

ANALYSIS THE FINANCIAL PERFORMANCE USING FINANCIAL RATIO BY THE DECREE OF THE INDONESIAN MINISTER FOR SOE

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Abstract: This research is aimed at investigating the financial performance of Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch in the period of 2005-2014. The analysis to assess the financial aspects of the company is based on the Decree by The Minister for State-owned Enterprises Number: KEP-100/MBU/2002. The financial aspects are evaluated by seven indicators, namely: Return on Equity (ROE), Return on Investment (ROI), cash ratio, current ratio, collection periods, total assets turnover, total equity to total assets. In the period of 2005 to 2011, the company had always been attaining the sound grade in A category. However, from 2012 to 2014, the performances of the company have been descending to the grade of the BBB category.

Keywords: analysis of financial performance, financial ratio, return on equity, return on investment, cash ratio

Abstrak: Penelitian ini bertujuan untuk mengetahui kinerja keuangan Indonesian Port Corporation III (Persero) cabang Tanjung Emas Semarang pada tahun 2005 hingga 2014. Analisis untuk menilai aspek keuangan perusahaan didasarkan pada Keputusan Menteri Badan Usaha Milik Negara No: KEP-100/MBU/2002. Aspek Keuangan dinilai dari tujuh indikator, yaitu: laba atas ekuitas, laba atas investasi, rasio kas, rasio lancar, periode pengumpulan, total perputaran asset, total ekuitas dengan total aktiva. Kemajuan kinerja keuangan Indonesian Port Corporation III (Persero) Cabang Tanjung Emas Semarang yang didasarkan pada akumulasi bobot penilaian menunjukkan bahwa kinerja cenderung menurun. Pada periode 2005-2011, perusahaan selalu mendapatkan predikat sehat dalam kategori A. Namun, pada periode 2012-2014 kinerja perusahaan telah turun ke predikat kategori BBB.

Kata kunci: kinerja keuangan, rasio keuangan, laba atas ekuitas, laba atas investasi, rasio kas

INTRODUCTION

Indonesian Port Corporation III (Persero) Tanjung Emas Semarang Branch is one of the State-Owned Enterprises (SOEs) engaging in infrastructure. According to Indrawati (2020) State-Owned Enterprises is an extension of government in carrying out government functions in board meaning. Indonesian Port Corporation III is based in Surabaya. Based on its role as a service provider of sea transport infrastructure, Indonesian Port Corporation III (Persero) of Tanjung Emas Branch is responsible for sea transport supporting infrastructure, which is closely related to trading activities in Indonesia, particularly in the territory of Central Indonesia. According to Widianingsih et al., (2013) The successful key of SOE restricting lies at the government decisive act in choosing the most appropriate methods in attaining the agreed outcomes, such as the efficiency of policy control, and enforcement of the activities chain, to attain the increase in the corporate value.

Performance is a function of the organization ability to gain and manage the resources in several different ways to develop a competitive advantage (Siregar et al., 2018). The purpose of analysing company performance is to improve the quality of policies, evaluate information from the company related to the condition, management, plans and strategies, and business environment (Handono & Malik, 2010). In measuring the financial aspects of state-owned enterprises, it is necessary to analyze financial statements based on their financial performance. The financial statements of company present data used as a basis for knowing and evaluating the result of the company's operations in carrying out business activities (Widyastuti, M, 2019). Financial performance analysis is a process of determining the operating and financial characteristics of a firm from accounting and financial statements (Bhunia et al., 2011: 269). According to Reza (2014), financial performance is a formal effort that has been made by a company to measure the success of the company to generate profits to see the prospects, growth, and potential developments of the company by relying on existing resources. Through a carefull analysis of its financial performance, the company or organization opportunities to improve performance of the department or unit level (Narendran & Padian, 2015).

Financial performance measured by financial ratio. Financial ratio is considered as one of the good evaluation methods to measure company performances (Megaladevi, 2015). Financial ratio can be categorized into the indicators of productivity, profitability, cost, liquidity, solvency, capital structure, and capital market indicators (Myšková & Hájek, 2017). Otherwise,

Moeljadi (2006) states that “Ratio analysis compares various estimates in different categories, between one estimate and another, both between estimates in an income statement itself or between balance sheet and income statement.” According to Raharjaputra in Finolitha et al. (2014), Ratio analysis is to compare between a figure and another that gives meaning. Comparisons can be made between one component and the components in one financial report or among components in the financial statements, then te comparable numbers can be in the numbers in a period or several period (Mesak & Sukarta, 2019). According to Habimna et al (2017) Financial ratio analysis is important to the management, owners, personnel, customers, suppliers, competitors, regulatory agencies, tax payers, and lenders each having their views in applying financial statement analysis in their evaluations and making judgements about the financial health of organization. There are several types of financial ratio, according to Harjito & Martono (2008) “There are four types of ratios that can be used to assess financial performance of a company, i.e. liquidity ratio, activity ratio, leverage ratio and profitability ratio.”

