

Analysis of the Effect of Profitability Ratios and Liquidity Ratios on Changes in Profit in Indonesian Islamic Banks (BSI) After the Merger (Study on Bank Syariah Indonesia)

Husnul Hayati¹, Nur Majdina², Zaenal Abidin³
^{1,2,3} Darunnajah University, Jakarta, Indonesia

*husnulhyt02@gmail.com

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Abstract

The use of financial ratio analysis is one of the fundamental indicators to answer several questions related to profit growth. This study aims to determine the effect of profitability ratios and liquidity ratios on changes in profit at Bank Syariah Indonesia (BSI) post-merger, with the hope of being able to provide benefits both theoretically for reference to the development of further research as a source of literature, as well as practically for internal and external parties in considering fundamental aspects related to the financial performance of a company. This type of research is quantitative using multiple linear regression analysis. The population in this study is Islamic banking companies with the sample used is Islamic banking that has done a merger, namely BSI. Regression analysis techniques are carried out using the help of the IBM SPSS statistics 23 software program. The results showed that the profitability ratio measured using ROA has no effect on changes in earnings. The results of testing other profitability ratios measured using ROE also show the results have no effect on profit changes. As well as for the results of testing the liquidity ratio as measured using CR also show results that have no effect on changes in profit. This indicates that there are other indicators that are more relevant to be tested for their influence on changes in a company's profit.

Keywords: Profitability Ratio, Liquidity Ratio, Profit Change, Islamic Bank.

Abstrak

Penggunaan analisis rasio keuangan menjadi salah satu indikator mendasar untuk menjawab beberapa pertanyaan terkait pertumbuhan laba. Penelitian ini bertujuan untuk mengetahui Pengaruh Rasio Profitabilitas dan Rasio Likuiditas pada Perubahan Laba di Bank Syariah Indonesia (BSI) Pasca Merger, dengan harapan mampu memberikan manfaat baik secara teoritis terhadap acuan pengembangan penelitian selanjutnya sebagai sumber literatur, maupun secara praktisnya untuk pihak internal maupun eksternal dalam pertimbangan aspek mendasar terkait kinerja keuangan suatu perusahaan. Jenis penelitian ini adalah kuantitatif dengan menggunakan analisis regresi linear berganda. Populasi pada penelitian ini adalah perusahaan perbankan syariah dengan sampel yang digunakan adalah perbankan syariah yang telah melakukan merger yaitu BSI. Teknik analisis regresi yang dilakukan menggunakan bantuan program software IBM SPSS statistics 23. Hasil penelitian menunjukkan bahwa rasio profitabilitas yang diukur menggunakan ROA tidak memiliki pengaruh terhadap perubahan laba. Hasil pengujian rasio profitabilitas lainnya yang diukur menggunakan ROE juga menunjukkan hasil tidak berpengaruh terhadap perubahan laba. Serta untuk hasil pengujian rasio likuiditas dengan diukur menggunakan CR pun juga menunjukkan hasil yang tidak berpengaruh terhadap perubahan laba. Hal tersebut mengindikasikan bahwa terdapat indikator lain yang lebih relevan untuk dapat diuji pengaruhnya terhadap perubahan laba suatu perusahaan.

Kata Kunci: Rasio Profitabilitas, Rasio Likuiditas, Perubahan Laba, Bank Syariah.

Introduction

The development of modernization in the era of science and technology that is increasingly advanced makes every company compete competitively in carrying out activities and structured organizations to optimize profit growth in the company concerned. To facilitate the management of financial data, financial reports are made that can help companies make plans and financial positions for future periods, so that methods and techniques in analyzing need to be of particular concern in carrying out their activities. One of the commonly used financial analysis tools is financial ratios, which are financial study instruments that are often used to link various calculations in financial information so that the operational results and financial position of the company can be known (Gunawan & Wahyuni, 2013). Not only focusing on increasing profits, but a company also has the possibility of experiencing a decrease in profit, and this can be said to be a change in profit. One of the factors to determine changes in a company's profit can also use financial ratio analysis (Monica & Martini, 2016). So, if it is related to financial aspects, it means that the comparison of numbers in the report is useful for assessing the financial condition of the company concerned.

