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ANALYSIS OF LIQUIDITY RATIOS IN ISLAMIC BANKS IN INDONESIA

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Abstract
This article examines the liquidity of Bank Syariah Indonesia through financial ratio analysis in the 2018-2022 financial statements using the liquidity ratio approach. The results of the liquidity analysis of Bank Syariah Indonesia from 2018-2022, in general, can be said that the bank's performance is quite good. This can be seen from the fluctuations in the Current Ratio, Quick Ratio, and Cash Ratio achieved by the company. Keywords: liquidity analysis, Islamic banks, financial ratios,

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INTRODUCTION

The success of a company can be measured based on the company's financial performance. The good and bad financial performance of the company can be assessed through the company's financial statements that are presented regularly. For parties who have an interest in the development of a company, it is very necessary to know the condition of the company's financial performance as reflected in the financial statements. The company's financial performance can be assessed through the financial statements presented in each period. Financial reports are theresult of an accounting process that is used as a tool to communicate with parties with an interest in the company's financial data.

Financial statements need to be analyzed to evaluate the performance achieved by company management in the past, and as a consideration in preparing the company's future plans using ratio analysis. Ratio analysis is a method used in analyzing a company's financial statements. One of the ratio analyses used is the liquidity ratio.

Liquidity ratio is an indicator of the company's ability to pay all short-term financial obligations at maturity using available current assets. Commonly used liquidity ratios are current ratio, cash ratio and quick ratio.

The assessment can be done for several periods so as to see the development of the company's liquidity over time. The company's ability to pay short-term liabilities will provide assurance for creditors to provide further loans. By using liquidity ratios, it can be seen the development of current assets and short-term liabilities of a company for the present and the future. So that it can be decided whether the company's condition is good or vice versa.

THEORETICAL STUDIES

A. Definition of Financial Ratios

Financial ratios are tools used to analyze the company's financial condition and performance. The calculation of these ratios is done to obtain comparisons that can be more useful than stand-alone numbers.[1]

Financial ratios according to Cashmere that financial ratios are activities to compare the numbers in the financial statements by dividing one number by another. Comparisons

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can be made between one component and components in one financial report or between components that exist between financial statements. Then the numbers being compared can be numbers in one period or different periods,

According to Hanafi and Halim, financial ratios are basically compiled by combining the numbers in or between the income statement and balance sheet. According to Irham Fahmi, financial ratios are the results obtained from comparing amounts, from one amount to another.

While the definition of financial ratios according to Fahmi that financial ratios or financial ratios are very important for analyzing the company's financial condition. Short and medium term investors are generally more interested in short-term financial conditions and the company's ability to pay adequate dividends. This information can be known in a simpler way, namely by calculating the ratio of financial ratios as desired.

Based on the above understandings, it comes to the author's understanding that financial ratios are an analytical technique commonly used by financial analysts, where in analyzing it only compares between items or components with one another that have a relationship for later which is intended to show changes in the financial condition of a company.

B. Definition of Liquidity Ratio

According to Cashmere, liquidity ratio is defined as a ratio that describes the ability to meet short-term obligations. Liquidity ratio is also known as a ratio that can be used to measure the extent of the company's capability level in paying off its short-term obligations that will be due.[2]

In line with that Prastowo, said that the liquidity ratio is a ratio that describes the company's ability to meet its short-term obligations to short-term creditors. The liquidity ratio or also called the working capital ratio aims to measure the company's ability to meet its short-term obligations. The liquidity of a healthy company illustrates the condition of a stable company, a stable company is believed to have a stable stock price as well.[3]

Based on the above understanding, the liquidity ratio is a financial ratio that shows the company's financial ability to meet its short-term obligations on time to creditors.

C. Benefits of liquidity ratios

Benefits of Liquidity Ratios Liquidity ratios are useful for knowing the company's ability to finance and fulfill obligations / debts when billed or due. According to Cashmere the benefits of liquidity ratios are:

1. To measure the company's ability to pay short-term liabilities.
2. To measure the company's ability to pay short-term liabilities without taking into account inventory.
3. To measure and compare the amount of existing inventory with the company's working capital.
4. To measure how much cash is available to pay debts.
5. To measure how much cash turnover
6. As a forward planning tool
7. Become a trigger tool for management to improve its performance.

