

Analysis a DU Pont In Assessing Performance Post-Merger Bsi Finances (2021-2022)

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ABSTRACT

The aim of this research is to determine the financial performance of Bank Syariah Indonesia. After the merger for the 2021-2022 period using the du pont system method. The data used is secondary data in the form of financial report data from Bank Syariah Indonesia, Quarter I-III in 2021 and financial report data from Bank Syariah Indonesia Quarters I-III 2022, as well as journals and theses related to this research. From the data analysis carried out on the financial reports of the last two years using the financial performance method carried out by Bank Syariah Indonesia in 2021-2022 using the Du Pont System method, it has fluctuated or changed. This can be seen from the Du Pont table which shows the condition of the ratios which change in each period. The Net Profit Margin and Equity Multiplier ratios show an increase in the ratio in each period, while the Return on Investment and Return on Equity ratios increase in each period, but these ratios experience a decrease when entering the first quarter period in 2022.

Keywords: *Financial performance, Du Pont Analysis, BSI Merger*

A. INTRODUCTION

Economic globalization changes the behavior of business life which influences the development of the Indonesian economy, especially in the financial and banking sectors. The role of banking greatly influences a country's economic performance (RIFKA REGAR et al., 2016) . The existence of banks play an important role in the country's economic development. Currently, banks are the core of a country's economy. The presence and operation of banking in Indonesia and in society, large, medium or small industries have a very significant role and influence. The presence of sharia banks is one solution to increase public trust in banking, especially in Indonesia, because it anticipates the need of the community and provides a sense of security and comfortable in banking (Agus, Abdul and Tira 2015).

Financial performance is an analysis carried out to see the extent to which an entity is implemented using financial implementation rules correctly. Evaluation of financial results can be done through financial report analysis, where the main data from this analysis is the balance sheet and profit and loss report (Ulfah Anggraeni et al., 2020). The purpose of financial report analysis itself is to assess the condition of a company. To analyze a financial report, there are many tools that can be used, one of which is using the Du Pont System Analysis (Dwiningsih et al., 2018) .

Du Pont's analysis is a combination of the activity/asset turnover ratio with the profit/profit margin ratio on sales, both of which show interaction in determining Return On Investment (ROI), namely the profitability of company assets. The sales revenue ratio (profit margin) is influenced by the amount of sales and net profit generated, meaning that this

profit margin also includes the costs used to run the business. With this analysis, companies can evaluate the financial efficiency of their departments/departments/investment centers by looking at the efficiency of using funds to generate net profits, so that the central company can ultimately take the right policies for its investment industry (Maruta et al., nd)

Bank Syariah Indonesia was formed as a result of the merger or amalgamation of three Sharia Commercial Banks, namely, PT Bank BRI Syariah Tbk (BRIS), PT Bank BNI Syariah (BNIS) and PT Bank Syariah Mandiri (BSM). The establishment of BSI is a government strategy aimed at making Indonesia a sharia financial center in the world. Bank Syariah Indonesia is officially approved by the Financial Services Authority (OJK). On January 27 2021, approval for the establishment of BSI was given. Letter No. SR3/PB.I/2021 which contains the issuance of approval for the merger and the name had been changed by the company's permit. The results of the merger of three banks turned into PT Bank Syariah Indonesia Tbk (Ulfa, 2021) . Therefore, the aim of this research is for the author to analyze BSI's post-merger financial performance using Du Pont analysis.

The aim of this research is to provide an explanation to readers regarding the Du Pont model of financial report analysis, which is an integrative method of financial report analysis. It is said to be integrative because the analysis uses data originating from the balance sheet and overall profit and loss. The methodology that is used in this research is quantitative, the approach is quantitative descriptive. The research results showed that the Du Pont model of financial report analysis can be used to analyze financial reports in a simpler way but includes the balance sheet and profit and loss.

B. LITERATURE REVIEW

Financial performance

Performance is a description of the achievement of the implementation program in realizing the goals, objectives, mission and vision of the organization. The concept of financial performance is a collection of economic activities over a certain period of time, which is reported in financial reports, including profit and loss statements and balance sheets. So, financial performance is an analysis to determine the extent of the company's progress through the application of correct and appropriate financial implementation rules. A company's profit is a picture of the company's financial condition which is analyzed using financial analysis tools to determine the good and bad of the company's financial condition which reflects work performance in a certain period (Ratningsih & Tuti Alawiyah, 2017).

