



A COMPARATIVE ANALYSIS OF ASSET AND EARNINGS PER SHARE GROWTH OF BANK SYARIAH MANDIRI SHARES BEFORE AND AFTER THE GLOBAL ECONOMIC CRISIS

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Abstract

The global economic crisis that hits the world economy has a significant effect on various sectors in developing countries such as Indonesia, especially the banking sector. Pressure makes it difficult for banks to get liquidity funds because they may lose not only their depositors but also other banks, including foreign partner banks. Nevertheless, sharia-based banks show their durability through stable assets and earnings per share during the period of 2004 – 2013. In this research, the researcher conducted a comparative analysis of asset and earnings per share growth of Bank Syariah Mandiri before and after the global economic analysis for the period of 2004 – 2013. It used an analytical method of non-parametric statistics, which was the Wilcoxon test. It gathered data on asset and earnings per share growth for the period of 2004 – 2013, which were processed using the statistical program SPSS 20. Based on results of the analysis, it is concluded that Bank Syariah Mandiri's assets and earnings per share grow after the global economic crisis.

Keywords: Asset Growth, Earnings per Share Growth, Share, Global Economic Crisis, and Sharia-Based Bank

INTRODUCTION

In 2008, the world was hit by a global crisis due to huge losses in the housing industry sector in the US. This even forced major companies such as Lehman Brothers and Goldman Sachs to close their business, which certainly came as a great shock to stock markets all over the world. Such a difficult situation went worse as the Dow Jones index fell to its lowest position (the second lowest position for the last two decades). According to the news agency Associated Press, during transaction closing on Thursday evening New York time, the Dow Jones index declined by 512.76 points (4.3 percent) to 11,383.68. During trade opening, stock markets in Asian countries such as Japan, HongKong, China, Australia, Singapore, India, Taiwan, and South Korea saw a decrease between 2% - 7%. This also happened in stock markets in the Middle East, Russia, Europe, South America, and North America, including the US where Wall Street investors suffered significant losses.

This global economic crisis also had an impact on Indonesia as a developing country, especially its banking sector. The global economic crisis makes it difficult for banks to get liquidity funds because they may lose not only their depositors but also other banks, including foreign partner banks. In response to such a condition, the government has adopted various recovery policies, including increasing the BI-rate to 9.5% and deposit amounts in banks guaranteed by the government from Rp100 million to Rp2 billion. Such restructuring efforts in an attempt to improve the health of assets and liabilities aimed to restore public confidence (as indicated by increasing third party funds) through continuous implementation of loan programs and the improved capital structure through recapitulation. As for efforts to improve assets, they included among others implementation of credit restructuring, which has a favorable impact all over the world, including on developing countries.

However, Moody's Rating Agency made a surprising statement, arguing that financial institutions in Gulf region countries like in Islamic countries showed remarkable resilience during the global financial crisis, especially in the banking sector. This was because conventional banks and sharia-based banks adopt a different system. This was consistent with the statement given by the President Director of Bank Muamalat at that time, A Ridwan Amin, that sharia-based banks were relatively more resilient to the influence of the economic crisis. Nevertheless, such a macro condition still had an indirect effect on sharia-based banks because these banks were influenced by developments in the national economy (www.republikaonline.com). In some of these statements the data derived from Bank Indonesia also indicated a share price movement. Before the global economic crisis, sharia-based banks were still underestimated by the public, but during and after the global economic crisis there is an increase in sharia-based bank stock prices.

This research aimed to determine differences in asset growth and earnings per share of Bank Syariah Mandiri before and after the global economic crisis.

The significance of the research into asset and earnings per share growth of Bank Syariah Mandiri before and after the global economic crisis included academic significance, i.e. to determine asset and earnings per share growth of Indonesian sharia-based banks before and after the 2008 global crisis, especially Bank Syariah Mandiri, and practical significance, i.e. it is expected that findings of this research will provide the community with useful information and enrich insights into Bank Syariah Mandiri's prospect of development. It is expected that this research be taken into account or used as the basis to make correction or as a reference by other sharia-based banks in making any business expansion-related decisions. Moreover, the researcher also expect that it can help prepare for future threats and contribute to better management of sharia-based banks.

RESEARCH METHOD

In this research, the research object was Bank Syariah Mandiri. The unit of analysis was part of the data to be analyzed, i.e. total assets and earnings per share of Bank Syariah Mandiri. The author used secondary data obtained from other parties and the research data were obtained from the annual report of Bank Syariah Mandiri. The research variables were asset growth and earnings per share growth, all of which were dependent variables because they could not stand alone without affecting each other.

To get the data or information needed in this scientific writing, the author used the documentation method. The data in this scientific writing were obtained by reading references relating to this scientific writing, in addition to Bank Syariah Mandiri's financial statements from 2004-2013 to determine its total assets and earnings per share.