Based on the Decree of the Minister for State-owned Enterprises Number: KEP-100/MBU/2002, an assessment on the financial aspects uses several predetermined indicators as a financial ratio there are Return on Equity (ROE), Return on Investment (ROI), Cash Ratio, Current Ratio, Collection Period, Total Assets Turnover, and Total Equity to Total Asset. Furthermore, there are different weights between infrastructure SOEs, and non-infrastructure SOEs are determined in assessing the performance of SOEs in the financial aspects. The weight for the financial aspects of infrastructure SOEs is 50, while the weight for non-infrastructure SOEs is 70. The following table shows the assessment of weight on each indicator:

Table 1
Assessment Indicators of Financial Aspects in SOEs

| Assessment Indicator | Weight | |
|----------------------------|----------------|--------------------|
| | Infrastructure | Non-Infrastructure |
| Return on Equity (ROE) | 15 | 20 |
| Return on investment (ROI) | 10 | 15 |
| Cash Ratio | 3 | 5 |
| Current Ratio | 4 | 5 |
| collection Periods | 4 | 5 |
| Total Assets Turnover | 4 | 5 |

| | | |
|------------------------------------|----|----|
| Total Equity to Total Assets Ratio | 6 | 10 |
| Total Weight | 50 | 70 |

Source: Decree of the Minister for SOEs Number: KEP-100/MBU/2002

After the total weight is known, the Total Score is calculated. The Total Score is used to determine whether a company falls into a category of SOE soundness assessment. Total score formula is as follows:

$$\text{Total score} = \frac{\text{Accumulated Indicator Weight}}{\text{Total Standard Weight}} \times 100$$

The result of this calculation is then interpreted based on the categories of SOE soundness assessment as follows:

Table 2
Categories of SOE Soundness Assessment

| | | |
|------------|-----|-----------------------|
| Sound | AAA | Total Score > 95 |
| | AA | 80 < Total Score ≤ 95 |
| | A | 65 < Total Score ≤ 80 |
| Less Sound | BBB | 50 < Total Score ≤ 65 |
| | BB | 40 < Total Score ≤ 50 |
| | B | 30 < Total Score ≤ 40 |
| Not sound | CCC | 20 < Total Score ≤ 30 |
| | CC | 10 < Total Score ≤ 20 |
| | C | Total Score ≤ 10 |

Source: Decree of the Minister for SOEs Number: KEP-100/MBU/2002

Indonesian Port Corporation III used to do the analysis using the BOPO/ OEOI ratio only. BOPO/ OEOI help to indicate whether the company has used all its production factors appropriately (Surjaatmadja & Muhammad, 2018). According to Yulita & Wiwiek (2017) mentioned that BOPO ratio uses to measure efficiency level and bank performance in doing operation activity. Above description, the author did an analysis use the financial ratio based on the Decree of the Minister for State-owned Enterprises Number: KEP-100/MBU/2002.

METHOD

Data Collection Techniques

The data collection methods in this research are interviews to the assistant manager of financial department of Indonesian Port Corporation III Tanjung Emas Semarang Branches and literature review by reading and noting some materials from the financial statements of

Indonesian Port Corporation III (Persero) Tanjung Emas Semarang Branch in the year of 2005-2014, literature books, internet media and other theory-based sources concerning the discussion.

Research Variable

In analyzing the financial performance of Indonesian Port Corporation III Tanjung Emas Semarang Branch for the ten years, an analytical instrument was used. The analytical instrument used was according to the Decree of the Minister for State-owned Enterprises Number KEP-100/MBU/2002. The variables to be discussed in the discussion of this thesis covered profitability ratio, liquidity ratio, activity ratio, and solvency ratio, with the indicators used as follows:

1) Return on Equity (ROE)

Return On Equity is profitability analysis that shows the extent to which company effectively manages its own capital and measure the benefit of the investment made capital owner or shareholder (Rudianto, 2012).

$$ROE = \frac{\text{Earnings after tax} \times 100\%}{\text{Equity}}$$

Here is a list of scores to assess the Return on Equity (ROE):

Table 3
List of Assessment Scores of ROE

| ROE (%) | WEIGHT | |
|------------------|----------------|--------------------|
| | Infrastructure | Non-infrastructure |
| 15 < ROE | 15 | 20 |
| 13 < ROE <= 15 | 13.5 | 18 |
| 11 < ROE <= 13 | 12 | 16 |
| 9 < ROE <= 11 | 10.5 | 14 |
| 7.9 < ROE <= 9 | 9 | 12 |
| 6.6 < ROE <= 7.9 | 7.5 | 10 |
| 5.3 < ROE <= 6.6 | 6 | 8.5 |
| 4 < ROE <= 5.3 | 5 | 7 |
| 2.5 < ROE <= 4 | 4 | 5.5 |
| 1 < ROE <= 2.5 | 3 | 4 |
| 0 < ROE <= 1 | 1.5 | 2 |
| ROE < 0 | 1 | 0 |
| | | |

2) Return on Investment

ROI (Return on Investment) used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments (Botchkarev & Andru, 2011).

$$ROI = \frac{EBIT + Depreciation}{Capital\ Employed} \times 100\%$$

Here is a list of scores to assess the Return on investment (ROI):

Table 4
List of Assessment Scores of ROI

| ROI (%) | WEIGHT | |
|-----------------|----------------|--------------------|
| | Infrastructure | Non-infrastructure |
| 18 < ROI | 10 | 15 |
| 15 < ROI ≤ 18 | 9 | 13.5 |
| 13 < ROI ≤ 15 | 8 | 12 |
| 12 < ROI ≤ 13 | 7 | 10.5 |
| 10.5 < ROI ≤ 12 | 6 | 9 |
| 9 < ROI ≤ 10.5 | 5 | 7.5 |
| 7 < ROI ≤ 9 | 4 | 6 |
| 5 < ROI ≤ 7 | 3.3 | 5 |
| 3 < ROI ≤ 5 | 3 | 4 |
| 1 < ROI ≤ 3 | 2.5 | 3 |
| 0 < ROI ≤ 1 | 2 | 2 |
| ROI < 0 | 0 | 1 |

Source: Decree of the Minister for SOEs, 2002

3) Cash Ratio

According to Willy (2017) cash ratio is a device used to measure how much cash money is available for paying the debt.

$$Cash\ Ratio = \frac{cash + bank + short-term\ securities}{Current\ Liabilities} \times 100\%$$

