

ANALYSIS FINANCIAL PERFORMANCE USING THE CAMEL METHOD AT PT. BANK SULSELBAR PERIOD 2015-2021

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Abstract

This study aims to determine the financial performance of PT. Bank Sulselbar from 2015 to 2021 using the CAMEL method, to see if PT. Bank Sulselbar is in a healthy or unhealthy predicate. This type of research is a quantitative descriptive research. The sample used in this study is the financial statements of PT. Bank Sulselbar for the 2015-2021 period. Data collection used documentation techniques. The data analysis used is the CAMEL analysis set by Bank Indonesia. The results of this study indicate that the health level of PT. Bank Sulselbar for the 2015 to 2021 period is in the healthy predicate. This can be seen from the results of research on the CAMEL aspect for the last 7 years 2015-2021 consecutively for 2015 it was 71.62, in 2016 it was 77.28, in 2017 it was 70.66, in 2018 it was 70.90, in 2018 it was 70.90. In 2019 it was 69.70, in 2020 it was 69.53, and in 2021 it was 69.87. Based on the provisions of Bank Indonesia regarding the criteria for assessing the soundness of a bank, PT. Bank Sulselbar is in the interval 66-<81 with the Healthy Enough predicate for 2015-2021.

Keywords: *Financial Performance, CAMEL*

1. INTRODUCTION

Banking is an important part of the economy, contributing to the smooth flow of money and economic activity. Banking has a very strategic role, one of which is as an intermediary for the flow of money from the government to the public and vice versa. The health of a bank is important for all parties involved in it, such as the public who use bank services, bank owners and managers, and the government. Bank health is used to determine whether the bank has followed all existing regulations. According to Bank Indonesia Regulation No. 13/1/PBI/2011 concerning Assessment of the Soundness Level of Commercial Banks, the soundness of a bank is a means for supervisors in determining or establishing strategies and their focus on supervising banks.

CAMEL's assessment has the nature of self-assessment which is calculated based on the bank's internal assessment. BI strictly does not require the final results of bank soundness assessments to be published in detail for the public. This means that this calculation is not easy to carry out because it is related to bank secrecy. Moreover, the weight that BI provides through BI Regulation Number 6/10/PBI/2004 on 12 April 2004 concerning the Rating System for

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Commercial Banks, the "S" indicator does not have a weight (0). Due to limited data, this study only used the CAMEL method.

CAMEL is one of the determining factors for the soundness of a bank. The five factors that shape the soundness of the bank are interrelated and cannot be separated. The five factors are Capital, Asset, Management, Earning, and Liquidity. From the results of this assessment, the bank can make policies related to its future performance. If the results of the assessment are said to be healthy, the bank is obliged to maintain the level of soundness it has. However, if the results obtained are said to be unhealthy, then the health of the bank must be improved.

Regardless of the bank currently operating in the province of South Sulawesi. Bank Sulselbar is one of the financial institutions that has consistently expressed concern for regional conditions since its establishment in order to maintain its reputation as a trusted bank. The following is an overview of the financial performance of PT. Bank Sulselbar is seen from the financial statements of the last few years as shown in the table below:

Table 1. Financial Report Data of PT. Bank Sulselbar Year 2015-2021

Year	Net Profit (Millions of Rupiah)	Asset (Millions of Rupiah)	Operating Profit (Millions of Rupiah)	Operating Expenses (Millions of Rupiah)
2015	501,177	11,520,305	684,500	1,207,182
2016	606,123	16,242,239	819,097	1,235,229
2017	539,445	17,545,955	701,369	1,658,505
2018	591,474	20,576,423	790,164	1,649,269
2019	616,691	23,541,662	835,570	1,832,837
2020	620,931	24,830,410	833,237	2,302,817
2021	651,826	27,784,973	871,264	2,130,353

Source: Financial Report of PT. Bank Sulselbar Year 2015-2021

Based on the table above it can be seen that the assets of PT. Bank Sulselbar has developed quite well. The author has an interest in research related to the health of PT. Bank Sulselbar uses the CAMEL method because it is a method that was regulated by BI. Using the CAMEL method can explain certain aspects of bank performance, such as capital, assets, management, profitability, and liquidity which have a significant impact on bank performance. CAMEL is also used as a benchmark for bank performance in finding problems and deficiencies, as well as helping banks remain in good condition and improve problematic and unhealthy aspects.

