ANALYSIS OF FINANCIAL PERFORMANCE OF BPD DIY AND BANK BJB FOR THE 2017-2022

Angeline Aprilia✉, Ratri Paramitalaksmi
Faculty of Economic, Mercu Buana University, Yogyakarta, Indonesia
Email: angelineapr16@gmail.com

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ABSTRACT

This research aims to determine the comparison of financial performance between BPD DIY and Bank BJB (formerly: BPD Jabar) in the 2019-2022 period. This study used quantitative methods. Quantitative methods are applied to analyze financial ratios where data are presented in numerical form. From the results of the ROA calculation, it is known that BPD DIY banks operate much more efficiently than BPD BJB bank's because the ROA value obtained is greater so that the bank's ability to generate profits is better. From the LDR calculation, it is known that BJB BPD bank has sufficient liquidity but may have lower income, while DIY BPD does not have enough liquidity to cover customer obligation. From the results of the CAR calculation, it can be seen that both banks have good financial system stability against possible risk of loss, with a minimum guarantee limit of 8%. This research is expected to be a reference for consideration to analyze the comparison of BPD DIY and Bank BJB and other banks in the future.

Keyword: *BPD DIY, Bank BJB, Financial Statement, Financial Performance, Banking.*

PENDAHULUAN

In Indonesia, the banking sector has a very large market in the entire financial system. In carrying out its activities, the company follows instructions issued and interpreted by management. The assessment of the organization's performance during the implementation phase is conducted via financial statements (Putera, 2020). The revenue estimation of a business is ascertained through a comparative analysis of its financial statements from the preceding year and the current year. A good business certainly has plans and strategies, both short-term strategic plans and long-term strategic plans. The goal is that the company is able to manage its operations in accordance with the objectives that have been set and then evaluate the level of performance achieved against the initial planning goals (Budiantara et al., 2023). Business performance evaluation can be measured by evaluating financial performance and non-financial performance.

Bank BPD has a long history as a regional development bank, starting in 1961 as a nationalized Dutch company in Indonesia (Bank BPD DIY, 2022). First established under the name Bank PD Karya Pembangunan (PD Karya Pembangunan Bank), then several times changed its name to West Java Regional Development Bank until it changed its name to Bank Jabar whose operations became a foreign exchange commercial bank. An important story was recorded in April 2000 when Bank Jabar became the first BPD in Indonesia to launch dual banking, providing banking services using the conventional banking system and the entire Islamic banking system. The name change occurred again in 2007 with PT Bank Regional Development of West Java and Banten (commonly known as Bank Jabar Banten), and in July 2010, the company officially changed its name to Bank BJB (Bank BJB, 2022).

LITERATURE REVIEW

The regional development bank's financial performance from 2016 to 2020 is clearly illustrated by studying the risk profile and bad debt ratio of the regional banking group. The

bad debt ratio of BJBR stands at a commendable level, while BJTM and BEKS also show satisfactory performance in this aspect. Regarding the Loan to Deposit Ratio (LDR), BJTM banks exhibit consistently strong performance, BJBR banks show considerable strength, and BEKS banks demonstrate moderate performance. The Governance, Risk, and Compliance (GCG) rating for BJBR BPD from 2016 to 2020 is assessed as good, while BJTM and BEKS banks also receive positive evaluations. Analyzing profitability criteria such as Return on Assets (ROA) and Operating Expense to Operating Income (BOPO), BJBR and BJTM regional banks outperform BEKS Bank during the 2016-2020 period. In terms of capital adequacy, the Capital Adequacy Ratio (CAR) for BJBR and BJTM regional banks remains robust between 2016 and 2020, while BEKS bank maintains a satisfactory position. (Azis et al., 2023).

Prior to the implementation of Covid, the half-life analysis revealed that Non-Performing Loans (NPL) had a substantial negative impact on Return on Assets (ROA), whereas the Loan to Deposit Ratio (LDR) exhibited a minimal positive influence. Current Account Savings Account (CASA) deposits do not show a significant positive influence on ROA, and Provincial Gross Regional Domestic Product (PDRB) has an insignificant positive correlation with ROA. Inflation has a minimal adverse effect on ROA. Notably, NPL, LDR, CASA, PDRB, and inflation collectively exert a significant influence on ROA.

The research findings indicate that Non-Performing Loans (NPL) have a minimal adverse effect on Return on Assets (ROA) amidst the Covid-19 pandemic. In a similar vein, the impact of the Loan to Deposit Ratio (LDR) on ROA is negligible in the positive. There is no substantial positive correlation between CASA deposits, PDRB, and ROA. Conversely, inflation exerts a negligible negative influence. It is noteworthy that NPL, LDR, CASA, PDRB, and inflation do not demonstrate a substantial influence on ROA within this time frame (Satria et al., 2023).