Here is a list of scores to assess the Cash Ratio:

Table 5
List of Assessment Scores of Cash Ratio

| Cash Ratio = x (%) | WEIGHT | |
|--------------------|----------------|--------------------|
| | Infrastructure | Non-infrastructure |
| X > = 35 | 3 | 5 |
| 25 < = x < 35 | 2.5 | 4 |
| 15 < = x < 25 | 2 | 3 |
| 10 < = x < 15 | 1.5 | 2 |

| | | |
|-----------------|---|---|
| $5 \leq x < 10$ | 1 | 1 |
| $0 \leq x < 5$ | 0 | 0 |

Source: Decree of the Minister for SOEs, 2002

4) Current Ratio

Current ratio is obtained by comparing current assets and current liabilities. The higher the current assets the higher the current ratio, which also means the higher level of corporate liquidity Utami, WB (2017).

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\%$$

Here is a list of scores used to assess the Current Ratio:

Table 6
List of Assessment Scores of Current Ratio

| Current Ratio = X (%) | WEIGHT | |
|-----------------------|----------------|--------------------|
| | Infrastructure | Non-infrastructure |
| $125 \leq x$ | 3 | 5 |
| $110 \leq x < 125$ | 2.5 | 4 |
| $100 \leq x < 110$ | 2 | 3 |
| $95 \leq x < 100$ | 1.5 | 2 |
| $90 \leq x < 95$ | 1 | 1 |
| $x < 90$ | 0 | 0 |

Source: Decree of the Minister for SOEs, 2002

5) Collection Period

In collection period the longer the average collection period, the higher the firm's investment in accounts receivable Ifurueze, M.S.K (2013).

$$CP = \frac{\text{Total Accounts Receivable}}{\text{Total Operating Revenues}} \times 100\%$$

Here is a list of scores used to assess the Collection Periods (CP):

Table 7
List of Assessment Scores of Collection Period

| CP = x (days) | Improvement = x (days) | WEIGHT | |
|--------------------|------------------------|----------------|--------------------|
| | | Infrastructure | Non-infrastructure |
| $x \leq 60$ | $x = 30$ | 4 | 5 |
| $60 < x \leq 90$ | $30 < x \leq 35$ | 3.5 | 4.5 |
| $90 < x \leq 120$ | $25 < x \leq 30$ | 3 | 4 |
| $120 < x \leq 150$ | $20 < x \leq 25$ | 2.5 | 3.5 |
| $150 < x \leq 180$ | $15 < x \leq 20$ | 2 | 3 |

| | | | |
|----------------|--------------|-----|-----|
| 180 < X <= 210 | 10 < x <= 15 | 1.6 | 2.4 |
| 210 < x <= 240 | 6 < x <= 10 | 1.2 | 1.8 |
| 240 < x <= 270 | 3 < x <= 6 | 0.8 | 1.2 |
| 270 < x <= 300 | 1 < x <= 3 | 0.4 | 0.6 |
| 30 < x | 0 < x <= 1 | 0 | 0 |

Source: Decree of the Minister for SOEs, 2002

6) Total Assets Turnover

This ratio is to measurement the efficiency which firm uses its assests to generate sales. If ratio is higher means that company can manage their assests to generate revenue so higher profit can be earn by company Mary & Erika (2016).

$$TATO = \frac{\text{Total Revenues}}{\text{Capital Employed}} \times 100\%$$

Here is a list of scores used to assess the Total Assets Turnover (TATO):

Table 8
List of Assessment Scores of TATO

| TATO = x (%) | Repair = x (days) | WEIGHT | |
|----------------|-------------------|----------------|--------------------|
| | | Infrastructure | Non-infrastructure |
| 120 < x | 20 < x | 4 | 5 |
| 105 < x <= 120 | 15 < x <= 20 | 3.5 | 4.5 |
| 90 < x <= 105 | 10 < x <= 15 | 3 | 4 |
| 75 < x <= 90 | 5 < x <= 10 | 2.5 | 3.5 |
| 60 < x <= 75 | 0 < x <= 5 | 2 | 3 |
| 40 < x <= 60 | x <= 0 | 1.5 | 2.5 |
| 20 < x <= 40 | x < 0 | 1 | 2 |
| x <= 20 | x < 0 | 0.5 | 1.5 |

Source: Decree of the Minister for SOEs, 2002

Total Equity to Total Assets

$$TETA = \frac{\text{Total Equity}}{\text{Total Assets}} \times 100\%$$

Here is a list of scores used to assess the ratio of total equity to total assets:

Table 9
List of Assessment Scores of Total Equity to Total Assets

| ROE (%) | WEIGHT | |
|--------------|----------------|--------------------|
| | Infrastructure | Non-infrastructure |
| x < 0 | 0 | 0 |
| 0 <= x < 10 | 2 | 4 |
| 10 <= x < 20 | 3 | 6 |

| | | |
|-------------------|------|------|
| $20 \leq x < 30$ | 4 | 7.25 |
| $30 \leq x < 40$ | 6 | 10 |
| $40 \leq x < 50$ | 5.5 | 9 |
| $50 \leq x < 60$ | 5 | 8.5 |
| $60 \leq x < 70$ | 4.5 | 8 |
| $70 \leq x < 80$ | 4.25 | 7.5 |
| $80 \leq x < 90$ | 4 | 7 |
| $90 \leq x < 100$ | 3.5 | 6.5 |

Source: Decree of the Minister for SOEs, 2002

Analysis Method

The analysis method used in this research is the descriptive-quantitative analysis method, which is to describe the results in the form of financial statement data relating to the company's performance. The data takes the form of information of financial statements, to be then analyzed using the financial ratios.