To compete favorably with companies in the same industry, companies must measure financial performance. Over a certain period of time, companies can conduct financial performance analysis, which is one of the critical measurement processes of financial information held by the company (Asih Nurati et al., 2019). Evaluation of company performance can be reflected in the company's financial reports. Evaluation of a company's financial performance is very important for a company to effectively and efficiently determine the allocation of its own assets to achieve the company's goals, namely obtaining maximum profits to continue the company's existence. Financial performance evaluation is usually carried out through financial report analysis.

This research explores the financial performance of Bank Syariah Indonesia by analyzing the company's financial performance on financial reports using the Du Pont System method. Based on this description, the author interested in conducting research with the title "DuPont Analysis in Assessing BSI's Financial Performance Post-Merger (2021-2022)".

Financial statements

Financial reports are the result of the accounting process which can be used as a communication tool between financial information or company operations and parties who have an interest in the company's information or operations. Financial reports describe the financial condition and position as well as the business results of a company in a certain period. By analyzing financial reports, you can get an overview of the company's financial situation. The results of financial statement analysis can help interpret several key relationships and trends that can be a basis for considering the company's potential success in the future. The purpose of financial report analysis is to:

1. Screening tools are the beginning of selecting investment or merger alternatives.
2. Future financial situations and developments are examined as a forecasting tool.
3. As a process for diagnosing operational management problems or other problems (Michael Agyarana Barus et al., 2017).

Evaluation of company performance can be reflected in the company's financial reports (Surono, M. Taufik and Istiqomah 2019). One way to assess company performance is

to make investment decisions by using financial ratio analysis. Several ratios that are often used in financial report analysis include: liquidity ratios, activity ratios, solvency ratios, and profitability ratios.

Financial ratios are results obtained by comparing the amount of one amount to another amount. Financial ratio analysis is an analysis in which an item is compared with other items in the financial statements, either separately or together to show the relationship between certain items on the balance sheet and income statement. A company's financial situation can be evaluated based on key figures and performance. By comparing company metrics from one year to another, it can be determined whether the company's condition and performance improved or worsened during that period. In addition, comparing financial metrics with other companies or similar industry averages can help identify differences (Meilinda et al., 2017). The analytical method used in this research is Du Pont analysis.

Du Pont Analysis

The Du Pont System provides a basic framework for calculating financial ratios for a more in-depth analysis of a company's strengths and weaknesses. Du Pont Corporation initiated one of the methods of analyzing corporate performance, which was then known as Du Pont Analysis: "Du Pont System Analysis is an analysis that includes all activity ratios and profit margins on sales to show how these ratios affect sales profitability (Yolanda & Kesuma , 2014).

Du Pont analysis is a comprehensive tool for measuring financial performance because it can directly describe two main reports, namely the balance sheet and profit and loss statement.

The purpose of this analysis is to consider income, assets used, profits generated by the company, and find out how effectively the company manages its capital (Surono, M. Taufik and Istiqomah 2019).

Du Pont Financial Ratios

I. Profitability Ratio

Profitability ratios are ratios that show a company's ability to generate profits in a certain time period. Profitability Ratios consist of:

a. Net Profit Margin (NPM)

Net Profit Margin is a comparison between net business profit and sales. The industry standard net profit margin is 20%. The NPM formula is as follows:

$$\text{NPM} = \text{Net Profit After P a k} : \text{Net Sales} \times 100\%$$

b. Multiplier Equity

Multiplier equity is a ratio used to measure the level of capital turnover in meeting the company's overall assets. The higher of this ratio better than the company's financial performance. The industry standard equity multiplier is 40%. The formula for this ratio is as follows:

$$\text{Multipliers Equity} = \text{Total Assets} : \text{Total Equity}$$

2. Return on Investment (ROI)

Return on Investment is the company's ability to generate net profits after tax, with the formula:

$$\text{ROI} = \text{Net Profit After Tax} : \text{Total Assets} \times 100\%$$

3. Return on Equity (ROE)

Return on equity is a ratio to measure net income after tax using own capital. If this ratio is higher, it will

indicate the better the company's financial performance. The industry standard return on equity is 40%. The formula for the ratio is as follows:

$$\text{ROE} = \text{ROI} \times \text{Multiplier Equity}$$

4. Activity Ratio

The activity ratio is a metric that measures how effectively a company uses its financial resources. This ratio explains how management manages all its assets to increase productivity and profitability. Activity level, derived from total asset turnover, is a metric that measures efficiency. Management of company assets in one period, in this case the industry average is 2 times higher. The formula for this relationship is as follows:

a. Total Asset Turnover (TATO)

Total asset turnover is a reflection of the relative efficiency of using company assets to generate sales or in other words, is the speed of turnover of business assets in a certain period, with the formula:

$$\text{TATTOO} = \text{Net Sales} : \text{Total Assets} \times \text{I time}$$

(Meilinda et al., 2017)

C. RESEARCH METHOD

The data analysis method that is used in this research is a quantitative method with a quantitative descriptive approach to collect factual data from several previous researchers' thoughts and the type of data used in this research is quantitative data, namely data that can be measured on a numerical scale. The data sources used are secondary data in the form of financial report data from Bank Syariah Indonesia, Quarters I-III in 2021 and financial report data from Bank

Sharia Indonesia Quarters I-III 2022, as well as journals and theses related to this research.

D. RESULTS AND DISCUSSION

Merger of Indonesian Sharia Bank

Bank Syariah Indonesia is the result of a merger or amalgamation of three State-Owned Enterprise (BUMN) type banks, namely PT Bank BRI Syariah Tbk (BRIS), PT Bank BNI Sharia (BNIS) and PT Bank Syariah Mandiri (BSM). Starting with the signing of the Conditional Megaa Agreement (CMA) between the three banks in October 2020. The establishment of BSI is the government's strategy to make Indonesia one of the world's sharia financial centers. Bank Sharia Indonesia has received permission from the Financial Services Authority (OJK).

On January 27 2021, the establishment of BSI was approved. Letter No. SR3/PB.I concerning Granting Approval for the Merger of PT BSM with PT Bank BNI Syariah to become PT Bank BRI Syariah Tbk and Approval for the Change of Name of PT Bank BRI Syariah Tbk Using a Corporate Business License/Business License for 2021 to the name PT Bank Syariah Indonesia Tbk. The merger of the three banks resulted in PT Bank Syariah Indonesia Tbk. Listed on the Indonesia Stock Exchange (BEI) with the stock code BRIS included in the IDX BUMN20 stock index starting February 2021 (Ulfa, 2021)

Bank mergers and acquisitions are regulated in Government Regulation no. 28 of 1999, UUPT no. 40 of 2007 and Syariah Banking Law no. 21 of 2008. Mergers or other corporate actions aimed at increasing shareholder value.

The merger of BSM, BNIS and BRIS must be able to provide added value for other stakeholders such as the sharia banking industry, the business world (MSMEs), the world of education, management of Hajj funds and development of the sharia financial ecosystem. (Ulfa, 2021)

From the results of this merger, it is estimated that BSI will have an important role, namely being able to function as a media for da'wah and spreading sharia in the financial sector and also being able to strengthen the sharia economy in Indonesia. BSI is expected to self-finance large infrastructure projects and efforts are also being made under the government's infrastructure program to target international investors with competitive and innovative Sharia products (Antus Nasruddin Mohamma & Triana Agilga, 2022)

The positive effect of the BSI merger can be seen that several parties such as customers are not harmed because it makes it easier to access bank's products and adds that employees from the three merged banks are not fired so no one is harmed. The community and MSMEs will also feel the positive impact of the merger because the bank has increased capital and developed special strategies to support Indonesian MSMEs (Ulfa, 2021).