Inseparable from reporting, the word finance itself is quite heard as a common thing, especially for banking companies with a financial institution system that is intermediated in the service of public funds, also closely related to the country's economic growth. In addition to carrying out its duties as a financial institution, Islamic banks also support the implementation of national economic development. To maintain the expansion of the existence of Islamic banking, one of the efforts that can be made is to merge. The government acted by merging three state-owned Islamic banks, namely BSM (Bank Syariah Mandiri), BRI Syariah and BNI Syariah into one entity as BSI (Bank Syariah Indonesia).

Through several previous studies, there are differences in the results of several studies that have been conducted, such as in research (Napitupulu, 2019) stating the results of multiple linear regression analysis have a significance level of 5%, shown in the Profitability Ratio with the ROE variable which has no significant effect on predicting future profits. Followed by research (Carissa, 2021), which shows that the liquidity ratio with a measuring tool in the form of a current ratio and the Profitability Ratio consisting of return on assets has no effect on profit growth, but for the profitability scale return on equity affects profit growth.

In contrast to the research results (Yuni Nilasari & Syaiful, 2022) concluded that the profitability ratio has a positive influence on changes in the profits of banking companies listed on the IDX during 2016-2020, but not for the liquidity ratio scale. Followed by the results of research (Andayani, 2016) containing the results of the t test which shows that CR has no effect on changes in profit, while ROA and ROE have an influence on changes in profit. Based on the phenomena that occur and the differences in results in previous studies, this underlies the author's interest in conducting research with the title "Analysis of the Effect of Profitability Ratios and Liquidity Ratios on Changes in Earnings at Bank Syariah Indonesia (BSI) Post-Merger".

Methods

Type of Research

The research conducted is quantitative with an associative method that aims determine the effect between two or more variables, through the regression analysis technique method. The data used is secondary data obtained from the official BSI website, as well as on the Financial Services Authority and Indonesia Stock Exchange websites related to the acquisition of company financial reports.

Sample Population

The population in this study were Islamic banking companies with samples taken using purposive sampling having the following criteria and characteristics: (1) Islamic banking companies listed on the Indonesia Stock Exchange and under the supervision of legally by the Financial Services Authority; (2) Islamic banking companies that publish financial reports 2021-2022; (3) Islamic banking companies that have merged; (4) Islamic banking companies that have complete data for research.

Data Collection Methods

Method used in data collection is sourced from secondary data collected from participating companies on the Indonesia Stock Exchange. The data obtained on the IDX is also through reports from the Financial Services Authority and the company's official website for audited financial reports. Researchers also conduct literature studies as supporting data by reviewing documents in the form of books, articles and previous research based on the same subject matter regarding the research in question. This aims to obtain many theories that can support data, especially financial statement documents.

Data Analysis Technique

Data processing in this study used the parametric method of multiple linear analysis with the help of IBM SPSS statistics 23 software.

Descriptive Statistics

Used to describe or define existing data without making general conclusions or generalization (Noviana, 2020). As for some of the references in descriptive analysis to be observed are in the form of average value, standard deviation, maximum value and minimum value.

Classical Assumption Test

One of the several requirements to be carried out on the fulfillment of advanced statistical test prerequisites for multiple linear regression analysis is through a series of classical assumption tests in the form of normality tests, multicollinearity tests, heteroskedasticity tests, tests, and autocorrelation tests.

Multiple Linear Regression Analysis

Multiple linear regression analysis techniques are used to measure the effect of the relationship between one or more variables. Uses other regression tests such as the F test to see the simultaneous influence between the independent variable and the dependent variable, the T test to see the amount of influence of each independent variable on the dependent variable used, and the coefficient of determination test which is used to see how much the dependent variable has an influence on the independent variable.

