Analysis of Bank Central Asia's Financial Performance Stability During the Covid 19 Pandemic

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Abstract. Covid-19 is an epidemic that spreads throughout the country and is the cause of an economic shock, which affects other macroeconomic variables, causing a considerable impact on economic instability in various countries. This virus has an impact on the whole world from the aspect of people's lives in the economy. PT Bank Central Asia Tbk is one of the largest banks in Indonesia. This bank was established on February 21, 1957 under the name Bank Central Asia NV and Industrie Semarang Knitting Factory. Bank BCA has grown to become one of the largest banks in Indonesia by offering various banking solutions that address the financial needs of customers from various backgrounds. Through a variety of products and services, BCA's financial solutions provide support for individual financial planning and the development of business customers. Bank BCA is one of the industries that is very influential with the impact of Covid-19. This is reflected in the Return On Assets (ROA) during the Covid_19 pandemic which tends to be good, the capital adequacy ratio (CAR) during the Covid_19 pandemic tends to be stable and non-performing loans. (NPL) during the Covid_19 pandemic can be said to be not good because of the decline that comes from restructured loans, the three financial ratios show how quickly the real sector rises from adversity.

Keywords: Financial Performance, ROA, CAR, NPL.

Introduction

Covid-19 is an epidemic that spreads throughout the country and is the cause of an economic shock, which affects other macroeconomic variables, causing a considerable impact on economic instability in various countries. This virus has an impact on the whole world from the aspect of people's lives in the economy. The year 2022 is the third year in which the world's covid pandemic has hit the world, Until March 2022 the World Health Organization (WHO) recorded around 5,996,882 people infected with Covid_19 in the world.

Banking is one of the financial institutions that functions as a balancer in various economic sectors and which is very influential with the impact of Covid-19. The success of a company can be seen from its financial performance which shows that it is in good condition, because the performance of a bank can be said to be an illustration of financial conditions in a certain period can describe the actual health condition of a company. This is reflected in the ratio of Return On Assets (ROA) and the ratio of capital adequacy or capital adequacy ratio (CAR) and non-performing loans (NPL). During the COVID-19 pandemic, there are many risks resulting from restrictions on social and economic activities that make the wheels of the economy run slowly. In measuring financial performance, the three financial ratios show how quickly the real sector has risen from the slump caused by Covid-19.

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Literature Review

Business Financial statements

Definition of Financial Statements According to PSAK 1 (2015:1) Financial statements are a structured presentation of the financial position and financial performance of an entity.

Definition of Financial Statements according to PSAK No.1 (2015:2) Financial statements are part of the financial reporting process. Complete financial statements usually include a balance sheet, income statement, statement of changes in financial position (which can be presented in a variety of ways, for example, as a cash flow statement or statement of funds flows), notes and other reports and explanatory material that are an integral part of the financial statements. . In addition, it also includes schedules and additional information related to the report, for example, financial information on industry and geographic segments and disclosure of the effect of price changes.

It can be concluded that the definition of financial statements is a document that provides information on the recording of all transactions related to money, purchases and sales and credit. Financial reports also function to determine the company's financial condition, so that the reports made can be detailed, precise and well calculated.

The objective of the financial statements according to the Statement of Financial Accounting Standards (PSAK) No. 1 (2015:3) is to provide information about the financial position, financial performance and cash flows of an entity that is useful for most users of the report in making economic decisions.

Difficulties Financial performance

According to (Fahmi, 2011:2) Financial performance is an analysis carried out to see the extent to which a company has implemented by using financial implementation rules properly and correctly. Company performance is a description of the financial condition of a company which is analyzed with financial analysis tools, so that it can be known about the good and bad financial condition of a company that reflects work performance in a certain period. This is very important so that resources are used optimally in the face of environmental changes.

Performance appraisal according to Srimindarti (2006:34) is the determination of the effectiveness of operations, organizations, and employees based on the goals, standards and criteria that have been previously determined periodically. Performance measurement is used by companies to make improvements to their operational activities in order to compete with other companies. Financial performance analysis is a critical assessment process of reviewing data, calculating, measuring, interpreting, and providing solutions to company finances for a certain period.

The company's financial performance is closely related to performance measurement and assessment. Performance measurement is the qualification and efficiency and effectiveness of the company in operating the business during the accounting period. The performance appraisal according to Srimindarti (2006:34) is the determination of the effectiveness of operations, organizations, and employees based on the targets, standards and criteria that have been previously determined periodically. Performance measurement is used by companies to make improvements to their operational activities in order to compete with other companies. Financial performance analysis is a critical assessment process of reviewing data, calculating, measuring, interpreting, and providing solutions to company finances for a certain period.

Financial Ratio

Understanding financial ratios according to James C Van Horne (2014) is an index that connects two accounting numbers and is obtained by dividing one number by another. Financial ratios are used to evaluate the company's financial condition and performance. From the results of this financial ratio will be seen the health condition of the company concerned.

