HOW IS BRISYARIAH Tbk FINANCIAL PERFORMANCE IN COVID 19 PANDEMY? (ECONOMY VALUE ADDED AND DU PONT APPROACH)

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Abstract

This study aims to determine the financial performance of Bank BRISyariah TBK for the period 2018-2020. The measurement method of BRISyariah’s performance is through the Du Pont analysis approach, using the ratio of net profit margin (NPM), return on investment (ROI), total asset turnover (TAT) and Economy Value added (EVA). The data used is secondary data derived from the financial statements of Bank BRISyariah Limited for the 2018-2020 period which are listed on the IDX. The results of the study show that BRISyariah Bank during 2018-2020 experienced fluctuating changes. For ROI, NPM, and TAT decreased in 2019 (at the beginning of the covid 19 pandemic) when compared to 2018 where there was no Covid 19 pandemic and the same thing with the EVA approach which does not provide additional economic value because it is negative. In 2020 (the COVID-19 pandemic has lasted for one year) ROI, NPM and TAT have begun to increase again and there is an addition of positive economic value in terms of the Economic Value added (EVA) approach. This shows that BRISyariah’s performance quickly recovered from the turmoil of the economic crisis during the Covid 19 pandemic.

Keywords : Financial Performance; Economy Value Added; Du Pont.

A. INTRODUCTION

In the last two years, the economy has experienced instability. A company in its current condition requires its management to carry out various activities that can help the company to survive. Considering that currently there is an unstable economic condition during the pandemic period that has occurred for the last two years. The beginning of 2020 was a time full of challenges for the Indonesian economy. The global health crisis that occurred in the first quarter of 2020 had an impact on the performance of the domestic economy. Indonesia's economic growth grew 2.97 percent (YoY). Almost all sectors grew slower (BAPPENAS, 2020). The impact of the Corona Virus or Covid-19 seems to have made the Indonesian economy contracted and affected all sectors (Fahrika, 2020). In the midst of difficult times like this, the company is faced with its ability to survive and can continue to strive to obtain optimal profits. Companies are required to operate productively by utilizing all available resources as effectively and efficiently as possible. The level of ability
of a company is largely determined by the performance of the company itself. Every company aims to maximize the wealth of its shareholders.

One way to measure the level of company performance is through analysis of the company’s financial statements. Some of the data analysis techniques in the financial statements are through the Economic Value Added (EVA) approach. Economic Value Added (EVA) is a measurement of the company’s financial performance to determine whether or not there is added value for the owner of the funds in the management’s ability to generate profits for the company invested (Wibowo, 2011, p. 277). The addition of funds to the rate of return to the owner of the funds must also be considered risk (handayani, 2019). EVA as a measure of company performance directly shows how much the company has created profits for the owners of capital. Measuring the company’s financial performance using the Economic Value Added (EVA) approach can reflect the company’s ability to create added value, EVA shows the extent to which the company has added value to the company owners.

EVA is a measurement of financial performance based on a value that reflects the absolute amount of shareholder wealth generated, both increases or decreases every year. EVA is a useful tool for selecting the most promising financial investments as well as a suitable tool for controlling the company’s operations. EVA is a tool for measuring company performance, where company performance is measured by looking at the difference between the rate of return on capital and the cost of capital, then multiplied by the outstanding capital at the beginning of the year (or the average for one year if the capital is used in calculating the rate of return on capital). EVA is a financial management system to measure the company’s economic profit, which states that prosperity can only be created if the company is able to meet all operating costs (operating costs) and cost of capital (Rudianto, 2013, p. 2017)

Another way to analyze company performance is to use the Du Pont method. Du pont analysis is an analysis used to dissect a company’s financial statements and to assess its financial condition. Combining the income statement and balance sheet into a two-step profitability summary: Return on Assets (ROA) and return on equity (ROE) utilization (Munawir, 2014). According to David Lianto (2013, p. 4) Du Pont System analysis is an analysis used to control changes in activity ratios and net profit margins and how much influence they have on Return On Investment (ROI). The Du Pont system is often used for divisional control, the process is known as controlling the rate of return on investment (ROI). If the ROI for a particular division is below the target number, the Du Pont system can trace the reasons for the decline in ROI. Du Pont System is the ROI generated by multiplying the profits from the sales components and the efficient use of total assets in generating these profits.
Another way to analyze company performance is to use the Du Pont method. Du pont analysis is an analysis used to dissect the company's financial statements and to assess the financial condition. Combining the income statement and balance sheet into two summary profitability steps: Return on Assets (ROA) and Return on Equity (ROE).

