



Analyzing Financial Performance at Bank Sulselbar Using Activity and Investment Ratios

Ratna Widyawati Umsini¹, Nurfadhilah Nurfadhilah^{2*}, Darwis Darwis³,
Damira Damira⁴, Muhammad Majdy Amiruddin⁵

^{1,2,3,4,&5}Institut Agama Islam Negeri Parepare, Indonesia

*Corresponding email: dhila.bakhtiar89@gmail.com

Keywords:

Financial Performance,
Activity Ratio, and
Investment Ratio

ABSTRACT

The financial condition of Bank Sulselbar has shown fluctuations in recent years. This study aims to evaluate the bank's financial performance through the Activity Ratio and Investment Ratio. A quantitative research method uses financial statements from 2018-2022 as the sample. The secondary data is sourced from the published financial reports of Bank Sulselbar. The findings indicate that: (1) Based on the Activity Ratio, specifically the Fixed Assets Turnover, Bank Sulselbar's financial performance is good, as the FAT results over five years exceed the measurement standard. However, the total assets turnover is rated poorly since its value did not meet the measurement standard during the same period. (2) Regarding the Investment Ratio, the Return On Investment is deemed unsatisfactory, as the five-year calculations reveal that the ROI has not surpassed the required measurement standard. Conversely, the Return On Equity calculations for five years are classified as very good, meeting the established measurement criteria.

Kata Kunci:

Kinerja Keuangan,
Activity Ratio, dan
Investment Ratio

ABSTRAK

Analisis Kinerja Keuangan Menggunakan Ratio Aktivitas dan Ratio Investasi pada Bank Sulselbar. Situasi keuangan Bank Sulselbar telah mengalami fluktuasi dalam beberapa tahun terakhir. Penelitian ini bertujuan untuk menganalisis kinerja keuangan Bank Sulselbar yang dinilai dari Activity Ratio dan Investment Ratio. Metode penelitian ini adalah kuantitatif. Sampel penelitian ini adalah laporan keuangan periode 2018-2022. Data sekunder berasal dari laporan keuangan Bank Sulselbar yang terpublikasi. Hasil penelitian menunjukkan bahwa: (1) Kinerja keuangan Bank Sulselbar berdasarkan Activity Ratio menggunakan Fixed Assets Turnover dinilai baik. Hal tersebut di dasari pada hasil perhitungan selama lima tahun yang menunjukkan nilai yang di peroleh FAT melebihi standar pengukuran. Berbeda dengan Total Assets Turnover yang hasil perhitungan selama lima tahun di nilai buruk yang menunjukkan nilai TATO buruk karena belum mencapai standar pengukuran. (2) Kinerja keuangan Bank Sulselbar berdasarkan Investment Ratio menggunakan Return on Investment dinilai tidak baik. Hal ini didasari pada hasil perhitungan lima tahun yang menunjukkan nilai ROI tidak dapat melebihi standar pengukuran. Berbeda dengan Return on Equity hasil perhitungan selama lima tahun di nilai sangat baik karena mencapai standar pengukuran.

INTRODUCTION

Profit orientation drives companies to constantly develop strategies and methods for maximizing profits while ensuring sustainability and growth. At the same time, companies must

Article Information How To Cite

: Received: 19 December 2023; Revised: 22 May 2024; Accepted: 25 May 2024
: Umsini, R. W., Nurfadhilah, N., Darwis, D., Damira, D., & Amiruddin, M. M. (2024). Analyzing Financial Performance at Bank Sulselbar Using Activity and Investment Ratios. *Talaa : Journal of Islamic Finance*, 4(1), 1–10. <https://doi.org/10.54045/talaa.v4i1.742>
: 2807-3002 / 2807-3312

e-ISSN / p-ISSN

be prepared to mitigate potential risks, requiring them to manage information effectively to analyze their current situation. Beyond profits, company performance is equally important, as high earnings alone do not necessarily indicate efficient operations (Faisal, Samben, and Pattisahusiwa 2017). In making investment decisions, analysts or investors typically assess financial indicators such as a company's liquidity, debt levels, profits, and profitability using the financial data provided by the company. Through financial statement analysis, companies can gain insight into their performance and potential future growth (Dewi 2017) .

