


Comparison of Bank Mandiri's Financial Performance with Bri

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Abstract

There are currently only four conventional state-owned banks (Bank Mandiri, BRI, BNI and BTN), so the performance of state-owned banks needs to be improved to make them even better. This research will look at the differences in financial performance of two government-owned banks, namely Bank Mandiri and Bank Rakyat Indonesia (BRI).

This research period is 15 years (2009 to 2022), the financial performance that will be studied is CAR and ROA. Analysis of differences using the normality test, homogeneity test and independent sample T test.

The results of this research show that all the independent variables studied turned out to have quite no significant differences in the financial performance of CAR, but ROA variable is significant differences during the research period.

Key words: CAR, ROA and Independent t Test

Introduction

According to Law No. 14 Article 1 of 1967, financial institutions are all bodies that, through their activities in the financial sector, deposit money from and channel it into society. Financial institutions consist of bank financial institutions and non-bank financial institutions (financing institutions).

Bank financial institutions are financial institutions that provide the most complete financial services. Businesses carried out in addition to distributing funds or providing loans (credit) also carry out efforts to collect funds from the wider community in the form of savings. The bank is an institution that has a huge influence on the level of economic growth so that the existence of a bank that has good financial performance or a healthy bank is very necessary.

Bank performance is assessed by looking at the financial reports held by the bank concerned and this is reflected in the information obtained in the balance sheet financial report, profit and loss report and cash flow report as well as other things that help strengthen the assessment of

the bank's financial performance.

Bank financial reports aim to provide information regarding the financial position, performance and changes in the financial position of the bank as a company. PSAK No.1 explains that financial reports are a structured presentation of the financial position and financial performance of an entity (Indonesian Accounting Association, 2011). Financial reports are important for banking, because there are financial ratios such as gauges for assessing financial performance in banks.

Bank financial reports are somewhat different from financial reports prepared by other companies. For example, there is no accounts receivable or inventory to judge whether sales are up or down. But once investors have a solid understanding of how banks earn revenue and how to analyze the things that drive that revenue, bank financial statements are relatively easy to understand. The better the bank's work performance, the greater the business profits obtained and if this happens, the profits can be enjoyed by shareholders which will also increase the potential for share prices.

The assessment of bank health levels has been regulated by Bank Indonesia through Bank Indonesia Regulation No.6/10/PBI/2004 dated 12 April 2004 concerning the System for Rating the Soundness Level of Commercial Banks (State Gazette of the Republic of Indonesia of 2004 Number 38, Supplement to State Gazette Number 4382) Banks are required to conduct Bank Health Level Assessments on a quarterly basis. Assessing the level of bank health can use CAMEL analysis which consists of assessing the factors Capital, Asset Quality, Management, Earnings, Liquidity.

State-Owned Enterprises are one of the pillars of the Indonesian economy which have a role in supporting the implementation of national development, especially in the economic sector which contributes to economic development/state income. Thus, the function and role of this State-Owned Enterprise is very large in maintaining the country's economic stability and can influence government policy. To measure the extent of bank performance, especially from a financial perspective, calculations must be carried out using financial ratios to see whether the bank's performance is good or not.

The increasing role of banks here is accompanied by an increase in risks that must be managed, considering their important role in the economy so that if there are problems in the banking sector it will have a negative impact on other sectors in the economy (Yuksel, Dincer, & Hacıoglu, 2015).

Banking is a financial institution that has the aim of making a profit (Sanrego & Poetry, 2011). Banking activities aimed at obtaining profits are always close to risk. In the banking world, banking risk can be caused by many factors, both internal and external. The risk that often

occurs in banking is credit risk or bad credit. Bad credit is a customer's failure to pay off their obligations, resulting in losses for the bank.

Banking is a financial intermediary tool for both parties, both those who need funds and those who have excess funds. The banking position is also very strategic because it is the main financial institution that the government relies on in implementing monetary policy. Since 2010, bank competition has become tighter with the presence of foreign banks opening offices in Indonesia or merging with local banks.

Competition occurs due to several factors, namely, because customers are becoming smarter in choosing banks that are safe and have a variety of services and also non-price competition between banks which attracts the interest of investors and customers. This problem makes bankers work hard to get higher total assets and further improve performance both in terms of customer service and financial terms.

Financial performance is a tool for measuring the level of management's success in managing the company's financial resources, because by measuring financial performance we can also find out whether a company is healthy or not in carrying out its operational activities in a certain period. Good financial performance in this case will be an advantage for the company's image. Good financial performance will quickly invite investors to finance or invest wealth in the company.

Banking in terms of ownership consists of government-owned banks, private-owned banks and foreign-owned banks. In this case, government banks or state-owned banks (BUMN) are banks whose shares are partly or wholly owned by the government of the Republic of Indonesia. The following is a list of state-owned banks in Indonesia: Bank Mandiri, Bank Rakyat Indonesia, Bank Negara Indonesia, and Bank Tabungan Negara.