So it can be said that financial ratios are activities to compare the numbers in the financial statements by dividing one number by another. Comparisons can be made between one component with components in a financial report between components that exist between financial statements. Then the numbers being compared can be in the form of numbers in one period or several periods. In practice, the analysis of a company's financial ratios can be classified as follows:

1. Balance sheet ratio, which is to compare numbers that only come from the balance sheet.
2. The profit and loss statement ratio, which is to compare the figures that only come from the income statement.
3. Inter-report ratio, which compares figures from two sources (mixed data), both on the balance sheet and in the income statement.

Return Of Assets (ROA) Ratio

For Kasmir, ROA is a financial ratio that can show the return on the use of company assets. ROA will show the amount of money held per asset. Thus, a higher return on asset value will indicate that the business that has been undertaken will be more profitable and efficient. Financial

Performance Assessment that will be used to measure the financial performance of BCA Bank is by using the Profitability Ratio using ROA which is the ratio used to calculate net income to total assets. Based on Bank Indonesia Regulation Number: 9/PBI/2007 it is stated that ROA is healthy if >1.22 percent and is said to be unhealthy if >1.22 percent and unhealthy if <0.76 percent.
ROA Formula: Net Profit after Tax / Total Assets

Capital Adequacy Ratio or CAR

The Financial Performance Assessment used in measuring the financial performance of Bank BCA is by using the Capital Adequacy Ratio or CAR, which is a ratio that can be used to describe the adequacy of capital that can be used to accommodate the risk of loss faced by the bank. The higher the CAR value, the better the bank's ability to bear the risk of any risky productive asset or credit. In the banking industry, it is very important to always pay attention to the availability of capital. Because capital is the main factor for banks in improving and developing their business activities.

For this reason, the Bank for International Settlement (BIS) then determined the CAR value to be 8%. If the comparison between capital and assets or weighted assets is able to provide a ratio value greater than 8%, it means that the bank has the ability to guarantee or cover various risks of loss that may arise. On the other hand, if the value of the capital adequacy ratio is less than 8%, the composition of the risk-weighted assets will approach the composition of the bank. That means, the bank will find it difficult to cover any losses it experiences. To be said to be healthy, the minimum CAR value according to Bank Indonesia is 7.999%. The CAR provisions according to Bank Indonesia Number: 6/10/PBI/2004. CAR formula = Capital / risk weighted assets * 100%

NPL Ratio (Non Performing Loan)

Non-Performing Loans (NPL) or non-performing loans are one of the key indicators to assess the performance of bank functions. One of the bank's functions is as an intermediary institution or a liaison between parties who have excess funds and those who need funds. NPL (Non Performing Loan) is a ratio which is one indicator of the health of a bank's assets. These indicators can be in the form of basic financial ratios that are able to provide assessment information on the condition of capital, profitability, credit risk, market risk, and liquidity. So it can be said that the NPL is an indication of a problem in the bank, which if not addressed immediately, will have a bad impact on the bank itself.

According to Bank Indonesia Regulation No. 6/10/PBI/2004 in April 2004. Regarding the Rating System for Commercial Bank Soundness. The regulation stipulates that the ratio of non-performing loans (NPL) is 5%. The formula for non-performing loans is as follows:
The formula for the ratio of non-performing loans is = (Total NPL / Total Loans) x 100%
The higher the value of the calculation of the NPL formula according to OJK (above 5%), the bank can be said to be unhealthy. 5% Becomes the bank's NPL limit. This is because a high NPL will result in a decrease in profits to be obtained by the bank.

Research Methods

According to Prof. Dr. Sugiyono (2013) the notion of research methods is a scientific way to obtain data with certain goals and uses. The method used in this research is a quantitative method which is carried out in the form of research that is carried out in a systematic, structured, and detailed manner. In its implementation, this research method focuses on the use of numbers, tables, graphs, and diagrams to display the results of the data/information obtained.

In this study, the method used is a quantitative method with the type of data used is secondary data with a research focus on Bank Central Asia, Tbk for the period 2017-2021 and the comparison data is Bank Mandiri, Tbk. secondary data is a source of research data obtained by researchers indirectly through intermediary media (obtained and recorded by other parties). secondary data used in the form of evidence, records, or historical reports that have been arranged in archives (documentary data). source of data from financial reports published by Bank BCA, Tbk on the Indonesia Stock Exchange (IDX) and the Indonesian Stock Exchange website (www.idx.co.id). The reason for using this type of data is because all the data obtained are in the form of numbers and the data can be directly processed to test hypotheses. This study was designed to compare the financial performance of BCA, Tbk during the Covid_19 Pandemic.