Results and Discussion

Descriptive Statistics

Table 1. Statistical Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	10	1.61	2.48	1.9500	.29383
ROE	10	13.71	18.16	15.9480	1.78015
CR	10	.97	1.10	1.0030	.03802
Perubahan Laba	10	.13	.48	.3610	.09422
Valid N (listwise)	10				

Source: secondary data processed by SPSS, (2024)

In table 1 above, the descriptive statistical test results describe each variable in the period Quarter 1 2020 to Quarter II 2023. The results show that the variables used in this study are in the form of ratios with a total of 10 research data. The ROA variable has a minimum value of 1.61 which occurred in Quarter IV 2021 and a maximum value of 2.48 which occurred in Quarter 1 2023. The average value of ROA is 1.9500 with a standard deviation of 0.29383. The ROE variable has a minimum value of 13.71 which occurred in Quarter IV 2021 and a maximum value of 18.16 which occurred in Quarter 1 2023. The average ROE value is 15.9480 with a standard deviation of 1.78015. The CR variable has a minimum value of 0.97 which occurred in the fourth quarter of 2021 and a maximum value of 1.10 which occurred in the second quarter of 2023. The average value of CR is 1.0030 with a standard deviation of 0.03802.

Classical Assumption Test

Normality Test

Table 2. Kolmogorov-Smirnov Test Results

		Unstandardized Residual
N		10
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.07522377
Most Extreme Differences	Absolute	.256
	Positive	.186
	Negative	-.256
Test Statistic		.256
Asymp. Sig. (2-tailed)		.063 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: secondary data processed by SPSS, (2024)

The results obtained by Asymp. Sig. (2-tailed) based on the Kolmogorov-Smirnov test shown in the table above is 0.063. The probability number obtained is greater than 0.05 or $0.063 > 0.05$. So, it can be concluded that the residual data in the regression model is normally distributed.

Multicollinearity Test

Table 3. Multicollinearity Test Results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.825	.957		.863	.422		
ROA	.047	.258	.147	.182	.861	.164	6.116
ROE	.030	.039	.558	.763	.474	.199	5.024
CR	-1.024	1.024	-.413	-	.356	.622	1.607

a. Dependent Variable: Perubahan Laba

Source: secondary data processed by SPSS, (2024)

The results obtained based on the table above show that all tolerance values are above 0.10 and all VIF values are below 10. Thus, it can be concluded that multicollinearity does not occur in all data (variables) in the regression model of this study.

Heteroskedasticity Test

Table 4. Heteroskedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.559	.484		1.155	.292		
ROA	-.002	.131	-.010	-.014	.989	.164	6.116
ROE	-.016	.020	-.556	-.820	.444	.199	5.024
CR	-.247	.518	-.183	-.476	.651	.622	1.607

a. Dependent Variable: abs residual

Source: secondary data processed by SPSS, (2024)

Based on the table above, the results of the heteroscedasticity test show that the significant figures of the Glejser test for all variables are above 0.05. This indicates that there is no heteroscedasticity in the data used in this study.

Autocorrelation Test

Table 5. Heteroskedasticity Test Results

Model Summary ^b					
Model	R	R Square	Adjusted Square	Std. Error of the Estimate	Durbin-Watson
1	.602 ^a	.363	.044	.09213	1.572

a. Predictors: (Constant), CR, ROE, ROA

b. Dependent Variable: Perubahan Laba

Source: secondary data processed by SPSS, (2024)

Based on the table above, the autocorrelation test results obtained by DurbinWaston (DW) are 1.572. The Durbin Waston (DW) value obtained will be compared with the table at a significance of 0.05 or 5%. To find the dL and dU values (upper limits), you must first determine the number of samples (n) and the number of independent variables (k). The number of samples (n) is 10 and the number of independent variables (k) is 3, then obtained dL = 0.5253 and dU = 2.0163. The criterion for no autocorrelation is if it meets $dU < d < 4 - dU$. In this study, the autocorrelation test value with DurbinWaston is $0.5253 < 1.572 < 2.0163$. These results indicate that the linear regression model in this study is free from autocorrelation.

Multiple Linear Regression Analysis

Multiple linear regression analysis is a test used to analyze the effect between one or more independent variables (X) on the dependent variable (Y). The following are the results of multiple linear regression analysis.

