WWW.JARUDA.ORG
JOURNAL OF JARUDA
E-ISSN: 2962-973X
Publisher
PT. RADJA INTERCONTINENTAL PUBLISHING

LIQUIDITY AND PROFITABILITY RATIO ANALYSIS TO ASSESS THE COMPANY'S FINANCIAL PERFORMANCE AT PT. BANK RAKYAT INDONESIA (PERSERO) TBK.

Tarmizi Abbas[1], Wahyuddin Albra[2], Machfud[3], Wardhiah[4], Khairil Anwar[5]
[1,2,4,5]Faculty of Economics and Business, Universitas Malikussaleh
[3]Universitas Muhammadiyah Mahakarya
Corresponding Email: wahyuddin@unimal.ac.id

Abstract

A bank is a business entity that collects funds from the public, and distributes them to the public in the form of credit with the aim of improving the standard of living of many people. Lately it is increasingly popular with the term healthy bank or unhealthy bank. The health of a bank can be seen from the ability of a bank to carry out banking operations normally and be able to fulfill all obligations properly in accordance with applicable banking regulations. The company's financial performance is closely related to the measurement and appraisal of performance within a company. The purpose of the company's ratio analysis is to know the level of liquidity, know the level of solvency, know the level of profitability, and know the level of stability. The profitability ratio that will be used to assess Bank Rakyat Indonesia's financial performance is classified into several parts, including Net Profit Margin, Return On Assets, and Return On Equity.

Keywords: *Financial Performance, Financial Statements, Liquidity, Profitability.*

Introduction

The health of a bank can be seen from the ability of a bank to carry out banking operations normally and be able to fulfill all obligations properly in accordance with applicable banking regulations. The company's financial performance is closely related to the measurement and appraisal of performance within a company. The purpose of the company's ratio analysis is to know the level of liquidity, know the level of solvency, know the level of profitability, and know the level of stability. The profitability ratio that will be used to assess Bank Rakyat Indonesia's financial performance is classified into several parts, including Net Profit Margin, Return On Assets, and Return On Equity.

Research Method

Data collection in this study was conducted at Bank Rakyat Indonesia (Persero) Tbk. through the official website www.bri.co.id and the Indonesia Stock Exchange (IDX) for this study, the author collected information using the literature study method. Literature Study is a method used in gathering information by reading literature and other notes related to theoretical concepts *Liquidity ratio* and *profitability ratio* To support this research by citing several theories related to the topic discussed.

Analytical methods to be used by method researchers *Descriptive quantitative analysis*. This method describes how to evaluate performance using financial ratios such as liquidity ratios and profitability ratios. Technique *Descriptive analysis* In this research means that research is carried out by analyzing data, describing and explaining the results obtained about the problem under study. By collecting the data needed and seeing developments *Liquidity and profitability ratios* PT Bank Rakyat Indonesia (Persero) in 2022.

Results and Discussion

Financial Performance

Jumingan (2011: 239) argues that Financial Performance is a description of the bank's financial condition in a certain period both regarding aspects of raising funds and distributing funds which are usually measured by indicators of capital adequacy, liquidity, and profitability of banks. In order for the company to continue to run as expected, management usually divides tasks, breaks up the company organization into divisions, and assigns a manager who is responsible for each division. Division managers are empowered to make decisions previously made by central management, and the company establishes various evaluation instruments to assess the performance of these managers. This condition is called delegation of authority. Fahmi (2011) in his book Financial Performance Analysis, Financial Performance is an analysis conducted to see the extent to which a company has implemented using financial implementation rules properly and correctly. Gitosudarmo and Basri (2002) argue that: "Financial performance is a series of financial activities. in a given period is reported in the financial statements consisting of profit and loss and balance sheet." Meanwhile, according to Zarkasyi (2008), financial performance is something produced by an organization in a certain period with reference to established standards. From the definition above, it can be concluded that the financial statement, which consists of the balance sheet and the profit rug statement, shows that the profit and loss statement describes an activity in one year, while the balance sheet describes the situation at the end of the year due to changes in events from the previous year,it is to be able to see the current and financial conditions of the Company.

Financial Statements

Munawir (2004: 2) "Financial Statements are basically the result of an accounting process that can be used as a communication tool between financial data or activities of a company with interested parties with data or activities of the company." **Jumingan many** transactions that occur in a company. Transactions and events of a financial nature are recorded, classified, and summarized in the most precise way in units of money, and then interpreted for various purposes. These actions are nothing but the accounting process which is essentially the art of recording, classifying and summarizing transactions and events, which are at least partly financial in nature, in a proper way and in rupiah, and the interpretation of the results. Financial statements are the result of the act of making a summary of the company's financial data.

