Financial Performance Of PT Bank Rakyat Indonesia Before And After The Covid 19 Pandemic

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Abstract: *This study aims to determine, assess, and analyze the financial performance of PT Bank Rakyat Indonesia PERSERO Tbk as measured using the CAR, ROA, LDR, and BOPO ratios using financial statements from 2019 to 2021. The data collection technique used is secondary data observation. The data analysis technique used is qualitative descriptive analysis. And the data validity technique used is source triangulation. The theoretical implications in this study are seen from the calculation of CAR, ROA, and LDR: bank management needs to pay attention to the balance of high returns with the level of risk faced. Meanwhile, when viewed from the calculation of the BOPO ratio, banks need monetary policy and credit stimulus to continue to grow, maintain fiscal sustainability in the short and long term so that the costs incurred for operations are more effective and efficient, and prevent and handle COVID-19 from human aspects, especially health aspects. Practical implications of the results of this study can be used as a consideration for future researchers to expand the range of research by adding samples and using a longer observation period so that the results obtained are more concrete and volatile.*

Keyword: *Financial performance, Financial Statements, Covid-19*

Abstrak: Penelitian ini bertujuan untuk mengetahui, menilai, dan menganalisis kinerja keuangan PT Bank Rakyat Indonesia PERSERO Tbk yang diukur dengan menggunakan rasio CAR, ROA, LDR, dan BOPO menggunakan laporan keuangan tahun 2019 sampai dengan tahun 2021. Teknik pengumpulan data yang digunakan adalah sekunder pengamatan data. Teknik analisis data yang digunakan adalah analisis deskriptif kualitatif. Dan teknik keabsahan data yang digunakan adalah triangulasi sumber. Implikasi teoritis dalam penelitian ini dilihat dari perhitungan CAR, ROA, dan LDR: manajemen bank perlu memperhatikan keseimbangan return yang tinggi dengan tingkat risiko yang dihadapi. Sedangkan jika dilihat dari perhitungan rasio BOPO, bank memerlukan kebijakan moneter dan stimulus kredit untuk terus tumbuh, menjaga kesinambungan fiskal dalam jangka pendek dan panjang agar biaya yang dikeluarkan untuk operasional lebih efektif dan efisien, serta mencegah dan menangani COVID-19 dari aspek manusia, terutama aspek kesehatan. Implikasi praktis dari hasil penelitian ini dapat dijadikan pertimbangan bagi peneliti selanjutnya untuk memperluas jangkauan penelitian dengan menambah sampel dan menggunakan periode pengamatan yang lebih lama agar hasil yang diperoleh lebih konkrit dan fluktuatif.

Kata Kunci: Kinerja Keuangan, Laporan Keuangan, Covid-19

INTRODUCTION

In 2019, the COVID-19 virus began to spread. This virus spreads from animals to humans all across the world and is difficult to eradicate. According to all affected sections of the country, it has produced significant concerns for the government, society, and the corporate world. The government's and business's response, such as closing schools and public places, enforcing social distancing laws, and PSBB, or Large-Scale Social Restrictions, in various regions, slows the wheels of economic rotation. As the wheel of the economy, the banking

sector has contributed to the decline in the pace of the economy due to the COVID-19 pandemic (Maghfiroh, 2021). The disruption experienced by the banking sector is caused by the possibility of risks that banks will face, such as increased liquidity difficulties, decreased profitability, decreased asset quality, and slowed growth, which will lead to a decrease in bank financial performance (Tahliani, 2020). The banking sector of a country has a very important influence, especially in its role as a regulator of the veins of the national economy (Utomo, 2018).

Due to the increasing level of competition in the banking business and the many bank products popular in the community, financial performance evaluation is critical. It is critical for banks to measure financial performance in order to improve operational activities in order for them to grow. Bank Rakyat Indonesia (BRI) is a government-owned banking and financial institution in Indonesia. Bank BRI is one of the traditional banks that focuses on providing services to local towns; till today, it has stayed consistent, notably by focusing on providing credit facilities to small company groupings. However, PT Bank Rakyat Indonesia (PERSERO) Tbk reported volatile profitability and is expected to fall more in 2020. 2019 is a political year that will shape the Indonesian economy for the following five years. Furthermore, the COVID-19 pandemic reduced people's spending power at the end of the year, thus many business owners delayed asking for credit at banks.

