COMPARATIVE ANALYSIS OF PROFITABILITY RATIO AT PT. BANK NAGARI PADANG MAIN BRANCH 2020-2022

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ABSTRACT

The purpose of this research is to determine a comparative analysis of the rentabilitas ratios of PT. Bank Nagari Cabang Utama Padang uses Return On Assets (ROA), Return On Equity (ROE), Net Profit Margin (NPM) measuring instrument. The data analysis method uses quantitative data, namely data sourced from financial reports PT. Bank Nagari Cabang Utama Padang 2020-2022. Based on the results of the analysis carried out, it can be seen that, NPM at PT. Bank Nagari Cabang Utama Padang in 2020 was 23.94%, in 2021 it was 25.12%, and in 2022 it was 25.31% so that the results of this bank's NPM analysis were not able to achieve a good enough assessment in the eyes of Bank Indonesia. standard 66%-81% but banks are able to manage their operations efficiently to generate profits. For 2020, ROA is 1.29%, in 2021 it is 1.46%, and in 2022 it is 1.56, so the results of the ROA analysis are classified as good because the bank is efficient in obtaining net profit and is able to use the funds it has. assets efficiently. For 2020, ROE is 10.29%, in 2021 it is 11.96%, and in 2022 it is 12.79%, so the results of the ROE analysis are considered not good, but the bank is able to generate profits by utilizing the capital it has.

Keywords: Rentabilitas, Net Profit Margin, Return On Assets, and Return On Equity

INTRODUCTION

The economic activities of a country are very influential on the role of banking in the country. Banking has a very important role in advancing a country's economy. The better the banking conditions of a country, the better the economic condition of a country. Banking plays a role in facilitating the process of transferring funds from those who have excess funds to those who need funds, to carry out this process banks collect funds from people who have excess funds and distribute them back to people who lack funds to carry out productive activities. The bank is an institution that mediates between the two parties, namely surplus and deficit. A surplus party is a party that has excess funds that can be deposited with banks through savings, deposits, and current accounts. Meanwhile, the deficit party is a party that lacks funds and can obtain funds through credit at banks (Syaifuddin, 2007).

Financial statements are reports that contain parts of financial reporting which include balance sheets, income statements, statements of changes in financial position which are presented in various ways, for example for cash flow statements and fund flow statements

(Fernos, 2017). In the book Financial Statement Analysis says that what is meant by financial statements is records adjusted by accountants at the end of a company's year. Both records contain balance sheets or financial positions, income or profit and loss (Dwimulyani & Shiley, 2018). Financial statements are an important source to find out the financial condition of a bank. In order for the report to be read so that it can be understood, the first step that needs to be applied is to conduct an analysis. The analysis is carried out using bank financial ratios in accordance with applicable standards, one of the ratios used is the profitability ratio.

The profitability ratio is a ratio to measure a company's ability to increase profits over a period of time. This profitability ratio is closely related to the survival of a company. If the value at the ratio is good then the company is declared financially healthy, and vice versa. In addition, profitability can be used for decision making about the problem of the company's financial needs, whether to use foreign capital on credit or with own capital (Weston, 1990). Meanwhile, according to (Rompas, 2013) the profitability ratio aims to know the bank's ability to generate profits (profits) in a certain period, as well as measure the efficiency of productivity activities and profits to be obtained in a certain period. The profitability ratio can be measured with several measuring instruments, namely Net Profit Margin (NPM), Return On Assets (ROA), and Return On Equity (ROE). Government commercial banks, private banks, or foreign banks have not been able to reach a wide range of people, especially those living in rural areas, especially in terms of credit or financing. Therefore, with the existence of Regional Development Banks which are government-owned institutions, it is expected to be able to provide services to people who have not been reached by commercial banks.

So with the existence of PT. Bank Nagari Padang Main Branch whose shares are managed by the West Sumatra Provincial Government, is referred to as the Regional Development Bank because it is intended to support the provincial government's work programs that require financial and banking services.

RESEARCH METHODS

In this research method, the author uses the Library Research method, Research is carried out by searching for information and seeing and reading books or references related to the discussion carried out and Field Research is a data collection technique carried out by going directly to the field and interviewing parties in accordance with related agencies.

RESULTS AND DISCUSSION
Understanding Bank

Banks are financial institutions whose role is important in improving the country's economy as a financial intermediary institution. According to Law No. 10 of 1998, which is about amendments to Law No. 7 of 1992, a Bank is a Business Entity that collects funds from the public in the form of deposits, namely savings, deposits, and current accounts and distributes them to the public in the form of credit or financing in order to improve the standard of living of many people. Meanwhile, according to experts (Ramadhani & Mawardi, 2011), banks are institutions that connect parties who are excess funds with those who lack funds, and facilitate the flow of payments, and seek profits from the business being run.