Financial ratio analysis necessitates financial statements from at least the last two years of operation to enable comparison. One can assess the company's economic performance by examining key financial indicators. This type of analysis can be categorized into several areas, including liquidity, solvency, activity, profitability, and investment indicators (Tanor, Sabijono, and Walandouw 2015). In their study, Rina et al. explained that the Activity Ratio assesses how efficiently a company uses its assets. This ratio essentially measures the effectiveness of the company's resource utilization. The resulting efficiency improvements can be observed in sales, inventory management, collections, and other operational aspects. The activity ratio also evaluates the company's daily activities (Rina, Ass, and Mashuddin 2019). Rao (2006) found that the investment ratio is often used to evaluate a company's financial development and assess the company's investments as effective and profitable. Kartono (2020) found that choosing an investment level that suits the type of investment to achieve this goal is important.

Finance is one of the main issues concerning the survival of the company. This requires professional handling in every operational activity to anticipate excess or lack of funds that will lead to bankruptcy. To find out the company's development, it is necessary to conduct a company performance assessment from year to year. This will also evaluate the company's performance in the current year. Subani (2015) found that the results of his research were quite good on the ratio of cash coverage to interest on financial performance, while the ratio of finance to current debt was not good because the ratio was quite low per year, which made the company less good at paying cash flow debts originating from the company's normal activities. This is the same as the research conducted by Meliana et al. The results of his research showed that financial performance measured by the liquidity ratio can be assessed as not good, measured by the solvency ratio is assessed as good, measured by the activity ratio is assessed as not good, and measured by the profitability ratio is assessed as quite good (Meliana, Septiana, and Dawam 2022).

PT. Bank Pembangunan Daerah Sulawesi Selatan Barat, also known as Bank Sulselbar, is a source of regional income through various banking products issued (Caronge 2018) . If Bank Sulselbar is not managed professionally, it will certainly result in a loss of competitiveness which will lead to losses or failure of Bank Sulselbar. The financial situation of Bank Sulselbar has fluctuated in recent years. The following is the financial ratio of Bank Sulselbar contained in the financial report for the last five years in Table 1.1 below:

Table 1: Financial Report Data of Bank Sulselbar for the Period 2018-2022

Year	<i>Return On Asset</i>	<i>Net Interest Margin</i>	<i>Loan To Deposit Ratio</i>
2018	3.67%	6.51%	119.76%
2019	3.36%	6.03%	117.85%
2020	3.12%	6.08%	121.42%
2021	3.09%	6.66%	114.19%
2022	2.95%	6.60%	111.54%

Source: www.banksulselbar.co.id



From Table 1 above, it can be seen that Bank Sulselbar's Return On Asset has decreased yearly, starting from 2018 by 3.67%, 2019 by 3.36%, 2020 by 3.12%, 2021 by 3.09%, and 2022 by 2.95%. Bank Sulselbar's net interest margin varied by 6.51% in 2018, 6.03% in 2019, 6.08% in 2020, 6.66% in 2021, 6.60% in 2022. Until 2018, Bank Sulselbar's loan-to-deposit ratio varied by 119.76; in 2019, it was 117.85%; In 2020, it was 121.42%; In 2021, it was 114.19%; and in 2022, it was 115.54%.

Companies that continuously experience losses can affect the company's financial results. The better the company's performance, the higher the returns for investors. Generally, investors look for companies with the best returns and invest in those companies. Capital gains and company value increase when the company has a good reputation, reflected in its financial statements. To ensure the continuation of Bank Sulselbar's financial performance, an analysis must be carried out to expand and sharpen the information in the financial statements. From the results of this analysis, the situation and condition of Bank Sulselbar can be known.

RESEARCH REVIEW

Financial performance

A company's financial performance is very useful for various parties (*stakeholders*), such as investors, creditors, analysts, financial consultants, brokers, the government, and management. Financial reports in the form of balance sheets and profit and loss statements of a company, if prepared properly and accurately, can provide a real picture of the results or achievements that a company has achieved during a certain period of time. This condition will assess the company's performance (Martono 2005). A company's financial performance is the achievements that the company has achieved in a certain period, which reflects the company's level of health. (Sutrisno 2009).

