ENHANCING FINANCIAL PERFORMANCE ASSESSMENT: A FUNDAMENTAL ANALYSIS OF PT. BANK SYARIAH INDONESIA, TBK. IN THE CAPITAL MARKET (2019-2023)

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ABSTRACT
This study aims to provide an overview of the financial performance of PT. Bank Syariah Indonesia, Tbk. uses real data in the capital market based on fundamental analysis using descriptive quantitative research. This study uses secondary data, namely the financial statements with samples of 2019 before the merger until 2023 Quarter 3. This data was analyzed using fundamental analysis. The results found that PT. Bank Syariah Indonesia, Tbk. in these 2 years there has been an increase in free float by 4.92%, but this does not affect its share price, which experiences fluctuations, moving downward in 2022 to 2023, around the lowest price of IDR 1,200, besides it, the fundamental matrix assessment shows the amount of revenue obtained by PT. Bank Syariah Indonesia, Tbk from the P/E ratio of 14.61 and the P/S ratio of 3.15. Meanwhile, the value (P/E) in 2022 has decreased dramatically to 11. Growth and profitability moved positively from 2018 to 2022 amounting to 22 trillion. Net margin, which had fallen in 2019, rose dramatically, especially in 2022, to 20% and routinely fulfilled its obligations to investors by distributing dividends in 2021 of 17,952 and 9,235 in 2022. PT. Bank Syariah Indonesia, Tbk. provides quite a lot of financing to customers with a ratio of 3:1 compared to customer deposits. This needs to be considered, careful and pay attention to providing financing, especially in consumption financing which will result in bad loans or liquidity problems.

Keywords: Financial Performance; Fundamental Analysis; Sharia Bank.
INTRODUCTION

The financial sector's large contribution to the economy makes bank analysis and efficiency crucial. Based on data from the Central Statistics Agency (BPS) in 2019, the ranking of Islamic banks in Indonesia is still far behind compared to conventional banks. Therefore, a merger was carried out in three Sharia banks, namely PT Bank BRIsyariah Tbk, PT Bank Syariah Mandiri, and PT Bank BNI Syariah which officially became PT. Bank Syariah Indonesia, Tbk (BSI) on February 1, 2021, or 19 Jumadil Akhir 1442 H at the same time recorded a new history in the banking industry in Indonesia as the largest Islamic bank in Indonesia which was inaugurated directly by President Joko Widodo (https://ir.bankbsi.co.id/).

The breakthrough in government policy to merge three Islamic banks is expected to provide new financial institution options for the public and boost the national economy. Based on a report from The State of Global Islamic Economy (SGIE) for the 2020/2021 period, it is stated that Indonesia has managed to rank 4th in the Islamic financial industry. In addition, the report also found that after the three Islamic banks merged, PT. Bank Syariah Indonesia, Tbk ranked 7th national bank by assets (Sulistiyaningsih & Thanul, 2021). This is a positive signal where the presence of PT. Bank Syariah Indonesia, Tbk in the Indonesian banking world, which has the largest Muslim population in the world at this time, is expected to strengthen the performance of national Islamic banking and in the future can realize Indonesia's hope to become the center of the world's Islamic economy and finance.

This macro merger aims to enlarge and strengthen the position of the Islamic economy, strengthen its market capitalization, make the Islamic economy one of the main factors of growth, and the obligation to separate or spin-off Sharia Business Units (UUS) according to Law Number 21 of 2008 concerning Sharia
Banking (NewsRepublika, 2020). In particular, this merger is expected to be able to unite the advantages of the three Islamic banks, and provide more complete services, wider coverage, have better capital capacity (https://ir.bankbsi.co.id/), and improve the performance of Islamic banking in Indonesia, especially in financial performance to compete with conventional banking and be able to bring Islamic banks into the top ten international banks (Makhsun, Yuliansyah, Razimi, & Muhammad, 2018).

The response of the public, especially investors, at the beginning of the merger of PT. Bank Syariah Indonesia, Tbk (BSI) covers stock price reactions and trading activities. Based on IDX statistical report data in October 2020, BRIS' stock price experienced a soaring increase at the initial announcement of the merger of Islamic banks.