Data Analysis Technique

In this study, two data analysis techniques are employed. First, financial ratio analysis from the Decree of the Minister for State-owned Enterprises Number KEP-100/MBU/2002 consisting of ROE, ROI, cash ratio, current ratio, collection period, total assets turnover, and total equity to total assets. Second, simple regression analysis, the total scores of the SOE's financial performance assessment are dependent variables (Y), and the indicators of the SOE's financial performance assessment are independent variables (X). The simple regression analysis is made using SPSS 16 by seeing the results of SPSS outputs of Model Summary table (R square).

RESULT AND DISCUSSION

The calculation results of the Return on equity (ROE) in 2005-2014 can be seen in the following table:

Table 10
Calculation Results of ROE

| Year | Earnings after Tax (IDR) | Equity (IDR) | ROE | Score |
|-------------|-------------------------------------|-------------------------|------------|--------------|
| 2005 | 18,831,756,799 | 141,300,072,566 | 13% | 13.5 |
| 2006 | 14,588,645,864 | 145,236,681,975 | 10% | 10.5 |
| 2007 | 23,463,122,761 | 143,599,487,403 | 16% | 15 |
| 2008 | 43,970,032,323 | 135,655,054,175 | 32% | 15 |
| 2009 | 39,852,927,822 | 178,483,585,989 | 22% | 15 |

| | | | | |
|------|----------------|-----------------|-----|-----|
| 2010 | 32,012,463,401 | 180,257,049,725 | 18% | 15 |
| 2011 | 34,309,602,854 | 224,927,979,277 | 15% | 15 |
| 2012 | 18,418,313,203 | 255,694,943,120 | 7% | 7.5 |
| 2013 | 25,250,553,084 | 307,610,403,915 | 8% | 9 |
| 2014 | 22,522,365,104 | 360,257,228,200 | 6% | 6 |

Source: Secondary data, processed in 2015

From the above table, it is known that the percentage of Return on equity (ROE) at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch tended to decline. The decline was caused by the increase in total equity, which was not proportional to the increase in the total earnings after tax. The equity continued to increase due to the accumulation of earnings. The condition of earnings after tax (EAT) tended to fluctuate due to the amounts of revenues earned by the company and the total operating expenses incurred by Indonesian Port Corporation III of Tanjung Emas Semarang Branch. However, the earnings after tax (EAT) earned referred to the budget. During these ten years, the company has managed to generate more earnings than those budgeted.

The decline in score occurring in 2014 indicated that the company has not been able to improve and maintain its ROE. Because by working to improve and maintain the company's ROE would prove that it continually strived to improve its performance to provide good returns to investors.

Return on Investment

The following table shows the calculation results of the Return on Investment (ROI) at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch:

Table 11
Calculation Results of ROI

| Year | EBIT + Depreciation (IDR) | Capital Employed (IDR) | ROI | Score |
|------|---------------------------|------------------------|-----|-------|
| 2005 | 27,751,992,585 | 167,826,221,689 | 17% | 9 |
| 2006 | 26,088,018,075 | 172,624,601,282 | 15% | 9 |
| 2007 | 30,320,241,909 | 174,652,295,824 | 17% | 9 |
| 2008 | 51,489,265,093 | 164,522,541,168 | 31% | 10 |
| 2009 | 51,712,011,206 | 208,984,423,888 | 25% | 10 |
| 2010 | 49,858,348,152 | 205,716,397,628 | 24% | 10 |
| 2011 | 62,574,485,022 | 274,102,393,600 | 23% | 10 |
| 2012 | 38,749,798,575 | 273,025,575,411 | 14% | 8 |

| | | | | |
|------|----------------|-----------------|-----|---|
| 2013 | 45,950,163,350 | 264,712,611,289 | 17% | 9 |
| 2014 | 51,597,811,407 | 414,075,832,018 | 12% | 7 |

Source: Secondary data, processed in 2015

ROI at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch for the period of 2005-2011 was increased. The decline of ROI in 2012 was due to the significant decreases in Earning Before Interest and taxes (EBIT) and depreciation from the previous year. Total assets caused by the decline in ROI in 2014 increased significantly. In 2013, ROI increased due to the increases in EBIT and depreciation, while the capital employed declined. The decrease in capital employed for the year was due to carried-over investment, which was an outstanding investment in 2012, requiring it to be completed in 2013. ROI in 2014 was 12%, showing that out of every IDR 100.00 of assets used in operations, the company was only able to produce a profit of IDR 12.00. To achieve the highest weight in the assessment, the company must improve its ability to manage its assets.

Cash Ratio

The following table shows the calculation results of cash ratio of Indonesian Port Corporation III (Persero) Branch Tanjung Emas in Semarang:

Table 12
Calculation of Cash Ratio

| Year | Cash + Bank + Long-Term Securities (IDR) | Current Liabilities (IDR) | Cash Ratio | Score |
|------|--|---------------------------|------------|-------|
| 2005 | 2,587,179,444 | 5,793,932,853 | 45% | 3 |
| 2006 | 2,199,706,216 | 6,232,811,768 | 35% | 3 |
| 2007 | 3,545,348,532 | 11,681,615,053 | 30% | 2.5 |
| 2008 | 4,747,376,727 | 17,483,015,078 | 27% | 2.5 |
| 2009 | 2,439,700,182 | 13,265,425,517 | 18% | 2 |
| 2010 | 2,323,098,757 | 33,506,142,812 | 7% | 1 |
| 2011 | 3,462,033,741 | 33,712,081,217 | 10% | 1.5 |
| 2012 | 17,470,646,820 | 34,210,409,879 | 51% | 3 |
| 2013 | 2,770,302,737 | 51,177,105,679 | 5% | 1 |
| 2014 | 5,555,554,411 | 30,047,973,525 | 18% | 2 |

Source: Secondary data, processed in 2015

Cash ratio at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch fluctuated. In 2012, the increase in the percentage of cash ratio was quite high. This was caused by the quite high increases in cash + bank + long-term securities from the previous year, despite

the increase in current liabilities, which was not proportional to the increases in cash + bank + long-term securities.

