



FINANCIAL PERFORMANCE ANALYSIS AT PT BANK SYARIAH MANDIRI WITH METHOD ECONOMIC VALUE ADDE (EVA)

Ali Hardana¹, Ida Royani², Indah Sari Situmorang³, Bima Ariyanda⁴

alihardana@iain-padangsidipuan.ac.id, Idaroyani@iain-padangsidipuan.ac.id,
Indah_5a@yahoo.com, Bima27ariyanda@gmail.com

Institut Agama Islam Negeri Padangsidimpuan

ABSTRACT

PT. Bank Syariah Mandiri in the 2017-2019 period had a continuous increase in profit value, but from this value PT. Bank Syariah Mandiri has not been able to show the added economic value generated, because the profits obtained have not been deducted from the capital owned by PT. Mandiri Syariah Bank. This research is a quantitative research, using secondary data. The data used is *time series data* for 2017-2019 published by PT. Bank Syariah Mandiri through its official website, namely www.mandirisyariah.co.id . And analyzed using the *Economic Value Added* (EVA) method. Based on the results of research conducted by researchers, researchers concluded that PT. Bank Syariah Mandiri succeeded in creating economic added value, where overall in 2017-2019 the *Economic Value Added* (EVA) > 0, and that means PT. Bank Syariah Mandiri obtained a positive *Economic Value Added* (EVA). And it's good that the results obtained with the EVA method are included in the bank's financial statements so that those who need financial reports can see the added value generated by the company.

Keywords: *Islamic Bank, Economic Value Added (EVA), Financial Performance*

INTRODUCTION

Currently, Islamic banking can compete with conventional banks in Indonesia, with the potential of the Muslim majority community, Islamic banking continues to grow and shows satisfactory results. This is inseparable from the bank's good performance and can maximize existing capital and potential.

A company can analyze financial performance with several performance measurement tools such as using asset quality ratios, capital ratios, liquidity ratios and profitability ratios. However, the application of ratio analysis as a conventional accounting measurement method has a drawback, namely it does not take into account the *cost of capital* so that it is difficult to know whether or not a value is created in a company (Dian: 2009, 2) .

To cover this deficiency, a concept has been developed, namely *Economic Value Added* (EVA) which measures the added value generated by subtracting all capital. *Economic Value Added* (EVA) is known as a measuring tool for the performance of a company, in which the performance of a company is assessed by the difference between the level of return on capital and the *cost of capital* then



multiplied by the circulating capital at the beginning of the period or the average for one period if the capital is used to calculate the rate of *return on capital*.

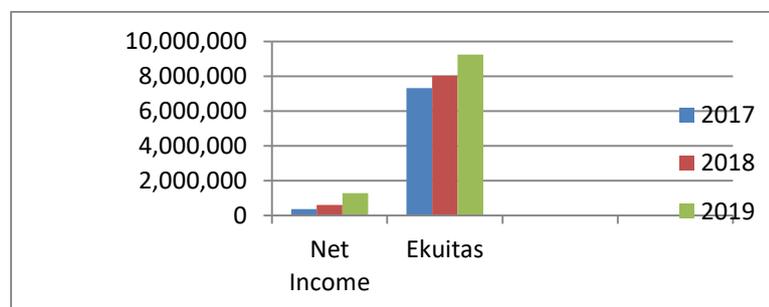
By using the *Economic Value Added (EVA)* method in measuring financial performance, the bank can see the extent to which the bank has succeeded or failed in creating added value, and by knowing this the bank can improve and maximize the capital it has for things that can create value.

One of the Islamic banks that have good performance and achievements in Indonesia is PT. Mandiri Syariah Bank. The bank showed very satisfactory performance results by recording a *net income* of IDR 1.27 trillion as of December 2019, up 110.68% compared to the same period last year. The increase in profit was supported by *margin fee based income* , which was contributed by digital transformation (www.mandirisyariah.co.id: 2019) .