RESEARCH METHODOLOGY

The Loan-to-Deposit Ratio (LDR) is a financial indicator utilized to assess the extent to which a bank or financial institution has recouped loans relative to the overall deposits deposited by customers or depositors.

$$LDR = \frac{Credit\ Granted}{Total\ Fund\ Received} \times 100$$

Return on Assets (ROA) is a financial indicator utilized to evaluate the profitability of a business through the comparison of its net income to its total assets. This ratio offers valuable information regarding the efficiency with which a company is converting its assets into profits.

$$ROA = \frac{Net\ Profit}{Total\ Asset} \times 100$$

The Capital Adequacy Ratio (CAR) is a financial metric that evaluates the capital adequacy of banks and other financial institutions relative to the risks they encounter.

$$CAR = \frac{Capital}{Risk\ Weighted\ Asset} \times 100$$

Quantitative methods are used to analyze financial ratios that are given numerically(Kasmir, 2018). The mathematical analysis approach model selected is a comparison statistical model to measure the difference between ideals / expectations of reaching financial ratios based on strategies and programs defined in in-depth investigations (Nuryadi et al., 2017). The data used in this investigation is secondary. Secondary data can be defined as data gathered by third parties. Secondary data consists of documents gathered from a variety of sources, including government agencies, research institutions, private companies, academic journals, and data released online.

The population in this study is all PT Bank BPD DIY and Bank BJB registered with the Financial Services Authority during the 2017-2022 period. The sample in this study is

available from financial information of Bank BPD DIY and Bank BJB during the period 2017-2022.

Financial ratios are mathematical comparisons between two or more numbers in financial statements, which are used to analyze a company's performance and financial condition. Financial ratios provide information on various aspects of financing, including liquidity, profitability, and solvency.

Normality testing is a method employed to ascertain whether the data under examination follows a normal distribution. One of the techniques utilized for normality assessment is the Kolmogorov-Smirnov method. The basic premise of the Kolmogorov-Smirnov normality test is to compare the distribution of the studied data with an approximate normal distribution. A normal distribution entails data converted into z-scores and is regarded as normal.

In the Kolmogorov-Smirnov normality test, if the significance value (Sig.) exceeds 0.05, the research data is deemed to be normally distributed. This test can be conducted using software like SPSS.

A t-test is a statistical technique for determining whether there is a significant difference between the means of two independent groups. It evaluates whether the observed discrepancies between the groups' means are due to chance or indicate a true difference in the population.

T-tests have several forms, including the independent samples t-test and the paired samples t-test. The independent sample t-test compares the means of two independent groups, whereas the paired sample t-test compares the means of two related groups. T-tests are commonly used in scientific research to evaluate hypotheses about differences between groups. Statistical software packages like SPSS facilitate the execution of t-tests and the interpretation of the results.

RESULTS AND DISCUSSION

Table 1. Loan to Deposit Ratio (LDR)

	Bank BPD DIY	**Bank BJB**
Year	**LDR**	
2017	81,18	87,27
2018	83,94	91,89
2019	84,07	96,07
2020	74,28	86,32
2021	75	81,68
2022	79,21	85,03

Source: Data processed (2023)

Based on table 1, it can be seen that the average arrangement of Bank BPD DIY is 79.61% while the average of Bank BJB of 88.04% is the ideal ratio for a healthy tub. The ratio of BPD DIY Bank also has a good ratio, because a good LDR is at least 50% < 110% even though the practice is 85% to 96%.

Table 2. Return on Asset (ROA)

	Bank BPD DIY	**Bank BJB**
Year	**ROA**	
2017	2,88	2,01
2018	2,84	1,71
2019	3,01	1,68
2020	2,27	1,66
2021	2,16	1,73
2022	2,18	1,75

Source: Data processed (2023)

In 2017, PT Bank BPD DIY had a return on assets (ROA) of 2.88%, only 2.01% higher than PT Bank BJB. Meanwhile, in 2022, PT Bank BPD DIY is 2.18% and PT Bank BJB is also the same at 1.75%. On average for each company, PT Bank BPD DIY has a profitability of 2.55% while PT Bank BJB has a profitability of 1.75%.

