Analysis of the Implementation of the Du Pont System on Financial Statements as a Tool for Measuring the Financial Performance of PT Bank Muamalat

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Abstract
In analyzing the financial performance of a bank or a company, you can use the two-point system method. The du point system is a chart designed to show the return on assets obtained by multiplying the profit margin by the total asset turnover. The purpose of this study is to find out the description of the financial performance of PT Bank Muamalat Kalimalang Karawang Period 2019-2021 using the two-point system method, PT Bank Muamalat Kalimalang Karawang is one of the branches of PT Bank Muamalat in Indonesia as a pioneer of Islamic banking in Indonesia. This research was conducted with quantitative methods. The object of this research is the audited financial statements of PT Bank Muamalat Kalimalang Karawang from 2019 to 2021. Data collection was carried out using the documentation method. The results of the analysis can be concluded that Net Profit Margin (NPM), Asset Turnover (ATO), Return On Assets (ROA), and Return On Equity (ROE), experience fluctuating positions or are in a state of flux whether there is an increase or decrease. The results of this study suggest that companies should be able to maximize the use of assets and minimize expenses so that companies can be consistent in measuring financial performance at PT Bank Muamalat Kalimalang Karawang.
Keywords: Du Point System Analysis, Financial Performance, Banking

INTRODUCTION

In essence, banking is one of the five main functions which include maximizing the amount of money, minimizing the amount of money, and providing various banking services to customers. During the economic period of the Muslims, these functions had been known since the time of the Prophet Muhammad. In accordance with Article 1 paragraph 2 of Law Number 21 of 2008 concerning the composition of the banking system. Banks are financial institutions that function as distributors of public goods by providing credit or other financial services to help the wheels of the public economy (Putri et al., 2022).

Islamic banks, or hereinafter referred to as Islamic banks, are banks that do not rely on Islamic banking. Islamic Banks, or Interest-Free Banks, are operational and commercial banks established based on the teachings of the Holy Quran and Hadith of the Prophet Muhammad. Alternatively, as mentioned above, Islamic Banks are one of the many financial institutions used by the general public to provide financial services in accordance with sharia principles. Antonio and Perwataatmadja differentiate into two meanings, namely Islamic Banks and Banks that operate on Islamic sharia principles.

After the issuance of Banking Law No. 7 of 1992 which was revised into Law no. 10 of 1998, the existence and functioning of the Islamic banking system is recognized. The role of the Bank is a valuable asset for every company. To carry out its mission, the bank performs one of its most important functions, namely as an intermediary between the public and the private sector, as well as a catalyst for national economic growth and stability.

Islamic banking only makes investments that are lawful according to Islamic law, uses the principle of profit sharing, buying and selling and leasing, uses the orientation of profit and happiness in the world and the hereafter according to Islamic teachings, builds relationships with customers in the form of partnerships, raises funds and distributes funds according to the fatwa of the Supervisory Board Sharia. The principle of Islamic banking aims to bring benefit to customers because it promises justice in accordance with sharia in its economic system.

There are many strategic steps to realize the development of Islamic banks, one of which is by granting licenses to conventional commercial banks to open work units called Islamic Business Units (UUS) or converting a conventional bank into an Islamic Commercial Bank (BUS). The development of the sharia business unit is very rapid, both in terms of the number of opening new branch offices, the type of bank business and the volume of activities carried out, as evidenced by the opening of the first sharia bank in 1992 which subsequently showed rapid growth with the large number of sharia commercial banks (BUS), Sharia Business Unit (UUS) and BPRS. The following table shows the development of Islamic banking in Indonesia:

Table 1. Development of Islamic Banks in Indonesia

| Indicator	2019	2020	2021
BUS	12	14	10
Number of Offices	1.709	1.669	1.632
UUS	24	25	25
Number of Offices	311	322	344
BPRS	164	163	164
Number of Offices	446	453	441

Source: OJK Statistics 2019-2021

The table above shows that the development of Islamic banking in Indonesia is increasing. From the data above, it can be seen that the number of BUS increased in 2019, which only numbered 12 BUS, then increased in 2020 to 14 BUS. The increase in the number of BUS in Indonesia shows good progress which must be in line with the increase in the performance of the BUS itself. This is due to the good acceptance by the public of the Islamic financial system, so that over time, both government-owned and private banks mutually develop the Islamic banking system and provide useful services to increase public interest.