Based on the statement above and the results of previous research on banking performance comparisons, it is necessary to analyze the comparison of the financial performance (CAR and ROA) of Bank Rakyat Indonesia (PERSERO) Tbk with Bank Mandiri (PERSERO) Tbk.

THEORITICAL REVIEW

Banking is contained in article 1 number 2 of Law no. 10, 1998 which is an amendment to the Republic of Indonesia Law no. 7 of 1992, contains the definition of banking, namely a business entity that operates to collect funds in the form of savings sourced from the community and then distributed back to the community in the form of credit in order to improve people's living standards.

Banks are business entities engaged in the financial sector with activities in the form of collecting and distributing funds as the main activity and providing other banking services as

additional or supporting activities (Kasmir, 2011:12).

According to Budi Santoso & Triandaru (2006:6), more specifically, banks have three functions, namely as agents of trust which are the main foundation in every banking activity, agents of development for the smooth running of economic activities in the real sector, and agents of services that support activities. economy of society in general.

Bank health, according to Susilo, Triandaru, & Santoso (2006:22), is defined as the bank's ability to carry out its operational activities normally and be able to fulfill all its obligations properly through methods that comply with applicable banking regulations. Based on Bank Indonesia Circular Letter No. 6/23/DPNP dated 31 May 2004, aspects that can influence the condition or performance of a bank include aspects of capital, asset quality, management, profitability, liquidity and sensitivity to market risk.

The aim of assessing the level of banking health itself is to describe the actual condition of the bank concerned, whether it is healthy, unhealthy or sick. If the bank is in a healthy condition then its health needs to be maintained, whereas if the bank's condition is unhealthy then healing measures need to be taken immediately (Kasmir, 2011:273).

In measuring the level of bank health, there is one method that is most often used and most universal which is called the CAMELS method approach framework (Roman & Sargu, 2013). CAMELS is a banking health analysis tool which consists of six indicators, namely Capital (C), Asset Quality (A), Management Quality (M), Earnings (E), Liquidity (L), and Sensitivity to Market Risk (S).

CAMELS was first created in the United States by the banking supervisory authority as a tool for analyzing financial reports of banks or other financial institutions in measuring their performance and level of health periodically and can be used universally in other countries (Roman & Sargu, 2013; Yuksel et al ., 2015). CAMELS measures the level of bank health using financial ratios that represent each indicator of capital, asset quality, management quality, earnings, and sensitivity to market risk.

ROA is a ratio to measure a bank's ability to generate profits from the capital invested in all assets (Riyadi, 2006:155). Asset Quality Indicators Asset quality indicators are used to assist banks in measuring the risk of debtor exposure.

The capital indicator is used to measure the banking sector's capacity to anticipate the risk of loss. The ratio used to assess this indicator is the capital adequacy ratio or CAR (Capital Adequacy Ratio). CAR is banking financial performance which is used to measure the adequacy of a bank's capital to support risky assets, such as banking credit (Dendawijaya, 2009:121). LDR is a financial performance ratio to measure the extent of the bank's ability to repay depositors' withdrawals when they are billed using the credit disbursed as a source of

liquidity (Dendawijaya, 2009: 116).

Materials and Methods

The type of research used is comparative research, namely research carried out by comparing the financial performance of one bank with other banks. The research test used was the Independent Sample T Test. In principle, the Independent Sample T Test will compare the average between the two sample groups and the two sample groups are interconnected, with the aim of whether the two groups have the same or different averages, so as to produce a comparison between the two samples.

Independent sample t-test is a test used to compare two groups of means from different samples. This test functions to find out whether there is a difference in the average between two populations by comparing the samples. The purpose of the independent t-test is to compare the quality of two samples and find out which of them is better. All these hypotheses are said to be proven if $\text{sig } \alpha < 0.05$ then there is a significant difference. If $\text{sig } \alpha > 0.05$ then there is no significant difference (Shahab Ahmad).

The data requirements that can be processed using the Independent Sample T Test are research data that has passed the Normality test and Homogeneity test, then the data can be tested using the Independent Sample T Test.

Population is used to refer to all elements/members of an area that is the target of research or constitutes the entire research object (Noor, 2011). The population in this research is state-owned banks in Indonesia that have gone public on the Indonesia Stock Exchange (BEI). The state-owned banks that have gone public on the IDX are Bank Mandiri, Bank Tabungan Negara, Bank Negara Indonesia 46 (BNI 46) and Bank Rakyat Indonesia (BRI) which are listed on the Indonesian Stock Exchange during the research period 2009 to 2022, namely for 15 years.

The sample is part of the number and characteristics of the population (Sugiyono, 2010). This sample uses the criterion of having complete financial reports every year from 2012-2015. Based on these criteria, the samples used were 2 banks, namely the financial reports of Bank Rakyat Indonesia (PERSERO) and Bank Mandiri (PERSERO).

The data source used in this research is secondary data, namely data from bank financial reports published in 2009-2022 and taken from the pages www.mandiri.co.id, and www.bri.co.id.