Financial Statements according to **Munawir (2007: 5)** are: "two lists compiled by accountants at the end of the period for a company. The two lists are a balance sheet list or financial position list as well as an income list or profit loss list. Recently, it has become a habit for companies to add a third list, namely the surplus list or the list of undistributed profits (retained earnings)". **Kasmir (2010: 6)** defines Financial Statements as: reports that show the company's financial condition at the moment or in a certain period. The purpose of financial statements that show the current condition of the company is the current condition. The current condition of the company is the financial state of the company on a certain date (for the balance sheet) and a certain period (for the profit / loss statement). Usually financial statements are made per period, for example quarterly, or six months for internal company interests. And for more extensive reports carried out once a year.

3.2.1 BRI Income Statement

Income Statement

PT BRI (Bank Rakyat Indonesia) 2022

Component	2022
Income	IDR 169,018,860,000,000.00
Revenue Expense	
Gross Profit	
Operating Load	
Administrative Expenses	IDR 19,506,239,000,000.00
Interest Expense	IDR 26,269,701,000,000.00
Operating Profit	
EBIT	
Profit Before Tax	IDR 64,596,701,000,000.00
Net Profit	IDR 51,170,312,000,000.00

JOURNAL OF JARUDA ACCOUNTING RESEARCH, UTILITY FINANCE AND DIGITAL ASSETS
GARUDA INDEX COPERNICUS INTERNATIONAL
E-ISSN: 2962-973X
WWW.JARUDA.ORG
Publisher
PT. RADJA INTERCONTINENTAL PUBLISHING

Balance sheet

Balance sheet of PT Bank Rakyat Indonesia 2022

Assets	IDR 1,865,639,010,000,000.00
Current Assets	IDR 357,667,586,000,000.00
Cash and Cash equivalents	
Receivables	IDR 14,327,875,000,000.00
Setup	IDR 67,569,000,000.00
Non-Current Assets	
Fixed assets	**IDR 56,747,482,000,000.00**
Goodwill	
Intangible Assets	
Obligation	IDR 1,566,344,999,000,000.00
Current liabilities	IDR 1,441,871,289,000,000.00
Accounts payable	IDR 1,313,207,596,000,000.00
Short-term debt	
Non-Current Liabilities	
Long-term debt	IDR 73,357,276,000,000.00
Equity	**IDR 299,294,011,000,000.00**

Liquidity

According to the Financial Services Authority (OJK), liquidity is the ability to fulfill all obligations that must be paid immediately in a short time. A company is said to be liquid if it has a payment instrument in the form of current assets that are greater than all its obligations (liquidity). Liquidity is a tool that can be used to measure how much a company is able to meet its current obligations. Handono Mardiyanto in his book Inti Sari Manajemen Keuangan (2009), said liquidity is used to measure a company's ability to pay off short-term obligations (debt) on time, including paying off part of long-term debt maturing in the relevant year. According to Harahap (2010), the liquidity ratio describes the company's ability to complete its short-term obligations. These ratios can be calculated through sources of working capital, namely items of current assets and current debt.

According to Engle and Lange, liquidity consists of three basic components, namely density, depth, and resilience. All three are interrelated in order to maintain liquidity and economic stability of a company.

1. Density: The density component refers to the existence of a gap or gap between the agreed price and the normal price of a product.
2. Depth: The difference between the volume or quantity of products sold and those purchased at a certain price level.
3. Resilience: The significant speed of price change leading to efficient prices after price inequality or instability.

a. Current Ratio

Is the lowest liquidity ratio used to measure the Company's ability to pay off its current liabilities (paid in one year) with its total current assets, such as cash, receivables, and inventory. This liquidity ratio can be calculated by dividing current assets by current liabilities.

$$\textbf{Current Ratio Formula} = \frac{\textbf{Aktiva Lancar}}{\textbf{Hutang Lancar}}\mathbf{x100}\%$$

$$\frac{\mathbf{1.865.695.010}}{\mathbf{1.562.234.693}}\mathbf{x100}\%$$

119,42%

The current ratio in 2022 is 1.19 or 119%. So Rp 1 current debt is guaranteed by Rp 1.19 current assets. This means that in 2022, BRI is able to pay or pay off its short-term obligations even though it has to use most of its current assets**.**

b.Quick Ratio

The ratio used to determine the Company's ability to pay off its current liabilities with fast assets or the most liquid assets. To note, fast assets are current assets that can be convected into cash within 90 days.

$$\textbf{Quick Ratio Formula} = \frac{\textbf{\textit{Aset Lancar}} - \textbf{\textit{Persediaan}}}{\textbf{kewajiban Lancar}}$$

$$\frac{\mathbf{357.667.586 - 67.569}}{\mathbf{1.441.871.289}}$$

0,24

So Rp 1 current debt is guaranteed by Rp 0.24 current assets. This means that in 2022, BRI has not been able to pay off its current obligations using cash, securities and receivables.

c.Cash Ratio (Rasio Kas)

Cash Ratio is calculated by comparing cashflow with bills currently payable. Cash flow is cash owned by the Company or cash equivalents, namely, securities, treasury bills, and others.

$$\textbf{Cash Ratio Formula} = \frac{\textbf{Kas+Setara Kas}}{\textbf{Hutang Lancar}}$$

$$\frac{\mathbf{268.192.168}}{\mathbf{1.441.871.289}}$$

0,18

So Rp 1 current debt is guaranteed by Rp 0.18 cash and banks. This means that for 2022, BRI has not been able to pay off its current obligations using cash and bank funds.