Table 1

Financial Data of PT Bank Rakyat Indonesia

Year 2019-2021

Description	2019	2020	2021
Total Asset	1.343.077.860	1.421.785.007	1.572.761.035
Jumlah Modal	203.665.462	194.359.102	286.417.629
Net profit before tax	42.949.892	26.161.111	39.220.707
Total assets at risk	203.665.462	194.359.102	286.417.629
Loans granted	859.570,854	880.685.363	943.702.693
Third party funds	969.750.006	1.052.663.870	1.127.848.716
Revenue operating expenses	41.793.623	47.931.397	57.714.192
Operating Income	121.595.637	101.354.835	135.254.269

However, when viewed from the table 1, PT Bank Rakyat Indonesia (PERSERO) Tbk. obtained unstable profits and even more likely to experience a decline in 2020. 2019 is a political year that will determine the condition of the Indonesian economy for the next five years. In addition, at the end of the year the Covid-19 pandemic made people's purchasing power decline so that many business people delayed applying for credit at banks.

Financial Performance Definition

Performance is a term used to describe the accomplishment of an activity in accordance with a predetermined vision and objective. Performance is the result of an evaluation of completed work, and the results of the work are compared to the standards that have been established. Every completed job must be examined and measured on a regular basis (Sujarweni, 2019). According to Waruwu (2020), financial performance represents the company's future prospects, growth, and possibility for good development. Financial performance data is required to evaluate the company's potential economic resources.

Definition Of Financial Statements

Financial statements, according to Widiastoeti (2020), are the end result of a sequence of records and observations of economic transactions. Financial reports are the end result of an accounting process and can be used to communicate financial facts or corporate activity to interested parties. In other words, this financial report serves as an information tool that links the company with interested parties while also displaying the financial health and success of the organization.

Definition Of Bank

Kasmir (2008) defines a bank as a financial entity whose primary function is to receive monies from the public, channel these funds back to the public, and provide other bank services. Meanwhile, a bank is a business entity that collects funds from the public in the form of deposits and distributes them to the public in the form of credit and/or other forms in order to improve the lives of many people, according to Indonesian Law Number 10 of 1998, dated November 10, 1998.

Definition Of Financial Ratios

Financial ratios are ratios or metrics calculated from financial statement accounts or components. used to measure firm performance, compare performance between time periods, and also compare the performance of one organization with another.

Definition Of Covid 19 Pandemic

Coronavirus disease 2019 (COVID-19) is defined as illness caused by a novel coronavirus called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2; formerly called 2019-nCoV), which was first identified amid an outbreak of respiratory illness cases in Wuhan City, Hubei Province, China.

RESEARCH METHODOLOGY

This research is classified as qualitative since it generates findings in the form of data that explains things in detail rather than data in the form of numbers.

Type Of Data

The data in this study is quantitative. Quantitative data is information or data in the form of numbers. The data from the company was processed and documented in this study utilizing secondary data, namely corporate financial data from Bank BRI for the year 2019 to 2021 obtained through the official website of Bank BRI and the Financial Services Authority (OJK).

Research Location and Time

This study was carried out at the Indonesia Stock Exchange-listed PT Bank Rakyat Indonesia (Persero) Tbk. It lasted approximately six months, from January 2023 to June 2023.

Data Source

1. Primary InformationThe key data source for this study is PT Bank Rakyat Indonesia (Persero) Tbk's Publication Financial Statements.

2. Secondary InformationSecondary data used in this study include corporate financial statistics from Bank BRI for the years 2019-2021 collected from the Bank BRI official website and the Financial Services Authority (OJK).

Analysis Data

Data analysis in this study takes data from observations and documentation documented in notes relating to financial data set by the company. Following the collection of data, it is picked and classified in accordance with the classification. After collecting and selecting or categorizing data for each group, the author evaluates all available data and categorizes it based on the author's need to calculate financial ratios. After examining the data, the simulation stage of computing the company's ratios and simulating computations will be carried out. This seeks to determine or compare the differences by providing explanations and descriptions based on logical thinking and reasoning that can lead to both findings. Data inference is the ultimate stage. The data is evaluated using various data collecting procedures, and conclusions are generated on how far the comparison of calculations went before and after the pandemic.

RESULTS AND DISCUSSION

A brief overview of the company

Raden bei aria wirjaatmadja founded bank rakyat indonesia (BRI) in purwokerto, central java, under the name de poerwokertosche hulp en spaarbank der inlandsche hoofden or "bank bantuan dan simpanan milik kaum priyayi purwokerto" as a financial institution serving

people of indonesian nationality (pribumi). The institution was founded on december 16, 1895, which was later designated as bri's birthday. Pt bri (persero), formed in 1895, is based on delivering services to local communities until it becomes consistent, notably by offering credit facilities to small company groups.

Research results

A bank's financial ratios can show how much the bank's ability to improve its financial performance. To analyze the financial performance of bank bri tbk, during the pre-pandemic period, namely the 2019 period and during the pandemic in the 2020 period, in this case the authors use the capital adequacy ratio, return on assets, loan to deposits ratio, and operating expenses to operating income.

