TREND ANALYSIS OF FINANCIAL STATEMENTS FOR EVALUATING PT BNI LIFE INSURANCE'S PERFORMANCE

Hamidah[1], Hikmat Prabawa[2], Raudatul Medina[3], Irsan Herlandi Putra[4]
[1,2,3,4]Accounting, Institut Digital Ekonomi LPKIA, Bandung, Indonesia
[1]hmd26092019@gmail.com, [2]hikmat.Prabawa@gmail.com, [3]r.medina@lpkia.ac.id,
[4]irsanherlandiputra@lpkia.ac.id

ABSTRACT

Financial reports can provide an overview of the company's performance in each period from year to year. The purpose of this research is to evaluate the financial performance of PT BNI Life Insurance using trend analysis techniques in the statement of financial position and income statement. The research method used in this study is a descriptive method with a quantitative approach, in which the author collects data in the form of a balance sheet financial position report. Data collection techniques used are documentation and literature study. The results of this study indicate that there are fluctuating developments in the balance sheet financial statements and profit and loss, in the balance sheet from 2017 to 2021 shows an increase in company performance, while in the income statement from 2017 there is a significant decrease in 2018 and subsequently fluctuating experienced increases and decreases in performance from 2019 to 2021 even though in 2020 and 2021 the company's performance has shown improvement. In conclusion, using trend analysis it can be predicted that the postal value of the coming year will experience the same fluctuating developments as in previous years.

Keywords: financial statements; trend analysis; evaluation

INTRODUCTION

A company in a business environment is not free from the multitude of competition to survive among other companies that are also growing. Inning company operations and fighting against competition, companies are required to use capital properly and efficiently, as well as generate maximum profits in a short time. PT Bank Negara Indonesia (PT BNI) Life is a company that operates in the insurance sector, providing insurance products such as Education Insurance, Health, Investment, Pension, Life (Life), and Shariah. The establishment of the company BNI LIFE, has principles that are aligned with its parent company, namely PT Bank Negara Indonesia (BNI) Tbk, which serves to provide financial services as well as integrated services for its users or customers.

BNI Life, nor any other company, analyses the financial position to support corporate planning

matter. Analysis of financial position is carried out with the presence of financial reports that serve as a tool to obtain financial information that has been obtained by the company. According to (Helmi Herawati, 2019),the financial statements are an overview of the financial component of a company that contains information relating to profit, loss, assets, and debts or liabilities owned by the company. Furthermore, the function of financial statements is to assess the performance of a company, can be a reference to a company's financial policy, and can be used as a test indicator or tool to measure and evaluate the financial progress of a firm from a given time to a future time (Muhlis, 2020).

The unit that is responsible for conducting financial reporting activities in a company is the Accounting Unit. Financial statements are shown to users of financial statements, management, and investors to assess company performance and make decisions (Mirta & Sulistiyo, 2021). Knowing the financial conditions of the company to realize the terms and decisions that are rational can be helped by an analysis of the financial statements. Such analysis

methods are useful for a thorough examination of financial statements that are carried out periodically over a given period. In doing financial analysis, an analyst identifies the entire component to get information in detail. There are various types of analysis that are used to analyze financial statements, i.e. one of them is trend analysis (Mirta & Sulistiyo, 2021). Index numbers that are rising, weakening, or stable can be used to determine financial trends (Banta, 2015).

As a large and renowned company in Indonesia, PT BNI Life strives to show the company's growing and developing conditions from various aspects. One attempt to figure out the company's growth is to predict the future of the company. Thus, by conducting a trend analysis, the management is certainly able to take the necessary attitude or policy for company growth. This trend analysis method can compare all components contained in the financial statements (Suyuti, 2019).

Based on the background of the research, then the formula of the problem studied in this study is how the financial reports of BNI Life from 2017

to 2022 are analyzed using trend analysis. Thus, the study aims to evaluate the financial report of BNE Life using trend analytics. From the results of this research, it is expected that PT BNI Life can take strategic and efficient measures and policies for the development of the company.

LITERATUR REVIEW
Financial Statements

Financial statements as an important tool for obtaining data or explanations related to the status and financial income of a company. The financial statements are intended to facilitate users in making economic decisions, especially in financial matters (Mirta & Sulistiyo, 2021). Pursuant to the Indonesian Financial Accounting Standards (SAK) 45 of 2011, it is stated that the non-profit financial statements include a statement of financial condition at the end of the reporting period, a cash flow report, as well as the activity report and the description of the financial report. The main purpose of financial reporting is to provide information to users (consumers), billers (creditors),

and others who supply resources to organizations in the non-profit field.

