

Comparison Of Financial Performance Of Sharia Bank Using A Value Added And Profit Loss Approach (Case Study at PT. Bank Sulselbar Kc Syariah Makassar)

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Article Info	Abstract
Financial performance	<i>The purpose of this study to analyze the financial performance of PT. Bank Sulselbar KC. Sharia Makassar using a value added and profit and loss approach based on the ratio of ROA, ROE and NPM. This research is a type of quantitative research with a comparative descriptive approach. The population of this study is the financial statements of PT. Bank Sulselbar KC. Makassar Sharia, while the sample used is the 2019-2020 financial statements for each approach, namely the value added and profit and loss approach. The results of this study indicate that the average ROA, ROE and NPM ratios differ significantly between the value added approach and the profit and loss approach. Likewise with the overall performance</i>

1. PRELIMINARY

Economic growth is a process by which income increases regardless of population growth, population growth is usually associated with economic development. The rate of economic growth is inseparable from the role of the banking sector. Banking activities are recognized as having a very important role in the development of the national economy. Poor banking conditions can have a negative impact on the economy as a whole.

Banks are one of the institutions that play an important role as financial intermediaries in the country's economy. Bank in the sense of Article 7, Article 1 Paragraph 2 of the Banking Act 1998 is a commercial institution that collects money from the public in the form of savings and distributes it to the public in the form of loans or other forms. Payments and other payment methods to improve the standard of living of many people. There are two types of banks in Indonesia, namely conventional banks and Islamic banks (Moch. Saiful Munir, 2013:1)

Islamic banks are banks that operate without relying on interest rates. Islamic bank is a financial institution or bank whose business and products are developed based on

the Qur'an and hadith or in other words, a sharia bank is a financial institution whose business activities include the provision of finance and other services in the flow of payments and circulation of money regulated by Islamic sharia principles. (Ova Novi Irama, 2019:43).

The development of Islamic banks was marked by the enactment of Law Number 10 of 1998. This law provides details on the legal basis and types of businesses that can be operated by Islamic banks. The law also stipulates guidelines for banks to switch completely to Islamic banks (Muhammad Irysad As Shidqi, 2020: 2). As a financial institution, banks must maintain their operational efficiency in order to function optimally. In addition, Islamic banks must compete with conventional banks that dominate and are growing rapidly in Indonesia.

Strategic steps that can be taken by banks to win the competition, such as improving financial performance. Improved financial performance has a tremendous impact on efforts to maintain customer trust so that they remain loyal to using their services. The main principle that must be developed by Islamic banks to improve their financial performance is the ability of Islamic banks to

manage their funds. This means that the ability of Islamic banks in providing optimal profit sharing to its customers. Assessment of the financial performance of Islamic banks can be done by analyzing the published financial statements . This is done by analyzing the profitability of each Islamic bank using three ratios, namely *Return on Assets (ROA)*, *Return on Equity (ROE)*, and *NPM*.

The quality of the financial performance of Islamic banks allows us to see how important the financial performance ratios are. The greater the ratio obtained means that the ability of Islamic banks to provide profit sharing to customers is getting better and vice versa if the acquisition of a small financial performance ratio means that the ability of Islamic banks to provide profit sharing to customers is low.

So far, the analysis of the financial performance of Islamic banks has only been carried out on the basis of balance sheets and income statements. Therefore, sharia accountant Sofyan Harahap offers a value-added report as a complement. This means that the results of the analysis do not give accurate results on financial performance indicators, because profit as the basis for calculating financial performance indicators has not taken into account the interests of other parties (employees, companies, communities and the government). So that the results of the analysis of financial performance do not show the actual conditions. Meanwhile , using the added value report , the results of the financial performance analysis will be more realistic because profitability is used as the basis for measuring the bank's financial performance ratio which is calculated by considering the contributions of other parties such as employees, the community, the government and the environment (Dimas Pratama Putra, 2019:22).