Financial performance is a description of the results of a company's achievements from work done by comparing targets or criteria that have been determined. Financial performance can also be interpreted as a company's achievement in implementing good management and assessing the extent to which the company manages financial activities to achieve previously determined results.

Financial statements

Reporting is the preparation of financial reports based on relevant data. It is carried out with correct accounting and assessment procedures to show the company's true financial condition. (Kasmir 2012). Financial report analysis is a ratio that describes a relationship or balance. between a certain amount and another amount, and by using an analysis tool in the form of this ratio, it will be possible to explain or provide an overview to the analyst. Regarding the analysis, is the company doing well or not? The company's financial condition, especially if the ratio is compared to the ratios used as standards (Munawir 2010).

Activity Ratio

Activity ratio (activity ratio) is a measure that assesses the bank's activity level in utilizing its funding sources (Muhammad 2015). This ratio includes:

1. fixed asset turnover (FAT), namely the activity capacity (efficiency) of funds reflected in the amount of the bank's fixed assets with the total amount of funds.



$$\text{Fixed Assets Turn Over} = \frac{\text{Sales}}{\text{Total of Fixed Assests}}$$

Table 2: Criteria for Measuring Fixed Asset Turnover

Standard	Criteria
<5	Bad
>5	Good

Source: Kasmir, 2017

2. Total Asset Turnover (TATO), a ratio that shows the ability of all funds included in current assets in a certain period of time or the bank's ability to manage financial resources to generate income.

$$\text{Total Assets Turn Over} = \frac{\text{Sales}}{\text{Total of Assets}}$$

Table 3: Asset Turnover Measurement Criteria

Standard	Criteria
<2	Bad
>2	Good

Source: Kasmir, 2017

Investment Ratio

Investment *Ratio* is a ratio that describes Bank Sulselbar's ability to pay compensation and evaluate the effectiveness of investments. The profitability of an investment is ROI (Return On Investment) and ROE (Return On Equity), so the following formula is used to measure investment:

1. Return on investment shows how much net profit can be obtained from all the assets owned by the company. Here is the ROI formula:

$$\text{Return On Investment} = \frac{\text{Net Profit after Tax}}{\text{Total of Assets}} \times 100\%$$

Table 4: *Return On Investment* (ROI) Assessment Criteria

Peringkat	Keterangan	Kriteria
1	Very Good	31% - 40%
2	Good	21% - 30%
3	Poor	11% - 20%
4	Not Good	< 10%

Source: Bank Indonesia, 2004

2. Return *on Equity*, another summary measure of a company's overall performance. ROE compares net income after taxes (less common stock dividends) to the equity that shareholders have invested in the company:

$$\text{Return On Equity} = \frac{\text{Net Profit after Tax}}{\text{Shareholder Equity}} \times 100\%$$



Table 5: Return On Equity (ROE) Assessment Criteria

Ranking	Information	Criteria
1	Very Good	$ROE > 15\%$
2	Good	$12,5\% < ROE \leq 15\%$
3	Good Enough	$5\% < ROE \leq 12,5\%$
4	Poor	$0\% < ROE \leq 5\%$
5	Not Good	$ROE \leq 0\%$

Source: Bank Indonesia, 2004

RESEARCH METHODOLOGY

The research approach used is a comparative casual approach. The comparative casual technique is used to observe the reasons or causes of an incident being studied (Noor 2012) . Therefore, this study compares financial report data obtained from the official website of Bank Sulselbar. This study uses field *research*. *Field Research* is a type of research that studies phenomena in their natural environment (Mulyana 2006) . The method in this assessment is quantitative. Quantitative research is a research method that, as the name suggests, requires a lot of use of numbers, starting from data collection and interpretation to the publication of the results (Suharsimi 1998) . This study focuses on the financial performance of Bank Sulselbar, which is measured using the activity and investment ratios.

The population in this study is represented by the financial report of Bank Sulselbar, which is arranged in the form of an annual publication. The sample in this study is the financial data of Bank Sulselbar for 2018-2022 through the official website of Bank Sulselbar, namely, www.banksulselbar.co.id. The data collection technique used by the researcher is documentation. The documentation method intended by the researcher is secondary data, namely the financial report of Bank Sulselbar obtained from data collected, processed, and published. The data processing technique for this study is the financial report obtained and processed non-statistically with calculations using the financial ratios used in this study, namely the activity and investment ratios.