Based on the financial statements of PT. Bank Syariah Mandiri, for the *net income* obtained by PT Bank Syariah Mandiri for the 2017-2019 period, there was a continuous increase, peaking in 2019 the net profit obtained reached 110.68% and so did the equity obtained by PT Bank Syariah Mandiri in the same period experienced a continuous increase, it was recorded that in 2019 the equity of PT Bank Syariah Mandiri increased by 14.98%.

For more details, below is the report on Net Profit and Equity at PT. Mandiri Syariah Bank.

Figure 1
Profit and Equity Report of PT. Mandiri Syariah Bank
Years 2017-2019 (In millions)



Source: PT Bank Syariah Mandiri

Based on Figure 1 above, the net profit of PT. Bank Syariah Mandiri experienced an increase from 2017-2019, and the value of Equity also experienced a continuous increase. The increase was due to a variety of bank products that were very varied and banks were also able to maximize their existing capital. However, the financial statements at PT. Bank Syariah Mandiri has not been able to fully show the amount of added value generated, because net income has not been deducted from all costs of capital that exist in PT. Mandiri Syariah Bank. The success or failure of a company in creating value or not can affect investor interest, according to Mursalim in his research that positive added value can have a major impact on the development of the company in the future, because investors and potential investors will respond positively to every activity and decision taken.



Based on the above, the problem in this study is how to analyze financial performance at PT. Bank Syariah Mandiri with the *Economic Value Added (EVA)* method.

LITERATUR REVIEW

Islamic Bank

Islamic banks are financial institutions whose systems adhere to Islamic principles and sharia. In Law No. 21 of 2008 concerning Islamic banks, it is stated that Islamic banks are banks that operate their activities based on sharia principles and based on the type, Islamic banks are divided into sharia commercial banks, sharia business units and sharia people's financing banks (Andrianto and Anang Firmansyah: 2019, 25-26) .

Islamic banks are banks that carry out their activities without using an interest system. Islamic banks are known as financial institutions whose activities and products are based on the Qur'an and hadith and are in line with Islamic economic principles. The goals of Islamic economics for Islamic banks are not only focused on commercial goals that are reflected in achieving maximum profits, but also their role in providing broad welfare for the community (Khaerul Umam: 2013, 15-16). The Islamic banking system, like other aspects of the Islamic worldview, is a supporting instrument for realizing the expectations of the Islamic economy and social system.

Financial performance

Performance is a condition that must be known and confirmed to certain parties to determine the level of achievement of the results of an agency associated with the vision carried out by a company and to know the positive and negative impacts of an operational policy. Financial performance is an achievement achieved by a company in the financial sector in a certain year that describes the company's health level in that field (Arum: 2013, 2) .

Performance is the result of work that has a strong relationship with organizational strategy, customer satisfaction, and contributes to the economy (Abdul Nasser et al: 2018, 131) . Performance is how a person is expected to function and behave in accordance with the tasks that have been assigned to him (Abdul Nasser et al: 2017, 47) .

A manager must have the ability to improve financial performance which can eventually attract investors to provide capital in the banking sector (Sarmiana and Dewi: 2019, 445) .

Financial statements

Financial statements are the result of reflection of many transactions carried out by a company (Jumingan: 2011, 4) . Financial statements or commonly known as financial statements contain information about the company's achievements in the past and can provide an overview to determine future policies. A financial statement is basically a description of a company's activities that can be used as a medium of communication between a company's activities or financial data and those who need the company's activities or data.



From the definition above, it can be concluded that the financial report is a summary of transactions made by the company that occurred during one financial year or during the accounting period (Supriyanto and Widiyanti: 2015, 53) .

The first financial statements for a company were only as a measuring medium, but for now the financial statements are not used only as a measuring medium but also as a reference to determine the company's financial position which, with the results of the analysis of financial statements, the parties who need it take a policy.

Economic Value Added (EVA)

Economic Value Added (EVA) is the economic added value generated by the company from its activities or strategies during a certain year. Economic Value Added (EVA) has the advantage of partisanship in measuring the performance of a management against small companies (Ignatius BS: 2005, 137) .