Table 3. Capital Adequacy Ratio (CAR)

	Bank BPD DIY	**Bank BJB**
Year	**CAR**	
2017	19,97	9,19
2018	19,41	9,21
2019	24,74	9,28
2020	28,8	9,27
2021	29,28	9,24
2022	31,39	9,24

Source: Data processed (2023)

Based on Table 3 above, it can be seen that the performance of Bank BPD DIY from the CAR side has increased during the 2017-2022 period. The ability of BPD DIY management to maintain capital adequacy is very good, as evidenced by the CAR ratio that is still increasing and the CAR value is much higher than the minimum threshold according to laws and regulations. Bank BJB's 6-year CAR ratio also increased. Bank BPD DIY's capital adequacy ratio in 2018 was 19.97%, down from 19.41% in the previous year. Meanwhile, Bank BJB also decreased in 2020, which was 9.27% compared to the previous year of 9.28%.

Table 4. Data Normality Test Using the Kolmogorov Smirnov Method

One-Sample Kolmogorov-Smirnov Test

			ROA_DIY	ROA_BJB	LDR_DIY	LDR_BJB	CAR_DIY	CAR_BJB
N			6	6	6	6	6	6
Normal Parameters[a,b]	Mean		2,5567	0,3012	79,6133	19,7933	25,265	9,2383
	Std. Deviation		0,39287	0,70978	4,26442	31,98009	4,87003	0,0343
Most Extreme Differences	Absolute		0,267	0,491	0,194	0,477	0,195	0,186
	Positive		0,267	0,491	0,194	0,477	0,195	0,147
	Negative		-0,265	-0,341	-0,178	-0,324	-0,128	-0,186
Test Statistic			0,267	0,491	0,194	0,477	0,195	0,186
Asymp. Sig. (2-tailed)			,200[c,d]	,000[c]	,200[c,d]	,000[c]	,200[c,d]	,200[c,d]
Monte Carlo Sig. (2-tailed)	Sig.		,695[e]	,071[e]	,943[e]	,086[e]	,940[e]	,955[e]
	99% Confidence Interval	Lower Bound	0,683	0,064	0,937	0,079	0,933	0,95
		Upper Bound	0,707	0,078	0,948	0,093	0,946	0,96

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.
e. Based on 10000 sampled tables with starting seed 926214481.

Data dikatakan normal jika nilai Monte carlo Sig. lebih besar dari 0,05

There is a difference in performance if the Sig. (2-tailed) in the Equal variance assumed is smaller than 0.05 from these results, it is concluded that there is a difference in performance between Bank BPD DIY and Bank BPD BJB because the Sig. (2-tailed) ROA, LDR, CAR are smaller than 0.05.

Table 5. Independent Difference Test T-Test

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper
ROA	Equal variances assumed	0,441	0,522	6,81	10	0	2,2555	0,33119	1,51755	2,99345
	Equal variances not assumed			6,81	7,801	0	2,2555	0,33119	1,48836	3,02264
LDR	Equal variances assumed	4,374	0,063	4,542	10	0,001	59,82	13,17138	30,47234	89,16766
	Equal variances not assumed			4,542	5,178	0,006	59,82	13,17138	26,30854	93,33146
CAR	Equal variances assumed	16,178	0,002	8,061	10	0	16,02667	1,98823	11,59662	20,45672
	Equal variances not assumed			8,061	5	0	16,02667	1,98823	10,91591	21,13742

CONCLUSION AND SUGGESTION

Conclusion

The average ROA between BPD BIY and BPD bank BJB shows the ROA ratio of BPD DIY bank is 2.5567 while the ROA ratio of BPD BJB is 0.3012. From the results of the ROA calculation, it is known that BPD DIY banks operate much more efficiently than BPD BJB banks because the ROA value obtained is greater so that the bank's ability to generate profits is better.

The average LDR between BPD BIY and BPD bank BJB shows the LDR ratio of BPD DIY bank is 79.6133 while the LDR ratio of BPD BJB bank is 19.7933. From the LDR calculation, it is known that BJB BPD bank has sufficient liquidity but may have lower income, while DIY BPD does not have enough liquidity to cover customer obligations.

The average CAR between BPD BIY and BPD bank BJB shows the CAR ratio of BPD DIY bank is 25.2650 while the CAR ratio of BPD BJB bank is 9.2383. From the results of the CAR calculation, it can be seen that both banks have good financial system stability against possible risk of loss, with a minimum guaranteed limit of 8%.

Suggestion

The hope is that further research will delve deeper into the comparative performance of Regional Development Banks not only throughout Java but also across Indonesia as a whole. Additionally, it is anticipated that future researchers will update studies concerning the comparison of development bank performance in Indonesia. It is hoped that this research will provide valuable insights to researchers in the future, aiding in their understanding and analysis of development bank performance.

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