A hypothesis is a researcher's temporary proposition and it needs testing by conducting research. The following are the hypotheses proposed in this research:

a. Assets

Assets refer to wealth or property owned by a company, which play a role in the company's operations such as cash, inventories, fixed assets, intangible assets, and so on. Conditions after and before the global economic crisis that may have an indirect effect on various sectors, especially Bank Syariah Mandiri, will certainly affect Bank Syariah Mandiri's assets in general. The hypotheses proposed in this research are:

Ho : No assets of Bank Syariah Mandiri grow before and after the global economic crisis.

Ha : Assets of Bank Syariah Mandiri grow before and after the global economic crisis.

b. Share Return

Share return refers to the total profit/earnings generated per share. It may be obtained by multiplying the number of shares by earnings per share (EPS). Earnings per share is a ratio that indicates the amount of return an investor gets per share. The global economic crisis certainly affects the decision on which bank to deposit their money made by the public, especially in Bank Syariah Mandiri. The condition before and after the global economic crisis will certainly have an influence on the public in making an investment, especially in share investments. Therefore, the hypotheses proposed in this research are:

Ho : No earnings per share growth of Bank Syariah Mandiri grow before and after the global economic crisis.

Ha : Earnings per share growth of Bank Syariah Mandiri grow before and after the global economic crisis.

To realize the predetermined research objectives, the author used the Wilcoxon test, which can help the preparation of scientific research such as to conduct a comparative analysis before and after the crisis. This analytical tool is explained below. The Wilcoxon signed-rank test is statistical non-parametric hypothesis testing used to compare two related samples or to re-measure a single sample to assess whether their population means differ (i.e. a paired difference test). This can be used as an alternative to the paired t-test when it cannot be assumed that data are normally distributed or ordinal data are used.

FINDINGS AND DISCUSSION

Before conducting a comparative analysis of the total asset and earnings per share growth of Bank Syariah Mandiri before and after the global economic crisis, the author will show in advance the data on total assets and total earnings per share for the period 2004 – 2013 required to complete the analysis in this research.

Table 1 Data on Total Annual Assets of Bank Syariah Mandiri for the Period of 2004 – 2013

ASSET GROWTH		(in Thousand Rupiah)	
YEAR	BEFORE	YEAR	AFTER
2004	6,869,949,266	2009	22,036,534,515
2005	8,272,965,277	2010	32,481,873,142
2006	9,654,966,615	2011	48,671,950,026
2007	12,885,390,558	2012	54,229,395,784
2008	17,065,937,986	2013	63,965,361,178

Source: Bank Syariah Mandiri's Annual Report (<http://www.syariahamandiri.co.id>)

Table 2 Annual Asset Growth of Bank Syariah Mandiri for the Period of 2004 – 2013

ASSET GROWTH			
BEFORE THE GLOBAL CRISIS		AFTER THE GLOBAL CRISIS	
(in %)		(in %)	
YEAR	GROWTH RATE	YEAR	GROWTH RATE
2004	0	2009	29.13
2005	20.42	2010	47.40
2006	16.71	2011	49.84
2007	33.46	2012	11.42
2008	32.44	2013	17.95

Bank Syariah Mandiri's annual report shows a comparison of its asset growth before and after the global economic crisis. Between 2004 and 2007 there was no significant asset growth among sharia-based banks as a result of greater public confidence unconventional banks, which have existed earlier, and lack of public trust and unfamiliarity with sharia-based banks. In 2008, when the global economic crisis reached its climax, it had an impact on the world economy, including the banking sector. Surprisingly, it did not affect sharia-based banks, which showed quite significant asset growth, especially Bank Syariah Mandiri, as shown in Table 1 and Table 2. This indicates sharia-based banks' system resilience to the global economic crisis and the public began to consider switching to the sharia-based banking system. In 2009 - 2013 when the global economic crisis began to subside, Bank Syariah Mandiri's asset growth showed a gradual increase.

Table 3 Data on Bank Syariah Mandiri's Earnings per Share for the Period of 2004 – 2013

GROWTH OF EARNINGS PER SHARE			
(in Rupiah)			
YEAR	BEFORE	YEAR	AFTER
2004	1,443	2009	2,210
2005	1,169	2010	3,179
2006	914	2011	3,376
2007	1,611	2012	3,382
2008	1,759	2013	2,232

Source: Bank Syariah Mandiri's Annual Report (<http://www.syariahmandiri.co.id>)

Table 4 Growth of Earnings per Share (EPS) of Bank Syariah Mandiri
for the Period of 2004 – 2013

EPS GROWTH			
BEFORE THE GLOBAL CRISIS		AFTER THE GLOBAL CRISIS	
(in %)		(in %)	
YEAR	GROWTH RATE	YEAR	GROWTH RATE
2004	0	2009	25.64
2005	-18.99	2010	43.85
2006	-21.81	2011	6.20
2007	76.26	2012	0.18
2008	9.19	2013	-34.00

Based on Table 3 and Table 4, it is evident that the rate of growth of earnings per share has fluctuated. In 2012 to 2013 the rate of earnings per share (EPS) saw a sharp decline by 92%. This is because the percentage of a decrease in the net income is greater than the percentage of a decrease in the number of outstanding common shares by 34%.