2. RESEARCH METHOD

According to Abuzar Asra (2017: 381) "A single variable is also called a single index. An index or a single variable only discusses one variable." The variable in this study is a single variable, namely the CAMEL method (Capital, Asset, Management, Earning, Liquidity). The population of this research is PT. Sulselbar Bank. Arikunto (2019: 109) which states that "Samples are part or representative of the population studied." The samples in this study are balance sheets, income statements, notes to financial statements, and financial ratio reports of PT. Bank Sulselbar 7 years from 2015 to 2021.

Data collection techniques used in research using secondary data. Secondary data, namely the company's financial statements from PT. Bank Sulselbar for the 2015-2021 period as documented by the company through the banksulselbar.co.id website. In this study, in processing research data, quantitative descriptive analysis was used, namely to find the ratio obtained by calculating each factor and aspect according to the CAMEL method, namely the aspect of capital, aspect of asset quality, management aspect, profitability aspect, and liquidity aspect.

3. RESULTS AND DISCUSSION

Research result

3.1 Capital (Capital)

The following is a table of CAR credit analysis ratio PT. Bank Sulselbar for the 2015-2021 period.

Table 2.Credit Value CAR Ratio

Year	CAR Ratio (%)	Credit Score	Maximum Value
2015	27,63	277,3	100
2016	26,57	266.7	100
2017	25,16	252.6	100
2018	24,28	243.8	100
2019	22.98	230.8	100
2020	24.03	241.3	100
2021	21,29	213.9	100

Source: Data Processed Results, 2023

Ratio Capital Adequacy Ratio (CAR) PT. Bnk Sulselbar for the period 2015 to 2021, namely 27.63%, 27.57%, 25.16%, 24.28%, 22.98%, 24.03% and 21.29%. PT. Bank Sulselbar can guarantee a CAR position above the minimum standard determined by BI, which is 8%. In accordance with the assessment criteria in which the CAR ratio of PT. Bank Sulselbar in the 2015-2021 period is above 8%, the CAR ratio of PT. Bank Sulselbar is said to be very healthy.

Based on the table above which shows that the CAR value in 2015 was 277.3, in 2016 it was 266.7, in 2017 it was 252.6, in 2018 it was 243.8, in 2019 it was 230.8, in 2020 it was 241, 3 and in 2021 it will be 213.9. That way, the credit value is limited to a maximum of 100, the credit value CAR ratio of PT. Bank Sulselbar in 2015-2021 is recognized as 100.

3.2 Asset Quality

The following is a table of KAP PT credit score analysis. Bank Sulselbar Period 2015 to 2021.

Table 3.KAP Ratio Credit Score

Year	KAP Ratio (%)	Credit Score	Maximum
2015	0.28	101.46	100
2016	0.26	101.60	100
2017	0.53	99.8	100
2018	0.58	99.46	100
2019	1.04	96.4	100

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2020	0.71	98.6	100
2021	0.99	96.73	100

Source: Data Processed Results, 2023

Earning Assets Quality Ratio (KAP) PT. Bank Sulselbar for the period 2015 to 2021, namely 0.28%, 0.26%, 0.53%, 0.58%, 1.04%, 0.71% and 0.99%. Based on the results of calculating the KAP ratio of PT. Bank Sulselbar shows that the financial condition seen from the Asset aspect is very healthy, because it shows the calculation of the KAP ratio for 2015 to 2021 is less than 2%. This is in accordance with SE BI No. 6/23/DPNP of 2004 which means that the bank's financial condition is very healthy.

It is known that during the 2015-2021 period PT. Bank Sulselbar is still able to maintain its KAP ratio credit value in the healthy category, where the maximum value that can be obtained by a bank to remain categorized as a healthy bank is 100.

3.3 Management(Management)

Below is the credit value obtained from the calculation of the NPM ratio of PT. Bank Sulselbar for 2015-2021 which is presented in the following table.