![Daily BRIS Stock Chart](image)

Source: Bursa Efek Indonesia (Ainurrachma and Mawardi, 2022)

Figure 1 explains that before the announcement the condition of BRIS shares was relatively stable, at the time the merger was announced, BRIS shares experienced soaring changes, but after the announcement, the BRIS stock price fluctuated up and down. The stock market response regarding the merger announcement proved positive. BRIS stock price experienced auto rejection within
two days, namely on the 13th and 14th. Previously, the share price was 25% to Rp 1,500. BRIS's share price after the merger announcement increased by 175.22% or before the merger, which was Rp 545 (Bursa Efek Indonesia, 2020). The high positive response in the stock market related to this merger was driven by the hope that later BSI would strengthen the Islamic economy, growth, and compliance with regulations related to the separation of Sharia Business Units.

Established during the Covid-19 pandemic, Bank Syariah Indonesia has been prepared to be able to survive in vulnerable economic times with the largest asset ownership in Islamic banking (Charisma, 2021) Bank Syariah Indonesia plays an important role as one of the stakeholders involved in the National Economic Recovery (PEN), especially in the development of the halal industry in Indonesia amid the worsening economic situation due to the Covid-19 (Bank Indonesia, 2020). The contribution of Islamic banking assets amid national economic recovery efforts showed an increase of 13.11% per year, financing increased by 8% and third-party funds (DPK) increased by 11% (Otoritas Jasa Keuangan, 2020). The Islamic financial literacy survey conducted by OJK in 2019 stated that the existence of the Islamic banking industry in Indonesia itself has experienced significant improvement and development in the past three decades (Otoritas Jasa Keuangan, 2020). According to data released by the Ministry of Finance, banks that implement the Sharia system still show good financial performance even though the COVID-19 pandemic is currently sweeping the world (Kementrian Keuangan, 2021).

Financial performance of PT. Bank Syariah Indonesia, Tbk (BSI) has a significant impact on the company's success. Financial performance is an important indicator that reflects a company's ability to manage and evaluate itself and affects various aspects, including company value, investor interest, and competitiveness. A study states that good financial performance can increase company value, attract
investors, and strengthen company competitiveness, especially in the context of mergers. In addition, strong financial performance can also provide confidence to the public and investors, and affect the company's ability to bear risks (Hapsari dan Purwohandoko, 2022).

Based on several studies found that mergers are considered capable and effective in improving financial performance. According to (Rani et al., 2015), (Oktavia, 2016), (Nasir &; Morina, 2018), and (Purwati, 2021) stated that there are significant differences in all financial ratios studied before and after the merger of the company. Mergers improve financial performance and have a positive financial impact on the company.

On the other hand, some literature states that mergers do not always have a positive impact or profit on the company. There is debate about whether mergers can increase the company's capabilities, or reduce the value of the company (Rani et al., 2015). (Gustina, 2017), (Makhsun, Yuliansyah, Pahlevi, Razimi, &; Muhammad, 2018) and (Silaban &; Silalahi, 2019) in their research found that only liquidity ratios experienced significant differences before and after mergers, while profitability financial ratios did not experience differences.

The consistency of the results of previous research shows that mergers do not always have a positive impact on the company's financial performance. For this reason, this study provides an overview of the financial performance of PT. Bank Syariah Indonesia, Tbk uses real data in the capital market based on fundamental analysis.

**METODE PENELITIAN**

This descriptive quantitative research explains data and financial information in the form of numbers, graphs, and tables. This research method is a type of research method that can assess and explain financial performance,
especially for banking. This method is considered capable of answering research objectives because this method can identify trends, and predictions, compare the bank performance, simplify the information, and measure management performance and bank health. Descriptive quantitative methods are also able to analyze secondary data used in this study namely the financial statements of PT. Bank Syariah Indonesia, Tbk obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id) with the stock code BRIS. The sample financial statements used are from 2019 before the merger to 2023 Quarter 3. Financial statements as the main data used in this study, then analyzed using fundamental analysis.