Financial Statements

Financial statements are the completion of the recording process based on a summary of the Company's financial transactions that occurred in a certain financial year. According to Halim (2008: 59) financial statements are the final result of the accounting process that presents important information useful for decision making by various parties.

Comparative Analysis Of….(putra, akmal)

In general, financial statements are files that contain money records and there are several definitions according to experts as follows:

a. Baridwan (2004: 17) defines financial statements as a summary of a recording process and is a summary of financial transactions that occurred during the relevant financial year. Financial statements aim to provide information about the company's financial position, performance, and cash flow that is useful for most people using financial statements in the context of making economic decisions and shows management's responsibility for the use of resources entrusted to them.

b. According to Shanjaya & Marlius (2018), financial statements are tools used to observe the company's health condition consisting of balance sheets, profit and loss, an overview of retained earnings and statements of financial position.

c. According to Ghozali and Chariri (2003), financial statements are one source of data to measure company performance. Financial statements will be needed and useful for various parties who need them, both from internal and external parties.

Financial Statement Analysis

Financial statement analysis is an assessment process in order to help examine the company's current and past financial position and results, with the direction of determining assessments and forecasts regarding the company's condition and performance in the future. Financial statement analysis involves the use of various kinds of financial statements consisting of certain parts of important information (Fernos & Dona, 2018)

According to Recly (2016), financial statement analysis is an analysis to ascertain the financial position and results of operations and related business developments. Financial statement analysis is carried out using appropriate analytical methods and techniques.

According to Tambunan (2017) there are two financial statement analysis tools used by every financial statement analyzer, namely vertical and horizontal analysis. Horizontal analysis is an analysis that leads to the equation of financial statements for several periods so that the development can be known. While vertical analysis is a financial statement that contains a one-period review only.

Understanding Financial Ratios

Financial ratios are tools for analyzing that are useful for assessing a company's performance based on financial data on its balance sheet financial statements, profit or loss statements, and cash flow statements. Based on Fahmi's statement (2014) about financial ratios is an instrument of analysis of company performance that explains various relationships between financial indicators, which are intended to show changes in the company's financial condition.

Meanwhile, according to Munawir (2010) about financial ratios is an analysis that describes a relationship or balance between a certain amount and another amount, and uses analytical tools in the form of ratios that can explain or provide an overview to analysts about the good or bad state of a company's financial position, especially if the ratio figure is compared with the comparison ratio figure used as a standard. This method is done by using a comparison of two variables taken from the company's financial statements, and placed in the balance sheet column or in the company's income statement column.

In practice, the analysis of financial ratios in a company can be grouped into:

a. The balance sheet ratio is by matching figures that are only sourced from the balance sheet.

b. The profit and loss ratio is done by comparing the numbers felt from the company's income statement.

c. The comparison ratio between reports is by comparing the numbers of the two sources (mixed) contained in the balance sheet and profit and loss, this ratio has six basic groups, which are as follows:
1. Liquidity Ratio used to research and assess a company's ability to pay off its short-term obligations.
2. Leverege ratio (debt ratio) is used to assess the size of a company's operations financed by debt.
3. Activity Ratio is a comparison ratio used to measure the effectiveness of company operations in utilizing existing sources of funds.
4. Profitability Ratio is an attempt to assess the level of efficiency achieved by a company, and also as a tool to measure the effectiveness of company operations in increasing profits.
5. Growth Ratio is the company's ability to maintain its economic position amid economic growth.
6. The Valuation Ratio is a ratio to measure management's ability to create company value.

Financial ratios are financial analysis used by companies in assessing company performance based on a comparison of financial data in Harahap's financial statements (2010:301).
The types of financial ratios are as follows:
a. Liquidity Ratio is a ratio used to show the bank's ability to meet financial obligations that must be fulfilled immediately or the company's ability to pay off its short-term obligations.
b. Solvency ratio is a ratio used to measure the extent to which a company's assets are financed with debt.
c. Profitability Ratio is a ratio used to determine the level of profit generated by comparing it with the capital or assets used in generating the profit.

Definition of Profitability
Profitability is the success and intelligence of the company in generating profits with existing capital. According to Harahap (2010: 304), the profitability ratio or also called profitability describes the company's ability to get profits through all existing capabilities and resources such as sales activities, cash, capital, number of employees, number of branches and so on. A ratio that describes the company's ability to generate profits or called the operating ratio.

Meanwhile, according to Sartono (2010) stated profitability or profitability, namely the company's ability to earn profits in relation to sales, total assets and own capital. It can be concluded that profitability is the intelligence of a company in obtaining and increasing profits during the period.

