

ASSESSMENT OF FINANCIAL PERFORMANCE AT PT. BANK TABUNGAN NEGARA (PERSERO) TBK USING THE DUPONT SYSTEM METHOD PERIOD 2019-2021

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ABSTRACT

Appraisal of a company's performance can be seen both through financial and non-financial aspects. This study specifically measures financial performance by focusing on DuPont System analysis. The DuPont system divides performance into three components, namely net profit margin, rate of return on assets, and rate of return on equity/capital. However, in this study, only two components of the DuPont System were used, namely return on assets and net profit margin. This type of research is quantitative research with a descriptive approach. The data analyzed comes from the financial reports at PT. State Savings Bank (PERSERO) Tbk specifically in the statement of financial position and annual comprehensive income statement ending December 31 2019 to December 31 2021. The results of the study show that Bank BTN has low financial performance. Judging from the total ROA generated each year, it cannot reach the standard set by Bank Indonesia. Even though it has a low ROA value, Bank BTN is able to increase ROA from year to year.

Keywords: *Du Pont System, NPM, ROA, TATO, Banks*

1. INTRODUCTION

Developments in the business world are increasingly stringent. Especially in the world of banking. The bank has a role as a trusted institution for the community. Therefore, Bank Indonesia undertook a consolidation process for Indonesian banking with the aim of increasing the long-term resilience and soundness of the banking system, creating financial system stability and encouraging sustainable national economic growth. This is done because the community is one of the parties that has a big role in the banking industry of a country.

The community has a very important role in a banking process, so that the public has the right to know all forms of information regarding the financial performance of an institution in terms of prioritizing the principle of prudence in choosing a financial institution. Therefore, banks must be able to manage and utilize their resources in measuring their financial performance. The audited financial statements will serve as an overview for stakeholders in assessing the company's performance. To assess the company's performance, it is necessary to carry out analyzes through financial reports. The results of the analysis will be better when compared to previous years. There are several analytical methods that can be used. One way is to use the Du Pont System method.

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Du Pont System created by F. Donaldson Brown of DuPont Corporation to perform financial analysis for General Motors. This Du Pont System analysis is comprehensive because it includes the company's level of efficiency in the use of its assets and can measure the level of profit on the sale of products produced by the company.

The purpose of this study is to measure the financial performance of banking companies in Indonesia which are under the auspices of BUMN using the Du Pont System method from 2019 to 2021. The use of the Net Profit Margin ratio can indicate how effective a company is in controlling costs into revenue. By using ROA, this research also aims to show the company's efficiency in using its assets. In conducting an analysis of financial statements, there are many methods that can be used, one of which is by using the Du Pont System method. This method provides information about the various factors that cause the ups and downs of a company's financial performance. This method is also used as analytical material to see the relationship between Return On Investment (ROI), Asset Turnover, and Net Profit Margin (NPM).

Table 1. Condition of Financial Data of PT. State Savings Bank (PERSERO) Tbk (In million rupiah)

Company name	2019 (Profit & Assets)	2020 (Profit & Assets)	2021 (Profit & Assets)
Bank BTN	Rp. 209,263	Rp. 1,602,358	Rp. 2,376,227
	Rp. 311,776,828	Rp. 361,208,406	Rp. 2,371,868,311

Source : www.idx.co.id, 2023

2. RESEARCH METHOD

The type of research used in this research is descriptive research with a quantitative approach. Quantitative research uses numbers as a tool to find information about the data we want to know. The data analyzed comes from the financial statements of PT. State Savings Bank (PERSERO) Tbk specifically in the statement of financial position and annual comprehensive income statement ending 31 December 2019 to 31 December 2021.

Bank Indonesia sets financial performance standards as stipulated in Bank Indonesia regulation no. 6/10/PBI/2004, as follows:

Table 2. Standard Ratio Based on Bank Indonesia Regulations

	Bank Indonesia Standard	Not good	Good	Very good
NPM (%)	3% - 9.5%	$\leq 0\%$ - 3%	$\geq 3.1\%$ - 9.5%	$\geq 9.6\%$
TATTOO	2 times	≤ 2 Times	≥ 2 Times	≥ 2 Times
ROA (%)	0.5% - 1.25%	$\leq 0\%$ - 0.5%	$\geq 0.6\%$ - 1.25%	$\geq 1.26\%$

Source: Bank Indonesia Regulation, 2004

3. RESULTS AND DISCUSSION

RESULTS

Najmuddin (2011) financial statement analysis is a process of decomposing data (information) contained in financial reports into separate components, examining each of these components using certain analytical techniques in order to obtain a proper understanding and a comprehensive picture of the information. Performance measurement in this study will use the Du Pont System analysis. Specifically, the measurement of financial performance with the DuPont system places more emphasis on calculating the components contained in the income statement and the company's statement of financial position.