Economic Value Added (EVA) itself is a design for measuring corporate financial performance created by Stem Stewart and Co., a financial management consulting firm in America. Economic Value Added (EVA) is a way of financial management in assessing economic benefits in a company which states that prosperity can only arise where the company is able to meet all operating costs and capital costs. Economic Value Added (EVA) describes the residual profit left after the costs of all capital are deducted (Danny and Jilly: 2016, 2) .

METHODS

Types of research

This research uses quantitative research. Quantitative research is a study that uses data in the form of numbers or data that is numbered. This research was conducted based on time series or also called time series, which is a collection of data from a certain phenomenon obtained in certain time intervals, for example in weekly, monthly, and yearly.

Population and Sample

1. Population

Population is a generalization area consisting of objects or subjects that have certain characteristics and qualities that are determined by researchers to be studied and then conclusions are drawn (Rosady: 2003, 103) . The population used in this study is the financial statements of PT. Bank Syariah Mandiri period 2017-2019.

2. Sample

The sample is part of the object to be studied which is selected in such a way that it represents the entire object (population) to be studied (Nizar: 2014, 51) . The sample used for this research is financial statements for 3 years from 2017-2019.

The sampling technique used in this study is saturated sample, saturated sample is a sampling technique when all members of the population are used as samples (Riduwan: 2010, 64) .



Data source

Sources of data used in this study is secondary data. Secondary data is data that has been collected by other parties which are usually collected and published to the data user community. In addition, secondary data is data obtained or collected from existing sources called supporting data. In this study, secondary data is data that comes from the balance sheet and income statement obtained from the website . The data used by researchers is the financial statements of PT. Mandiri Syariah Bank.

Data collection technique

This research uses the method of collecting data documentation. Documentation data used in this research is financial statement data which includes profit/loss and balance sheet from the official website of PT. Bank Syariah Mandiri, namely *www.mandirisyariah.co.id* .

Data analysis technique

The initial analysis of this research was carried out because it wanted to describe financial performance and wanted to see how much added value could be generated, the researchers used the *Economic Value Added* (EVA) approach in determining the added value.

In measuring *Economic Value Added* there are several stages as follows (Supriyanto and Widiyanti: 2015, 53):

1. Calculating *Net Operating After Tax* (NOPAT)

$$\text{NOPAT} = \text{Profit (Loss)} - \text{Tax}$$

Description:

NOPAT : Profit from net activities after tax.

Profit : excess income compared to the total costs incurred to obtain the income (profit).

Tax : mandatory contributions from the people or taxpayers paid to the State.

2. Calculating the invested capital (*Invested Capital*)

$$\text{Capital invested} = \text{Total Debt \& Equity} - \text{Term Debt Short}$$

Description:

Invested Capital : Total company loans other than short-term loans without interest, such as taxes payable, trade payables and others.

Total debt : all debt, both short-term and long-term.

Equity : owner's rights to the company's assets after deducting liabilities in the balance sheet.

Short-term debt: borrowing funds or debts that are emergency in nature but can still be returned within 1 year.

3. Calculating WACC (*Weight Avarage Cost Of Capital*)

$$\text{WACC} = \{ (D \times rd) (1 - \text{Tax}) + (E \times re) \}$$

a) Capital Level (D)
$$= \frac{\text{Total Utang}}{\text{Total Utang dan Ekuitas}} \times 100\%$$

b) Debt Fee (rd)
$$= \frac{\text{Beban Bunga}}{\text{Total Utang Jangka Panjang}} \times 100\%$$



$$\begin{aligned} \text{c) Equity Rate (E)} &= \frac{\text{Total Ekuitas}}{\text{Ekuitas dan total utang}} \times 100\% \\ \text{d) Cost Of Equity (re)} &= \frac{\text{Laba Setelah Pajak}}{\text{Total Ekuitas}} \times 100\% \\ \text{e) Tax Rate (Tax)} &= \frac{\text{Beban Pajak}}{\text{Laba Bersih Sebelum Pajak}} \times 100\% \end{aligned}$$

Description:

WACC : the total cost of each component of capital.