RESULT AND DISCUSSION

Research result

With the help of financial statement analysis, the state of the company's financial results is evaluated in such a way that it is possible to identify the financial performance of Bank Sulselbar. The following is the calculation of the financial results analysis of Bank Sulselbar for the financial report year 2018-2022 as follows :

Bank Sulselbar's financial report is measured based on Activity Ratio uses Fixed Assets Turnover and Total Assets Turnover as follows:

Table 6: Results of Fixed Assets Turnover Calculation for the Period 2018-2022

Year	Information (FAT)	Measurement Standard	Criteria
2018	19,2 times	>5	Good
2019	20,7 times	>5	Good



2020	20,4 times	>5	Good
2021	6,1 times	>5	Good
2022	6,2 times	>5	Good

Source: Processed data 2023

Table 6 above shows the measurement standard for the turnover of a fixed asset, while the measurement results of Bank Sulselbar are 6.1-20.7 times the turnover for 2018-2022. Based on the measurement standard, the FAT obtained in 2018 was classified as good at 19.2 times the turnover. In 2019, it was classified as good based on the measurement standard, which was 20.7 times the turnover. The results obtained in 2020 were 20.4 times the turnover and were classified as good. In 2021, the turnover was 6.1 times that, which is still good based on the measurement standard. In 2022, the turnover was 6.2 times that of the turnover, and the turnover results were also classified as good. This figure shows that Bank Sulselbar can still bounce back well even though there has been a significant decline in turnover, and following the standards used, if the investment turnover remains above 5, then the value is good.

Table 7: Results of *Total Assets Turnover Calculation* for the Period 2018-2022

Year	Information (TATO)	Measurement Standard	Criteria
2018	0,11 times	<2	Bad
2019	0,11 times	<2	Bad
2020	0,11 times	<2	Bad
2021	0,10 times	<2	Bad
2022	0,09 times	<2	Bad

Source: Processed data 2023

Table 7 above shows the standard measurement of total investment turnover, with the measurement results of Bank Sulselbar being 0.09-0.11 times the investment turnover in 2018-2022. TATO obtained in 2018 was 0.11 times the turnover, which is bad based on the measurement standard. 2019 was classified as bad, with a turnover of 0.11 times, according to the measurement standard. The results in 2020 showed an income of 0.11 times the turnover and were classified as bad. In 2021, turnover decreased by 0.10 times compared to turnover, which was still classified as bad based on the measurement standard. In 2022, the turnover was 0.09 times the turnover, and the turnover results were also classified as bad.

Bank Sulselbar's financial report is measured based on Investment Ratio using Return On Investment and Return On Equity as follows:

Table 8: Results of Return on Investment Calculation for the Period 2018-2022

Year	Information (ROI)	Measurement Standard	Criteria
2018	2,8%	<10%	Not Good
2019	2,6%	<10%	Not Good
2020	2,5%	<10%	Not Good
2021	2,3%	<10%	Not Good
2022	2,2%	<10%	Not Good

Sources: Processed data 2023



Table 8 above shows the ROI measurement standard along with the results of measuring the ROI value of Bank Sulselbar for the 2018-2022 period, which shows that the percentage of Bank Sulselbar continues to decline yearly. In 2018, Bank Sulselbar's ROI was 2.8%. In 2019, ROI decreased by 0.2% to 2.6%. Then, it fell again in 2020, giving an ROI of 0.1 % to 2.5 %. In 2021 it fell by 0.2 % to 2.3 %. In 2022, it fell again by 0.1% to 2.2. In this case, the ROI condition is between 2.2 and 2.8%, where the percentage is still below the standard measurement criteria. This shows that Bank Sulselbar has not been able to gain profits through investments to increase ROI in each period.