The growing development of Islamic banks has implications for the increasing challenges that must be faced in maintaining the accountability of business actors by using a sharia identity. The biggest challenge is maintaining a good image and reputation in the eyes of customers in order to maintain customer trust and loyalty to Islamic banks. The early period of the development of Islamic banking in Indonesia saw a steady increase in transactions. In addition, Islamic banking profits have a very large impact on the economy as a whole. The findings of Islamic Banking show that the bank's liquidity is superior. According to sharia banking data accessed from the official website for Sharia Banking Statistics (SPS), it is recorded that the profit of Islamic banking in 2019 was 4.268 billion. Whereas in 2020 Islamic banking profits decreased to 3.402 billion. Whereas in 2021 Islamic banking earned a profit of 3.442 billion, an increase from the previous year.

Unstable Islamic banking profits can lead to a decrease in the bank's performance. therefore, a bank requires an analysis to find out its condition after carrying out operational activities within a certain period of time. And the performance of a bank in general can be seen in its financial statements. Of the various forms of Islamic banking, Bank Muamalat Indonesia is the first Islamic bank to appear in Indonesia and was first operated in 1992, Bank Muamalat is one of the banks that offers various types of products and services. Bank Muamalat itself has experienced significant growth, as can be seen from the acquisition of Bank Muamalat

Indonesia's net profit for 2016-2021. The following is the net profit of Bank Muamalat Indonesia for 2016-2021 which is presented in the following graph:
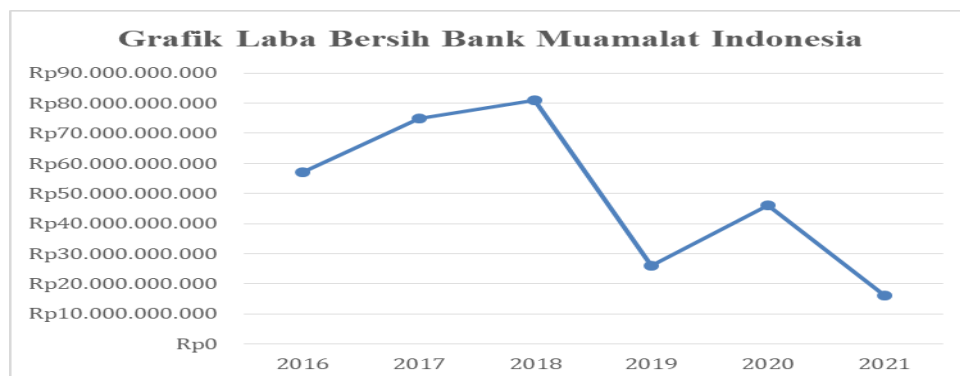
Figure I. Graph of Bank Muamalat Indonesia's Net Profit for the 2016-2021 Period
Source: Bank Muamalat Net Profit Data for the 2016-2021 Period

From the data above, it can be seen that the net profit of Bank Muamalat Indonesia in 2016 has increased from the previous year, namely 57,170,000,000 in 2017 rose to 74,900,000,000 in 2018 and increased again to 81,000,000,000. however, in 2019, 2020, 2021 the net profit of Bank Muamalat Indonesia has decreased drastically and only earned a net profit of 16,000,000,000 in 2021. The unstable profit of Bank Muamalat Indonesia can lead to a decrease in the Bank's performance. therefore, a bank requires an analysis to find out its condition after carrying out operational activities within a certain period of time. According to Hijriyani & Setiawan (2017), one of the most important factors in the success of a company is profitability. This is because the success of a company is based on its ability to identify and take advantage of opportunities and threats to the company's business.

From the ratio of liquidity, activity, solvency, and profitability, a company's financial performance can be calculated. Profitability ratios can be used to monitor bank developments. Interested parties can find out the level of management effectiveness which is shown through profits from sales and from investments that have been invested in the bank (Marlina, 2015). Of these ratios, the most important ratio for creditors is the profitability ratio. This is because the profitability ratio shows the company's ability to generate profits. With these benefits will guarantee the return of loan funds from creditors. Regardless of the size of a company's liquidity, if it is unable to use its capital efficiently, the company will eventually experience financial difficulties, and also in repaying the company's debts. Therefore, there is a financial analysis using the Du Pont System as a means of increasing profitability for business actors.

