Cash Ratio (%)	Industry Standard (12.85%)
2017	2,862,709	14,079,273	20,33	On
2018	3,464,530	16,679,100	20,77	On
2019	3,496,125	19,198,998	18,20	On
2020	2,607,047	20,233,248	12.88	On
2021	3,715,058	22,439,614	16.55	On

Source: Financial Report of PT. Bank Sulselbar (Data processed 2022)

Based on the data in table 5, it shows that the balance of cash and cash equivalents of PT. Bank Sulselbar has increased from 2017 to 2019. However, in 2020 it has decreased and in 2021 it has experienced a high increase compared to the balance of cash and cash equivalents in the previous year. And for current debt in 2017 to 2021 it has increased every year. This has an impact on the cash ratio which has fluctuated over the past 5 years. If it is correlated with the cash ratio condition of PT. Bank Sulselbar is in good condition because the ratio is above the banking industry standard, so the company is declared liquid because the available cash is able to pay the company's current debt.

2. Solvability Ratio

The solvency ratio is used to measure a company's ability to pay all of its obligations. To calculate this ratio, data sourced from the financial statements of PT. Bank Sulselbar Period 2017-2021. The following is a solvency ratio analysis consisting of the Debt to Asset Ratio and the Debt to Equity Ratio.

a. *Debt to Asset Ratio*

The ratio used to measure the ratio between total debt and total assets is measured by the formula:

$$\text{Debt to Asset Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\%$$

The following presents the results of calculating the Debt to Asset Ratio of PT. Bank Sulselbar Period 2017-2021:

Table 6. Debt to Asset Ratio Calculation ResultsPT. Bank Sulselbar Period 2017-2021

Year	Total Debt (In million rupiah)	Total Assets (In Million Rupiah)	DAR (%)	Industry Standard (82.65%)
2017	14,271,238	17,545,644	81.33	Under
2018	16,889,095	20,576,423	82.07	Under
2019	19,410,805	23,541,662	82.45	Under
2020	20,485,210	24,830,410	82.50	Under
2021	22,715,081	27,784,973	81.75	Under

Source: Financial Report of PT. Bank Sulselbar (Data processed 2022)

Based on the data in table 6, it can be seen that total debt in 2017 to 2021 has increased and total assets have increased from 2017 to 2021. The DAR ratio for the company's financial performance is said to be good if the lower this ratio indicates that the better the company's financial condition . Related to this, it can be concluded that the DAR ratio in 2017 to 2021 is below the banking industry standard so that it is categorized as in good condition.

b. *Debt to Equity Ratio*

The ratio used to find out the ratio between total debt and own capital is measured by the formula:

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Ekuity}} \times 100\%$$

The following presents the results of calculating the Debt to Equity Ratio of PT. Bank Sulselbar Period 2017-2021:

Table 7. Debt to Equity Ratio Calculation ResultsPT. Bank Sulselbar Period 2017-2021

Year	Total Debt (In million rupiah)	Total Equity (In Million Rupiah)	DER (%)	Industry Standard (565.54%)
2017	14,271,238	2,700,284	528.50	Under

2018	16,889,095	3,034,585	556.55	Under
2019	19,410,805	3,443,748	563.65	Under
2020	20,485,210	3,686,519	555.67	Under
2021	22,715,081	4,231,714	536.78	Under

Source: Financial Report of PT. Bank Sulselbar (Data processed 2022)

Based on the data in table 7 there has been an increase in total debt from 2017 to 2021 and total equity from 2017 to 2021 has increased. According to the banking industry standards, it is known that a good DER ratio is if the ratio is below 565.54%. Referring to this, the condition of the DER ratio of PT. Bank Sulselbar from 2017 to 2021 can be said to be in good condition because it is below banking industry standards.

3. Profitability Ratios

Profitability ratios are used to assess a company's ability to make a profit and provide a measure of the effectiveness of a company's management. To calculate this ratio, data sourced from the financial statements of PT. Bank Sulselbar Period 2017-2021. The following is a profitability ratio analysis consisting of ROI and ROE.

a. Return On Assets(ROA)

This ratio assesses a company's ability to generate net income based on a certain level of assets as measured by the formula:

$$ROA = \frac{\text{Net Profit Before Tax}}{\text{Total Assets}} \times 100\%$$

The following presents the results of the calculation of ROA PT. Bank Sulselbar Period 2017-2021:

Table 8. Calculation results of Return On AssetsPT. Bank Sulselbar Period 2017-2021

Year	Net Profit Before Tax (In million rupiah)	Total Assets (In million rupiah)	ROA (%)	Industry Standard (2.12%)
2017	723,977	17,545,644	4.12	On
2018	802,245	20,576,423	3.89	On
2019	829,543	23,541,662	3.52	On
2020	820,900	24,830,410	3.30	On
2021	854,201	27,784,973	3.07	On

Source: Financial Report of PT. Bank Sulselbar (Data processed 2022)

Based on the data in table 8 shows that the net profit before tax of PT. Bank Sulselbar has increased from 2017 to 2019. However, in 2020 it has decreased and in 2021 it has experienced a high increase compared to net profit before tax in the previous year. And for total assets from 2017 to 2021 it continues to increase. From the results of data analysis performed in the table above it is known that the condition of the ROA ratio at PT. Bank