The global financial crisis in 2018 showed the resilience of Islamic finance and throughout 2019 the performance of the Indonesian Islamic banking sector showed

relatively stable growth in addition to the improvement in the global economy. Entering 2020 , the Covid-19 pandemic has spread to various countries, including Indonesia. Covid-19 has had a major impact on the development of the world economy. As a result, most sectors including Islamic banks fell. However, based on empirical evidence from the previous crisis, Islamic banks are believed to be able to overcome this storm. One of them at PT. Bank Sulselbar 's net profit growth is equivalent to an increase in net interest income in its pocket even though the COVID-19 pandemic has not ended.

Based on this background, the researchers are interested in conducting research by analyzing the financial performance of Islamic banks by comparing the financial performance of Islamic banks that use the added value approach and those using the profit and loss approach in the financial statements issued by PT. Bank Sulselbar KC Syariah Makassar in 2019 and 2020. This research is entitled, "Comparison of Financial Performance of Islamic Banks Using Value Added and Profit and Loss Approach (Case Study At Pt. Bank Sulselbar Kc Syariah Makassar)".

2. LITERATURE REVIEW

2.1 Islamic Bank

In the current global era , Islamic banking can be determined by its ability to manage Islamic banking in the face of very rapid economic changes, such as the rapid development of information technology and globalization today . However, several banks still need to be reviewed in the face of the economic crisis in the global banking sector which will have a negative impact. If the Islamic bank fails , it will face many risks that will occur. Some of the risks written in this journal are operational risks , mainly because human resources (HR) incorrectly contribute to operational performance , both as internal factors of Islamic banking and customers with external factors . (Fauziah, 2020:32) .

Islamic banks are financial institutions that function to facilitate economic mechanisms , especially in the real world. There are many expert opinions regarding the definition of Islamic banks where each bank uses different assumptions . In general, the concept of a sharia bank is a banking institution that in principle is subject to Islamic law (Yudiana, 2014) .

Currently, Islamic banks can develop rapidly in Indonesia in terms of asset development and Islamic banks can run their business according to the needs of the community in order to achieve their goals. Therefore, to assess the performance of each Islamic bank , detailed research is needed to see the level of efficiency and productivity (Badruzaman, 2020:20) .

2.2 Financial performance

In principle , performance can be seen by the person conducting the research. For management, look at the contribution of a particular department to the achievement of common goals. For external management, performance is a measure of achievement achieved by the organization in a certain period, this reflects the level of performance results from the organization's activities. However , it is necessary to evaluate the performance of an organization either by its management as a basis for determining future policies .

In general, it can be said that financial performance is an achievement that can be achieved by a company in the financial sector within a certain period of time, this reflects the level of strength of the company . (Nurlina, 2019:141).

3. RESEARCH METHODS

3.1 Data analysis technique

a. Descriptive statistics

Descriptive statistical tests were carried out to determine the description of the data used in the study from the mean, variance, standard deviation, minimum value, range and

so on (Dimas Pratama Putra, 2019:25). Descriptive statistical test is used to describe the data in this study which consists of analysis of Islamic financial performance using the added value and profit and loss approach.

4. RESULTS AND DISCUSSION

4.1 Research result

a. Financial Performance of PT. Bank Sulselbar KC Syariah Makassar with a Profit and Loss Approach 2019-2020

1) ROA

$$\begin{aligned} \text{Year 2019 ROA} &= \frac{\text{Laba Bersih}}{\text{Total Aktiva}} \times 100\% \\ &= \frac{26,303}{1,383,124} \times 100\% \\ &= 1.90\% \end{aligned}$$

$$\begin{aligned} \text{Year 2020 ROA} &= \frac{\text{Laba Bersih}}{\text{Total Aktiva}} \times 100\% \\ &= \frac{30,673}{1,468,211} \times 100\% \\ &= 2.08\% \end{aligned}$$

2) ROE

$$\begin{aligned} \text{Year 2019 RO E} &= \frac{\text{Laba Bersih}}{\text{Total Modal}} \times 100\% \\ &= \frac{26,303}{3,443,748} \times 100\% \\ &= 0.76\% \end{aligned}$$

$$\begin{aligned} \text{Year 2020 RO E} &= \frac{\text{Laba Bersih}}{\text{Total Modal}} \times 100\% \\ &= \frac{30,673}{3,686,519} \times 100\% \\ &= 0.83\% \end{aligned}$$

