

Analysis of the Health Level of Bank (BPRS) Amanah Ummah Bogor Before and During the Covid-19 Pandemic (2019-2020 Period)

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Info Artikel

Keywords:

Covid-19 Pandemic, Bank Health, Financial Ratios

ISSN (print): 1978-6387

ISSN (online): 2623-050X

Abstract

The 2019 Coronavirus Disease (COVID-19) pandemic that hit the territory of Indonesia had a significant impact on the real sector including micro, small and medium enterprises, which greatly affected the performance of banks, including Islamic people's financing banks. The performance of the BPRS has slowed down a bit along with the Covid-19 pandemic. Referring to the regulation (OJK) Number 20/PJOK.03/2019, the purpose of this study is to determine the soundness of the Amanah Ummah Sharia People's Financing bank, in terms of aspects of capital, asset quality, profitability and liquidity. This type of comparative descriptive research. The data source is obtained primarily, from the financial statements for the 2019-2020 period. The results of the 2019 assessment: CAR of 25.47%, NPF of 2.62%, ROE of 27.87%. ROA is 3.31%, and CR is 20.82%. The results of the 2020 assessment: CAR of 18.40%, NPF of 3.74%, ROE of 24.10%, ROA of 2.99 and CR 21, 11%. There was an insignificant decrease in 2020 in the capital ratio and profitability ratio but still ranked 1. Conclusion BPRS Amanah Ummah before the pandemic and during the covid-19 pandemic the criteria for assessing the bank's soundness level was ranked 1, VERY HEALTHY statement.

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1. Introduction

The development of the spread of Coronavirus Disease 2019 (COVID-19) that has hit the territory of Indonesia has had a significant impact on the performance of banks, including Sharia people's financing banks. which has a direct or indirect impact on the performance and capacity of debtors, including micro, small, and medium enterprises (MSMEs) debtors, so that it has the potential to disrupt banking performance and financial system stability which can affect economic growth.

However, from such a significant crisis, the MSME sector can survive, even experiencing significant development. This is because, among others, MSMEs are

moving in almost every sector of the economy, household industries, services, agriculture, retail trade, and group savings and loan businesses, and so on, almost all of which remain despite the influence of this crisis. The People's Settlement Bank (BPR) is a bank that has a concentration on the Micro, Small and Medium Enterprises (MSMEs) sector.

Banks are as stated in the State Law of the Republic of Indonesia Number 10 of 1998, dated November 10, 1998 concerning Banking, namely: "A bank is a business that collects funds from the community in the form of deposits and distributes them to the community in the form of credit and or other forms in order to improve the standard of living of many people". According to the Law, the types of banks according to their functions are divided into three, namely. Central banks, commercial banks and People's Enterprises Banks (BPR).

Sharia People's Financing Bank (BPRS) is a bank financial institution under the monetary policy board, which carries out its economic activities based on Islamic or sharia principles, without legalizing usury or interest rates oriented to the community at the village or sub-district level. The Sharia People's Credit Bank (BPRS) was established based on Law No. 7 of 1992 concerning banking and Government Regulation (PP) No. 72 of 1992 concerning banks based on the principle of profit sharing. And based on point 4 article 1 of the Law. No. 10 of 1998, replacing Law No. 7 of 1992 concerning Banking, states that Sharia People's Credit Bank (BPRS) is a bank that carries out business activities based on sharia principles, which in its activities does not provide payment traffic services. People's Credit Banks (BPR) that carry out business activities based on Sharia principles are further regulated according to the Decree of the Director of Bank Indonesia No.32/36/KEP/DIR/1999. dated May 12, 1999 concerning People's Credit Banks based on Sharia principles. The bank's financial performance is part of the bank's overall performance. The bank's overall performance is an overview of the achievements achieved by the bank in its operations, both in terms of finance, marketing, fund collection and distribution, technology and human resources. Financial Services Authority Regulation Number 20/POJK.03/2019 concerning the Health Level Assessment System of Sharia People's Financing Banks. BPRS Health Level is the result of quantitative assessment and qualitative assessment of various aspects that affect the condition or performance of BPRS through quantitative assessment and qualitative assessment of capital factors, asset quality factors, vulnerability factors, liquidity factors, and qualitative assessments of management factors. In this study, it is limited to the aspect of quantitative assessment.

In the Covid-19 Pandemic, which is vulnerable to a decline in the performance of BPRS banks, as previously studied (Pradipta, H.2021). BPRS in the Horseshoe area is reviewed from the ratio of CAR, EAQ, NPF, ROE, ROA & CR the majority of the ratings are unhealthy.

According to (Kadir, 2020) the impact of Covid-19 on BPRS ADAM's revenue is the loss of revenue and a decrease in asset quality due to the lack of sales, but still have to make expenses coupled with the number of companies that have suffered losses so that they are forced to lay off their employees because the company is unable to pay the salaries of its employees

One example of BPRS, namely the Sharia People's Financing Bank Amanah Ummah or abbreviated as BPRS Amanah Ummah is one of the Sharia People's Financing Banks that grows in Indonesia, especially the West Bogor region which operates based on Islamic sharia principles which aims to grow the community's economy on the basis of Islamic sharia as regulated in Law number 10 of 1998. With the Vision of Becoming the best Sharia BPR of choice for the ummah and the Mission of Improving the quality of life and economy of Sharia through Sharia banking. Bank Pembiayaan Rakyat Syariah Amanah Ummah continues to grow and develop.