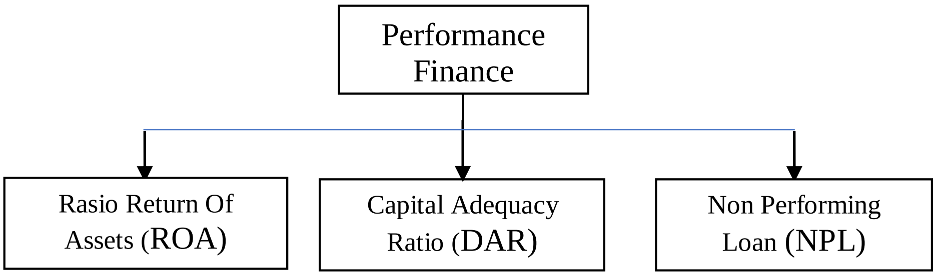

Fig.1. Framework of Thinking

Results and Discussion

Business Calculation Using the Ratio of Return An Asset (ROA)

ROA can also be interpreted as the company's ability to use assets in order to make a profit. This ratio is used to calculate the rate of return on investment that has been made by the company through all the funds it has. This ratio is compared to bank interest rates. The function of ROA is to measure the ability of a company to earn a profit with the total existing assets and after the cost of capital removed from the analysis. ROA = (Profit before interest and tax : Total assets) x 100%

Rasio Return Of Assets (ROA)

No.	Tahun	*Laba Bersih setelah Pajak (Net Profit)*	*Total Asset*	*ROA*	*ROA (%)*
1	2019	28.570,00	918.989,00	3,11	0,03
2	2020	27.147,00	1.075.570,00	2,52	0,03
3	2021	31.440,00	1.228.345,00	2,56	0,03
Total		87.157,00	3.222.904,00	5,63	0,06
Rata-rata		29.052,33	1.074.301,33	1,88	0,02

Table 1.1 Return Of Asset (ROA) (2019-2021)

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The table illustrates that the company's ability to earn profits during the Covid_19 pandemic tends to be good because the company can maintain profits and total assets well.

Capital Adequacy ratio (CAR)

Capital Adequacy Ratio is a ratio that will represent the bank's ability to provide funds that can be used as reserves to anticipate the risk of loss. Or it can also be referred to as an indicator that will measure the bank's ability to cover assets that occur due to various losses caused by risky assets. In this case, it can be said that the higher the Capital Adequacy Ratio, the more the bank's ability to bear the risk of any risky credit/productive assets. In calculating the Capital Adequacy Ratio (CAR) it can be calculated using the CAR formula = Capital / risk-weighted assets * 100%

Capital Adequacy Ratio (CAR)

No.	Tahun	Modal	Aktiva Tertimbang Menurut Risiko	CAR	CAR (%)
1	2019	177.888,00	721.917,00	24,64	0,25
2	2020	186.953,00	695.144,00	26,89	0,27
3	2021	203.621,00	758.289,00	26,85	0,27
Total		568.462,00	2.175.350,00	78,39	0,78
Rata-rata		189.487,33	725.116,67	26,13	0,26

Table 1.2 Capital Adequacy ratio (CAR) (2019-2021)

The table illustrates that the company's ability to provide funds during the Covid_19 pandemic tends to be stable because it can maintain its capital well during the covid_19 pandemic.

Non-Performing Loans (NPL)

Non-performing loan (NPL) is one of a number of factors that indicate the health of a bank. From the NPL information, it is possible to evaluate the condition of profitability, credit risk, capital condition, liquidity, and market risk. NPL is an indicator if the bank is in trouble. If a solution is not given, it will have a bad impact on the bank. In calculating the ratio of non-performing loans can be calculated using the formula = (Total NPL / Total Loans) x 100%

Non Performing Loan (NPL)

No.	Tahun	Kredit Bermasalah/Kredit Macet	Total Kredit	NPL	NPL(%)
1	2019	2.642,00	9.149,00	28,88	0,29
2	2020	4.228,00	97.487,00	4,34	0,04
3	2021	82.496,00	82.496,00	100,00	1,00
Total		89.366,00	189.132,00	133,21	1,33
Rata-rata		29.788,67	63.044,00	44,40	0,44

Table 1.3 Non-Performing Loans (NPL) (2019-2021)

In the table, it can be seen that in December 2021, credit restructuring reached Rp. 82.5 trillion, a decrease of 15.4% compared to December 2020 which was Rp. 97.5 trillion. This decrease was mainly due to the restructuring of the current category, which fell by Rp. 23.1 trillion or 26.2% to Rp. 64.9 trillion, of which Rp. 61.9 trillion (10.0% of total loans) was restructured loans related to COVID-19.

Conclusion

From this discussion, it can be concluded that the company's ability to earn profits during the Covid_19 pandemic tends to be good because the company can maintain profits and total assets well. Financial ratios calculated using the Capital Adequacy Ratio, namely the company's ability to provide funds during the Covid_19 pandemic tend to be stable because they can maintain their capital well.. And financial ratios calculated using Non-performing loans (NPL), which are factors that can see the health of a bank by looking at its credit performance during the Covid_19 pandemic, can be said to be less good because of the decline that comes from restructured loans.

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