The profitability of a company is measured by the success of the company and the ability to use its assets productively, thus profitability can be known by comparing the profit obtained in a period with the amount of assets or the amount of capital of the company (Prabowo, 2018). Therefore, companies must be able to increase profits by using existing assets or capital productively.

Types of Profitability Ratios
 1. *Return On Assets* **(ROA)**
This ratio is used as a measure of the ability of bank management to obtain profits or overall profits. The greater the ROA of a bank, the greater the level of profit achieved by the bank in terms of asset use. The ROA level assessment criteria are as follows:

Table 1
ROA Rate Assessment Criteria Matrix

ROA Percentage	Information
>1,5%	Excellent
1,25% - 1,5%	Good
0,5% - 1,25%	Enough
0% - 0,5%	Bad

Source : BI Circular Letter No.6/23 DPNP Year 2004

 2. *Return On Equity* **(ROE)**
This ratio is used as a comparison tool between the bank's net profit and own capital. This ratio is in great demand among the shareholders of the bank. The ROE level assessment criteria are as follows:

Table 2
ROE Rate Assessment Criteria Matrix

ROE Percentage	Information
>23%	Excellent
18% - 23%	Good
13% - 18%	Enough
8% - 13%	Bad
<8%	Very Not Good

Source : BI Circular Letter No.6/23 DPNP Year 2004

 3. *Net Profit Margin* **(NPM)**
This ratio is used as a measure of the ability of bank management to obtain profits or profits obtained by the bank compared to income received from bank operational activities. The criteria for NPM level assessment are as follows:

Table 3
NPM Level Assessment Criteria Matrix

NPM Percentage	Information
>100%	Excellent
81% - 100%	Good
66% - 81%	Enough
51% - 66%	Bad
<51%	Very Not Good

Source : BI Circular Letter No.6/23 DPNP Year 2004

Data on the development of financial statements of PT. Bank Nagari Padang Main Branch for 2020-2022 can be seen in table 4 below:

Table 4
Financial Statement Data of
PT. Bank Nagari Padang Main Branch
Year 2020-2022
(in Rp. 000,-)

No	Information	Year		
		2020	2021	2022
1	Net Profit	330.247.815	408.715.008	471.272.601
2	Operating Income	1.379.249.059	1.626.688.065	1.861.850.206
3	Total Assets	25.559.008.291	27.982.084.555	30.096.359.098
4	Own Capital	3.207.885.881	3.416.642.969	3.682.782.535

Source : processed data

Net Profit Margin (NPM)

Net Profit Margin (NPM) is a ratio that calculates the extent to which a bank's ability to generate net profit at a certain level of sales. This ratio compares net profit after tax to operating income (Mirza, 2019). This NPM is a comparison between net profit after tax deduction and income, with the assessment of the greater the NPM level, the company's performance becomes more productive. The formula for calculating Net Profit Margin (NPM) is as follows:

$$NPM = \frac{Net\ Profit}{Operating\ Income} \times 100\%$$

Table 5
Development of Net Profit Margin (NPM) of
Bank Nagari Main Branch of Padang
in 2020-2022
(in Rp. 000,-)

Information	2020	2021	2022
Net Profit	330.247.815	408.715.005	471.272.601
Operating Income	1.379.249.059	1.626.688.965	1.861.850.206
NPM	23,94%	25,12%	25,31%

Source : PT. Bank Nagari Padang Main Branch, processed data

Tahun 2020 :

$$\text{NPM} = \frac{\text{Rp330.247.815}}{\text{Rp1.379.249.059}} \text{ x100\%}$$
$$= 23{,}94\%$$

Based on calculations in 2020 of 23.94%, which means that PT. Bank Nagari Padang Main Branch is efficient in earning profits, because the higher the NPM produced, the better the bank in measuring operational capabilities to generate profits.

Tahun 2021 :

$$\text{NPM} = \frac{\text{Rp408.715.008}}{\text{Rp1.626.688.965}} \text{ x100\%}$$
$$= 25{,}12\%$$

Based on calculations in 2021, it increased by 25.12%, which means that PT. Bank Nagari Padang Main Branch is efficient in earning profits, because the higher the NPM produced, the bank is equally good at measuring operational capabilities to generate profits.

Tahun 2022 :

$$\text{NPM} = \frac{\text{Rp471.272.601}}{\text{Rp1.861.850.206}} \text{ x100\%}$$
$$= 25{,}31\%$$

Based on calculations in 2022, it increased more than in the previous year, which was 25.31%, which means that PT. Bank Nagari Padang Main Branch is efficient in obtaining profits because the higher the NPM generated, the better the bank in measuring operational capabilities to generate profits.