Table 4.NPM Ratio Credit Value

Year	NPM Ratio (%)	Credit Value = NPM
2015	26,49	26,49
2016	29.50	29.50
2017	22.86	22.86
2018	24,25	24,25
2019	23,11	23,11
2020	19.80	19.80
2021	21.72	21.72

Source: Processed Data Results, 2023

The Net Profit Margin (NPM) ratio in 2015-2021 fluctuated. Experienced an increase in 2016 of 0.03% from the previous year with an NPM ratio of 29.50%, then decreased in 2017 to 2021 with the smallest NPM ratio in 2019 of 19.80% and the largest ratio in 2019 .The NPM ratio value of PT. Bank Sulselbar has fluctuations, but in general the NPM ratio is included in the healthy predicate because it is above the standard NPM ratio which is greater than 5% in accordance with bank Indonesia regulations. This illustrates the ability of PT. Bank Sulselbar in creating a good net profit from operational activities.

It can be seen from the table, during 2015-2021, the credit value of the NPM ratio increased and decreased. This NPM ratio credit value illustrates the level of effectiveness that a bank's operational efforts can achieve, which is related to the final results of the various policies and decisions that have been made by the bank in the period that has been carried out. The credit score ratio achieved by PT. Bank Sulselbar for the last 7 years reflects the increase and decrease in value. In 2016 PT. Bank Sulselbar described the highest increase in value compared to 2015 and 2017-2021. This indicates that there is no increase in efficiency in managing its resources to obtain large margin profits.

3.4 Earning (Rentability)

In measuring the profitability of an agency first calculates Return On Assets (ROA) and calculates Operating Expenses against Operating Income (BOPO). The following is a table of credit value analysis from the ROA ratio at PT. Bank Sulselbar for the 2015-2021 period.

Table 5.ROA Ratio Credit Score

Year	ROA Ratio (%)	Credit Score	Maximum Value
2015	5.86	390.51	100
2016	5.01	334,33	100
2017	4,13	275.08	100
2018	3.90	259.92	100
2019	3.52	234.91	100
2020	3,31	220,40	100
2021	3.07	204.96	100

Source: Data Processed Results, 2023

Ratio *Return On Assets* (ROA) PT. Bank Sulselbar has decreased every year, namely in 2015 by 5.86%, in 2016 by 5.01%, in 2017 by 4.13%, in 2018 it was 3.90%, in 2019 it was 3.52%, in 2020 by 3.31%, and in 2021 by 3.07%. From the results of these calculations PT. Bank Sulselbar is able to maintain the ROA ratio above 1.5% so that based on the ROA assessment criteria of PT. Bank Sulselbar is categorized as very healthy even though it decreases every year.

From the table above, the results of the calculation of the ROA credit value ratio of PT. Bank Sulselbar in 2015 amounted to 390.51, 2016 amounted to 334.33, 2017 amounted to 275.08, 2018 amounted to 259.92, 2019 amounted to 234.91, 2020 amounted to 220.40, and 2021 amounted to 204,96. Because the credit value is limited to a maximum of 100, the ROA ratio value of PT. Bank Sulselbar for the period 2015 to 2021 is recognized as 100.

The following is a table of BOPO credit score analysis at PT. Bank Sulselbar in 2015 - 2021.

Table 6.BOPO Ratio Credit Value

Year	BOPO Ratio (%)	Credit Score	Maximum Value
2015	63,82	452.25	100
2016	60,13	498.37	100
2017	70,28	371.5	100
2018	67,61	404.87	100
2019	68,70	391.25	100
2020	73,43	332,12	100
2021	70.98	362.75	100

Source: Data Processed Results, 2023

Ratio of Operating Expenses to Operating Income (BOPO) of PT. Bank Sulselbar has fluctuated and is in the very healthy category based on SE BI No. 6/23/DPNP of 2004 concerning the Soundness Rating System for Commercial Banks, $BOPO \leq 94\%$ means that the bank's financial condition is very healthy. The BOPO ratio in 2015 to 2021 is 63.82%, 60.13%, 79.28%, 67.61%, 68.70%, 73.43% and 70.98%. This means that if the smaller the

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ratio, the more efficient the operational costs that the bank spends, the smaller the possibility for an organization to be in a problematic situation. The lowest BOPO ratio calculation results were in 2016 with a ratio of 60.13% and experienced a significant increase in the following year with the largest ratio in 2020, namely 73.43%.

Based on the table above, it shows that during the period 2015-2021, PT. Bank Sulselbar can stabilize the credit value of its BOPO ratio at a maximum value of 100, so that it is still said to be a healthy bank. meaning that during that period the management of PT. Bank Sulselbar is able to anticipate operational costs that must come out of the operational income it earns.

3.5 Liquidity(Liquidity)

The following is a table of LDR credit score analysis at PT. Bank Sulselbar for the 2015-2021 period.

