

ANALYSIS OF FINANCIAL RATIO TO COMPANY PERFORMANCE OF PT BANK RAKYAT INDONESIA PERSERO TBK

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Abstract

The purpose of this scientific paper is to analyze the financial ratio to the performance of PT Bank Rakyat Indonesia (BBRI) Persero Tbk. The level of financial performance of banks can be measured through several ratio assessments, consisting of: liquidity ratio (Current Ratio), profitability ratio (BOPO, Net Profit Margin, Return On Equity), and solvency ratio (Debt to Asset ratio). The analysis method used is the descriptive analysis method using a quantitative approach. The data used to analyze the company's financial statements consists of a balance sheet and a profit and loss statement for the period 2022-2023. Data taken from the official website of the Indonesia Stock Exchange (IDX) and Bank BRI. The data source is secondary data. The results of this study show that the financial performance of PT Bank Rakyat Indonesia (BBRI) Persero Tbk. for the 2022-2023 period as measured by the liquidity ratio (Current Ratio), profitability ratio (BOPO, Net Profit Margin, Return On Equity), and solvency ratio (Debt to Asset ratio) is in the healthy category.

Keywords: Financial Statement analysis, PT Bank Rakyat Indonesia (BBRI) Persero Tbk, ratio liquidity, profitability ratio, solvency ratio.

Introduction

The history of banks has involved a long and complex evolution along with the development of human civilization. The concept of banking can be traced back to ancient times. In various civilizations such as Ancient Egypt, Babylonia, Greece, and Rome, there is evidence of early banking transactions. Banking functions at that time included depositing money, providing loans, and exchanging currencies. In the Middle Ages, early banks appeared in Europe. One example is the Medici bank in Italy, which became one of the most famous banks of the time. These banks offered services such as the issuance of letters of credit, money lending, and safe deposit for merchants and nobles. The Industrial Revolution in the 18th and 19th centuries played an important role in the development of modern banks. Central banks are beginning to emerge as institutions that control currencies and play a role in the supervision of the financial system. An example is the Bank of England (England) which was founded in 1694.

The definition of a bank according to Law Number 10 of 1998 is that a bank is a financial institution that functions as an intermediary in financial activities between parties that have excess funds (customers) and parties that need funds (borrowers). Banks provide a variety of financial services such as deposit receipts, credit grants, fund transfers, and various financial-related products and services, either conventionally or based on sharia principles. As a financial institution, banks have several common activities that they do. Here are some common activities carried out by banks:

1. **Deposit Receipt:** One of the main functions of a bank is to receive deposits from customers. Banks provide various types of accounts such as savings, deposits, and current accounts, where customers can store their money. The bank provides security guarantees and interest or yield on the deposit.
2. **Credit:** Banks provide credit to customers who need funds for various purposes such as buying houses, cars, or business capital. The credit granting process involves evaluating credit, determining interest rates, and making loan agreements.
3. **Transaction Processing:** Banks facilitate various types of financial transactions, such as fund transfers between accounts, bill payments, foreign exchange purchases, and others. Customers can use bank services to make transactions safely and comfortably.
4. **Electronic Banking Services:** In this digital era, banks also provide electronic banking services such as internet banking, mobile banking, and ATMs. Clients can access their accounts and make transactions, and manage their finances online.
5. **Provision of Financial Services:** Banks also provide a range of financial services such as insurance, investment, asset management, and pensions. They assist clients in planning their finances by providing appropriate advice and solutions.

6. Foreign Exchange: Banks also play a role in facilitating foreign exchange transactions. They buy and sell foreign currencies, as well as provide currency exchange services for customers who travel internationally or do business in global markets.
7. Analysis and Research: The Bank also conducts financial market analysis and research to provide insights to customers and interested parties. They produce reports and analyses regarding economic conditions, market trends, and investment potential.
8. Customer Service: The Bank provides good customer service to customers. They answer customer questions, provide information about products and services, and assist in resolving any issues or complaints that may arise.

PT. Bank Rakyat Indonesia Tbk or known as Bank BRI was established by Raden Bei

Aria Wirjaatmadja in Purwokerto, Central Java on December 16, 1895 under the name De Poerwokertosche Hulp en Spaarbank der Inlandsche Hoofde, to provide financial services for the indigenous people of Indonesia. Bank BRI has a vision to become The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion, besides that BRI as a state-owned enterprise also plays a role in creating profits for the government in its operational activities. To achieve that, the company must have good performance to get maximum profits for the company.

Methods

The analysis method that will be used in the analysis of financial ratios to measure the financial performance of PT BBRI Tbk is a quantitative analysis using financial ratios by comparing numbers on the company's balance sheet and income statements so that the company's financial ratios can be known. This analysis is carried out using financial ratio tools, namely current ratio, debt ratio/Debt to Asset ratio, profit margin, and return on equity.