Based on the above background, the researcher is interested in researching how the Sharia People's Financing Bank (BPRS) Amanah Ummah can survive and not be significantly affected by the Covid-19 pandemic, because financial performance is an important factor for the Bank in maintaining customer and investor trust as well as one of the benchmarks of the achievements that have been achieved by the bank. Thus, the title for this research is "Analysis of the Health Level of the Sharia People's Financing Bank (BPRS) Amanah Ummah (Period 2019-2020).

2. Research Method

The methods used in conducting this research are as follows:

Data Collection Method:

- 1) Library Research This research is carried out by studying books, papers, articles, reading reports and publications related to the object of research.
 - 2) Field Research: Conducting direct research to obtain primary and secondary data
- Results and Discussion

Data Source

All information is obtained from the results of the audited 2019-2020 financial statements and has been released in full in OJK-Banking Financial Statements-publication reports. The source of information is obtained by visited <https://www.ojk.go.id> as the website of the Financial Services Authority (OJK) and interviews with the Director of BPRS Amanah Ummah and BPR Berfasi Raharja.

Type of research

This study is a comparative descriptive research with a quantitative approach. By explaining the comparison of bank health levels by analyzing the ratio of CAR,

NPF, ROE, ROA and CR. Before the Covid-19 pandemic in the 2019 period, and during the Covid-19 pandemic in the 2020 period.

Research Population and Sample

Population

Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are applied by researchers to be studied and drawn conclusions (Sugiono, 2012:80). Based on the explanation above, it is biased to conclude that a population is an object or subject that has certain characteristics that are determined to be researched and studied to be then concluded. The population used in this study is the financial statements of the Operational Description of the Publication Variables of the Sharia People's Financing Bank (BPRS).

Sample

The sample is part of the number and characteristics that the population has. If the population is large, and it is impossible for researchers to study everything in the population, for example due to limited funds, energy and time, then researchers can use samples taken from that population (Sugiono, 2012:81). Based on that definition, that sample is part of the number and characteristics possessed by the population. The sample that will be taken by the researcher in this study uses the probability sampling technique. According to (Sugiyono, 2018:80) Probability sampling is a sampling technique that provides an equal opportunity for every element (member) of the population to be selected as a member of the sample. Regarding the publication financial statements on PT. BPRS Amanah Ummah, which is located in the Bogor Regency area, for the period of 2019 assuming that it was before the Covid-19 pandemic and in 2020 when the Covid-19 pandemic occurred.

Table 1. Variable Operations and Their Measurement

Variable	Variable Definition	Dimension	Measurement	Scale
Capital Factor	Capital Ratio to ATMR, namely Minimum Capital Provision and Minimum Core Capital Fulfillment	Capital Adequacy Ratio	X100%	%
Factors of Productive Asset Quality	Benchmark Ratio to assess the likelihood of readmission	Net Performing Financing	$NPF = \frac{\text{Jumlah Pembiayaan Bermasalah}}{\text{Jumlah Pembiayaan}} \times 100\%$	%
	Funds invested in productive assets (principal including interest) based on			
Rentability Factor		Return On Asset	$ROA = \frac{\text{Laba Bersih}}{\text{Total Aktiva}} \times 100\%$	%
Rentability Factor	Measuring the level of profitability of BPRS on the capital owned	ROE	$ROE = \frac{\text{Earning After Tax (EAT)}}{\text{Paid in Capital (PIC)}}$	%
Liquidity Ratio	Ratio that describes the company's ability to meet short-term obligations (debt)	Ratio Cash Ratio	$CR = \frac{\text{Kas dan Setara Kas}}{\text{Kewajiban Lancar}} \times 100\%$	%

Data Collection Instruments/Tools

The data collection technique involved this time is to determine the data to be researched in accordance with the established research object. The data collection techniques and data used in this study are:

Data Type

The data collection technique used in this study uses secondary data obtained from the annual report of financial/banking sector companies published on the Financial Services Authority (OJK) website in 2019-2020. The type of data used in this study is quantitative data.

3. Results and Discussion

This study uses analysis with the health level of BPRS in accordance with PJOK No.20/PJOK.03/2019 and OJK circular letter N0.28/SEOJK.03/2019 which includes capital analysis, asset quality analysis, profitability analysis and liquidity analysis. The results of the study are shown as follows:

Capital Analysis

Table 2, shows the results of the calculation of the Minimum Core Capital Ratio of CAR, BPRS Amanah Ummah before the covid-19 pandemic (in 2019), and during the covid-19 pandemic (in 2020).

Table 2. CAR Ratio

Ratio	2019	2020	Ratio	Peringkat	Criterion
CAR	25,47%	18,40%	CAR \geq 15%	1 (Very healthy)	BPRS has a very large amount of capital to absorb the risk of losses and write off due to asset declines.