Fundamental analysis in the capital market is an approach to assessing the value of an investment by examining the underlying economic, financial, and business factors. This fundamental analysis is used to understand the intrinsic financial value of PT. Bank Syariah Indonesia, Tbk where the focus of this study is analysis which also involves evaluating the company's performance, and growth prospects. From several important aspects of fundamental analysis in the capital market, this article examines and pays attention to financial statements such as interpreting financial ratios and providing an overview of the company's financial health, revenue growth, and valuation of PT. Bank Syariah Indonesia, Tbk. The results of the analysis are then interpreted to provide a clear, complete picture and can be studied as material and consideration for investors and stakeholders as well as decision-makers.

RESULT AND DISCUSSION

The existence of this Bank is assessed based on financial performance obtained from data on the Indonesia Stock Exchange. PT. Bank Syariah Indonesia, Tbk has been listed on the Indonesia Stock Exchange in 2021 using the BRIsyariah
stock code, BRIS. This research displays several results of fundamental (financial) analysis sourced from Bank Syariah Indonesia's financial statements since 2019 when it has not merged until 2023 quarter 3. The results of the fundamental analysis include the Fundamental Matrix Assessment in Determining the Fair Value of Shares, valuation ratio, growth and profitability, dividend summary, and financial health of PT. Bank Syariah Indonesia, Tbk. The following is a summary of important facts related to the financial condition and existence of Bank Syariah Indonesia in the domestic capital market as of December 2023.

**Figure 2.**
Overview of Important Financial Facts of Bank Syariah Indonesia Per December 2023

<table>
<thead>
<tr>
<th>Kepemilikan pasar</th>
<th>78.189T tril.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rasio Harga terhadap Perolehan (TTM)</td>
<td>14.61</td>
</tr>
<tr>
<td>Dividen</td>
<td>1969</td>
</tr>
<tr>
<td>CEO</td>
<td>Hery Gunardi</td>
</tr>
<tr>
<td>Website</td>
<td>bankbsi.co.id</td>
</tr>
</tbody>
</table>

Source: [https://id.tradingview.com/chart/?symbol=IDX%3ABRIS](https://id.tradingview.com/chart/?symbol=IDX%3ABRIS), accessed December 23, 2023

The data in Figure 2 shows that Bank Syariah Indonesia's stock market capitalization as of December 2023 is 78.189 trillion with a ratio of stock price to acquisition for a year or 12 months of 14.61 and earnings per share for 12 months in 2023 of IDR 115.66 per share. Meanwhile, the number of shares ownership is concentrated at 90.08%, and free float (shares circulating freely in the stock market) at 9.92%. When compared with the free float data at the beginning of the Bank merger in 2021 which was recorded at 5% with data at the end of 2023, it can be concluded that in these 2 years, there has been an increase in free float of almost
100% or an increase of 4.92%. This free float may change over time due to changes in share ownership or new public offerings. This is considered reasonable because stocks with high free float tend to have better liquidity. After all, more shares can be traded on the open market.

There is an increase in free float, which will also affect the price of shares outstanding and offered. The following is presented the trend of Bank Syariah Indonesia's share price since before the merger and after the merger, until now it is in the fourth quarter of 2023.

**Figure 3.**
Stock Price Trend of Bank Syariah Indonesia in 2019-2023

Source: [https://id.tradingview.com/chart/?symbol=IDX%3ABRIS](https://id.tradingview.com/chart/?symbol=IDX%3ABRIS), accessed December 23, 2023

Based on Figure 3, it is clear that before the merger, BRIS's share price was in the range of IDR 500 per share, but when rumors began to be heard about the merger of 3 state-owned Islamic bank subsidiaries, precisely in the 3rd quarter of 2020, the stock price began to rise to touch IDR 800 per share and peaked in the 1st quarter of 2021 when the release of Bank Syariah Indonesia's shares as a merged Islamic bank that reached the highest price of Rp 3,800 per share.
This very drastic and significant increase indicates that there is a positive response from the capital market and investors considering that in 2021 Indonesia is experiencing a crisis due to Covid-19. However, since the announcement of the merger, the stock price in 2021 began to move down and fluctuate at the lowest price of IDR 1,600 and the highest price of IDR 2,900. From 2022 to 2023, BSI's stock price fluctuates in the lowest price range of IDR 1,200 and the highest price of IDR 1,700,-. This shows that the increased free float is not in line with the stock price offered in the capital market which decreased compared to the initial price during the Initial Public Offer.