The variables measured are CAR (Capital Adequency Ratio), ROA (Return On Assets). The way to calculate these financial ratios is:

- a) Capital ratio, represented by the CAR (Capital Adequacy Ratio) variable. $CAR = (\text{Capital}/\text{Risk Weighted Assets}) \times 100\%$
- b) $ROA = (\text{net profit}/\text{total assets}) \times 100\%$.

Results and Discussion

1. Test Financial Performance with the Capital Adequasi Ratio (CAR)

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
car	.110	28	.200*	.954	28	.248
bank	.337	28	.000	.639	28	.000

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

From the Normality Test with a Sig value of $0.248 > 0.05$, it can be said that the Capital Adequacy Ratio (CAR) ratio data from Bank Mandiri and BRI during the research period from 2009 to 2022 is normal data.

Test of Homogeneity of Variances

		Levene Statistic	df1	df2	Sig.
car	Based on Mean	1.582	1	26	.220
	Based on Median	.925	1	26	.345
	Based on Median and with adjusted df	.925	1	23.642	.346
	Based on trimmed mean	1.575	1	26	.221

From the Homogeneity Test with a Sig value of $0.220 > 0.05$, it can be said that the CAR data from Bank Mandiri and BRI during the research period from 2009 to 2022 is Homogeneity data.

The CAR ratio data from Bank Mandiri and BRI during the research period from 2009 to 2022 has passed the Normality and Homogeneity Test, so it can be continued to the Independent T Test.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
car	Equal variances assumed	1.582	.220	-1.073	26	.293	-1.37786	1.28410	-4.01736	1.26165
	Equal variances not assumed			-1.073	24.051	.294	-1.37786	1.28410	-4.02781	1.27210

The results of the Independent Sample T Test, the Sig. (2-tailed) value is $0.293 > 0.05$, so the test for differences in financial performance is seen from the Capital Adequacy Ratio (CAR), so there is a No significant difference in financial performance seen from the CAR Ratio. between Bank Mandiri and BRI during 2009 to 2022.

2. Test Financial Performance with the Return on Asset (ROA)

Tests of Normality

roa	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
	.143	28	.149	.958	28	.313

bank	.337	28	.000	.639	28	.000
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a. Lilliefors Significance Correction

From the Normality Test with a Sig value of $0.313 > 0.05$, it can be said that the Return on Asset (ROA) ratio data from Bank Mandiri and BRI during the research period from 2009 to 2022 is normal data.

Test of Homogeneity of Variances

		Levene Statistic	df1	df2	Sig.
roa	Based on Mean	1.592	1	26	.218
	Based on Median	1.377	1	26	.251
	Based on Median and with adjusted df	1.377	1	24.539	.252
	Based on trimmed mean	1.843	1	26	.186

From the Homogeneity Test with a Sig value of $0.218 > 0.05$, it can be said that the ROA data from Bank Mandiri and BRI during the research period from 2009 to 2022 is Homogeneity data.

ROA ratio data from Bank Mandiri and BRI during the research period from 2009 to 2022 has passed the Normality and Homogeneity Test, so it can be continued to the Independent T Test.

Independent Samples Test

Levene's Test for Equality of Variances	t-test for Equality of Means
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		F	Sig.	t	df	Sig. (2- tailed)	Mean Differenc e	Std. Error Differenc e	95% Confidence Interval of the Difference	
									Lower	Upper
ro a	Equal variance s assumed	1.59 2	.21 8	- 3.19 2	26	.004	-.93071	.29158	- 1.5300 6	- .3313 7
	Equal variance s not assumed			- 3.19 2	22.98 3	.004	-.93071	.29158	- 1.5339 1	- .3275 2

The results of the Independent Sample T Test, the Sig. (2-tailed) value is $0.004 < 0.05$, so the test for differences in financial performance is seen from the Return on Assets (ROA) ratio, so there is a difference in financial performance seen from the ROA ratio Not Significant between Bank Mandiri and BRI from 2009 to 2022.

Conclusion

The conclusion from the results of this research is that of the CAR variables studied, there are no significant differences and ROA variable is significant differences between the financial performance of Bank Mandiri and Bank Rakyat Indonesia (BRI) during the research period, namely for 15 years (2009). until 2022). Bank Mandiri and Bank Rakyat Indonesia (BRI) are the largest government-owned banks (BUMN), apparently they have significant differences, so that each has its own advantages and disadvantages, even though both banks each year earn quite large profits and generally continuously making profits throughout its existence in Indonesia.

Recommendation

In general, in terms of capital and asset quality, Bank BRI's financial performance is better than Bank Mandiri. Bank Mandiri must pay more attention and improve its financial performance. BRI Management is expected to continue to maintain its good financial performance, even though it is already quite good, BRI Management needs to improve the quality of its financial performance. Bank Mandiri management must continue to improve its financial performance by increasing the ratios used to measure bank performance (CAMEL and RGEC).

Future research also needs to compare the financial performance of state-owned banks with other private banks whose performance is quite good (large profits), such as; Bank Centra Asia (BCA), Bank Syariah Indonesia (BSI), Bank Panin, Bank Permata etc.), so that the shortcomings

and weaknesses of state-owned banks will be visible, so that their performance can be improved and improved in the future.

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