The increases in cash + bank + long-term securities in 2012 were due to the dropping from the head office, which was then approved by the head office, and the fund came in 2013. The current liabilities tended to increase due to the short-term land lease continuing to increase every year. Due to the increasing short-term land lease, the current liabilities also increased. Besides, there were also dollar debts. Dollar debts were paid off in 2014. In 2014, there was an increase in the score from the previous year due to increased cash and decreased current liabilities. Cash flows from operations had the most significant contribution in improving the cash position each year.

Current Ratio

The following table shows the calculation results of current ratio at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch:

Table 13
Calculation Results of Current Ratio

| Year | Total Current Assets (IDR) | Total Current Liabilities (IDR) | Current Ratio | Score |
|-------------|---------------------------------------|--|--------------------------|--------------|
| 2005 | 9,841,510,003 | 5,793,932,833 | 170% | 3 |
| 2006 | 10,304,683,965 | 6,232,811,768 | 165% | 3 |
| 2007 | 19,054,861,084 | 11,681,615,053 | 163% | 3 |
| 2008 | 8,512,701,591 | 17,483,015,078 | 49% | 0 |
| 2009 | 8,504,551,525 | 13,265,425,517 | 64% | 0 |
| 2010 | 13,837,916,141 | 33,506,142,812 | 41% | 0 |
| 2011 | 8,313,746,231 | 33,712,081,217 | 25% | 0 |
| 2012 | 24,140,557,333 | 34,210,409,879 | 71% | 0 |
| 2013 | 16,721,701,018 | 50,229,852,316 | 33% | 0 |
| 2014 | 16,926,662,508 | 30,047,973,525 | 56% | 0 |

Source: Secondary data, processed in 2015

Current ratio at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch decreased in scores for the last decade. This was due to the increase in current assets higher than the increase in current liabilities. However, in 2008 and 2014, the scores obtained by the company were far from the standard weight of 0. The decrease in current ratio was due to the increase in assets lower than the increase in current liabilities or decreasing assets yet increasing current liabilities. From the table, it can be seen that the total current liabilities

continued to rise rather than the total current assets. This was due to unbilled term payments, which were regarded as debts. The term is a stage of investment according to a contract. Besides, in 2012, a new policy was adopted that affiliate's debt (subsidiary's debt) was added to current liabilities. In this case, it can be interpreted that the company has not been able to finance the current liabilities or short-term liabilities it had using its current assets.

Collection Period

The following table shows the calculation results of collection periods at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch:

Table 14
Calculation Results of Collection Periods

| Year | Accounts Receivable (IDR) | Total Operating Revenues [IDR] | CP | Improved CP | CP Score | Improved CP Score | Score Used |
|------|---------------------------|--------------------------------|----|-------------|----------|-------------------|------------|
| 2005 | 5,644,012,075 | 52,347,994,454 | 46 | 46 | 4 | 4 | 4 |
| 2006 | 7,553,323,706 | 55,293,552,505 | 50 | -4 | 4 | 0 | 4 |
| 2007 | 15,180,840,650 | 60,782,901,488 | 91 | -41 | 3 | 0 | 3 |
| 2008 | 3,245,029,977 | 71,364,263,439 | 17 | 75 | 4 | 4 | 4 |
| 2009 | 4,645,740,316 | 75,720,389,061 | 22 | -6 | 4 | 0 | 4 |
| 2010 | 3,320,100,954 | 87,891,833,867 | 14 | 9 | 4 | 1.2 | 4 |
| 2011 | 4,239,874,601 | 103,022,724,458 | 15 | -1 | 4 | 0 | 4 |
| 2012 | 3,334,079,185 | 113,867,163,280 | 11 | 4 | 4 | 0.5 | 4 |
| 2013 | 4,900,403,386 | 131,007,026,893 | 14 | -3 | 4 | 0 | 4 |
| 2014 | 8,569,564,443 | 150,902,636,846 | 21 | -7 | 4 | 0 | 4 |

Source: Secondary data, processed in 2015

It is noticeable that annually the collection periods changed. Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch has made CP improvements every year. The scoring on CP was by comparing the CP score with the improved CP score in the current year. The score used was the highest. The analysis results showed that the Collection Periods at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch were quite stable to obtain a score of 4. However, in 2007 it got a score of 3. The decline was caused by the increase in accounts receivable compared with operating revenues. However, in the next years of 2008-2014, the company got back the maximum scores. This indicated that the company was able to streamline the collection process of its accounts receivable. This indicator was getting better when the days of acquisition were smaller.