Table 9 Results of Return on Equity Calculation for the Period 2018-2022

Year	Information (ROE)	Measurement Standard	Criteria
2018	19%	ROE >15%	Very Good
2019	17%	ROE >15%	Very Good
2020	16%	ROE >15%	Very Good
2021	15%	ROE >15%	Very Good
2022	14%	12,5% < ROE ≤ 15%	Good

Source: Processed data 2023

Table 9 above shows the standard criteria for measuring ROE at Bank Sulselbar. It is considered very good if the ROE value is >15%. If the ROI value ranges between 12.5%-15%, it is considered good. If the ROI value ranges between 5%-12.5%, it is considered good. If the ROI value ranges between 0% and 5%, it is considered less good. If the ROI value obtained is <0%, then it is considered not good

Discussion of Research Results

Fixed Asset Turnover

This study found a decrease in the FAT value that occurred every year from 2018 to 2022 due to increased income, followed by an increase in total fixed assets at the bank. In other words, although the bank experienced a decline every year, it can still be said that the fixed asset turnover is good because the FAT value is higher than the average standard measurement criteria, so the bank can still obtain sales through fixed assets.

The Bank obtained various provisions over the past five years, with increased sales followed by an increase in fixed assets every year. Still, it is necessary to make an effort to increase development or business expansion so that the Bank can utilize sales results to make a profit. So that the turnover of fixed assets in the bank can rotate and increase well.

Total Asset Turnover

This study found that the decline in TATO turnover each year from 2018 to 2021 was caused by increasing sales followed by increasing total assets. Although 2018-2022 was considered bad, in principle, the bank was able to increase its sales each year. In addition, the final amount, which was greater than the total sales value, also caused slow turnover.

The poor total asset turnover experienced by the Bank is caused by the imbalance that occurs, where the assets owned are much larger than the sales obtained. This problem requires a review by the bank to continue to increase sales so that the bank can operate more efficiently



in the future. So, a balanced turnover is created if the sales value and assets are not very different.

Return on Investment

This study found that the decline in ROI value every year from 2018 to 2022, this low ratio is due to the high total assets and low profit. In other words, even though profit increases every year, the bank still cannot be said to have a good ROI value because the ROI value is below the average standard measurement criteria. The profit generated with a low value by the Bank makes the Bank's performance poor, and the high acquisition of total asset value at the Bank also does not make the Bank's performance good. This means that there must be a balance between the acquisition of net profit after tax and the total asset value owned by the Bank so that the bank's performance is considered good and effective.

The Bank's poor condition impacts customer trust in investing in the Bank. This happens because the Bank spends too much capital to be able to carry out a promotion to attract public interest in investing in the Bank. In other words, the Bank needs to increase customer trust in investing in the Bank so that the level of return on investment can have a good impact on the Bank and customers.

Return on Equity

This study found a decline in the ROE presentation value every year from 2018 to 2021. Although there was a decline from 2018 to 2022, the bank was able to increase control over the capital it had every year. In addition, the continuous decline was also caused by the company providing a higher rate of return to shareholders than on deposits or company savings. The results of the measurements that have been carried out have created an imbalance between the profit obtained and the capital owned. Although the bank's ROE performance is considered good, it must make a balance in providing returns between dividends and investments in deposits and savings.

Investors are also impressed with the excellent capital bank profit situation. This needs to be maintained by the Bank always to increase the return of capital to shareholders so that in the future, the level of bank trust to invest its capital will be even greater and have a good impact on the Bank's financial operations and business development.

CONCLUSION

The results of the analysis discussed previously, the researcher concluded that:

1. The financial performance of Bank Sulselbar, as assessed using the Activity Ratio with the Fixed Assets Turnover indicator, is generally good. This is based on the calculation of *Fixed Assets Turnover*, which averaged 14.52 times in the last five years. This has met the standard criteria for measuring *Fixed Assets Turnover*, which is >5 times turnover. Total Assets Turnover is generally considered bad. This is also based on the calculation of *Total Assets Turnover*, which averaged 0.104 times turnover in the last five years. This has not met the standard criteria for measuring *Total Assets Turnover*, which is >2 times turnover.
2. The performance of Bank Sulselbar assessed using the *Investment Ratio* with the *Return On Investment* indicator is generally considered Not Good. This is based on the calculation of *return on investment*, an average of the last five years. The percentage generated is 2.48%, which does not meet the Bank Indonesia measurement criteria standard of 31%. For *Return On Equity*, it is generally considered Very Good. This is based on the Return On Equity



calculation, which averages the last five years. The percentage generated is 16.2%, which has met the Bank Indonesia measurement criteria standard of >15%.