However, in the middle of the COVID-19 pandemic (in 2020) one of three Islamic banking issuers posted significant growth in financial performance and stock performance in early 2020. The issuer was PT BRISyariah Tbk (BRIS). This was conveyed by the President Director of BRIS, Ngatari (2020) in his remarks during the Sharia Banking Workshop “Spurring Islamic Financial Literacy To Drive National Recovery” virtually in Jakarta. The financial performance of PT Bank BRISyariah Tbk (BRIS) in the first semester of 2020 can be said to be the best among listed banks. Other sharia, BRISyariah recorded an increase in net profit of up to 229.6% from Rp. 35.55 billion in June 2019 to Rp. 117.2 billion in June 2020. Performance measurement using the EVA method can show whether the growth in financial performance and stock performance achieved by PT Bank BRISyariah has generated value added for the owners of the company.


BRISyariah continues to hone itself in presenting the best for customers and all stakeholders. BRISyariah also always ensures the fulfillment of sharia principles and applicable laws in Indonesia. Thus, BRISyariah can continue to advance to become the leading Islamic bank with the easiest reach for a more meaningful life. In 2018, BRISyariah took a more definite step by carrying out an Initial Public Offering on May 9, 2018 on the Indonesia Stock Exchange. This IPO makes BRISyariah a subsidiary of BUMN in the sharia sector which is the first to carry out an initial public offering of shares. The development of PT Bank BRISyariah with a very high increase in net profit, thus showing a significant increase in financial performance and stock performance, it is necessary to measure performance using the EVA method and the du pont method to find out whether there is added value and high profitability value obtained by PT Bank BRISyariah.

B. METHOD

The data discussion method consists of the Economic Value Added (EVA) calculation method and the Du Pont method at BRISyariah Bank in 2018-2020. The steps that need to be taken in calculating the value of Economic Value Added (EVA) and Du Pont are:

2. Tabulate data related to the calculation of the value of Economic Value Added (EVA).
3. Tabulate data related to Du Pont calculations.
4. Analyzing the results of the calculation of the value of Economic Value Added (EVA).
5. Analyze the results of Du Pont’s calculations related to ROE, NPT and TAT.
6. Analyze the financial performance of BRISyariah in 2018 to 2020 with the EVA and Dupont results that have been obtained.

According to (Arthur, 2019, p. 44) The concept of EVA is based on the principle that a company is able to create wealth for its shareholders only if the manager is able to generate a surplus that exceeds the total cost of capital invested. EVA is an amount of money, not a ratio. EVA can be obtained by subtracting the capital charge from the net operating profit.

EVA can be calculated by the following formula:
EVA = NOPAT – Capital Charges……………….1

Where:
 a. NOPAT : Net Operating After Tax
 b. Capital Charges : Invested Capital x WACC

1. **NOPAT (Net Operating Profit After Tax)**
NOPAT is net profit after tax, this is profit after tax owned by a company if the company has no debt and invests in non-operating assets. Because it excludes the effects of financial decisions, this figure is a better measure of operating performance than net income.

NOPAT can be calculated by the formula:
NOPAT = Net Income After Tax – Tax…………..2

2. **Invested Capital**
Invested Capital is a short-term loan plus a long-term loan plus shareholder equity or total debt with equity minus long-term interest-free loans. Invested Capital is the total amount of the company’s loans excluding short-term loans without interest (non-interest bearing liabilities), such as trade payables, accrued expenses, taxes payable, customer advances, etc.

Invested Capital= Total Liabilities t+ Equity – Short Term Liabilities….3

3. **WACC (Weighted Average Cost Of Capital) or weighted average cost of capital.**
The weighted average cost of capital is the weighted average cost of debt and equity, which describes the minimum rate of return on investment to obtain the required rate of return (expected rate of return) by investors, namely creditors and shareholders.

WACC = {D x rd (1-tax ) } + (E x re)

a. Capital level of debt
   It is the expected rate of return of the creditor on the capital he has lent.
   Capital Level of Debt (D) x 100%……………………………….. 5

b. Cost of debt (rd)
The cost of capital on debt is generally estimated because the amount can be obtained from the after-tax interest rate that must be paid by the company if the company makes a loan.
Cost of debt (rd) interest cost/debt cost x 100%.............. 6

c. Tax rate (T) Corporate income tax.
   Tax Rate (T) = Tax Expense/Profit before tax x 100........7

d. Capital Level Of Equity
   Is the amount of own capital owned by the company or known as shareholder capital.
   Capital Level Of Equity = Total Equality/Total liabilities+Equity x 100........8

e. Cost of equity (re)
   Stern Stewerd defines the cost of equity as the rate the company must pay to shareholders (Agustina & Leonita, 2013).
   Cost of equity = Net income after Tax/Total Equity x 100.............. 9

4. Capital Charges
   Capital Charges are cash flows required to reimburse investors for the business risk of invested capital. Capital Charges can be formulated as follows:
   Capital Charges = Invested capital x WACC................................. 10

From the above calculations, conclusions will be obtained with the interpretation of the results as follows:

a. If EVA > 0 in this position, it means that the company’s management has succeeded in creating economic added value for the company

b. If EVA = 0 in this position, it means that the company’s management is at the break-even point. The company is not experiencing setbacks but at the same time not progressing economically

c. If EVA < 0 in this position, it means that there is no economic value added process for the company, namely the profit generated cannot meet the expectations of creditors and company shareholders (investors).