The Du Pont system is a tool for analyzing financial performance in a company or banking, so that a company can prevent a decline in financial performance, one of which is financial performance. Seeing the case above, Bank Muamalat in Indonesia itself is still unstable in the process of implementing financial performance, therefore it is necessary to do more research into how the process of Bank Muamalat's financial performance uses the two-point system analysis.

RESEARCH METHODS
Types and sources of data The type of data used in this study is secondary data. Data in the form of financial ratios of PT. Bank Muamalat Kalimalang Karawang, financial ratio data from the processed financial reports of PT. Bank Muamalat Kalimalang Karawang The publication period for Bank Muamalat Kalimalang Karawang is from 2019 to 2021. The time series data provided by PT Bank Muamalat Kalimalang Karawang ranges from 2019 to 2021.

The analytical method used in this study is the Du Point System. To analyze the data in this study, researchers used quantitative methods, namely performing relevant tasks on the data set, and performing calculations using the Du Pont System formula. The process of data analysis carried out to answer can be done in the following way:

1. Total Asset Turn Over (TATO)
   Formula=

$$\text{TATO} = \frac{\text{Income}}{\text{Total Assets}}$$

2. Net Profit Margin (NPM)
   Formula=

$$\text{NPM} = \frac{\text{Net Profit After Tax}}{\text{Income}} \times 100\%$$

3. Return On Investment (ROI)
   Formula=

$$\text{ROI} = \text{Net Profit Margin (NPM)} \times \text{Total Asset Turn Over (TATO)}$$

(Source: Shifa Amalia, 2022)

RESEARCH RESULTS AND DISCUSSION

This study uses historical data from the financial reports of PT Bank Muamalat Kalimalang Karawang in the 2019-2021 period, with the aim of calculating the financial performance of PT Bank Muamalat Kalimalang Karawang using the Du Point System method through Net Profit Margin, Total Asset Turn Over and Return On Investment. Furthermore, from these calculations, the authors will project the Du Pont System's ROI to estimate Return On Investment in accordance with industry average standards.

1. Net Profit Margin

Determine the Net Profit Margin or profit margin ratio, by calculating net profit after tax and revenue. The formula for calculating the profit margin or Net Profit Margin is= $\frac{\text{Net Profit}}{\text{Income}} \times 100\%$

Table 2. Data on the Results of Calculating the Net Profit Margin of PT Bank Muamalat Kalimalang for the 2019-2021 Period

Year	Net Profit	Income	Net Profit Margin
2019	3.157.182.812	4.794.215.096	65.85%
2020	2.353.218.400	4.125.864.123	57.3%
2021	5.494.827.130	7.185.953.943	76.46%
Average			66.54%

(Source: Processed Data, 2023)

2. Total Asset Turn Over (TATO)

The formula for calculating Total Asset Turn Over (TATO) is = $\frac{\text{Income}}{\text{Total Assets}}$

Table 3. Data on PT Bank Muamalat Kalimalang Total Asset Turn Over (TATO) Calculation Results for the 2019-2021 Period

Year	Income	Total Assets	TATO
2019	4.794.215.096	25.491.972.585	0.18 Times
2020	4.125.864.123	25.468.847.072	0.16 Times
2021	7.185.953.943	27.838.626.663	0.25 Times
Average			0.19 Times

(Source: Processed Data, 2023)

3. Return On Investment Du Pont System

The formula for calculating Return On Investment Du Pont System is Return On Investment (ROI) = Net Profit Margin (NPM) × Total Asset Turn Over (TATO)

Table 4. Data from the Recapitulation of PT Bank Muamalat Kalimalang Du Point System Calculations for the 2019-2021 Period

Tahun	NPM	TATO	Return On Investment
2018	65.85%	0.18 Times	11.85%
2019	57.3%	0.16 Times	9.16%
2020	76.46%	0.25 Times	19.11%
Average	**66.54%**	**0.19 Times**	**13,37%**

(Source: Processed Data, 2023)

Based on the calculation above, the Return On Investment value generated by PT Bank Muamalat Kalimalang through the du ponit system calculation shows a fluctuating value or changing, either increasing or decreasing. In 2019 the value of the return on investment calculation for the du pont system is 11.85%. In 2020 the value of the calculation of Return On Investment has decreased by 2.69% to 9.16%. In 2021 the value of the results of the Return On Investment calculation has increased quite significantly, namely by 9.95% to 19.16%.