However, stock price is not a determining factor in determining the performance and financial growth of an issuer. The following presents a picture of the fundamental valuation matrix in determining the fair value of shares that can explain BSI's declining share price and increased free float.

**Figure 4. Fundamental Matrix Valuation in Determining the Fair Value of Shares**

![F/E Ratio and P/S Ratio](https://id.tradingview.com/chart/?symbol=IDX%3ABRIS), accessed December 23, 2023

From the results of the fundamental matrix assessment in Figure 4, it is known that from the market capitalization of 78.189 trillion, the amount of revenue obtained by Bank Syariah Indonesia is obtained from the P/E ratio or Price-to-Earnings Ratio of 14.61. This ratio is one of the valuation ratios commonly used to
assess how expensive or cheap a stock is on the stock market. This ratio measures the relationship between the price per share and the earnings per share of the company concerned. Based on the P/E value or P/E ratio of 14.61 times, it is considered ideal for undervalued stocks where this value is below 15 times. Value investors tend to collect stocks with a PER below 15 times because a PER of more than 15x means that the stock price is too high.

The P/S ratio or Price-to-Sales Ratio is one of the valuation ratios used to assess a company's stock price relative to its sales revenue or net income. This ratio gives an idea of how expensive or cheap a company's stock is when viewed in terms of sales revenue. Based on Figure 4, it is known that the value of the P/S ratio is 3.15. This indicates that, as per the end of the fiscal year 2023, PT. Bank Syariah Indonesia, Tbk (worth (Rp 1,695,- per share) traded 3.15 times the sale per share of the company.

After discussing the determination of the fair value of shares based on the price-to-earnings ratio and price-to-sales ratio, it is necessary to strengthen with data from the annual valuation ratio from 2018 to 2022 presented in Figure 5 as follows.

**Figure 5.**

Annual Valuation Ratio Chart (2018-2022)

Source: https://id.tradingview.com/chart/?symbol=IDX%3ABRIS, accessed December 23, 2023
The valuation ratio seen in Figure 5 shows that the price-to-earnings ratio (P/E) from 2018 to 2020 was stable in the range of 40, while in 2021, since the merger of 3 banks into Bank Syariah Indonesia, it fell to 22 and continued to decline in 2022 to 11. While the price-to-sales ratio (P/S) moves in the range of 2 to 3. This graph is in line with the fundamental matrix assessment in Figure 4 that there is a relationship between stock prices and price-to-earnings ratio (P/E) where the lower the stock price, the lower the price-to-earnings ratio (P/E).

In addition to the valuation assessment of the ratio, this article also presents a graph of growth and profitability for 2018-2022 which is presented as follows.

**Figure 6.**
**Growth and Profitability Graph for 2018-2022**

In Figure 6, it can be seen that growth and profitability moved positively where in 2018 and 2019 before the merger the total revenue obtained was 5% or 4 trillion while in early 2020 it was rumored that there was a merger of 3 banks, total revenue increased dramatically and significantly to 18% or 19 trillion and persisted and continued to increase in 2021 and 2022 by 22 trillion. The increase in total revenue is in line with total revenue and net margin which moves the same as the graph of total revenue where net income in 2018 was 2% and in 2022 increased to
5% and net margin which had fallen in 2019 rose drastically, especially in 2022 to 20%.

Figure 7. Quarterly Growth and Profitability Graph For 2022-2023

![Quarterly Growth and Profitability Graph For 2022-2023](source)

Based on Figure 7 every quarter, it can be seen that total revenue and net income are quite stable, but the net margin had decreased quite significantly in Q4 of 2022 at 17.5%, but managed to rise and increase significantly in Q1 of 2023 to 23.5% and remained at 22% in Q2 and Q3.

With growth and profitability as seen from total revenue and net margin, Sharia Bank seeks to fulfill its obligations to investors as capital owners in the form of shares by distributing dividends. The dividend overview of PT. Bank Syariah Indonesia, Tbk is presented in the following figure.

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Based on the data shown in Figure 8, it is known that in 2019 and 2020 PT. Bank Syariah Indonesia, Tbk, which is still BRI Syariah status, did not distribute dividends because this year the three banks were already in the process of merging. The distribution of dividends per share began in 2021 when the successful merger of three banks into PT. Bank Syariah Indonesia, Tbk amounted to 17.95 but fell in 2022 to 9.24.