As a tool for outsiders, especially those with an interest in the company, to assess the company's ability to increase mutual trust.

D. Types of liquidity ratios

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Liquidity ratios that management can use to make decisions consist of several types. The use of the desired ratio is highly dependent on the wishes of the company's management. According to Cashmere, this liquidity ratio consists of several types, namely:

1. Cash Ratio

   Cash ratio is the ratio of liquid tools to third party funds collected by banks and must be paid. This ratio is used to assess the bank's ability to repay customer deposits (depositors) when withdrawn using its liquid tools.[4]

   The formula for finding the cash ratio is as follows:

   $$\text{Cash ratio} = \frac{\text{cash assets x } 100\%}{\text{Liabilities + Total Deposits}}$$

2. Quick Ratio

   Quick Ratio is a ratio used to measure the bank's ability to fulfill its obligations to depositors (owners of demand deposits, savings, and deposits) with the most liquid assets owned by the bank.

   The formula for finding the quick ratio is as follows:

   $$\text{Quick ratio} = \frac{\text{cash assets x } 100\%}{\text{Total deposite}}$$

3. Banking Ratio

   Banking ratio is a ratio used to measure the level of bank liquidity by comparing the amount of credit disbursed with the amount of deposits owned.[5]

   The formula for finding the banking ratio is as follows:

   $$\text{Banking ratio} = \frac{\text{Total loans x } 100\%}{\text{Total Deposit}}$$

E. Standardization of bank liquidity ratios

Assessment standard Ratio (%)

Rasio	BI standardized value	Description
Cash ratio	50	Very healthy
	<50 s/d 30	Health
	< 30 s/d 25	Healthy Enough
	<25 s/d 10	Less healthy
	<10	Very less Healthy
Quick ratio	>20	Very healthy
	15-20	Health
	0-14	Unhealthy
Banking ratio	< 94,75%	Very good
	94,75% - 98,50%	Healthy
	98,50%-102,25%	Less healthy
	> 102,25%	Unhealthy

METHODS

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Type of Research

This research uses a quantitative type with a descriptive analysis approach to deeply understand the factors that affect bank liquidity and provide a detailed description of changes in liquidity ratios during the period. Descriptive analysis will be conducted by describing in a narrative and detailed manner the liquidity condition of Bank Syariah Indonesia, including changes in the liquidity ratios observed during the study period. The focus of this research is on four main liquidity ratios, namely Quick Ratio, Cash Ratio, and Banking ratio.

Data Source

The data source in this research is secondary data. Secondary data refers to data collected by other parties or pre-existing sources, not directly by researchers in the context of the research being conducted. This data has been collected for other purposes and is publicly available or accessible through sources such as public reports, databases, previous research, publications, or other data sources. In the study using the financial position report of Bank Syariah Indonesia for the period 2018-2022 obtained through the official website owned by Bank Syariah Indonesia.

RESULTS AND DISCUSSION

Analysis of the Calculation of Liquidity Ratios in Islamic Banks

1. **Islamic Bank**

a. *Cash Ratio*

Bank Name	2018	2019	2020	2021	2022
Bank NTB syariah	28,79%	23,17%	19,68%	22,92%	18,84%
Bank BCA syariah	159,95%	122,50%	197,43%	62,55%	33,66%
Bank BTPN syariah	190,98%	202,44%	216,15%	92,68%	65,63%
Bank Panin Dubai syariah	8,09%	8,26%	4,34%	4,77%	7,58%
Bank Victoria Syariah	126,67%	78,48%	104,96%	157,00%	209,18%
Bank Muamalat	50,07%	53,67%	70,53%	89,48%	64,04%
Bank Aceh syariah	188,36%	170,93%	193,19%	219,92%	157,62%
Bank CIMB Niaga syariah	9,09%	9,68%	6,86%	6,72%	7,35%
Bank KB bukopin syariah	29,72%	259,29%	5,97%	191,05%	108,81%
Bank BJB syariah	0,57%	0,42%	0,37%	0,28%	0,20%
Average	**79,23%**	**92,88%**	**81,95%**	**84,74%**	**67,29%**