Lianto (2013, p. 29) suggests the stages in conducting the Du Pont analysis are as follows:

a. Calculating the Activity Ratio, namely Total Assets Turn Over (TATO).
   Total Assets Turn Over (TATO) or asset turnover is used to measure the efficiency of using assets to generate sales. The formula used in calculating asset turnover is as follows:
   Total Asset Trun Over = Net Sales/Asset Total x 100 %

b. Calculating Profit Margin
   Profit margin is used to measure the company’s ability to generate profits. Operating profit margin measures the percentage of the company’s profit from each sale before deducting interest and taxes. In general, the higher this ratio, the better. The formula used in calculating the net profit margin is as follows:
   Profit Margin = Earning after Tax/Net Sales x 100 %

c. Calculating Return On Investment (ROI)
The formula used in calculating asset turnover is as follows:
Return On Investment (ROI) = \( \frac{Net\ Income}{Asset\ Total} \times 100 \)

C. FINDINGS AND DISCUSSION

1. NOPAT (Net Operating Profit After Tax) analysis

NOPAT is net profit after tax, this is the profit after tax that a company has if the company has no debt and investment on non-operating assets. Because it excludes the effects of financial decisions, this figure is a better measure of operating performance than profit.

NOPAT (Net Operating Profit After Tax).

<table>
<thead>
<tr>
<th>Tahun</th>
<th>Earning Before Tax</th>
<th>Tax Expence</th>
<th>NOPAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>151.514.000.000</td>
<td>44.914.000.000</td>
<td>106.600.000.000</td>
</tr>
<tr>
<td>2019</td>
<td>116.865.000.000</td>
<td>42.849.000.000</td>
<td>74.016.000.000</td>
</tr>
<tr>
<td>2020</td>
<td>405.231.000.000</td>
<td>157.117.000.000</td>
<td>248.114.000.000</td>
</tr>
</tbody>
</table>

Source (Edit Author, 2021)

2. Invested Capital Analysis

Invested Capital is a short-term loan plus a long-term loan plus shareholder equity or total debt with equity minus long-term interest-free loans

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Debt</th>
<th>EQuity</th>
<th>Short Term Liabilities</th>
<th>Invested Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>10.894.916</td>
<td>5.026.640</td>
<td>64.827</td>
<td>15.856.729</td>
</tr>
<tr>
<td>2019</td>
<td>11.880.036</td>
<td>5.088.036</td>
<td>61.253</td>
<td>16.906.819</td>
</tr>
<tr>
<td>2020</td>
<td>17.475.112</td>
<td>5.444.288</td>
<td>266.876</td>
<td>22.652.524</td>
</tr>
</tbody>
</table>

Source (Edit Author, 2021)

3. WACC (Weighted Average Cost Of Capital) or weighted average cost of capital.

The weighted average cost of capital is the weighted average cost of debt and equity, which describes the minimum rate of return on investment to obtain the required rate of return (expected rate of return) by investors, namely creditors and shareholders.

<table>
<thead>
<tr>
<th>Year</th>
<th>{D x rd(1-tax )} + (E x re)</th>
<th>WACC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>68% 0,00% 30% 32% 2%</td>
<td>0,67%</td>
</tr>
<tr>
<td>2019</td>
<td>70% 0,00% 37% 30% 1%</td>
<td>0,44%</td>
</tr>
</tbody>
</table>
4. Capital Charges

Capital Charges are cash flows needed to reimburse investors for the business risk of invested capital.

<table>
<thead>
<tr>
<th>Year</th>
<th>Invested Capital</th>
<th>WACC</th>
<th>Capital Charger</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>15,810,822,000,000</td>
<td>0,67%</td>
<td>105,858,599,825,29</td>
</tr>
<tr>
<td>2019</td>
<td>16,906,819,000,000</td>
<td>0,44%</td>
<td>74,390,003,600,00</td>
</tr>
<tr>
<td>2020</td>
<td>22,652,524,000,000</td>
<td>1,08%</td>
<td>245,224,933,450,96</td>
</tr>
</tbody>
</table>

Source (Edit Author, 2021)

5. Calculation of Economic Value Added (EVA)

EVA is an amount of money, not a ratio. EVA can be obtained by subtracting capital charges from net operating profit.