***Return On Assets* (ROA)**
According to Bank Indonesia (SE BI No. 10/46/Dint. 2008), Return on Assets (ROA) is a ratio that provides an overview of the level of profit obtained by management on total assets

owned. The more ROA a bank has, the greater the level of profit achieved by the bank and the better the bank's position in terms of asset use (A. Afriyeni, 2017).

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$$

Table 6
Development of Return On Assets (ROA) of
PT. Bank Nagari Padang Main Branch
Year 2020-2022
(in Rp. 000,-)

Information	2020	2021	2022
Net Profit	330.274.815	408.715.008	471.272.601
Total Assets	25.559.008.291	27.982.084.555	30.096.359.098
ROA	1,29%	1,46%	1,56%

Source : Bank Nagari Padang Main Branch, processed data

Tahun 2020 :

$$ROA = \frac{\text{Rp}330.274.815}{\text{Rp}25.559.008.291} \times 100\%$$
$$= 1,29\%$$

Based on calculations in 2020 of 1.29%, which means that PT. Bank Nagari Padang Main Branch is efficient in getting net profit, because the higher the ROA generated, the more efficient the bank uses its assets.

Tahun 2021 :

$$ROA = \frac{\text{Rp}408.715.008}{\text{Rp}27.982.084.555} \times 100\%$$
$$= 1,46\%$$

Based on calculations in 2021 of 1.46%, which means that PT. Bank Nagari Padang Main Branch is efficient in getting net profit, because the higher the ROA generated, the more efficiently the bank uses its assets.

Tahun 2022:

$$ROA = \frac{\text{Rp}471.272.601}{\text{Rp}30.096.359.098} \times 100\%$$
$$= 1,56\%$$

Based on calculations in 2022 of 1.56%, which means that PT. Bank Nagari Padang Main Branch is efficient in getting net profit, because the higher the ROA generated, the more efficiently the bank uses its assets.

Return On Equity **(ROE)**

Is a calculation that compares the results of net profit after tax with the total capital owned by the company. The higher the company's Return On Equity (ROE) value, the better

Comparative Analysis Of….(putra, akmal)

the company's performance in obtaining net profit after tax, which is called capital profitability, which is the bank's ability to increase its ability with its capital (Yonanda, 2021).

$$ROE = \frac{\text{Net Profit}}{\text{Own Capital}} \times 100\%$$

Table 7
Development of Return On Equity (ROE)
of PT. Bank Nagari Padang Main Branch
Year 2020-2022
(in Rp. 000,-)

Information	2020	2021	2022
Net Profit	330.247.815	408.715.008	471.272.601
Own Capital	3.207.885.881	3.416.642.969	3.682.782.535
ROE	10,29%	11,96%	12,79%

Source : Bank Nagari Padang Main Branch, processed data

Tahun 2020:

$$ROE = \frac{\text{Rp}330.247.815}{\text{Rp}1.716.847.000} \times 100\%$$
$$= 10,29\%$$

Based on the calculation in 2020 of 10.29%, which means that PT. Bank Nagari Padang Main Branch is low in obtaining profits from its own capital, because the lower the ROE generated by the bank, it shows that the bank is less efficient in obtaining net profit after tax.

Tahun 2021:

$$ROE = \frac{\text{Rp}408.715.008}{\text{Rp}3.416.642.969} \times 100\%$$
$$= 11,96\%$$

Based on the calculation in 2021 of 11.96%, which means that PT. Bank Nagari Padang Main Branch is low in obtaining profits from its own capital, because the lower the ROE generated by the bank, it shows that the bank is less efficient in obtaining net profit after tax.

Tahun 2022:

$$ROE = \frac{\text{Rp}471.272.601}{\text{Rp}3.682.782.535} \times 100\%$$
$$= 12,79\%$$

Based on the calculation in 2022 of 12.79%, which means that PT. Bank Nagari Padang Main Branch is low in obtaining profits from its own capital, because the lower the ROE generated by the bank, it shows that the bank is less efficient in obtaining net profit after tax.

CONCLUTION

Based on the data that has been analyzed above, it can be concluded that the profit generated by PT. Bank Nagari Padang Main Branch in 2020-2022 experienced fluctuations, where in 2021 the average profit generated was 23.76% and decreased profit in 2022 to 15.30%. This is due to a decrease in profits generated, because banks have not been able to manage operational activities, manage assets and use existing capital effectively and efficiently. Therefore, so that profits no longer decline PT. Bank Nagari Padang Main Branch must improve the quality of promotion so that the products/services provided can increase revenue and the bank can manage operational activities and assets and can use existing capital properly which aims to increase profits.

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