Total Assets Turnover

The calculation results of the total assets turnover at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch in 2005-2014 can be seen in the following table:

Table 15
Calculation Results TATO

| Year | Total Revenues (IDR) | Capital Employed (IDR) | TATO | Improved TATO (tato _t -tato _{t-1}) | Score | Improved Score | TATO score Used |
|------|----------------------|------------------------|------|---|-------|----------------|-----------------|
| 2005 | 52,347,994,494 | 167,826,221,689 | 31% | - | 1 | 1 | 1 |
| 2006 | 55,293,552,505 | 172,624,601,282 | 32% | 1% | 1 | 2 | 2 |
| 2007 | 60,782,901,488 | 174,652,295,824 | 35% | 3% | 1 | 2 | 2 |
| 2008 | 77,399,372,847 | 164,522,541,168 | 47% | 12% | 1.5 | 3 | 3 |
| 2009 | 77,474,183,180 | 208,984,423,888 | 37% | -10% | 1 | 0.5 | 1 |
| 2010 | 87,891,833,867 | 205,716,397,628 | 43% | 6% | 1.5 | 2.5 | 2.5 |
| 2011 | 103,022,724,458 | 274,102,393,600 | 38% | -5% | 1 | 0 | 1 |
| 2012 | 113,867,163,280 | 273,025,575,411 | 42% | 4% | 1.5 | 2 | 2 |
| 2013 | 131,121,503,340 | 264,712,611,289 | 50% | 8% | 1.5 | 2.5 | 2.5 |
| 2014 | 150,941,520,049 | 414,075,832,018 | 36% | -13% | 1 | 0 | 1 |

Source: Secondary data, processed in 2015

The ratio of total assets turnover at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch fluctuated. For ten years, the company has not been at the maximum score at 4. Based on these scores, the company was less able to manage its assets to generate revenues earned by the company. The better the TATO score, the better the asset management to provide optimum revenues for the company would be. Based on these scores, the company still had the opportunity to increase its revenues from the use of total assets. From the interview with the relevant party at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch, it was indicated that the rise and fall of TATO were due to the increase in capital employed more than the company's revenue. The company said that for the past ten years, it expanded its investments so that the capital employed tended to increase. In 2008, the company's TATO was at the highest percentage of 12%, and this was because of the decline in the amount of capital employed and the increase in revenues.

Total Equity to Total Assets

The following table shows the calculation results of TETA at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch:

Table 16
Calculation Results of TETA

| Year | TE (IDR) | TA (IDR) | TETA | Score |
|-------------|-----------------|-----------------|-------------|--------------|
| 2005 | 141,300,072,566 | 167,826,221,689 | 84% | 4 |
| 2006 | 145,236,681,975 | 172,624,601,282 | 84% | 4 |
| 2007 | 143,599,487,403 | 176,565,673,807 | 81% | 4 |
| 2008 | 135,655,054,175 | 174,595,483,075 | 78% | 4.25 |
| 2009 | 178,483,585,989 | 212,417,898,039 | 84% | 4 |
| 2010 | 180,257,049,725 | 231,958,190,115 | 78% | 4.25 |
| 2011 | 224,927,979,277 | 277,811,829,910 | 81% | 4 |
| 2012 | 255,694,943,120 | 308,040,144,213 | 83% | 4 |
| 2013 | 307,610,403,915 | 374,217,864,099 | 82% | 4 |
| 2014 | 360,257,228,200 | 427,754,877,070 | 84% | 4 |

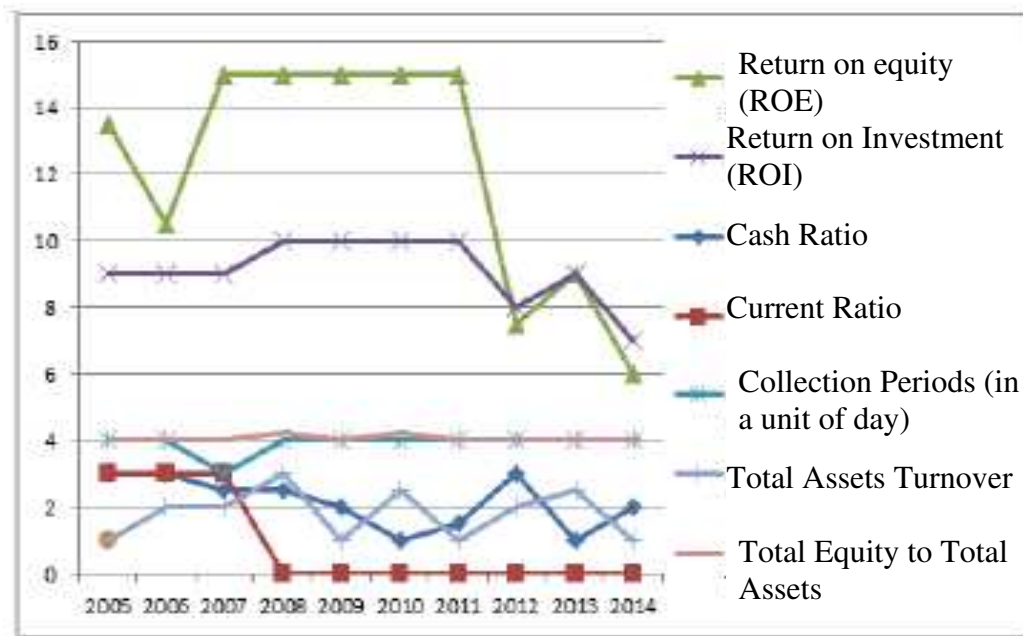
Source: Secondary data, processed in 2015

The ratio of total equity to total assets at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch tended to be stable to get a score of 4 from the standard weight of 6. The company's percentage showed fluctuations every year. In 2008, the score increased to 4.25 due to the decline in total equity. The increase in 2010 was due to the increase in total assets and the decrease in total equity. The less optimum achievement of scores indicated that the company relied on external parties in the procurement of assets, or it relied on debts to finance its operations.

Financial Performance

The assessment of Financial Performance Soundness at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch.