The data collection method used is secondary data. Secondary data in this study is the Financial Statements of PT BBRI Tbk for 2022-2023. The financial ratios that will be used in this analysis are as follows:

1. Liquidity Ratio

a. Current Ratio

Current ratio is a ratio to measure a company's ability to meet its short-term obligations using current assets. The current ratio can be calculated by the formula:

$$\text{Current ratio} = \frac{\text{Total debt}}{\text{Total Assets}}$$

2. Profitability Ratio

a. BOPO (Operating Expenses to Operating Income)

This ratio is used to determine the company's ability to manage its operational costs so that it does not increase. The operating expense ratio is calculated using the following formulation:

$$\text{Operational Cost Ratio} = \frac{\text{Operational expenses}}{\text{Revenue Operational}}$$

b. Profit Margin

This ratio is used to measure the profit margin on sales, namely by comparing net profit after tax with net sales. This ratio can be calculated by the formula:

$$\text{Profit Margin} = \frac{\text{Net Profit after Interest and Taxes}}{\text{Revenue Net}}$$

c. Return On Equity

This ratio is used to calculate net profit after tax compared to total capital. This ratio indicates the efficiency of capital use. This ratio can be calculated by formula:

$$ROE = \frac{\text{Net Profit after Interest and Taxes}}{\text{Capital}}$$

3. Solvency Ratio

1. Debt To Asset Ratio (Debt Ratio)

Debt Ratio is a measure used to compare total debt and assets. How much of a company's assets are financed by debt or how much debt the company has has an impact on asset management. This ratio can be calculated by the formula:

$$\text{Debt to Asset Ratio} = \frac{\text{Total debt}}{\text{Total Assets}}$$

Results and Discussion

Table 1 Balance Sheet PT BBRI Tbk Year 2022 and 2023 (Audited)
(Served in millions Rupiah, except stated other)

Description	31 December 2022	31 December 2023
Current Assets	1,749,335,968	1,836,346,996
Fixed Assets	55,216,047	59,678,119
Deferred-Net Tax Assets	18,712,994	15,605,462
Other Assets	42,374,001	53,376,453
Total Assets	1,865,639,010	1,965,007,030
Short Jk Obligations	1,307,884,013	1,358,328,761
Long Jk Obligations	254,359,680	290.206.127
Shirkah Fund	-	-
Total Liability	1,562,243,693	1,648,534,888
Equity	303.395.317	316,472,142
Total Liabilities And Equity	1,865,639,010	1,965,007,030

Following This is the Report data PT BBRI Tbk Profit and Loss Finance Year 2022 and 2023 (Audited):

Table 2 Report Profit PT BBRI Tbk's Loss Year 2022 And 2023 (Audited)
(Served in millions Rupiah, except stated other)

Description	Year 2022	Year 2023
Total Revenue	138,622,049	153,611,028
Total Operating Expenses	(74,316,012)	(76,782,291)
Operational Services	64,306,037	76,828,737
Profit Before Tax Burden	64,596,701	76,429,712
Tax Burden	(13,188,494)	(16,004,664)
Clean Food	51,408,207	60,425,048

Based on the data obtained, the following analysis can be carried out:

- Liquidity Ratio

Table 3 Current Ratio / Rasio Lancar

Data	2022	2023
Current Assets	1.749.335.968	1.839.346.996
Debt/Current Liabilities	1.307.884.013	1.358.328.761

year 2022:

$$\text{Current Ratio} = \frac{1.749.335.968}{1.307.884.013} \times 100\% = 1,33 \text{ river}$$

year 2023:

$$\text{Current Ratio} = \frac{1.839.346.996}{1.358.328.761} \times 100\% = 1,35 \text{ river}$$

The current ratio in 2022 of 1.33 times shows that each rupiah of current debt is guaranteed by 1.33 rupiah of current assets. Meanwhile, the current ratio in 2023 of 1.35 times shows that every 1 rupiah of current debt is guaranteed by 1.35 rupiah of current assets. The analysis of the current ratio shows an increase in the current ratio from 2022 to 2023 by 0.2 times. This is due to the increase in PT BBRI's current assets which is also offset by an increase in current debt. However, it needs to be emphasized that the higher the ratio value does not necessarily indicate a good company condition.

2. Profitability Ratio

Table 4 BOPO (Operating Expenses to Operating Income)

Data	2022	2023
Operational Expenses	74.316.012	76.782.291
Operating Income	138.622.049	153.611.028

year 2022:

$$\text{Operating Expense Ratio} = \frac{74.316.012}{138.622.049} \times 100\% = 0,5361 / 53,61\%$$

year 2023:

$$\text{Operating Expense Ratio} = \frac{76.782.291}{153.611.028} \times 100\% = 0,4998 / 49,98\%$$

The operating expense ratio in 2022 of 53.61% shows that PT BBRI's total operating expenses are worth 53.61% of total operating income. Meanwhile, the operating expense ratio in 2023 of 49.98% shows that PT BBRI's total operating expenses are worth 49.98% of the total operating income.