Source :data processed (2021)

The Minimum Core Capital (CAR) Ratio in 2020 decreased by 7.07% compared to 2019, but it has met PJOK's provisions on the adequacy of CAR's minimum core capital of \geq 15%.

The results of this study are reinforced by Kavita's theory (2019), that the capital basis of each financial institution helps depositors in forming their risk perception regarding the organization. Banks are considered a strong consideration if the capital adequacy ratio is high and is safer from bankruptcy. In accordance with PJOK No.20/PJOK.03/2019 and OJK circular letter N0.28/SEOJK.03/2019 CAR of 15%

Analysis of the Quality of Productive Assets (Assets)

Table 3, shows the results of the calculation of the Non-Performing Financing (NPF) Ratio, BPRS Amanah Ummah before the covid-19 pandemic (in 2019), and during the covid-19 pandemic (in 2020)

Table 3. NPF Ratio

Ratio	2019	2020	Ratio	Peringkat	Criterion
NPF	2,62%	3,74%	NPF \leq 7 %	1 (Very healthy)	BPRS has productive assets with very high rates of return

Source :d ata processed (2021)

Analysis of the Quality of Productive Assets (Assets), with a Non-Performing Financing (NPF) Ratio in 2019 (2.62%) compared to 2020 (3.74%), increased by 1.12%.

The results of this study are also strengthened by the theory (Kasmir (2012), that the assessment of asset quality is based on the quality of productive assets owned by banks, which is the ratio of productive activities that are classified to productive actuals, Assets are the activity of allocating funds into various investment possibilities (Pandia, 2012:49). Asset ratios describe the quality of assets in a company that demonstrate the ability to maintain and return

Rentability Analysis (Earning)

Table 4. ROE & ROA Ratio

Ratio	2019	2020	Ratio	Peringkat	Criterion
ROE	27,87%	24,10%	ROE > 23%	1 (Very healthy)	BPRS has a very high and stable efficiency so it has the potential to obtain high profits
ROA	3,31%	2,99%	ROA > 1,450 %	1 (Very healthy)	BPRS has a very high and stable efficiency so it has the potential to obtain high profits

Source :data processed (2021)

Table 4 is the result of the calculation of Return On Equity (ROE), which is the bank's ability to achieve return on paid-up capital, and Return On Asset (ROA), which is the bank's ability to achieve profit on assets owned, BPRS Amanah Ummah before the covid-19 pandemic (in 2019), and during the covid-19 pandemic (in 2020).

According to Kasmir, 2012: 138. The higher the Cash Ratio, the higher the bank's liquidity. On the other hand, the lower the Cash Ratio, the lower the bank's liquidity

5. Conclusions and Suggestions

Based on the analysis of the health level of BPRS Amanah Ummah Bogor reviewed from a quantitative aspect, the following conclusions were obtained:

1. Capital Analysis with CAR ratio in 2019 (25.4%) compared to 2020 (decreased by 7.07%). However, it is still included in the Rank 1 (Very Healthy) category. PJOK's provisions regarding the adequacy of CAR's minimum core capital $\geq 15\%$, with the criteria that BPRS has very adequate capital to absorb the risk of losses and write off due to asset declines.
2. Analysis of the Quality of Productive Assets (Assets), with a Non-Performing Financing (NPF) Ratio in 2019 (2.62%) compared to 2020 (3.74%), increased by 1.12%. This score is included in the 1st Rank category (Very Healthy). PJOK's

provision on the non-performing financing ratio is $NPF \leq 7\%$, with the criterion that BPRS has productive assets with a very high rate of return.

3. Rentability Analysis (Earning), with a Return On Equity (ROE) ratio, in 2019 (27.87%) compared to 2020 of 24.10%, a decrease of 3.77%. However, it is still included in the Rank 1 (Very Healthy) category. The PJOK provision is $REO \leq 83\%$, with the BPRS criteria having very high efficiency and stability so that it has the potential to obtain high profits.
4. Return On Asset (ROA) Ratio, in 2019 (3.31%) compared to 2020 (2.99%). Decreased by 0.32%. However, it is still included in the Rank 1 (Very Healthy) category. The provision of PJOK is $ROA > 1,450\%$, with this criterion BPRS has very high and stable efficiency so that it has the potential to obtain high profits.
5. Liquidity Analysis, with a Cash Ratio (CR) ratio, in 2019 (21.11%) compared to 2020 (21.11%), increased by 0.29%. This score is included in the Rank 1 (Very Healthy) category. The PJOK provision is a CR of $\geq 6\%$, with the BPRS criterion having the potential for short-term liquidity difficulties that are very low.

Suggestion

Based on this conclusion, there are limitations of this study, so the author gives the following suggestions:

- a. Making BPRS Amanah Ummah the main bank in the foundation of cognate institutions (Islamic boarding schools, private universities, and private hospitals)
- b. For the good performance of BPRS Amanah Ummah during the Covid-19 pandemic, financial management at BPRS Amanah Ummah is well managed even though it is affected by a significant economic impact, for that in the future it is recommended that managers can focus on increasing the number of customers and developing product services to increase the company's revenue.

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