Analysis Results

The Du Pont System is a method that is used to assess the financial performance of a company by combining several ratios, such as: Net Profit Margin, Multiplier Equity, Return on Investment, Return on Equity, and Total Asset Turnover. The following are the results of the analysis of these ratios:

**Table.I Summary of Indonesian Sharia Bank Financial Reports
2021-2022**

Year	Total assets	Total Equity	Total Sales	Total Net Profit
2021				
Quarter I	234,427,001	22,497,810	4,441,799	741,642
Quarter II	247,299,611	23,341,917	9,127,577	1,480,502
Quarter III	251,051,724	24,122,079	13,293,494	2,257,285
2022				
Quarter I	271,293,823	25,985,237	4,580,090	987,685
Quarter II	277,342,955	26,505,811	1,662,321	2,131,289
Quarter III	280,002,034	27,541,978	2,463,257	3,205,251

**Table.2 Results of Du Pont System Ratio Analysis for Bank
Syariah Indonesia 2021-2022**

<i>Du Pont System Ratio 2021-2022</i>					
Year	NPM	Multiplier Equity	ROI	ROE	TATTOO
2021					
Quarter I	16.70%	10.42%	32%	3%	0.019 times
Quarter II	16.22%	10.60%	60%	6%	0.037 times
Quarter III	16.98%	10.41%	90%	9%	0.053 times
2022					

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Quarter I	21.57%	10.44%	36%	4%	0.017 times
Quarter II	128.21%	10.46%	77%	8%	0.006 times
Quarter III	130.12%	10.12%	115%	12%	0.009 times
Industry Standards	20%	40%	30%	40%	2 times

1. Net Profit Margin (NPM)

Net Profit Margin of Indonesian Syariah Bank from 2021 to 2022 there has been a decline, and the lowest point was in the second quarter of June 2021, namely 16.22%. In the third quarter of September, the Indonesian Syariah Bank made improvements to its financial performance, so that it experienced an increase until the third quarter of September 2022 of 130.12% or *the Net Profit Margin* was positive. Thus, the *Net Profit Margin ratio* in 2021-2022 when compared to industry standards has increased and is above the industry standard, namely 20%.

2. Multiplier Equity

Bank Syariah Indonesia's Equity Multiplier from Quarter I March 2021 to Quarter II June 2021 increased from 10.42% to 10.60% then decreased again in Quarter III in September 2021 amounting to 10.41%. In the first quarter of March to the second quarter of June 2022, there was an increase from 10.44% to 10.46%, then decreased again in the third quarter of September 2022 to 10.12%. Thus, the equity multiplier ratio during 2021-2022 when compared with industry standards is still below 40%.

3. Return on Investment

Return on Investment of Bank Syariah Indonesia from the first quarter of March 2021 to the third quarter of September 2021 continues to increase from 32% to 90%. Then in the first quarter of March 2022 to the third quarter in September 2022 there was also an increase of 36% to 116%. The lowest point of return on investment occurred in 2021, namely 32%, while in 2022, namely in the first quarter, it was 36%. Then the Return on Investment value is above the industry standard, namely 30%.

4. Return on Equity

Return on Equity of Bank Syariah Indonesia from the first quarter to the third quarter of 2021 continued to experience an increase in financial performance, while in the first quarter to the third quarter of 2022 it also experienced an increase. However, when compared to financial performance based on the Return on Equity ratio, it is already at industry standards or at 40%.

5. Total Asset Turnover

Total Asset Turnover of Bank Syariah Indonesia from quarters I to III of 2021 experienced an increase, while in quarters I to III of 2022 it decreased. This shows that the financial performance of Bank Syariah Indonesia showed poor performance, because it experienced a decline. However, when compared with industry standards, financial performance based on Total Asset Turn Over is still below industry standards, namely 2 times turnover per period.

E. CONCLUSION

Based on the results of research and discussions carried out by researchers at Bank Syariah Indonesia, researchers can draw the conclusion that the financial performance carried out

by Bank Syariah Indonesia in 2021-2022 using the Du Pont System method is fluctuating or changing. This can be seen from the Du Pont table which shows the condition of the ratios which change in each period. The Net Profit Margin and Equity Multiplier ratios show an increase in the ratio in each period, while the Return on Investment and Return on Equity ratios increase in each period, but these ratios experience a decrease when entering the first quarter period in 2022.

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