The analysis of the operating expense ratio shows that there is a decrease in the operating expense ratio from 2022 to 2023 by 3.63%. This decline was due to a more significant increase in operating income than an increase in operating expenses owned by PT BBRI. This increase shows the efficiency of the company's operational expenses to obtain revenue.

Table 5 Profit Margin

Data	2022	2023
Net profit after interest and taxes	51.408.207	60.425.048
Net income	138.622.049	153.611.028

year 2022:

$$\text{Profit Margin} = \frac{51.408.207}{138.622.049} \times 100\% = 0,3708 / 37,08\%$$

year 2023:

$$\text{Profit Margin} = \frac{60.425.048}{153.611.028} \times 100\% = 0,3933 / 39,33\%$$

The profit margin ratio in 2022 of / 37.08% shows that the company managed to get a profit/profit of / 37.08% on the total net income received. Meanwhile, the margin ratio in 2023 of 39.33% shows that the company managed to get a profit/profit of 39.33% of the total net income received.

Analysis of the profit margin ratio shows that there has been an increase in the company's profit margin ratio from 2022 to 2023 by 2.25%. This increase occurred because the increase in net income received by the company was directly proportional to the increase in net profit after interest and taxes.

Table 6 Return On Equity

Data	2022	2023
Net profit after interest and taxes	51.408.207	60.425.048
Capital	303.395.317	316.472.142

year 2022:

$$ROE = \frac{51.408.207}{303.395.317} \times 100\% = 0,1694 / 16,94\%$$

year 2023:

$$ROE = \frac{60.425.048}{316.472.142} \times 100\% = 0,1909 / 19,09\%$$

The return on equity ratio in 2022 of 16.94% shows that the efficiency level of the company's use of capital to get income that year was 16.94%. Meanwhile, the return on equity ratio in 2023 of 19.09% shows that the efficiency level of the company's capital use to get income that year was 19.09%.

The analysis of the return on equity ratio shows that there is an increase in this ratio from 2022 to 2023 by 2.15%. The increase in the ROE ratio occurred due to an increase in net profit after interest on the company from 2022 to 2023.

3. Solvency Ratio

Table 7 Debt To Asset Ratio (Debt Ratio/Rasio Utang)

Data	2022	2023
Total Debt/Liabilities	1.562.243.693	1,648.534.888
Total Assets	1.865.639.010	1.965.007.030

year 2022

$$\text{Debt Ratio} = \frac{1.562.243.693}{1.865.639.010} \times 100\% = 0,8373 / 83,73\% \quad \text{year 2023}$$

$$\text{Debt Ratio} = \frac{1,648.534.888}{1.965.007.030} \times 100\% = 0,8389 / 83,89\%$$

The debt ratio in 2022 of 83.73% shows that PT BBRI's funding is carried out through debt financing of 83.73% of the total value of its assets. Meanwhile, the 2023 ratio of 83.89% shows that PT BBRI's funding is carried out through debt financing of 83.89% of the total value of its assets.

Debt ratio analysis shows that there is an increase in the debt ratio from 2022 to 2023 by 0.16%. This increase was due to a larger increase in total debt/liabilities in line with the increase in total assets.

Conclusion

Based on the results of the analysis of several financial ratios to the company's performance, it can be concluded that:

1. Increase in the current ratio from 2022 to 2023 by 0.2 times. This is due to the increase in PT BBRI's current assets which is also offset by an increase in current debt.
2. Decrease in debt ratio from 2022 to 2023 by 0.16%. This increase was due to a larger increase in total debt/liabilities in line with the increase in total assets.

3. Decrease in the operating expense ratio from 2022 to 2023 by 3.63%. This decline was due to a more significant increase in operating income compared to the increase in operating expenses owned by PT BBRI.
4. Increase in the company's profit margin ratio from 2022 to 2023 by 2.25%. This increase was due to the increase in net income received by the company in direct proportion to the increase in net profit after interest and taxes.
5. The increase in this ratio from 2022 to 2023 is 2.15%. The increase in the ROE ratio occurred due to an increase in net profit after the company's retirement from 2022 to 2023.

Suggestions

Based on financial performance analysis based on PT BBRI's financial statements for 2022 and 2023. The company has been good enough to increase the positive trend in its financial statements, but with little input, the company may be able to improve profitability by improving its marketing and sales strategies to increase revenue, as well as reviewing its equity and asset management strategies to achieve higher returns.

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