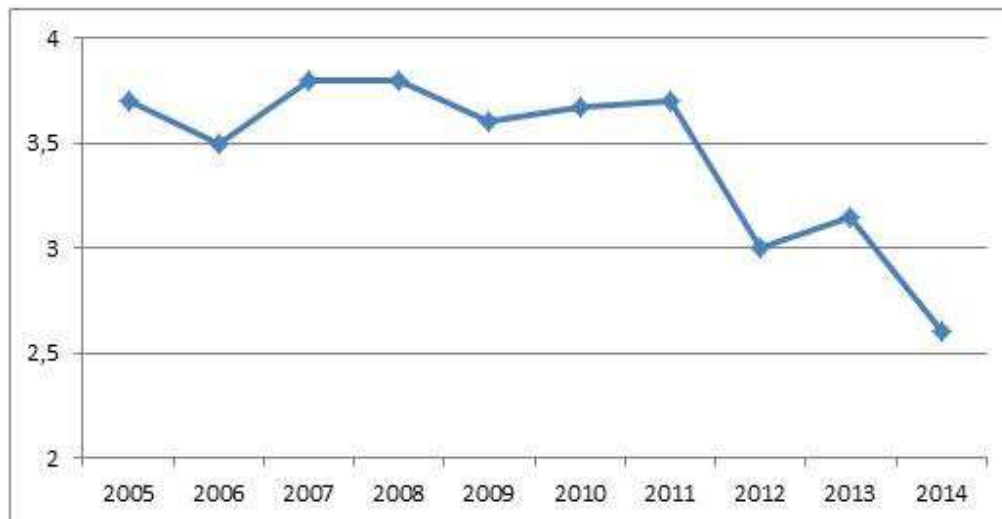
Figure 1 Score Developments of Eight Indicators of Financial Performance at Indonesian Port Corporation III (Persero) of Tanjung Emas Branch Period of 2005-2014



Source: Secondary data, processed in 2015

The score developments of seven indicators of financial performance at Indonesian Port Corporation III of Tanjung Emas Semarang Branch fluctuated annually. The developments of the company's ROE, ROI, current ratio, and TATO tended to decrease. The decrease in ROE was due to the increase in equity higher than earnings after-tax earned by the company. The decrease in ROI was due to the increase in total assets, which was not comparable to the increase in EBIT and depreciation. The decrease in current ratio was due to the increase in assets lower than the increase in current liabilities or decreasing assets yet increasing current liabilities. The decline in TATO showed that the company was less able to manage its assets to generate revenues earned by the company. It is evident that the total capital employed increased, but not accompanied by an increase in its total revenue. In 2014, the cash ratio increased. The collection periods were stable despite the decrease in 2007. The ratio of total equity to total assets tended to be stable even though in 2008 and 2010, the scores increased. The company's financial performance can be seen in the following figure:

Figure 2
Developments of Financial Performance at Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch period of 2005-2014



Source: Secondary data, processed in 2015

The financial performance of Indonesian Port Corporation III (Persero) of Tanjung Emas Semarang Branch tended to decrease in the last three years, 2012, 2013, and 2014. In these years, the company was declared less sound under the BBB category. While the accumulated weight in 2013 increased, it was not able to recover the company's soundness. Several indicators caused the decline in its soundness, with the scores inconsistent with the standards set out in the Decree of the Minister for State-owned Enterprises Number KEP-100/MBU/2002. The cause of such a decline in soundness in 2012 was reduced scores of ROE, ROI, current ratio, TATO, and TETA. In 2013, the company's scores increased due to increases in scores of ROE, ROI, TATO, and TETA indicators. The cause of re-decline in soundness in 2014 was declining scores of ROE, ROI, TATO, and TETA indicators.

Based on the developments of the following seven indicators, they are the percentage of developments of seven indicators in the following table:

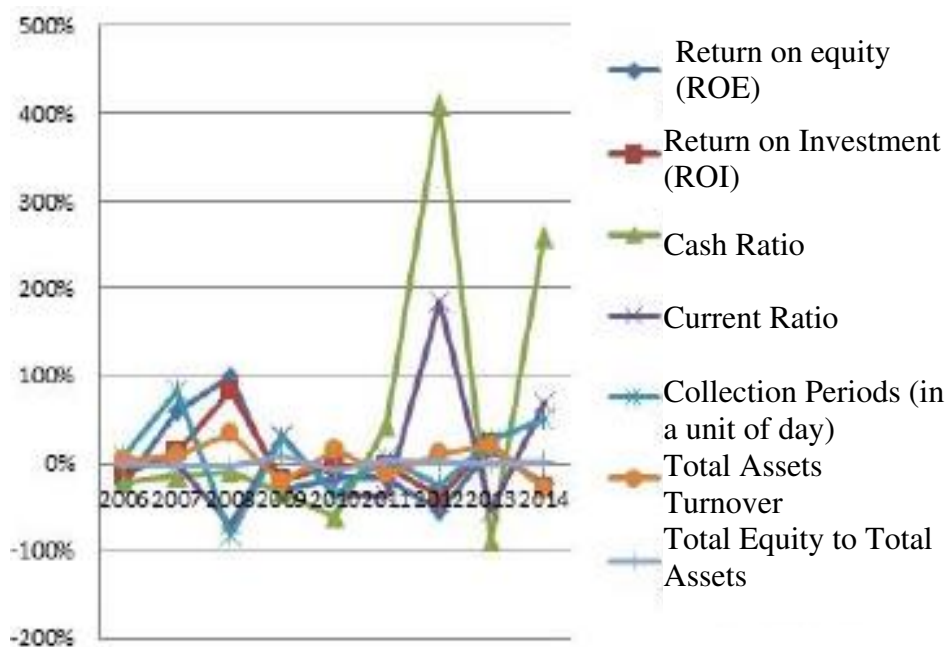
Table 17
Developments of Seven Indicators (Percentage)

| Indicator | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------------------|------|------|------|------|------|------|------|------|------|
| Return on Equity (ROE) | -23% | 60% | 100% | -31% | -18% | -17% | -53% | 14% | -25% |
| Return on Investment (ROI) | -12% | 13% | 82% | -19% | -4% | -4% | -39% | 21% | -29% |
| Cash Ratio | -22% | -14% | -10% | -33% | -61% | 43% | 410% | -90% | 260% |
| Current Ratio | -3% | -1% | -70% | 31% | -36% | -39% | 184% | -54% | 70% |
| Collection Periods | 9% | 82% | -81% | 29% | -36% | 7% | -27% | 27% | 50% |
| Total Assets Turnover | 3% | 9% | 34% | -21% | 16% | -12% | 11% | 19% | -28% |
| Total Equity to Total Assets | 0% | -4% | -4% | 8% | -7% | 4% | 2% | -1% | 2% |