REFERENCES

- Caronge, Erniyati. 2018. "Analisis Kinerja Keuangan Pada PT. Bank Sulselbar Cabang Palopo." *JEMMA (Journal of Economic, Management and Accounting)* 1 (1): hlm. 1-10.
- Dewi, Meutia. 2017. "Analisis Rasio Keuangan Untuk Mengukur Kinerja Keuangan PT Smartfren Telecom, Tbk." *Jurnal Penelitian Ekonomi Akuntansi (JENSI)* 1 (1): 1-14.
- Faisal, Ahmad, Rande Samben, and Salmah Pattisahusiwa. 2017. "Analisis Kinerja Keuangan." *Kinerja* 14 (1): 6-15.
- Kartono, K. 2020. "Kinerja Perusahaan Modal Ventura Diukur Dari Sisi Rasio Beban Operasi Terhadap Pendapatan Operasi Rasio Investasi Terhadap Total Aset Return on Asset Dan Non Performing Finance (Studi Kasus Pada PT. Sarana Jakarta Ventura)." *Jurnal SEKURITAS (Saham, Ekonomi, Keuangan Dan Investasi)* 3 (2): 122-31.
- Kasmir. 2012. *Analisis Laporan Keuangan*. Jakarta: PT. Raja Grafindo Persada.
- Martono. 2005. *Kinerja Keuangan. Manajemen Keuangan*. Edisi 5. Yogyakarta: Eko.
- Meliana, Tirta Febrian, Aldila Septiana, and Aulia Dawam. 2022. "Analisis Laporan Keuangan Dalam Mengukur Kinerja Keuangan PT. Kimia Farma (Persero) Tbk Periode 2018-2020." *JIMAT (Jurnal Ilmiah Mahasiswa Akuntansi) Undiksha* 13 (02): 718-27.
- Muhammad. 2015. *Manajemen Dana Bank Syariah*. Jakarta: PT Raja Grafindo Persada.
- Mulyana, Dedi. 2006. *Metode Penelitian Kualitatif (Paradigma Baru Ilmu Komunikasi Dan Sosial Lainnya)*. Bandung: Remaja Rosdakarya.
- Munawir. 2010. *Analisis Laporan Keuangan*. Edisi 4. Yogyakarta: Liberty.
- Noor, Juliansyah. 2012. *Metodologi Penelitian Skripsi, Tesis, Disertasi, Dan Karya Ilmiah*. Jakarta: Kencana.
- Rao, B Bhaskara. 2006. "Investment Ratio and Growth." *ICFAI Journal of Applied Economics* 3 (4): 68-72.
- Rina, Rina, Syamsul Bakhtiar Ass, and Nurwahidah Mashuddin. 2019. "Analisis Rasio Aktivitas Untuk Menilai Kinerja Keuangan Pada Pt Indofood Sukses Makmur Tbk Yang Terdaftar Di Bursa Efek Indonesia (BEI)." *BRAND Jurnal Ilmiah Manajemen Pemasaran* 1 (2).
- Subani, Subani. 2015. "Analisis Arus Kas Untuk Mengukur Kinerja Keuangan (Studi Pada Kud Sido Makmur Lumajang)." *Wiga: Jurnal Penelitian Ilmu Ekonomi* 5 (1): 58-67.
- Suharsimi, Arikunto. 1998. *Prosedur Penelitian Suatu Pendekatan Praktek*. Jakarta: Rineka Cipta.
- Sutrisno. 2009. *Manajemen Keuangan Teori, Konsep Dan Aplikasi*. 8th ed. Yogyakarta: Penerbit Ekonisia.
- Tanor, Melissa Olivia, Harijanto Sabijono, and Stanley Kho Walandouw. 2015. "Analisis Laporan Keuangan Dalam Mengukur Kinerja Keuangan Pada Pt. Bank Artha Graha



Internasional, Tbk.” *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi* 3 (3).

Copyright Holder:

@ Umsini, R. W., Nurfadhilah, N., Darwis, D., Damira, D., & Amiruddin, M. M. (2024)

First Publication Right:

Talaa : Journal of Islamic Finance

Department of Sharia Financial Management Institut Agama Islam Negeri Sultan Amai Gorontalo, Indonesia