1. Adequacy of capital the ratio is a financial performance metric that calculates the adequacy of bank capital to fund risky assets using the formula:

$$\frac{Total\ capital}{Total\ Assets\ at\ Risk} x\ 100\%$$

Before Pandemic:

Year 2019 $= \frac{203.665.462}{14.335.938} x\ 100\% = 14,2\%$

During the pandemic:

Year 2020 $= \frac{194.359.102}{20.025.244} x\ 100\% = 9,7\%$

After Pandemic:

Year 2021 $= \frac{286.417.629}{25.130.681} x\ 100\% = 11,4\%$

2. Return on assets is a ratio that is used to assess a bank's capacity to achieve profitability and manage its overall business efficiency level. Using the following formula, this ratio compares net profit before taxes to total assets:

$$\frac{Net\ Profit\ Before\ Tax}{Total\ Assets} x\ 100\%$$

Before pandemic:

Year 2019 $= \frac{42.949.892}{1.343.077.860} x\ 100\% = 3,5\%$

During the pandemic:

Year 2020 $= \frac{26.161.111}{1.421.785.007} x\ 100\% = 1,9\%$

After pandemic:

Year 2021 $= \frac{39.220.707}{1.572.761.035} x\ 100\% = 2,7\%$

3. The loan-to-deposit ratio compares the volume of loans to the volume of deposits held by the bank. This ratio is used to analyze a bank's liquidity by dividing the quantity of credit granted by the amount of third-party funds using the following formula:

$$\frac{Credit\ granted}{Third\ party\ funds}\ x\ 100\%$$

Before pandemi:

Year 2019 = $\frac{859.570,854}{969.750.006} x\ 100\%$ = 88,64%

During the pandemic:

Year 2020 = $\frac{880.685.363}{1.052.663.870} x\ 100\%$ = 83,66%

After pandemi:

Year 2021 = $\frac{943.702.693}{1.127.848.716} x\ 100\%$ = 83,67%

4. Operating Costs Operating Profit, also known as the efficient ratio, is used to assess a bank's ability to control operational costs in relation to operating income. The lower this ratio, the lower the operating costs borne by the bank in question. The following formula can be used to calculate the ratio of operating expenses to operating income:

$$\frac{Operating\ expenses\ revenue}{Operating\ income}\ \times\ 100\%$$

Before pandemic:

Year 2019= $\frac{100.902.455}{143.937.790} x\ 100\%$ = 70,10%

During the pandemic:

Tahun 2020= $\frac{112.181.043}{139.565.388} x\ 100\%$ = 81,22%

After pandemi:

Tahun 2021= $\frac{114.022.992}{153.458.149} x\ 100\%$ = 74,30%

Table 2 - Comparison Results of BRI Bank's financial ratios

Year	CAR	ROA	LDR	BOPO
2019	14,2%	3,5%	88,64%	70,10%
2020	9,7%	1,9%	83,66%	81,22%
2021	11,4%	2,7%	83,67%	74,30%

Discussion

According to the table 2 above, the financial performance achieved using the ratio analysis of CAR (Capital Adequacy Ratio), ROA (Return On Asset), and LDR (Loan to

Deposits Ratio) during the COVID-19 pandemic has decreased, whereas the analysis of the BOPO ratio (Operating Expenses and Operating Income) has increased. This is because the costs of running spending exceed the bank's operating income, implying that BOPO's financial performance is inefficient.

CONCLUSION

Based on the results of the analysis and discussion of financial performance at bank bri tbk using financial ratios, namely data calculations in the form of car (capital adequacy ratio), roa (return on asset), ldr (loan to deposit ratio), and bopo (operating expenses to operating income), with various theoretical literature and empirical studies from various sources, the authors can draw conclusions, namely that based on the results of the calculation of car, roa, and ldr ratio analysis, the financial performance of bank bri tbk has decreased after the co-19 pandemic that occurred in indonesia. Based on the results of the BOPO study (Operating Expenses to Operating Income), which has escalated since the pandemic, the bank has not been able to overcome the costs incurred, and so its financial performance cannot be described as efficient.

Based on the above conclusions, the author makes the following recommendations to pt bank rakyat indonesia:

1. Due to the pandemic that has occurred, as seen from the calculation of car, roa, and ldr, bank management should pay attention to the balance of high returns with the level of risk faced. Meanwhile, banks require monetary policy and credit stimulus to continue to grow, maintain fiscal sustainability in the short and long term so that operational costs are more effective and efficient, and prevent and manage covid-19 from humanitarian perspectives, particularly health perspectives.

2. This study can also be used to inspire future researchers to broaden their scope of research by including more samples and employing a longer observation time, resulting in more concrete and volatile conclusions.

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