3) NPM

$$\begin{aligned} \text{2019 NPM} &= \frac{\text{Laba Bersih}}{\text{Total Pendapatan}} \times 100\% \\ &= \frac{26,303}{101,022} \times 100\% \\ &= 26.03\% \end{aligned}$$

$$\begin{aligned} \text{Year 2020 NPM} &= \frac{\text{Laba Bersih}}{\text{Total Pendapatan}} \times 100\% \\ &= \frac{30,673}{161,512} \times 100\% \\ &= 18.99\% \end{aligned}$$

Table 4.1 Financial Performance Ratio with Income Statement.

RATIO	2019	2020
ROA	1.90%	2.08%
ROE	0.76%	0.83%
NPM	26.03%	18.99 %

(Source: Processed secondary data, 2021)

b. Financial Performance of PT. Bank Sulselbar KC Syariah Makassar with Value Added Approach 2019-2020

1) ROA

$$\text{Year 2019 ROA} = \frac{\text{Total Niali Tambah}}{\text{Total Aktiva}} \times 100\%$$

$$= \frac{50,115}{1,383,124} \times 100\%$$

$$= 3.62\%$$

$$\text{Year 2020 ROA} = \frac{\text{Total Nilai Tambah}}{\text{Total Aktiva}} \times 100\%$$

$$= \frac{93,545}{1,468,211} \times 100\%$$

$$= 6.37\%$$

2) ROE

$$\text{Year 2019 RO E} = \frac{\text{Total Nilai Tambah}}{\text{Total Modal}} \times 100\%$$

$$= \frac{50,115}{3,443,748} \times 100\%$$

$$= 1.45\%$$

$$= 1.45\%$$

$$\text{Year 2020 RO E} = \frac{\text{Total Nilai Tambah}}{\text{Total Modal}} \times 100\%$$

$$= \frac{93,545}{3,686,519} \times 100\%$$

$$= 2.53\%$$

3) NPM

$$\text{2019 NPM} = \frac{\text{Nilai Pendapatan}}{\text{Total Pendapatan}} \times 100\%$$

$$= \frac{83,997}{101,022} \times 100\%$$

$$= 83.14\%$$

$$\text{Year 2020 NPM} = \frac{\text{Niali Pendapatam}}{\text{Total Pendapatan}} \times 100\%$$

$$= \frac{120,591}{161,512} \times 100\%$$

$$= 74.66\%$$

Table 4.2 Financial Performance Ratio with Value Added Report

RATIO	2019	2020
ROA	3.62%	6.37%
ROE	1.45%	2.53%
NPM	83.14%	74.66%

(Source: Processed secondary data, 2021)

c. Descriptive Analysis

Table 4.3 Descriptive Statistics of Research Variables with Income Statements.

Descriptive Statistics					
	N	Minimum	Maximum	mean	Std. Deviation
ROA	2	1.90	2.08	1.9900	0.12728 _
ROE	2	0.76 _	0.83 _	0.7950 _	0.04950 _
NPM	2	18.99	26.03	22.5100	4.97803
Valid N (listwise)	2				

(Source: IBM SPSS statistics 25, 2021)

Table 4.4 Descriptive Statistics of Research Variables with Added Value.

Descriptive Statistics					
	N	Minimu m	Maximu m	mean	Std. Deviation
ROA	2	3.62	6.37	4.9950	1.94454
ROE	2	1.45	2.53	1.9900	0.76368
NPM	2	74.66	83.14	78,9000	5.99627
Valid N (listwise)	2				

(Source: IBM SPSS statistics 25, 2021)

4.2 Discussion

Descriptive analysis aims to consider the characteristics of this research data as the mean, standard deviation, and the maximum and minimum values of each ratio representing both the income statement and the income statement and added value. The results of statistical analysis that describe the income statement approach and the value added approach are presented in tables 4.3 and 4.4

Based on table 4.3, it can be seen that the ROA variable has a minimum value of 1.90% and a maximum value of 2.08%. The average value (*mean*) is 1.9900% with a standard deviation of 0.12728%. The 1.9900% figure shows a relatively large number because the standard deviation is only 0.12728%. This shows that the effectiveness of the company in utilizing its assets to generate profits is good.