Based on the results of the data recapitulation table that has been processed, it shows that the average Return On Investment obtained by PT Bank Muamalat Kalimalang is 13.37%. These results indicate that the Return On Investment owned by PT Bank Muamalat Kalimalang is still below the standard industry standard Return On Investment that has been set.

According to Nuriasari (2006) Return On Investment du pont is net profit margin (NPM) multiplied by total asset turnover where the industry average is at least 30%. If the Return On Investment of a company increases, it shows that the company is more efficient in utilizing its assets, the greater the profit that can be achieved by the company so that the value of the company is also getting better and more efficient in generating profits. Related to this, PT Bank Muamalah Kalimalang Karawang, pointed out the ineffectiveness of the return on investment obtained by the company. The greater the company's Return On Investment (ROI), the better the company is in utilizing the company's assets (Tangkere, 2014).

The calculated values for Net Profit Margin, Total Asset Turn Over and Return On Investment experienced fluctuating values in the 2019-2021 period. Return On Investment is a form of profitability ratios that are intended to measure the ability of a company with all funds invested in assets used for the company's operations to generate profits. The higher the Return On Investment generated, the better the bank's financial performance in generating profits and vice versa, so that the bank can influence the bank's relationship with customers or creditors or with other banks.

The average Total Asset Turn Over (TATO) result obtained by PT Bank Muamalat Kalimalang is 0.19 times, it shows that the Total Asset Turn Over (TATO) owned by PT Bank Muamalat Kalimalang is still below the set industry average. 2 times per period (Kasmir, 2016). Total Asseta Turna Over (TATO) is a measure of the turnover of all assets owned by the company. If the total assets turn over (TATO) of a bank is high, it indicates the ability of a bank to generate income from total assets and can be categorized as good and is a sign that the bank's management can utilize every rupiah of assets to generate income. Low or high total asset turnover (TATO) has an influence on the bank, so if the bank generates good income it will greatly affect the bank's image. Not only that, customer trust will increase so that the bank will have many new customers.

The results of the analysis table above show that the average Net Profit Margin (NPM) generated by PT Bank Muamalat Kalimalang is 66.54%, this shows that PT Bank Muamalat has

a good industry average Net Profit Margin (NPM). The higher the net profit margin (NPM) ratio, the better the financial performance achieved by PT Bank Muamalat Kalimalang, the industry standard for the net profit margin (NPM) ratio is 20% (Kasmir, 2008). The table data above shows that sales are positive for the profit earned by the company, which means that the greater the sales or income earned by the company, the greater the profit earned.

Thus, if the net profit margin of an Islamic bank is high, it will increase the level of creditor confidence because creditors need to know the bank's ability to generate profits. By knowing this, creditors can judge whether a bank is profitable or not. And the effect on Islamic banks is that if the net profit margin is low, it will have an impact on decreasing the level of customer confidence in the bank so that customers are reluctant to invest in the bank.

The table data presented by the authors above shows that the average Return On Investment in 2019-2021 which is calculated using the du pont system is still below the industry average standard value. This shows that the yield (return) on the assets used is not good and management effectiveness in managing its investments is also not good. Broadly speaking, the profit margin owned by PT Bank Muamalat Kalimalang shows good results because it has exceeded the industry average standard. However, the average value of total asset turnover (TATO) generated by PT Bank Muamalat Kalimalang for the 2019-2021 period is still below the industry average standard, this shows that the bank is less efficient in managing its assets.

CONCLUSION

Based on the results of data analysis and research that has been carried out, the following conclusions can be drawn: The Net Profit Margin (NPM) results generated in the 2018-2020 period have an average of 66.54%. These results indicate that the Net Profit Margin that has been set is more than the set industry standard. This shows that banks can generate good profits or net profits in their operational activities. The Total Asset Turn Over (TATO) results produced in the 2018-2020 period have an average of 0.19 times. These results indicate that the resulting Total Asseta Turna Over is still below the set industry average. This shows that the resulting asset turnover is still low and indicates a bank's ability to generate income from total assets is not good. The Return On Investment results produced in the 2018-2020 period have an average of 13.37%. These results indicate that the resulting Return On Investment is still below the set industry average standard. The Return On Investment results show that the company is less efficient in the use of total assets which causes the company to be less efficient in generating profits.

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