Sulselbar is in good condition because its value is above the banking industry standard. This ratio basically assesses the percentage of profits (profits) obtained by a company related to resources or total assets so that the efficiency of a company in managing its assets can be seen from the percentage of this ratio. The required ROA ratio is 2,

b. *Return On Equity*(ROE)

The ratio used for measure net profit after tax with equity as measured by the formula:

$$ROE = \frac{\text{Net Profit After Tax}}{\text{Ekuitas}} \times 100\%$$

The following presents the results of the calculation of ROE PT. Bank Sulselbar Period 2017-2021:

Table 9. Return On Equity Calculation ResultsPT. Bank Sulselbar Period 2017-2021

Year	Net Profit After Tax (In million rupiah)	Total Equity (In million rupiah)	ROE (%)	Industry Standard (10.14%)
2017	539,445	2,700,284	19.97	On
2018	591,474	3,034,585	19.49	On
2019	616,691	3,443,748	17.90	On
2020	620,931	3,686,519	16.84	On
2021	651,826	4,231,714	15.40	On

Source: Financial Report of PT. Bank Sulselbar (Data processed 2022)

Based on the data in table 9, it can be seen that there has been an increase in net profit after tax in 2017 to 2021 and total equity from 2017 to 2021 has continued to increase. From the results of the data analysis carried out, it can be seen in the table above that it is known that the condition of the ROE ratio at PT. Bank Sulselbar is in good condition because its value is above the banking industry standard. This Return On Equity shows that the company is able to generate maximum profits from the funds that have been provided by shareholders. The required ROE ratio is 10.14%, meaning that the higher this ratio, the better the company's financial performance.

3.2 Discussions

a. Liquidity Ratio

The liquidity ratio in this study uses the current ratio and cash ratio. The average current ratio of PT. Bank Sulselbar in 2017-2021 is 121.58% or above the industry standard financial ratio, which is 120.24%. However, if examined further, this current ratio has decreased continuously from 2017 to 2021 due to a significant increase in current debt balances. This current ratio is very important because it is an indication that the company is able to pay its short term obligations. The higher the company's current ratio, the better the company's performance, as the data presented shows that the current ratio of PT.

Furthermore, related to the cash ratio shows that the cash ratio of PT. Bank Sulselbar also experienced fluctuations from 2017 to 2021. This was due to an increase in the amount of cash and cash equivalents from 2017 to 2019. However, in 2020 it decreased and in 2021 the balance of cash and cash equivalents experienced a high increase. company while the number of current debts has increased every year from 2017 to 2021. This condition is getting better because during 2017-2021 the cash ratio of PT. Bank Sulselbar is above the banking industry standard, which is 12.85%. This shows that the company's financial performance is in good condition so that the company's cash is able to pay the company's current debt.

b. Solvability Ratio

The solvency ratio in this study uses 2 types of ratios, namely the debt to asset ratio and the debt to equity ratio. Based on the results of the analysis it is known that the DAR ratio of PT. Bank Sulselbar has increased from 2017 to 2020. However, in 2021 the DAR ratio for PT. Bank Sulselbar has increased. An increase in the DAR ratio has two sides where the higher the ratio, the risk of loss also increases because of course more assets will be used to finance current debt. However, on the other hand, this will increase potential income when economic conditions are high. DAR Ratio PT. Bank Sulselbar in 2017-2021 can be said to be good because it is below the banking industry standard, namely 82.65%, this means that company funding is still less financed by debt.

Fromin terms of the DER ratio itself, where an increase occurred from 2017 to 2019, and from 2020 to 2021 there was a decrease. This is due to an increase in current liabilities with an increase in the amount of equity held. The higher this ratio means the higher the debt financing that must be borne by the company's equity. DER Ratio PT. Bank Sulselbar from 2017 to 2021 can be said to be in good condition because it is below the banking industry standard, which is 565.54%. This means that the company's total equity is able to guarantee the company's total debt.

c. Profitability Ratios

This study uses two profitability ratios, namely ROA and ROE. Related to the ROA ratio used to assess the ability to generate net income based on a certain level of assets. Based on the results of the analysis, it is known that the ROA ratio, although it has decreased continuously from 2017 to 2021, is still in good condition because its value is above the banking industry standard (2.12%). This indicates that the company is able to use its assets to make a profit.

Then the ROE ratio of PT. Bank Sulselbar continues to experience a decline from 2017 to 2021. For net profit after tax which continues to increase from 2017 to 2021 and total equity from 2017 to 2021 continues to increase, but this makes the ROE ratio above banking industry standard (10.14%). This indicates PT. Bank Sulselbar is in good condition because its value is above the banking industry standard so that the company is able to

generate profits with the capital invested by shareholders because from 2017 to 2021 it continues to experience profits.

4. CONCLUSION

Based on the results of research on several financial ratios of PT. Bank Sulselbar, among others, liquidity ratios, solvency ratios, and profitability ratios can be summarized as follows: Financial performance at PT. Bank Sulselbar, seen from the liquidity ratio for the 2017-2021 period, shows that the company is in good condition because the ratio calculation results are above the banking industry standard. Financial performance at PT. Bank Sulselbar, seen from the solvency ratio for the 2017-2021 period, shows that the company is in good condition because the ratio calculation results are below banking industry standards. Financial performance at PT.

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