There are several types of financial statements such as balance sheet, profit-to-profit, and equity change reports (Suyuti, 2019). The balance sheet can show the amount of assets, liabilities and equity of a company at a given time. In order to find out about the company's financial details, it is necessary to analyze the financial statements. Financial analysis is crucial because it can make it easier to see financial stability, especially in the calculation of a loss to the company (Mirta & Sulistiyo, 2021).

Financial Statements Analysis

According to (Rialdy, 2018) financial statement analysis is a method to evaluate the financial position and operational results of companies in the present and past. It is intended to determine estimates or predictions related to the company's future achievement. Financial statement analysis has several benefits, namely, it is useful to know the financial stability position of a company in a particular period. It can be observed from assets, liabilities, capital, or income earned during a specified period. In addition,

to understand the weaknesses and strengths of the company, so that corrective actions can be taken for the company's current financial condition (Kasmir, 2019).

Trend Analysis

Trend analysis is a type of statistical learning that is implemented to predict and/or anticipate the future of the economy (Robial, 2018). In making a feasible prediction concept, it requires information to be collected over long periods of time so that analysis can prove how much the influence of fluctuations and whatever factors affect the changes. The result of trend analysis is usually expressed as a percentage (Mirta & Sulistiyo, 2021). During the specified time period, the trend rises or falls can be explained by the data processing results of trend analysis. This is measured by comparing the average period of each component with other periods. An increasing (positive) trend is a trend with an increasing average value of change. Meanwhile, a negative trend occurs when the average change has decreased.

Accounting Unit

BNI Life Corporate Guidelines (2016) states that the Accounting Unit is a work unit that functions to carry out recording, reconciliation and reporting activities of the company's financial transactions in the form of financial reports stored in the accounting application according to the accounting period. The duties of the Accounting Unit are to make office financial books, post journals, namely recording all expenditure and income activities from the company's operational activities, make books or records of company transactions, verify the completeness of financial documents, make adjustments and approve financial data related to company expenses that refer to cash books, account books, or bank books, and are responsible for making company tax reports, and filling documents into the company system.

RESEARCH METHOD

The object of research is the financial statements of PT BNI Life in the period 2017 to 2022. The variable used is the evaluation of financial statements using trend analysis. The processed data is sourced from BNI Life's financial statements per year.

Here are the steps in doing trend analysis, including:

1. Determine the Base Year. The base year is set based on the initial year of reorganization and is recorded as an index with 100.

2. Index numbers contained in other years are calculated using the component numbers in the financial statements, and the denominator is used based on the base year number.

3. Predict potential trends that could occur from the *history* of the components of the financial statements analyzed.

4. Conclusions can be drawn about what to do to anticipate or correct the trend.

The following is the calculation formula for trend analysis according (Harahap, 2017) :

$$Index\ Number = \frac{Comparison\ Year}{Base\ Year} \times 100\ \%$$

RESULT AND DISCUSSION

Trend analysis leads to an increasing or decreasing trend by comparing the average period level with other periods. When the average change result has an increasing value, it is indicated as a positive trend. While a negative trend can be expressed as a trend that has a change in the average value that is decreasing from the previous period. Based on the results of collecting and processing analytical data that has been carried out on PT BNI Life's financial statements, as well as by applying the calculation of trend analysis techniques, it can be shown that the results of the research are in the form of financial statements in the form of trend balance sheets resulting from the processing of financial statements for a period of 5 (five) years, namely 2017 to 2021. The trend percentage is calculated by referring to the first year as the origin of the comparison or as the base year. The following is the result of the calculation of the trend method on PT BNI Life's balance sheet:

Table 1. Trend Analysis Results of PT BNI Life Balance Sheet from 2017-2021

No	Approximate	31/12/2017 (Rp)*	31/12/2018 (Rp)*	31/12/2019 (Rp)*	31/12/2020 (Rp)*	31/12/2021 (Rp)*	Trend Percentage (%)					Increase/Decrease in Trend (%)			
							2017	2018	2019	2020	2021	2018	2019	2020	2021
1	Revenues	6.966.525	6.123.301	6.184.355	5.413.062	5.870.860	100	87,9	88,8	77,7	84,3	-12	-11,2	-11	-15,73
2	Claim and Benefit Expenses Total	5.038.397	5.248.072	3.913.414	3.335.302	4.615.802	100	104	77,7	66,2	91,6	4,16	-22,3	-11	-8,387
	Insurance Expenses Total	5.818.101	6.076.698	4.662.894	3.953.542	5.229.299	100	104	80,1	68	89,9	4,44	-19,9	-12	-10,12
3	Operating Expenses Total	815.815	896.603	722.410	676.489	703.833	100	110	88,6	82,9	86,3	9,9	-11,4	-5,6	-13,73
	Total Expenses	6.633.916	6.973.301	5.385.304	4.630.031	5.933.132	100	105	81,2	69,8	89,4	5,12	-18,8	-11	-10,56
4	Earnings before Taxes	332.609	161.307	291.523	136.768	93.492	100	48,5	87,6	41,1	28,1	-52	-12,4	-47	-71,89
5	Earnings after Taxes	339.126	171.828	286.467	132.655	145.601	100	50,7	84,5	39,1	42,9	-49	-15,5	-45	-57,07
	Total Comprehensive Income (Loss) for the Year	473.479	38.211	439.958	319.807	83.874	100	8,07	92,9	67,5	17,7	-92	-7,08	-25	-82,29

Description (*): in millions of Rp
Source: Processed Financial Statement data of PT BNI Life from 2017-2021

Based on Table 1. The profit and loss trend of PT BNI Life has the company's financial condition with fluctuating developments. The revenue obtained showed a decrease, this can be shown from the comparison results in 2017. In 2018 there was a decrease of 12%, in 2019 and 2020 there was a decrease of 11%, and in 2021 there was a decrease of 15% from 2017. For the Total Expenses Claims and Benefits component, there was a fluctuation with the comparison in 2017, which was an increase of 4% and in the following year there was a decrease. The number of company expenses also fluctuated with a comparison in 2017, which increased in 2018 by 5%, and in the following year to 2021 decreased. The components of profit before tax and profit after tax have decreased significantly each year, this has an impact on the total comprehensive income for the current year. When viewed in 2018, the total comprehensive income for the current year decreased by 92% from 2017. However, in 2019 there was an increase, so that the company has a positive performance trend even though in the following year there were fluctuations. Trend analysis aims to determine the skew of a company's future financial condition, both tendencies or trends that increase, decrease, or stabilize. For company management, the function of trend analysis can help in planning, responsibility, control, and decision making based on the results of the analysis. In addition, this trend analysis is useful for measuring the company's

"trend" situation that has passed and can predict future company trends based on trend lines that have occurred (Suyuti, 2019) . As for investors, this trend analysis is useful to meet the need for accurate information about the company's activities and financial condition regarding profit generation, as well as for lenders or creditors to draw attention to information provided by the company, especially financial conditions, which require them to make decisions, so that the party can predict repayments by the company in a timely manner (Veno & Syamsudin, 2016).

CONCLUSION

Based on the results of the research it can be concluded that the performance of the company during the period 2017 to 2021 showed from the financial statements with the trend analysis carried out in the balance sheet report from 2017 to 2021, showed the improvement in the company's performance, in the loss report experienced from 2017 there was a significant decrease in 2018 and the occurrence of fluctuations of the trend until 2021, although in 2020 and 2021 already showed improvements in company performance. The fluctuating Level of revenue is strongly influenced by world pandemic conditions affected by Covid-19 where there is a decrease in premium income and an increase in the value of claims to companies. In conclusion, using trend analysis, it can be predicted that the value of the next year's post will experience developments from previous years when world pandemic conditions have begun to gradually recover.

Through the trend analysis that has been carried out, it is expected that the management of PT BNI Life Insurance can formulate the right strategy to maintain the company's financial improvement in the following years.

The company's strategy, especially on increasing insurance premium income after the world pandemic conditions began to recover and *awareness* from the Indonesian population of the importance of insurance is increasing and controlling the burden of insurance claims to normal periods like before the pandemic.

This study has the following weaknesses: 1) The time limitation, covering only data from 2017 to 2021. Information outside this period, whether before 2017 or after 2021, is

not considered, which may affect the understanding of long-term trends or the impact of changes after 2021. 2) The limitation of qualitative data affecting financial performance, such as managerial policies, marketing strategies, or changes in customer satisfaction levels. 3) The projections for future financial positions are based on trends observed in the past, which may not fully reflect the new dynamics or changes occurring after the pandemic.

The novelty of this study includes the application of trend analysis to the company's financial statements over an extensive period (2017-2021), providing a deep understanding of how the company's performance evolved in the context of the economy and the pandemic. This research also analyzes the significant impact of the Covid-19 pandemic on premium income and insurance claims, offering new insights into the challenges faced by the insurance industry during the global crisis. Additionally, the study provides projections for future financial positions and guidance for company management to formulate effective strategies for financial improvement in the coming years.

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