

FINANCIAL PERFORMANCE ANALYSIS USING LIQUIDITY RATIO, SOLVENCY AND PROFITS AT PT. BANK MANDIRI (PERSERO) TBK 2016-2020

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ABSTRACT

This study aims to analyze financial performance by using the ratio of liquidity ratios, solvency, and profitability at PT. Bank Mandiri (Persero) Tbk using the ratio of liquidity, solvency, and profitability in 2016-2020. This type of research is descriptive quantitative research, data collection techniques used are library research and field research by means of documentation, data analysis techniques used are liquidity ratios, solvency, and profitability. The results show that first, the financial performance of PT Bank Mandiri (Persero) Tbk using the 2016-2020 liquidity ratio shows that the financial performance of PT. Bank Mandiri (Persero) Tbk is good because the bank is able to pay its maturing debt. Both of the solvency ratios for the 2016-2020 period are in a solvable state. The third of the profitability ratio in a state of profit.

Keywords: *Performance, Liquidity Ratio, Solvency Ratio, Profitability Ratio*

INTRODUCTION

Banks have a very important role in the economy. This role is a means to collect and channel funds effectively and efficiently towards improving people's living standards. Bank is a financial institution or business entity whose wealth is mainly in the form of financial assets and has social benefits and goals, so it is not only looking for profit.

According to the Banking Act Number 10 of 1998, what is meant by a bank is a business entity that collects funds from the public in the form of savings which distributes them to the public in the form of credit and other forms in order to improve the standard of living of the people at large. The bank collects public funds and then distributes the funds to the public with the aim of encouraging the improvement of the standard of living of the people.

Bank financial performance is an analysis that measures the success of a company based on the financial activities carried out and is an analysis that evaluates the company's financial statements at a certain time and period of time. Financial

statements that explain the financial condition of the bank. With regard to financial statements, every company is required to prepare and report its company's finances for a certain period. The financial condition of a company will be known by analyzing financial statements which include balance sheets, profit and loss statements and other financial reports.

Financial ratio analysis is a method of calculating and interpreting financial ratios to assess the performance of a company. Ratio analysis will also help a company leader in making decisions and considerations about what the company needs to achieve and the prospects it faces in the future.

THEORETICAL BASIS

The liquidity ratio is a ratio used to measure the ability of a bank to meet its short-term obligations when billed. In other words, a bank can pay back the disbursement of its depositors' funds when they are billed and can meet the credit requests that have been submitted. The larger this ratio, the more liquid it is. Cashmere (2018:221) The solvency ratio of

a bank is a measure of a bank's ability to find sources of funds to finance its activities. It can also be said that this ratio is a measuring tool to see the bank's wealth to see efficiency for the bank's management. Cashmere (2018:229). Profitability ratios are often business profitability. This ratio is used to measure the level of business efficiency and profitability achieved by the bank concerned. Cashmere (2018:234)

Bank Mandiri is one of the largest banks in Indonesia in terms of total assets, loans and deposits. The bank has served many customers and provided various conveniences to customers, so that this bank is one of the retail banks with the most customers in Indonesia. Financial ratio analysis is considered very important to do to assess the financial performance of banking companies, and can help interested parties and especially the company, namely PT. Bank Mandiri (Persero), Tbk. in making decisions for the following year.

METHOD

This study uses quantitative descriptive research methods, according to Sugiyono (2017:7) descriptive method is defined as research that intends to explain data by analyzing the data obtained so as to get a clear picture. Quantitative descriptive method is a method that explains or analyzes a problem from a data based on the calculation of the numbers from the research results. The data used in this study are the financial statements of PT. Bank Mandiri (Persero) Tbk is listed on the Indonesian stock exchange, using the statement of financial position and income statement using 5 years of data, 2016-2020, to determine the company's financial performance.

RESULTS AND DISCUSSION

1. Liquidity Ratio

a. Quick Ratio

Quick ratio is a ratio used to measure the ability of a bank to fulfill its obligations

to depositors (owners of current accounts, savings and time deposits) at the most liquid prices owned by the bank. (Cashmere (2018:221)

Table 1 Quick Ratio at PT. Bank Mandiri (Persero) Tbk 2016-2020 (expressed in millions of rupiah)

Information	Cash	BI current account	Current Accounts at Other Banks	Cash Assets	Total Deposit
2016	22,906,755	52,484,974	10.360.165	85,751,914	753,822,372
2017	24,268,563	50.188.118	12,329,947	86,786,628	757,933,489
2018	27,348,914	59,852,761	14,830.772	102,032,447	782,502,708
2019	28,094,267	46,490,930	12,558,297	87,143,494	863,506,211
2020	24,682,671	49,638,625	23,977,327	98,298,623	970,263,458

Source: Research Results, 2022 (Processed Data)

Based on the calculation of the Quick ratio of PT. Bank Mandiri (Persero) Tbk in 2016 12.05%. Then in 2017 it decreased by 11.45%, in 2018 it experienced an increase of 13.03%. In 2019 it decreased again by 10.09%, in 2020 it experienced an increase of 10.13%.