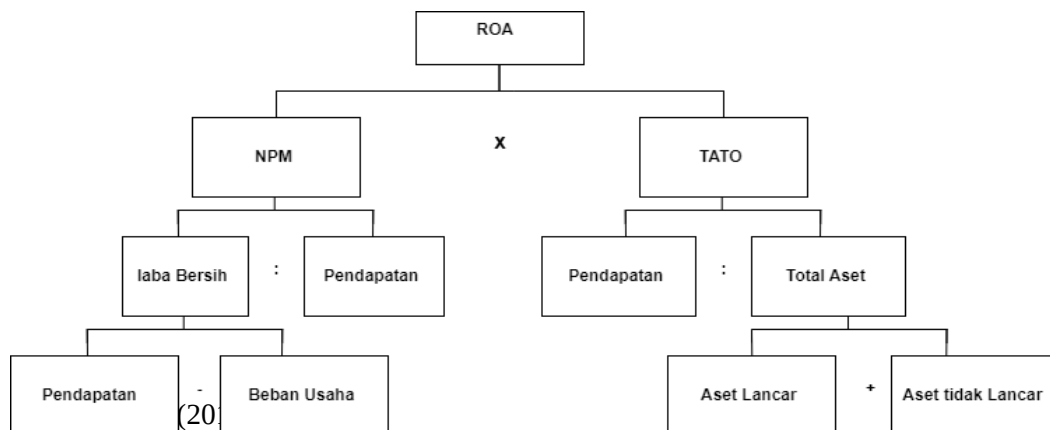
The first step in measuring performance using the DuPont System is calculating the Net Profit Margin to determine the level of profitability of the company's sales and Total Asset Turnover which measures the effectiveness of the company in using assets. The two calculations (Net Profit Margin and Total Asset Turnover) produce the DuPont Formula. DuPont Formula can be described with a mathematical equation, as follows

$$ROA = \text{Net Profit Margin} \times \text{Total Asset Turnover}$$

From this formula, Net profit Margin shows the percentage of net profit owned by the company compared to operational income. The calculation result of total asset turnover shows how much income the company earns with the company's assets. So that ROA will change when there is a change in the increase or decrease in company profits and or the turnover rate of company assets. It can be concluded that the greater the ROA, the more efficient the company is in using assets to earn income.

The scheme for the analysis of the Du Pont System is as follows:

Figure 1. Du Pont System Analysis Framework



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1. Research result

Based on the description, the research then conducts an analysis on BUMN Banking for the 2019-2021 period. The following is the result of calculating the ratio of state-owned banks.

Table 3. Recapitulation of Bank BTN Du Pont System Calculations for the 2019-2021 period

Ratio	Year			Industry Average	BI standard	Ket.
	2019	2020	2021			
NPM (%)	0.751	5.79	8.39	4.97	3% - 9.5%	Good
TATTOO	0.089	0.076	0.115	0.093	2 times	Not good
ROA (%)	0.066	0.44	0.637	0.381	0.5% - 1.25%	Not good

Source: Data processed in 2023

Net Profit Margins(NPM) shows the percentage of net profit earned by a bank compared to its operating income. It can be seen from the table that the NPM for Bank BTN from 2019 to 2021 continues to increase quite well. This shows that Bank BTN is able to control its revenue and net profit when other companies experience a decline in 2020 due to the Covid-19 outbreak. Likewise, the percentage of ROA has also increased from year to year.

ROA is very useful in providing information about how big the percentage of net profit is when compared to the total assets owned by the bank. The higher the ROA of a company, the better the profit growth for the company. Although Bank BTN is able to increase NPM and ROA every year, based on the standards set by Bank Indonesia, the industry average for Bank BTN is still below standard. This causes the performance of Bank BTN to be assessed as still not good.

2. Discussion

Financial performance is the end result of the efforts made by a company which is used to see the growth and development potential of a good company. A company will be said to be successful if they have achieved the standards and goals set by each company. This performance measurement can be done by comparing the profitability ratios produced by the average company and the standards set by Bank Indonesia. Bank BTN, is able to increase net profit from year to year. Despite continuing to experience an increase in ROA, it can be seen in table 3 that the industry average obtained by Bank BTN has not yet reached the standard set by Bank Indonesia.

CONCLUSION

Based on the results of the research that has been done, the research concludes as follows. First, to measure financial performance using the DuPont System, related ratios can be used, namely, Net Profit Margin, Return On Assets (ROA), and Return On Equity (ROE). But in this study, the ratio used is only ROA and NPM. Second, from the results of research that has been done, it can be seen that Bank BTN is able to productively generate ROA which continues to increase every year. However, even though Bank BTN is able to increase ROA every year, Bank BTN has not been able to reach the industry standard set by Bank Indonesia.

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