Table 6. Regression Analysis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.825	.957		.863	.422		
ROA	.047	.258	.147	.182	.861	.164	6.116
ROE	.030	.039	.558	.763	.474	.199	5.024
CR	-1.024	1.024	-.413	-	.356	.622	1.607

a. Dependent Variable: Perubahan Laba

Source: secondary data processed by SPSS, (2024)

In the table above, a regression equation can be formulated as follows:

$$Y = 0.825 + 0.047 \text{ ROA} + 0.030 \text{ ROE} - 1.024 \text{ CR}$$

The acquisition of the coefficient value of the multiple linear regression equation above means that from each variable as a constant (a) of 0.825 will indicate if Return on Asset (ROA), Return on Equity (ROE), and Current Ratio (CR) are 0, the change in profit is positive at 0.825. The Return on Assets (ROA) coefficient is 0.047 with the interpretation that if ROA gets an increase, the change in profit will increase by 0.047. The Return on Equity (ROE) coefficient is 0.030 with the interpretation that if ROE gets an increase, the change in profit will increase 0.030. The Current Ratio (CR) coefficient is -1.024 with the interpretation that if CR gets an increase, the change in profit will decrease by - 1.024.

Partial Hypothesis Test (T Test)

Table 7. T-test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.825	.957		.863	.422		
ROA	.047	.258	.147	.182	.861	.164	6.116
ROE	.030	.039	.558	.763	.474	.199	5.024
CR	-1.024	1.024	-.413	-	.356	.622	1.607

a. Dependent Variable: Perubahan Laba

Source: secondary data processed by SPSS, (2024)

The effect test on the Return On Assets (ROA) variable shows a regression coefficient of 0.047 and a significant value of 0.861. The significance figure above 0.05 indicates that there is

no significant effect of the ROA variable on changes in earnings. The Return On Equity (ROE) variable shows a regression coefficient of 0.030 and a significant value of 0.474. The significance figure above 0.05 indicates that there is no significant effect of the ROE variable on changes in profit. The Current Ratio (CR) variable shows a regression coefficient of -1.024 and a significant value of 0.356. The significance figure above 0.05 indicates that there is no significant effect of the CR variable on earnings changes.

Simultaneous Hypothesis Test (F Test)

Table 8. F Test Results

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.029	3	.010	1.137	.407 ^b
	Residual	.051	6	.008		
	Total	.080	9			

a. Dependent Variable: Perubahan Laba

b. Predictors: (Constant), CR, ROE, ROA

Source: secondary data processed by SPSS, (2024)

Based on the table above, the value obtained from the F test is equal to 1.137 with a significant value of 0.407. This shows a significant figure of $0.407 > 0.05$. Thus, it can be concluded that the independent variables, namely profitability ratios (ROA, ROE) and liquidity ratios (CR) simultaneously have no effect on profit changes.

Determination Coefficient Test (R Test)

Table 9. Determination Coefficient Test Results

Model Summary^b

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.602 ^a	.363	.044		.09213	1.572

a. Predictors: (Constant), CR, ROE, ROA

b. Dependent Variable: Perubahan Laba

Source: secondary data processed by SPSS, (2024)

Based on the acquisition of the table above, it shows that the test result of the R^2 coefficient obtained is 0.363 or 36.3%. So that this shows that 36.3% of the independent variables can explain the effect on the independent variable, which in this study means Return on Asset (ROA), Return on Equity (ROE), and Current Ratio CR) can affect profit growth by 36.3%. And the remaining 63.7% are influenced by other factors not explained in this study.

The Effect of Return on Assets (ROA) on Changes in Earnings

Based on the regression analysis that has been carried out, it contains the results that return on assets obtained a significant number of variables of $0.861 > 0.05$, thus it is explained that the

return on assets variable has no effect on changes in profit, therefore, H1 is rejected.

This is in line with research (Carissa, 2021) which states that ROA has no effect on profit growth. The management of the company's asset resources is very important to be able to obtain high profits, but even well-managed assets do not guarantee to be able to generate increasing profits, so ROA does not affect the growth or change in a company's profits. The company does not get the full benefit of using its assets. The number of company assets is allowed if there are some assets that are not used in operating the company's activities so that these assets are not useful to increase company profits.

Also reinforced in research (Nurjanah et al., 2023) on the comparison of profitability of state-owned Islamic banks before and after the merger into BSI, which explains if the return on assets after one year of merging into BSI has not seen the bank's ability to utilize assets to generate profits. The merger will not immediately have an impact on profits but has a long term for the income that will be obtained. So that in this study, which uses a period of 3 years after the merger, it can be said that the age of the financial ratios is still relatively early.

From the series of tests that have been used, this study contains the result which states that return on assets cannot be a good intermediary to connect an asset to changes in profit.