4. Calculating Capital Charges

$$\text{Capital Charges} = \text{WACC} \times \text{Invested Capital}$$

Description:

Capital Charges : cash required to compensate investors for business risk from their invested capital.

5. Calculating Economic Value Added (EVA)

$$\text{EVA} = \text{NOPAT} - \text{Capital Charges}$$

Description:

EVA: profit remaining after deducting the cost of capital.

The criteria for evaluating financial performance can be seen with the following conditions (Johan et al: 2017, 235-236) .

Table 1
Performance Assessment Criteria with Economic Value Method Added (EVA)

No.		Assessment criteria
1.	EVA < 0 (Negative)	then the company's financial performance is said to be less good because the profits obtained are not met by the expectations of the funders, so there is no additional economic value in the company.
2.	EVA > 0 (Positive)	then the financial performance can be said to be good, so that there is a process of changing its economic value.
3.	EVA = 0 (break even)	then the company's financial performance is economically in a state of breakeven.

RESULTS AND DISCUSSION

Research results

Based on research conducted by researchers, the *Economic Value Added (EVA)* method measures the difference, from a financial perspective, between the company's return on capital and the cost of capital. It is similar to the measurement of profit in conventional accounting, but with one important difference, *Economic Value Added (EVA)* measures the cost of capital.

Economic Value added (EVA) is also based on the concept that the main

objective of management in running the company's operations is to create the greatest prosperity for shareholders. With that, the researcher wants to apply the *Economic Value Added (EVA)* method in analyzing the financial performance of PT Bank Syariah Mandiri for the 2017-2019 period.

The first calculation to find the EVA value is to calculate the NOPAT value where the NOPAT value is obtained by subtracting the net profit value from the tax value, then looking for the *invested Capital value by subtracting* the Total Debt and Equity value with short-term equity, then looking for the WACC value and looking for the value. *Capital Charges* obtained by multiplying the WACC value with *Invested Capital* then the last step is to calculate the EVA value by subtracting the NOPAT value that has been obtained with the *Capital Charges value* . The following describes the calculation of the *Economic Value Added (EVA)* as follows.

Based on the results of calculations by applying the Economic Value Added (EVA) method, the results are presented in table 2 below.

Table 2
Economic Value Added (EVA) PT. Mandiri Syariah Bank

Year	2017	2018	2019
NOPAT	365,166,000	605,213,000	1,275,034,000
IC	7,808.813,000	8,569,420,000	10,828,205,000
WACC	2.13%	2.91%	4.7%
CC	168,428,259	249,370,122	508,925,635
EVA value	196,737,741	355.842.878	766,108,365
Ride	-	80.87%	115.29%
Down	-	-	-

Source: Financial Report of PT. Bank Syariah Mandiri (processed)

Based on table 2 above, it can be concluded that the company has succeeded in creating positive added value. Which is Net Operating After Tax (NOPAT), Based on the processed financial report data, it can be seen that the NOPAT obtained by PT. Bank Syariah Mandiri during the 2017-2019 period experienced an increase. It was recorded that in 2017 it had a NOPAT value of Rp. 365,166,000,000 and was recorded as the lowest NOPAT value, in the following year the NOPAT value obtained was 66% higher compared to the previous period of Rp. 605,213,000,000 and in the 2019 period the NOPAT value obtained was Rp. IDR 1,275,034,000,000 increased by 110% and was recorded as the highest NOPAT value. This is because PT. Bank Syariah Mandiri can increase profits every year so that the NOPAT value does not decrease.

Next calculate the value of Invested capital (IC) PT. The Mandiri Syariah Bank obtained by the researcher was in the 2017 period the lowest Invested Capital , namely amounted to Rp7,808,813,000,000 then in the 2018 period Invested Capital was recorded at Rp8,569,420,000,000, an increase of 9.74% compared to the previous period. And in the 2019 period , Invested Capital amounted to Rp. 10,828,205,000,000, an increase of 26.36% as well as the highest Invested Capital recorded by PT. Mandiri Syariah Bank.