Table 7.Credit Value LDR Ratio

Year	LDR Ratio (%)	Credit Score
2015	117,17	0
2016	103.00	49
2017	119.38	0
2018	119.76	0
2019	117.85	0
2020	121.42	0
2021	114,19	4,24

Source: Data Processed Results, 2023

From 2015 to 2021 the Loan to Deposit Ratio (LDR) is 117.17%, 103.00%, 119.38%, 119.76%, 117.85%, 121.42% and 114.19%. The highest LDR ratio of PT. Bank Sulselbar namely in 2020 it was 121.42% and the lowest ratio in 2016 was 103.00%. At this ratio, the higher the value of the ratio obtained, the lower the liquidity capacity of the bank concerned so that it is possible for a bank to be in a problematic condition to be even greater. The value of the ratio during the period 2015 to 2021 has fluctuated because the growth of loans extended is greater than that of third party fund collectors, when measured based on SE BI No. 6/23/DPNP Year 2004 PT. Bank Sulselbar is considered an unhealthy bank because it has an LDR ratio value above 100%.

Based on the table above, the credit value of the LDR ratio of PT. Bank Sulselbar in the period 2015 to 2021 is 0; 49; 0; 0; 0; 0; and 4.24, PT. Bank Sulselbar cannot achieve a maximum LDR credit ratio of 100 to remain classified as a healthy bank, which means that as long as the brackets are PT. Bank Sulselbar does not have the ability to provide guarantees for every deposit given by a customer and is unable to pay off all of its debts, especially in the form of savings deposits, current accounts, and deposits when billed, and cannot fulfill every credit application that deserves approval.

3.6 Assessment of Bank Soundness Level

After calculating the ratio of financial performance at PT. Bank Sulselbar is carried out in the form of CAR, KAP, NPM, ROA, BOPO and LDR, then assesses the soundness of the

bank using the CAMEL formula used. This is intended to be able to assess whether the bank's performance at PT. Bank Sulselbar can be categorized as healthy, moderately healthy, less healthy, and unhealthy. Then the results of the assessment of the health level of PT. Bank Sulselbar using the CAMEL formula can be presented in the following table:

Table 8. Calculation Results Using the CAMEL Method

Year	Rating Factor	Assessment Indicator	Ratio Value (%)	Credit Score	Weight (%)	Mark CAMEL
2015	<i>Capital</i>	CAR	27,63	100	25	25
	<i>Assets</i>	HOOD	0.28	100	30	30
	<i>Management</i>	NPM	26,49	26,49	25	6,62
	<i>earning</i>	ROA	5.86	100	5	5
		BOPO	63,82	100	5	5
<i>Liquidity</i>	LDR	117,17	0	10	0	
Number of CAMEL Values						71,62
2016	<i>Capital</i>	CAR	26,57	100	25	25
	<i>Assets</i>	HOOD	0.26	100	30	30
	<i>Management</i>	NPM	29.50	29.50	25	7,38
	<i>earning</i>	ROA	5.01	100	5	5
		BOPO	60,13	100	5	5
<i>Liquidity</i>	LDR	103	49	10	4.90	
Number of CAMEL Values						77,28
2017	<i>Capital</i>	CAR	25,16	100	25	25
	<i>Assets</i>	HOOD	0.53	99.80	30	29.94
	<i>Management</i>	NPM	22.86	22.86	25	5,72
	<i>earning</i>	ROA	4,13	100	5	5
		BOPO	70,28	100	5	5
<i>Liquidity</i>	LDR	119.38	0	10	0	
Number of CAMEL Values						70,66
2018	<i>Capital</i>	CAR	24,28	100	25	25
	<i>Assets</i>	HOOD	0.58	99.46	30	29,84
	<i>Management</i>	NPM	24,25	24,25	25	6.06
	<i>earning</i>	ROA	3,9	100	5	5
		BOPO	67,61	100	5	5
<i>Liquidity</i>	LDR	119.76	0	10	0	
Number of CAMEL Values						70,90
2019	<i>Capital</i>	CAR	22.98	100	25	25
	<i>Assets</i>	HOOD	1.04	96.40	30	28,92
	<i>Management</i>	NPM	23,11	23,11	25	5.78
	<i>earning</i>	ROA	3.52	100	5	5
		BOPO	68.7	100	5	5
<i>Liquidity</i>	LDR	117.85	0	10	0	
Number of CAMEL Values						69,70
2020	<i>Capital</i>	CAR	24.03	100	25	25
	<i>Assets</i>	HOOD	0.71	98.60	30	29.58
	<i>Management</i>	NPM	19,8	19,8	25	4.95
	<i>earning</i>	ROA	3,31	100	5	5