b. Banking Ratio

Banking ratio is a ratio used to measure the level of liquidity in a bank by comparing the amount of credit disbursed with the number of deposits held by the bank. The higher this ratio, the level of bank liquidity, the lower because the amount of funds used to finance credit is getting smaller, and vice versa. Cashmere (2018:223)

Table 2 Banking Ratio at PT. Bank Mandiri (Persero) Tbk 2016-2020 (expressed in millions of rupiah)

Information	Total Loans	Total Deposit
2016	616,706.193	753.822,372
2017	678,292,520	757,933,489
2018	767,761,095	782,502,708
2019	855,846,844	863,506,211
2020	870,874,363	970,263,458

Source: Research Results, 2022 (Processed Data)

Based on the calculation of the Banking Ratio of PT. Bank Mandiri

(Persero) Tbk in 2016 81.81%. Then in 2017 there was an increase of 89.49%, in 2018 there was an increase of 98.11%. In 2019 it experienced an increase of 99.99%, in 2020 it experienced a decrease of 89.75%.

1. Solvency Ratio

a. Primary Ratio

Primary Ratios is a ratio used to measure the capital owned is adequate or the extent to which the decline in total assets entered can be covered by capital equity. Cashmere (2018:229)

Table 3 Primary Ratio at PT. Bank Mandiri (Persero) Tbk 2016-2020 (expressed in millions of rupiah)

Information	<i>Equity Capital</i>	<i>Total Asset</i>
2016	153,369,723	1.038.706.009
2017	170.006.132	1,124,700,847
2018	184,960,305	1,202,252,094
2019	209.034,525	1,318,246,335
2020	193.796.083	1,429,334,484

Source: Research Results, 2022 (Processed Data)

Based on the calculation of the Primary Ratio of PT. Bank Mandiri (Persero) Tbk in 2016 14.76%. In 2017 there was an increase of 15.11%, then in 2018 there was an increase of 15.38%. In 2019 it increased again by 15.85%, in 2020 it decreased by 13.55%.

b. Capital Ratio

Cashmere (2018) Capital Ratio is a ratio used to measure capital and allowance for write-offs in underwriting loans, especially risks that occur because interest fails to be collected.

Table 4 Capital Ratio at PT. Bank Mandiri (Persero) Tbk 2016-2020 (expressed in millions of rupiah)

Information	<i>Equity Capital</i>	<i>Total Loans</i>
2016	153,369,723	616,706.193
2017	170.006.132	678,292,520
2018	184,960,305	767,761,095
2019	209.034,525	855,846,844
2020	193.796.083	807,874,363

Source: Research Results, 2022 (Processed Data)

Based on the calculation of the Capital Ratio of PT. Bank Mandiri (Persero) Tbk in 2016 24.8%. In 2017 it experienced an increase of 25.06%, in 2018 it experienced a decrease of 24.09%. Then in 2019 it

increased again by 24.42%, in 2020 it decreased by 23.98%.

2. Profitability Ratio

a. ROE (Return On Equity)

Cashmere (2018:234) *Return on Equity* (ROE) is a ratio used to measure the ability of bank management to manage existing capital to obtain net income.

Table 5 ROE at PT. Bank Mandiri (Persero) Tbk 2016-2020 (expressed in millions of rupiah)

Information	<i>Net Income</i>	<i>Equity Capital</i>
2016	14,650,163	153,369,723
2017	21,443,042	170.006.132
2018	25,851,937	184,960,305
2019	28,455,592	209.034,525
2020	17,645,624	193.796.083

Source: Research Results, 2022 (Processed Data)

Based on the calculation of ROE PT. Bank Mandiri (Persero) Tbk in 2016 9.55%. In 2017 there was an increase of 12.61%, in 2018 there was an increase of 13.97%. In 2019 there was an increase of 13.61% again. Then in 2020 it decreased 9.10%.

b. ROA (Return On Assets)

Kasmir (2018:236) *Return on assets* is a ratio used to measure management's ability to generate income from asset management

Table 6 ROA at PT. Bank Mandiri (Persero) Tbk 2016-2020 (expressed in millions of rupiah)

Information	<i>Operating Income</i>	<i>Total Asset</i>
2016	18,572,965	1.038.706.009
2017	27,156,863	1,124,700,847
2018	33,943,369	1,202,252,094
2019	36,441,440	1,318,246,335
2020	23,298,041	1,429,334,484

Source: Research Results, 2022 (Processed Data)

Based on the calculation of Return on assets (ROA) of PT. Bank Mandiri (Persero) Tbk in 2016 17.88%. In 2017 there was an increase of 24.14%, in 2018 there was an increase of 28.23%. Then in 2019 it decreased by 27.64%, in 2020 it decreased again by 16.29%.

CONCLUSION

1. Financial performance of PT. Bank Mandiri (Persero) Tbk in 2016-2020 based on the Liquidity Ratio in a liquid state because the bank is able to pay every obligation or current debt on time and financial performance.
2. Financial performance of PT. Bank Mandiri (Persero) Tbk in 2016-2020 based on the Solvency Ratio in a sovable condition, because it is able to cover possible losses in lending and is able to refute a number of loans to customers.
3. Financial performance of PT. Bank Mandiri (Persero) Tbk in 2016-2020 based on the Profitability Ratio in a profit state because it is able to generate profits or profits for the company.

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