For WACC (Weight Average Cost of Capital) owned by PT. Bank Syariah Mandiri in the period of 2017 was 2.13% and recorded as the lowest WACC, then in the period of 2018 WACC recorded by PT. Bank Syariah Mandiri rose to 2.91% and in the period of 2018 WACC owned by PT. Bank Syariah Mandiri by 4.7% and became the highest WACC value recorded by PT. Bank Syariah Mandiri.

Capital Charges (CC) obtained by PT. Bank Syariah Mandiri based on the processed data, it can be concluded that the Capital Charges obtained experienced a continuous increase. In the 2017 period Capital Charges owned by PT. Bank Syariah Mandiri amounted to IDR 168,428,259,000 and was recorded as the lowest value of Capital Charges , then in 2018 Capital Charges increased by IDR 249,370,122,000 or increased by 48.06%. And in the period of 2019 Capital Charges owned by PT. Bank Syariah Mandiri experienced an increase of Rp. 766,108,365,000 or an increase of 207.23% compared to the previous year. And also recorded as the highest value of Capital Charges obtained by PT. Mandiri Syariah Bank.

Then the Economic Value Added (EVA) value obtained in the 3 periods is greater than zero. The highest Economic Value Added (EVA) value was recorded in the 2019 period of Rp. 766,108,365,000. This happened because the NOPAT value obtained in the 2019 period was the highest among the three periods studied, and the Capital Charges owned were low. Then in the 2018 period the Economic Value Added (EVA) value obtained was Rp . 355.842.878.000, 115.29% lower compared to the 2019 period. And in the 2017 period the EVA value was the lowest at Rp. 192.737.741.000 with a comparison of 80, 87% when compared to the EVA value in the 2018 period.

Discussion of Research Results

This study entitled Financial Performance Analysis at PT. Bank Syariah Mandiri With Economic Value Added (EVA) Method. After going through the calculations carried out by the researcher with the previously determined formula, it shows that PT. Bank Syariah Mandiri has succeeded in creating added value. The Economic Value Added (EVA) obtained by PT. Bank Syariah Mandiri in 2017 amounted to Rp192,737,741,000 then in 2018 it amounted to Rp355,842,878,000 and lastly in 2019 it was recorded at Rp766,108,365,000.

With these results it can be concluded that the financial performance of PT. Bank Syariah Mandiri in 2016-2019 can be said to be good, due to changes in economic value, with the value of Economic Value Added (EVA) > 0 , this is in accordance with the criteria for assessing financial performance using the Economic Value Added (EVA) method if $EVA > 0$, then the value can be said to be positive and the company succeeded in creating economic added value.

These results are supported by several studies that have been carried out including Eva Ulfa Rahayu et al which stated that the company had been able to create economic added value for the company, this was evidenced by the EVA value which was above zero ($EVA > 0$), then Miftahul Huda et al stated that Overall the company has an EVA value > 0 , and the company can be said to have been able to create economic added value, then Intan Zoraya, Muzawwis et al, and Muhammad Yunus stated that "The company has succeeded in creating economic added value with an EVA value greater than zero ($EVA > 0$).) and the company's financial



performance can be said to be good.

CONCLUSION

Based on the results of the study entitled "Financial Performance Analysis at PT. Bank Syariah Mandiri With *Economic Value Added* (EVA) Method "it can be concluded that overall PT. Bank Syariah Mandiri was able to create positive added value in a sustainable manner within a period of 3 years from 2017-2019. which in 2017 the EVA value is greater than zero, which is Rp. 196,737,741,000, - means PT. Bank Syariah Mandiri was able to create economic added value this year. Then in 2018 PT. Bank Syariah Mandiri also recorded an EVA value greater than zero, namely Rp. 355.842.878.000,- and also EVA value increased by 81% when compared to the previous year. And then in 2019 the EVA value also showed a value greater than zero, an increase of 115% from 2018. The highest EVA value was obtained in 2019 where the value is greater than the 2017-2019 EVA value. And the lowest value was obtained in 2017. This shows that PT. Bank Syariah Mandiri can maximize the potential of the existing capital from 2017-2019. And the profit earned from the 3 year period is quite large and always increases which affects the total EVA value.