Effect of Return on Equity (ROE) on Profit Changes

Based on the regression analysis that has been carried out, it contains the results that return on equity obtained a significant value of the variable of $0.474 > 0.05$, so it is explained that the return on equity variable has no effect on changes in profit, therefore, H2 is rejected.

This is in line with research by (Safitri & Mukaram, 2018) which says that return on equity has no effect on profit growth. This is because the investment pattern carried out by the company is not entirely appropriate so that existing assets have not been used effectively, and profit generated is not optimal. Apart from that, the equity used can also be allocated to pay off debt financing.

Also reinforced in research (Nurjanah et al., 2023) on the comparison of profitability of state-owned Islamic banks before and after the merger into BSI, explaining that return on equity which acts as a measure of capital control to obtain profits has not seen a significant increase because the impact of profits generated by banks after 1 year of merging into BSI is not in the short term, but has an impact on long-term profits.

From a series of tests that have been used, in this case the company must manage better investment so that all assets can be used, and the results obtained from capital and those sourced from debt are able to meet the high capital financing. That way, investors have a greater opportunity to expect a higher return on their capital through the operation of net income on the company's capital.

Effect of Current Ratio (CR) on Profit Change

Based on the regression analysis that has been carried out, it contains the results that the current ratio obtains a significant value of its variable of $0.356 > 0.05$, thus it can be explained that the current ratio variable has no effect on changes in profit, therefore, H3 is rejected.

This is in line with research (Carissa, 2021) which states that the current ratio has no effect on profit growth. One of the factors that causes the current ratio have no effect on changes in profit is due to less effective and maximized capital management, because high current assets will

certainly also make high capital gains and are very important for companies to manage to increase productivity. However, because the management of existing capital is not maximized, it has not been able to grow the company's productivity so that there is no effect on changes in profit. The company's current assets are not only used to pay off debts, but also to support other company interests, so there is no guarantee of the availability of working capital for the company. Reinforced in research (Putri et al., 2023) related to the analysis of BSI's financial performance before and after the merger, with one of the benchmark tools using the CR ratio, containing the results that each bank before and after the merger can be said to be able to meet its short-term obligations, it's just that banks cannot be considered to be able to optimize the structuring of their assets to make a profit. So this illustrates that even though a bank is said to be liquid, this does not guarantee influence on changes in profit.

With this, it contains the results that the merger of these 3 Islamic banks has not had a positive impact during the 1-year period before and after the merger, this is because the initial period of implementation of the merger the company is still adapting in improving the management structure and management of the company, so that it has not been focused on improving the company's financial performance.

From a series of tests that have been used, it is explained that the current ratio is not a good proxy for changes in earnings because it is considered that the relationship between the current ratio and changes in earnings is weak.

Conclusion

The research conducted aims to determine the effect of profitability ratios and liquidity ratios on changes in profit with the object used is an Islamic banking company that has made a merger, namely Bank Syariah Indonesia (BSI) in the period from Quarter I 2021 to Quarter II 2023. The test was carried out using multiple regression analysis with the help of IBM SPSS statistics 23 software.

The results showed that simultaneously the independent variables consisting of profitability ratios (ROA, ROE) and liquidity ratios (CR) had no effect on changes in profit at Bank Syariah Indonesia after the merger. This can be seen from the probability value of the significance of the F test of 0.407 which is above the significance value level of 0.05.

While partially, the profitability ratio variable measured using ROA shows the results have no effect on changes in profit, this is evidenced by the T test significance value of 0.861 which is above the 0.05 significance level. The results of testing other profitability ratios measured using ROE show the results have no effect on changes in profit, this is evidenced by the T test significance value of 0.474 which is above the 0.05 significance level. And for the results of testing the liquidity ratio as measured using CR also shows results that have no effect on profit changes changes in earnings, this is evidenced by the significance value of the T test of 0.356 which is above the significance level of 0.05.

Then, based on the test of the coefficient of determination R which shows that the independent variable is only able to explain the dependent variable with a variation in influence of 0.363 or 36.3%, this means that the Profitability Ratio (ROA and ROE) and the liquidity ratio (CR) only explain the influence of the variable change in profit by 36.3%, the remaining 63.7% is influenced by other variables not explained in this study.

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