Table 1.
Dividend Payment History of PT. Bank Syariah Indonesia, Tbk For 2019-2023

<table>
<thead>
<tr>
<th>Ex-date</th>
<th>Tanggal pencatatan</th>
<th>Tanggal pembayaran</th>
<th>Jumlah</th>
<th>Frekuensi</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/5/2023</td>
<td>5/6/2023</td>
<td>23/6/2023</td>
<td>9,235</td>
<td>Tahunan</td>
</tr>
<tr>
<td>8/6/2022</td>
<td>9/6/2022</td>
<td>30/6/2022</td>
<td>17,952</td>
<td>Tahunan</td>
</tr>
<tr>
<td>9/5/2019</td>
<td>10/5/2019</td>
<td>28/5/2019</td>
<td>1,070</td>
<td>Tahunan</td>
</tr>
</tbody>
</table>

Source: https://id.tradingview.com/chart/?symbol=IDX%3ABRIS, accessed December 23, 2023

From Table 1, it is clear that since its status as Bank Syariah Indonesia, this issuer annually within 2 years, namely 2021 and 2022, paid its dividends on a scheduled and regular basis every June of the current year with each amount of
dividends paid differently, namely in 2021 as many as 17,952 and in 2022 as many as 9,235.

In addition to looking at growth and revenue, every stakeholder whether investors, potential investors, or decision-makers needs to consider the level of financial health of issuers which is assessed based on profitability and solvency owned. As presented in Figure 9 below.

**Figure 9.**
Annual Financial Health Chart based on Profitability and Solvency of PT. Bank Syariah Indonesia, Tbk for 2018-2022

The financial health of issuers from the banking industry is seen from loans (financing) and customer deposits (third-party funds) as well as reserves for receivables losses on financing. Based on the annual data in Figure 9, it can be seen that Bank Syariah Indonesia provides quite a lot of financing to customers with a ratio of 3:1 compared to customer deposits. However, the high net loan provided is not comparable to the reserves for receivable losses, especially in 2021 and 2022 which show the mines figure. This needs to be considered by the bank to be careful and pay attention to the provision of financing, especially in consumption financing. This will result in bad debts or liquidity problems. In addition, banks
need to increase the promotion of their savings products and customer trust to encourage total customer deposits at Bank Syariah Indonesia.

**Figure 10.**
Quarterly Financial Health Chart based on Profitability and Solvency of PT. Bank Syariah Indonesia, Tbk for 2022-2023

Quarterly financial health analysis shows that in the last year, net loans increased by around 50 Trillion from around 180 Trillion to 230 Trillion, while total deposits have been stable in the range of 50 to 60 Trillion. Bank Syariah Indonesia also needs to increase reserves for receivables losses considering that net loans are very high risk and problematic in bank liquidity.

**CONCLUSION**

Based on the interpretation of fundamental analysis at Bank Syariah Indonesia after the merger, it can be concluded that in these 2 years, there has been an increase in free float of 4.92%, but this does not affect BSI's stock price, which experiences fluctuations, tends to decrease in 2022 to 2023, ranging from the lowest price of IDR 1,200 and the highest price of IDR 1,700. However, the stock price is not a determining factor in determining the performance and financial growth of an issuer because the results of the fundamental matrix assessment show the amount of income obtained by Bank Syariah Indonesia from the P/E ratio of 14.61 and the P/S ratio of 3.15. Meanwhile, the value (P/E) in 2021 since the merger fell to 22
and continued to decline in 2022 to 11. Growth and profitability moved positively where total revenue increased dramatically and significantly to 19 Trillion and remained and continued to increase in 2021 and 2022 by 22 Trillion. Net margin, which had fallen in 2019, rose dramatically, especially in 2022, to 20%. Bank Syariah Indonesia has also fulfilled its obligations to investors by distributing dividends in 2021 of 17,952 and in 2022 of 9,235. Bank Syariah Indonesia has also provided quite a lot of financing to customers with a ratio of 3:1 compared to customer deposits.

Banks need to be careful and pay attention to providing financing, especially in consumption financing. This will result in bad debts or liquidity problems. In addition, banks need to increase the promotion of their savings products and customer trust to encourage total customer deposits at Bank Syariah Indonesia.

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