Profitability

Profitability describes the company's ability to earn profits through all existing capabilities and resources such as sales activities, cash, capital, number of employees, number of company branches, and so on. (Harahap: 2009) Profitability is the net income from a series of policies and decisions. Profitability can be established by calculating various relevant benchmarks. One of these benchmarks is the financial ratio as one of the analyzes in analyzing the financial condition, operating results and profitability level of a company. (Brigham and Houston: 2006)

1. Calculating the company's profit income in an accounting period
2. Calculates the development of profit earned compared to past accounting periods
3. Calculate the company's ability to develop the capital used, both from borrowed capital and own capital
4. Calculate the net profit earned by the company after deducting taxes with own capital Net profit; Total equity

a.Return On Equity (ROE)

Return on Equity (ROE) is the return a company prints for shareholders. ROE is determined by the company's ability to generate profitability or profit margin, asset productivity to generate revenue, and optimal management of debt use by the company. The ROE calculation is net income divided by the average equity over two specific periods. ROE is expressed in percentage units (%). Return on Equity *Ratio Analysis* at PT. Bank Rakyat Indonesia can be measured using the following formula (Winarno, 2017):

Rumus ROE: $\frac{\boldsymbol{Laba\ Bersih}}{\boldsymbol{Total\ Ekuitas}}\boldsymbol{x100}\%$

$$\frac{\mathbf{51.170.312}}{\mathbf{299.294.011}}\mathbf{x100}\%$$

17,09%

b.Net Profit Margin (NPM)

According to Sherman (2015), the definition of Net Profit Margin is a financial ratio that shows the amount of net profit that the Company can get for every rupiah penjualan.Net Profit Margin is also known as return on sales. Companies with higher net profit margins than competitors and industry averages will be considered to have performed well in maximizing net income.

Rumus NPM: $\frac{\boldsymbol{Net\ Profit}}{\mathbf{Penjualan\ bersih}}\mathbf{x100}\%$

$$\frac{\mathbf{51.170.312}}{\mathbf{151.874.816}}\mathbf{x100}\%$$

33.69%

Conclusion

In 2022, PT Bank Rakyat Indonesia (Persero) Tbk, has good asset quality which is related to the credit risk faced by banks due to lending and classified productive assets. Based on management aspects calculated using Net Profit Margim, PT BRI has good management because in managing resources the bank has done it right, by showing the bank's ability to generate profits. This is evidenced by the NPM ratio value in 2022 which reached 33.69% in accordance with the standards previously set by banks. In 2022, the current ratio, quick ratio, and cash ratio are 119%, 24%, 18%, respectively. This means that BRI's activities are financed by current debt and this indicates that BRI is in good condition.

References

Damayanti, Deriska. "Financial Performance Analysis Using Profitability Ratio at PT Bank Rakyat Indonesia (Persero) Tbk. Year 2018–2020." Student Scientific Journal of Management, Business and Accounting (JIMMBA) 3.4 (2021): 738-746.

Damayanti, D. (2021). Financial Performance Analysis Using Profitability Ratio at PT Bank Rakyat Indonesia (Persero) Tbk. Year 2018–2020. Student Scientific Journal of Management, Business and Accounting (JIMMBA), 3(4), 738-746.

DAMAYANTI, Deriska. Financial Performance Analysis Using Profitability Ratio at PT Bank Rakyat Indonesia (Persero) Tbk. Year 2018–2020. Student Scientific Journal of Management, Business and Accounting (JIMMBA), 2021, 3.4: 738-746.

Putri, Yolanda Maulida, Arief Rahman, and Kusni Hidayati. "Analysis Of Profitability Ratio, Liquidity Ratio, And Solvency Ratio, In Assessing Financial Performance At Pt. Bank Rakyat Indonesia (Persero), Tbk Listed On The Indonesia Stock Exchange." Equity: Journal of Accounting 2.1 (2021).

Putri, Y. M., Rahman, A., &; Hidayati, K. (2021). Analysis Of Profitability Ratio, Liquidity Ratio, And Solvency Ratio, In Assessing Financial Performance At Pt. Bank Rakyat Indonesia (Persero), Tbk Listed On The Indonesia Stock Exchange. Equity: Journal of Accounting, 2(1).

Putri, Yolanda Maulida; RAHMAN, Arief; HIDAYATI, Kusni. Analysis Of Profitability Ratio, Liquidity Ratio, And Solvency Ratio, In Assessing Financial Performance At Pt. Bank Rakyat Indonesia (Persero), Tbk Listed On The Indonesia Stock Exchange. Equity: Journal of Accounting, 2021, 2.1.

Publisher
PT. RADJA INTERCONTINENTAL PUBLISHING