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Year	Rating Factor	Assessment Indicator	Ratio Value (%)	Credit Score	Weight (%)	Mark CAMEL
		BOPO	73,43	100	5	5
	<i>Liquidity</i>	LDR	121.42	0	10	0
Number of CAMEL Values						69.53
2021	<i>Capital</i>	CAR	21,29	100	25	25
	<i>Assets</i>	HOOD	0.99	96.73	30	29.02
	<i>Management</i>	NPM	21.72	21.72	25	5,43
	<i>earning</i>	ROA	3.07	100	5	5
		BOPO	70.98	100	5	5
<i>Liquidity</i>	LDR	114,19	4,24	10	0.42	
Number of CAMEL Values						69,87

Source: Processed Data Results, 2023

The overall calculation results by multiplying the credit score for each aspect with the CAMEL weight will be added up from all the CAMEL ratios and the net value of the CAMEL ratio will be obtained. The value of this CAMEL ratio shows the soundness of the bank in accordance with the standards set by Bank Indonesia.

Table 9. Results of the Financial Health Conditions of PT. Sulsebar Bank with the CAMEL Method

Year	CAMEL value	Health Level
2015	71,62	Healthy Enough
2016	77,28	Healthy Enough
2017	70,66	Healthy Enough
2018	70,90	Healthy Enough
2019	69,70	Healthy Enough
2020	69.53	Healthy Enough
2021	69,87	Healthy Enough

Source: Data Processed Results, 2023

The table above shows that the financial condition of PT. Bank Sulsebar is in a fairly healthy category. These results were obtained using the CAMEL method.

Discussion

The aspect of capital (capital) uses the CAR ratio. Capital can change each period because the maximum amount of credit given to banks can also change each period. In increasing the value of the bank's CAR ratio, there can be an increase in banking capital, both personal and borrowed capital. The greater the CAR ratio of a bank, the better the bank, which means that the bank is able to provide large amounts of capital.

The asset quality aspect uses the KAP ratio. The decrease in KAP that occurred illustrates a good situation because it shows a decrease in troubled earning assets (APYD) at the bank, while an increase in the value of KAP is an unfavorable situation because it shows an increase in problematic earning assets at the bank. To increase the KAP ratio, it can be done by investigating prospective debtors and monitoring the use of credit, as well as the ability and compliance of debtors in fulfilling their obligations so that bad loans can be minimized.

The use of the NPM ratio on the management aspect to evaluate a bank's ability to obtain net profit from operating profit and vice versa. The lower the NPM ratio, the worse it is in obtaining net profit from operating income, whereas the greater the NPM ratio is achieved, the greater the profit the bank gets through good management performance.

The earning aspect uses the ROA and BOPO ratios. The ROA ratio describes a bank's ability to obtain how much profit before tax the company generates when measuring the value of the assets it receives. To avoid a decrease in the ROA ratio, it is better for banks to emphasize spending and save on operational costs that are not too important, for example those in other financing posts. Meanwhile, the BOPO ratio assessment shows the bank's ability to efficiently operate expenses against operating income.

The liquidity aspect uses the LDR ratio. The assessment of the LDR ratio on the liquidity aspect is by measuring the bank's ability to channel funds from third parties. An increase reflects something that is not good because it can result in a decrease in the bank's ability to pay back the funds depositors make with credit guarantees provided as a source of liquidity. While the decline that occurred reflects the better ability of banks in channeling funds originating from third parties. Efforts must be made so that the LDR ratio does not get worse, namely that banks can increase their liquidity sources by means of core capital plus sold shares or added loan capital.

4. CONCLUSION

Based on the results of the research and discussion that have been described above, the authors conclude that the soundness level of PT. Bank Sulselbar for the period 2015 to 2021 as measured using the CAMEL method is in the ENOUGH HEALTHY category. This is evidenced by the results of the CAMEL scores in 2015 to 2021 respectively, namely 71.62; 77.28; 70.66; 70.90; 69.70; 69.53; and 69.87.

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