The ROE variable has a minimum value of 0.76% and a maximum value of 0.83%. The average value (*mean*) is 0.7950% with a standard deviation of 0.07950%. The figure of 0.7950% is a relatively large number because the standard deviation is only 0.04950%. This shows that the effectiveness of the company in utilizing its capital to generate profits is good.

The NPM variable has a minimum value of 18.99% and a maximum value of 26.03%. The average value (*mean*) is 22,500% with a standard deviation of 4,97803%. The figure of 22.50% is a relatively large number because the standard deviation is only 4.97803%. This shows that the efficiency of a company in generating profits or profits is good.

Based on table 4.4, it can be seen that the ROA variable has a minimum value of 3.62% and a maximum value of 6.37%. The average value (*mean*) is 4.9950% with a standard deviation of 1.94454%. The figure of 4.9950% shows a relatively large number because the standard deviation is only 1.94454%. This shows that the effectiveness of the company in utilizing its assets to generate profits is good.

The ROE variable has a minimum value of 1.45% and a maximum value of 2.53%. The

average value (*mean*) is 1.9900% with a standard deviation of 0.76368%. The figure of 1.9900% is a relatively large number because the standard deviation is only 0.76368%. This shows that the effectiveness of the company in utilizing its capital to generate profits is good.

The NPM variable has a minimum value of 74.66% and a maximum value of 83.14%. The mean value (*mean*) is 78,0000% with a standard deviation of 5,99627%. The figure of 78,0000% is a relatively large number because the standard deviation is only 5.99627%. This shows that the efficiency of a company in generating profits or profits is good.

The results showed that by using the added value approach, it is known that the added value (profit) of PT. Bank Sulselbar KC Syariah Makassar in 20192020 is greater than the net profit using the income statement.

Table 4.5 Comparison of Profit and Loss and Value Added

Year	Profit and loss	Value-added
2019	26.303	50.115
2020	30,673	93,545

(Source: Processed secondary data, 2021)

There is a difference between the financial performance ratios of PT. Bank Sulselbar KC Syariah Makassar in 2019-2020 which is calculated using the value added approach and the profit and loss approach, due to differences in the structure and concepts of the accounting theory of the two approaches. These results are in line with research conducted by Dimas Pratama Putra and Melia Frastuti (2020), the results show that there are significant differences in financial performance with *the income statement approach* and the *value added approach*.

5. CLOSING

5.1 Conclusion

Based on the results of research and discussion, the following conclusions can be drawn :

- 1 Financial performance of PT. Bank Sulselbar KC Syariah Makassar Year 2019-2020 is

described by comparing ROA, ROE and NPM showing a significant difference between the value added approach and the profit and loss approach.

- 2 Financial performance of PT. Bank Sulselbar KC Syariah Makassar Year 2019-2020 which is calculated using the added value approach produces a proportional value that is greater than using the profit and loss approach. The results of these acquisitions are presented in Table 4.3 and Table 4.4.
- 3 There is a difference between the value added approach and the profit and loss approach, namely the value added approach prioritizes the principle of justice in distributing added value to capital owners, employees, creditors and the government. So that in this study the added value (profit) is greater than the profit obtained based on the value added and profit and loss approach.

5.2 Suggestion

The suggestions put forward in this research are as follows :

1. Commissioner of PT. Bank Sulselbar Syariah must publish detailed and easy-to-understand value - added financial reports to provide information to users, because the application of added value is informative and fair in the distribution of value .
2. Directors of PT. Bank Sulselbar Syariah can continue to improve its financial performance by making better use of its assets and resources .
3. Further researchers are advised to expand the field of research on the evaluation of banking and financial performance by using other financial ratio indicators to measure performance.

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