This hypothesis testing employed non-parametric statistical analysis using the Wilcoxon signed-rank test to determine whether there were differences in total assets and net earnings per share of Bank Syariah Mandiri before and after the global economic crisis or not at a 0.05 significance level of each total used as listed in Table 1 and Table 2. In this research, SPSS version 20 was used to conduct calculations.

Table 5 Wilcoxon Signed-Rank Test Results
Bank Syariah Mandiri's Asset Growth

Ranks				
		N	Mean Rank	Sum of Ranks
AFTER – BEFORE	Negative Ranks	0 ^a	.00	.00
	Positive Ranks	5 ^b	3.00	15.00
	Ties	0 ^c		
	Total	5		

a. AFTER < BEFORE

b. AFTER > BEFORE

c. AFTER = BEFORE

Based on the Wilcoxon test results of the rank data, it can be seen that the number of data (N) for Negative Ranks is 0, meaning that there are no data showing that Bank Syariah Mandiri's asset growth prior to the global economic crisis was higher than that after the global economic crisis. Conversely, there are 5 Positive Ranks, meaning that there are data showing that Bank Syariah Mandiri's asset growth after the global economic crisis was higher than that prior to the global economic crisis. There are 0 ties, meaning that no data on asset growth before and after the global economic crisis are the same.

Table 6 Test Results Using Wilcoxon Test Statistics
Bank Syariah Mandiri's Asset Growth

Test Statistics ^a	
	AFTER - BEFORE
Z	-2.023 ^b
Asymp. Sig. (2-tailed)	.043

a. Wilcoxon Signed-Ranks Test

b. Based on negative ranks

Based on the Test Statistics, the Asymp. Sig (2-tailed) is equal to 0.043. Thus, as a significant value is less than 0.05, H_0 is rejected while H_a is accepted, meaning that assets of Bank Syariah Mandiri grow after the global economic crisis. This is because the operations of sharia-based banks do not have a lot to do with the currency exchange rate and they adopt the 0% interest rate as well.

Table 7 Wilcoxon Signed-Rank Test Results
Earnings per Share (EPS) Growth of Bank Syariah Mandiri

Ranks				
		N	Mean Rank	Sum of Ranks
AFTER – BEFORE	Negative Ranks	0 ^a	.00	.00
	Positive Ranks	5 ^b	3.00	15.00
	Ties	0 ^c		
	Total	5		

a. AFTER<BEFORE

b. AFTER>BEFORE

c. AFTER = BEFORE

Based on the Wilcoxon test results of the rank data, it can be seen that the number of data (N) for Negative Ranks is 0, meaning that there are no data showing that Bank Syariah Mandiri's earnings per share growth prior to the global economic crisis was higher than that after the global economic crisis. Conversely, there are 5 Positive Ranks, meaning that there are data showing that Bank Syariah Mandiri's earnings per share growth after the global economic crisis was higher than that prior to the global economic crisis. There are 0 ties, meaning that no data on earnings per share growth before and after the global economic crisis are the same. There are a total of 5 data.

Table 8 Test Results Using Wilcoxon Test Statistics
Earnings per Share (EPS) Growth of Bank Mandiri Syariah

Test Statistics ^a	
AFTER – BEFORE	
Z	-2.023 ^b
Asymp. Sig. (2-tailed)	.043

a. Wilcoxon Signed Ranks Test

b. Based on negative ranks

Based on the Test Statistics, the Asymp. Sig (2-tailed) is equal to 0.043. Thus, as a significant value is less than 0.05, H_0 is rejected while H_a is accepted, meaning that earnings per share of Bank Syariah Mandiri grow after the global economic crisis. This is because the percentage of a decrease in the number of outstanding common shares is greater than the percentage of a decrease in the net income.

CONCLUSIONS AND SUGGESTIONS

Based on results of the discussion above, the author draws conclusions that in terms of asset growth of Bank Syariah Mandiri before and after the global economic crisis, its assets grow after the crisis. Moreover, as for its earnings per share growth before and after the global economic crisis, its earnings per share grow after the crisis, albeit a quite sharp decline in 2013.

Based on the conclusions above, the author would like to offer several suggestions. First, those who remain unfamiliar with sharia-based banking had better switch to sharia-based banking immediately as its system complies with sharia that is based on the Qur'an and hadiths. In addition, sharia-based banking was also resilient to the global economic crisis, making customers feel safe amidst numerous conventional banks forced into liquidation as a result of

the global economic crisis. Second, Bank Syariah Mandiri should increase earnings per share (EPS) because investors prefer shares with high EPS. Lastly, Bank Syariah Mandiri should improve education and communication with the public in order to continuously promote an increased capacity of banks in the productive sector, thus it is expected that Bank Syariah Mandiri can continue to grow and develop.

Further research is suggested to examine the implementation of sharia principles in Sharia banking in Indonesia and the influence of the stability of Sharia banking in facing the threat of an economic crisis towards the interest of investors to diversify their business units using sharia principles.

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