Based on the table above, the average cash ratio of Islamic banks from 2018 to 2022 fluctuates. Where the cash ratio value does not always increase or decrease continuously, but the cash ratio experiences ups and downs. The highest cash ratio value was in 2019, which amounted to 92.88% and was at its lowest position in 2022, which amounted to 67.29%. Although the cash ratio value fluctuates, the average cash ratio is always above 50%, which means that according to BI standards the cash ratio of Islamic banks is very healthy. So that banks are able to pay immediate liabilities to other parties that are mandatory and immediately paid in accordance with previously established agreements.

b. Quick Ratio

Bank Name	2018	2019	2020	2021	2022
Bank NTB syariah	29,78%	23,30%	19,80%	23,02%	19,08%
Bank BCA syariah	1 62,13%	124,02%	205,53%	64,61%	35,86%

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Bank BTPN syariah	1,91%	2,03%	2,21%	0,93%	0,66%
Bank Panin Dubai syariah	8,11%	8,28%	4,35%	4,77%	7,59%
Bank Victoria Syariah	128,81%	79,08%	105,98%	157,41%	210,09%
Bank Muamalat	50,69%	54,54%	78,36%	90,61%	64,99%
Bank Aceh syariah	265,89%	233,03%	235,85%	240,70%	210,78%
Bank CIMB Niaga syariah	9,20%	9,77%	6,98%	6,81%	7,47%
Bank KB bukopin syariah	29,81%	262,68%	6,49%	193,32%	110,02%
Bank BJB syariah	12,35%	5,77%	6,45%	5,19%	6,55%
Average	**69,87%**	**80,25%**	**67,20%**	**78,74%**	**67,31%**

Based on the table above, the average quick ratio of Islamic banks from 2018 to 2022 also fluctuates. The highest quick ratio value was in 2019, which amounted to 80.25% and was at its lowest position in 2020, which amounted to 67.20%. Although the quick ratio value fluctuates, the average quick ratio is always above 20%, which means that according to BI standards the quick ratio of Islamic banks is very healthy. This situation means that the amount of cash assets owned by Islamic banks has been able to pay its obligations using its cash assets and can pay back the total deposits of depositors.

c. Banking Ratio

Bank Name	**2018**	**2019**	**2020**	**2021**	**2022**
Bank NTB syariah	89,42%	94,15%	86,52%	90,95%	89,21%
Bank BCA syariah	0,73%	0,42%	0,46%	0,34%	0,26%
Bank BTPN syariah	4,41%	4,62%	4,71%	4,76%	4,91%
Bank Panin Dubai syariah	99,37%	101,07%	80,40%	83,40%	85,17%
Bank Victoria Syariah	477,73%	597,01%	1993,17%	551,58%	252,09%
Bank Muamalat	416,59%	355,06%	76,61%	66,76%	4,77%
Bank Aceh syariah	1334,99%	912,64%	1300%	949,98%	1066,00%
Bank CIMB Niaga syariah	94,15%	95,53%	77,37%	68,93%	79,85%
Bank KB bukopin syariah	118,48%	663,18%	109,19%	10691,17	4772,48%
Bank BJB syariah	3381,92%	1562,20%	2470,91%	2484,56%	5177,73%
Average	601,78%	438,59%	619,98%	107341,83%	1153,25%

Based on the table above, the average banking ratio of Islamic banks from 2018 to 2022 is always above 102.25%, which means that according to BI standards the banking ratio of Islamic banks is in an unhealthy state. This shows that the Islamic bank in question is experiencing serious liquidity problems, where short-term liabilities far exceed available liquid assets. Such conditions often have the potential to lead to bank failure if there is no significant intervention or effective financial restructuring.

CONCLUSION

In the Liquidity Ratio, the results show that the financial performance of Islamic banks and conventional banks, namely:

1. With the Cash Ratio indicator, Islamic banks from 2018-2022 are in a very healthy state.
2. The Quick Ratio indicator of Islamic banks from 2018-2022 is in a very healthy state.
3. Then in the Banking Ratio indicator, Islamic banks from 2018-2022 are in an unhealthy state.

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