REFERENCES

- Abdul Nasser Hasibuan., Ja'far Nasution, and Wiwik Susanti Sitompul. 2018. "Pengaruh Keselamatan Dan Kesehatan Kerja Terhadap Kinerja Karyawan Pada Pabrik Karet PT. Kirana Sapta Di Ponompuan." *Jurnal Ilmu Ekonomi Dan Keislaman* Vol. 6 No. 1.
- Abdul Nasser Hasibuan, Rini Hayati Lubis, and Arianti Winda Sari. 2017. "Pengaruh Disiplin Kerja Dan Motivasi Terhadap Kinerja Pegawai Di Pukesmas Marancar Udik Kabupaten Tapanuli Selatan." *Jurnal Ilmu Ekonomi Dan Keislaman* Vol.5 No. 1.
- Ahmad Nizar Rangkuti. 2014. *Metode Penelitian Pendidikan*. Bandung: Ciptapustaka.
- Andrianto, and Anang Firmansyah. 2019. *Manajemen Bank Syariah*. Pasuruan: Qiara Media.
- Arum Permata Kasih. 2013. "Analisis Kinerja Keuangan Dengan Menggunakan Rasio-Rasio Keuangan Dan Economic Value Added (Studi Kasus: PT. Bank Syariah Mandiri)." Surakarta: Universitas Muhammadiyah Surakarta.
- Batubara, Sarmiana, and Ratna Sari Dewi. 2019. "Determinan Kinerja Perbankan Syariah" 2.
- Danny D.S Mukuan, and Jilly Karamoy. 2016. "Analisis Economic Value Added (EVA) Pada PT Bank Negara Indonesia TBK." *Jurnal Administrasi Bisnis* Vol. 4, No. 1.
- Dian Astri Dwijayanti. 2009. "Analisis Kinerja Keuangan Pada Bank Syariah Mandiri." Surakarta: Universitas Muhammadiyah Surakarta.
- Ignatius B.S. 2005. "EVA: Dari Alat Kinerja Manajemen Menuju Konsep Pemerataan Pendapatan." *Jurnal Pendidikan Akuntansi Indonesia* Vol IV, No. 1.



Johan Tumiwa, Irena Nesya Adiguna, and Sri Murni. 2017. "Analisis Kinerja Keuangan Dengan Menggunakan Metode Economic Value Added (EVA) Pada Perusahaan Plastik Dan Kemasan Yang Terdaftar Di Bursa Efek Indonesia Periode Tahun 2011-2015" Vol. 5 No. 1.

Jumingan. 2011. *Analisis Laporan Keuangan*. Jakarta: Bumi Aksara.

Khaerul Umam. 2013. *Manajemen Perbankan Syariah*. Bandung: CV Pustaka Setia.

R Agus Sartono. 2010. *Manajemen Keuangan Teori Dan Aplikasi*. Yogyakarta: BPFY-Yogyakarta.

Riduwan. 2010. *Metode Dan Teknik Menyusun Tesis*. Bandung: Alfabeta.

Rosady Ruslan. 2003. *Metode Penelitian Public Relations Dan Komunikasi*. Jakarta: Jakarta: PT Rajagrafindo Persada.

Supriyanto, and Widiyanti lestari. 2015. "Analisis Kinerja Keuangan Dengan Menggunakan Metode Economic Value Added Pada PT. Bank Mandiri (Persero), TBK." *Jurnal Bisnis Administrasi* Vol. 04 No. 1.

www.mandirisyariah.co.id. 2019.