<table>
<thead>
<tr>
<th>Year</th>
<th>NOPAT</th>
<th>Capital Charger</th>
<th>EVA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>106,600,000,000</td>
<td>105,858,599,825</td>
<td>741,400,175</td>
</tr>
<tr>
<td>2019</td>
<td>74,016,000,000</td>
<td>74,390,003,600</td>
<td>(374,003,600)</td>
</tr>
<tr>
<td>2020</td>
<td>248,114,000,000</td>
<td>245,224,933,451</td>
<td>2,889,066,549</td>
</tr>
</tbody>
</table>

Source (Edit Author, 2021)

The results of the calculation of the EVA value show that in 2018 before the BRISyariah pandemic, it experienced a positive value. After the beginning of the pandemic in 2019, the EVA value of BRISyariah experienced a significant decline so that the EVA value was negative. The slump did not last too long for BRISyariah in the midst of the Covid 19 pandemic in 2020, this can be seen from the EVA value which was positive again and shot higher than the EVA value in the previous year.

The calculation of DU Pont which is proxied into ROI, NPM and TAT can be seen in the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>ROI (%)</th>
<th>NP M (%)</th>
<th>TAT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0,28</td>
<td>5,39</td>
<td>3,91</td>
</tr>
<tr>
<td>2019</td>
<td>0,17</td>
<td>3,21</td>
<td>3,41</td>
</tr>
<tr>
<td>2020</td>
<td>0,43</td>
<td>7,63</td>
<td>3,79</td>
</tr>
</tbody>
</table>

Source (Edit Author, 2021)

The table above shows that the ROI value in 2019 decreased from the previous year, namely 2018. In 2020, the ROI experienced a significant increase from the previous year. The same thing was obtained from the results of the NPM. In 2019 it decreased compared to the previous year 2018, and increased in 2020. The results of the TAT calculation also obtained similar results, namely a decrease in 2019 when...
compared to 2018, and an increase in 2020.

The results of the Du Pont analysis (ROI, NPM, and TAT) along with the Economy value Added (EVA) analysis can be seen in the following table.

Table 7. ROI, NPM, TAT, EVA

<table>
<thead>
<tr>
<th>Year</th>
<th>ROI (%)</th>
<th>NPM (%)</th>
<th>TAT (%)</th>
<th>EVA (RP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0.28</td>
<td>5.39</td>
<td>3.91</td>
<td>Rp 741,400,175</td>
</tr>
<tr>
<td>2019</td>
<td>0.17</td>
<td>3.21</td>
<td>3.41</td>
<td>Rp -374,003,600</td>
</tr>
<tr>
<td>2020</td>
<td>0.43</td>
<td>7.63</td>
<td>3.79</td>
<td>Rp 2,889,066,549</td>
</tr>
</tbody>
</table>

Source (Edit Author, 2021)

It can be seen in the table above that the performance of BRISyariah when viewed from the Du Pont and EVA method approaches before the pandemic (in 2018) there were still no significant problems. The beginning of the pandemic at the end of 2019 showed that BRISyariah’s performance had decreased which was quite clear from its ability to provide return value to investors, which was quite declining, this can be seen from the declining ROI. In terms of profits, BRISyariah also experienced a sharp decline, this can be seen by the declining NPM figure. The declining profits, of course, stemmed from its inability to rotate or empower as much as possible the total assets owned by BRISyariah at the beginning of the 2019 pandemic. The decrease seen from the Du Pont method also clearly shows the EVA value which has decreased at a negative sign, which means that BRISyariah cannot provide added value to investors when the COVID-19 pandemic begins.

This slump did not last long, experienced by BRISyariah’s performance in 2019. In 2020, BRISyariah can bounce back and make sharp increases in terms of ROI, NPM and TAT. This enables BRISyariah to be able to provide large added value to investors with the EVA value rising to positive.

The financial performance of PT Bank BRISyariah Tbk (BRIS) in the first semester of 2020 can be said to be the best among other Islamic bank issuers. BRISyariah recorded a net profit increase of up to 229.6% from Rp35.55 billion in June 2019 to Rp117.2 billion in June 2020. This reflects that BRISyariah has quickly recovered from economic problems during the Covid-19 pandemic.

D. CONCLUSION

1. The results of the study showed that BRISyariah Bank during 2018-2020 experienced fluctuating changes for ROI, NPM, TAT and EVA.
2. In 2019 (at the beginning of the covid 19 pandemic) it was dagged down in performance both Eva approach and the Du Pont approach compared to 2018.
3. In 2020 (the COVID-19 pandemic has experienced for one year) ROI, NPM and TAT have begun to increase and there was an addition of positive economic value in terms of the Economic Value added (EVA) approach. This shows that BRISyariah’s performance quickly recovered from the recession of the economic crisis during the Covid 19 pandemic.
REFERENCES