Source: Secondary data, processed in 2015

In view of the curve, it can be seen as follows:

Figure 3 Curve on Developments of Seven Indicators



Source: Secondary data, processed in 2015

It can be seen that generally, the increase or decrease in ROE was always consistent with the increase or decrease in ROI. Similarly, in terms of cash ratio and current ratio, on average, when cash ratio increased, it was followed by an increase in current ratio, but not in 2009 and 2011. In 2009, the cash ratio decreased, but the current ratio increased since the development of cash + bank of the company decreased, but the development of accounts receivable increased. The decrease in cash + bank was because equity increase from the head office was

not used to add cash + bank, but for investment in fixed assets and to repay a portion of current debt, while the increase in current assets was due to the increase in accounts receivable. In general, the increase or decrease in ROE and ROI was also always consistent with the increase or decrease in TATO. However, in 2010 and 2012, ROE and ROI decreased, but TATO increased. This was due to the increase in fixed assets higher than the increase in EBIT + depreciation.

In contrast, the increase in depreciation affected the increase in EBIT + depreciation; thus, ROI and ROE decrease. EBIT in 2010 and 2012 decreased since the increase in operating costs or expenses was higher in percentage than the company's revenues, thus TATO to decline. In general, ROE and total equity to total assets was always inconsistent. When ROE increased, the ratio of total equity to total assets decreased. Decreased assets caused a decrease in the ratio of total equity to total assets. The company's non-productive assets would be put up for auction or sold to increase the amount of its equity. In 2010, ROE and the ratio of total equity to total assets decreased due to the decrease in the company's EAT. The decrease in EAT was affected by the increased operating expenses.

Simple Regression Analysis

The regression equations used were as follows:

- a. Return on equity

$$Y = \alpha + \beta X_1$$

$$Y = 36.766 + 2.579X_1$$

$$\text{Counted } t = 6.990$$

Description: significant

ROE positively affected the company's financial performance

- b. Return on investment

$$Y = \alpha + \beta X_2$$

$$Y = -6.438 + 8.191X_2$$

$$\text{Counted } t = 4.064$$

Description: significant

ROI positively affected the company's financial performance

- c. Cash ratio

$$Y = \alpha + \beta X_3$$

$$Y = 64.170 + 1.828X_3$$

$$\text{Counted } t = 0.413$$

Description: insignificant

Cash ratio did not affect the company's financial performance

d. Current ratio

$$Y = \alpha + \beta X_4$$

$$Y = 65.429 + 2968X_4$$

$$\text{Counted } t = 1.360$$

Description: insignificant

Current ratio did not affect the company's financial performance

e. Collection period

$$Y = \alpha + \beta X_5$$

$$Y = 106.667 + (-9.889)X_5$$

$$\text{Counted } t = -0.939$$

Description: insignificant

Collection period did not affect the company's financial performance

f. Total assets turnover

$$Y = \alpha + \beta X_6$$

$$Y = 63.176 + 2.735X_6$$

$$\text{Counted } t = 0.600$$

Description: insignificant

Total assets turnover did not affect the company's financial performance

g. Total equity to total assets

$$Y = \alpha + \beta X_7$$

$$Y = 81.750 + 37 X_7$$

$$\text{Counted } t = 1.209$$

Description: insignificant

Total equity to total assets did not affect the company's financial performance

Table 18
The Effect of Total Scores on Indicators of SOE's Financial Performance

| INDICATOR | (R²) |
|------------------------------|------------------------|
| ROE | 85.9% |
| ROI | 67.4% |
| Cash Ratio | 2.1% |
| current Ratio | 18.8% |
| Collection Period | 9.9% |
| Total Assets Turnover | 4.3% |
| Total Equity to Total Assets | 15.4% |

Source: Secondary data, processed in 2015

The table shows that ROE and ROI had considerable effects on the increase or decrease in the total scores of state-owned enterprise's financial performance. It was consistent with the Decree of the Minister for SOEs giving the highest scores on ROE and ROI. Thus, when the company's ROE or ROI decreased, its financial performance also decreased.

CONCLUSIONS

Based on the discussion of the research results, it can be concluded that: For ten years, PT. Pelabuhan Indonesia III (Persero) of Tanjung Emas Semarang Branch used the BOPO/OEOI ratio in analyzing the financial performance. Meanwhile, based on the Decree of the Minister for State-owned Enterprises Number KEP-100/MBU/2002, an analysis of SOE's financial performance shall use seven indicators: ROE, ROI, cash ratio, current ratio, collection periods, TATO, total equity to total assets.

In the last three years (2012-2014), the company's financial performance decreased to "less sound" grade under BBB category. This was due to reduced scores of ROE, ROI, and current ratio. ROE and ROI had effects on the company's financial performance. When it's ROE and ROI decreased, its financial performance decreased as well, and vice versa. Among the seven indicators, there were several interrelated and consistent indicators of SOE's financial performance: ROE, ROI, and TATO.

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