REVIEW OF INTERNATIONAL GEOGRAPHICAL EDUCATION
ISSN: 2146-0353 • © RIGEO • 11(5), SPRING, 2021
www.rigeo.org
Research Article

# Analysis Calculation Of Allowance For Impairment Losses Of Credit Before And After The Implementation Of Psak 50 & 55 On Profit At Bank X

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**Abstract**
The occurrence of earnings management practices can make financial statements inaccurate and mislead users. Profit or loss information is often used as a measure to assess the company's performance or as a basis for assessment measures. With the implementation of PSAK 50 and PSAK 55, the process of preparing and analyzing financial statements with international standards is getting better for companies and can also make financial reports more reasonable and informative. This research was conducted at Bank X related to the mechanism for the formation of allowance for impairment losses on credit and its effect on company profits before and after the application of PSAK 50 & 55.

**Keywords**
Allowance for impairment losses (CKPN), PSAK 50, PSAK 55 and Profit

**To cite this article:** Fadjar A, Yudisthira G, H, and Ramadhani D. (2021). Analysis Calculation of Allowance for Impairment Losses of Credit Before and After the Implementation of Psak 50 & 55 On Profit at Bank X. Review of International Geographical Education (RIGEO), 11(5), 3265-3275. Doi: 10.48047/rigeo.11.05.217

**Submitted:** 03-11-2020 • **Revised:** 05-02-2021 • **Accepted:** 05-03-2021

# Introduction

Financial instruments in the Financial Statements, are any contracts that add value to an entity's financial assets and financial liabilities or other entity's equity instruments (PSAK 50, revised 2016). Any measurement relating to the statement of value of a financial liability or asset is recorded in the statement of financial position. The measurement of the entity's financial assets is basically carried out at the initial measurement at fair value. (Lubis & Mulyana, 2021). PSAK convergence is a concern for business actors in Indonesia considering the scope of business of Indonesian companies is not only domestic, but also internationally. One of them is PSAK related to financial instruments which is effective as of January 1, 2012, PSAK 50 (revised 2010) regulates financial instruments in the form of presentation and disclosure while PSAK 55 (revised 2011) regulates financial instruments: in the form of recognition and measurement. One classification of financial assets is a loan or receivable. according to Astuti and Sulistyowati (2017) The main impact of PSAK 50 and PSAK 55 is in the valuation of provision for non-performing loans where the emphasis is on objectivity in determining CKPN from loans which must be based on historical data for the past 3 years, as well as the necessity of individual debtor valuation. Previously, the calculation of CKPN was based on regulations made by Bank Indonesia where there were clear boundaries regarding the criteria for determining credit quality and the percentage of reserves required for each credit quality classification. If implemented correctly, the application of PSAK 50 and PSAK 55 will increase the accuracy and informativeness of CKPN. CKPN is an allowance created if the carrying amount after impairment is less than the initial carrying amount. In determining the amount of CKPN, banks must take into account that the CKPN is established based on the difference between the carrying amount of loans and the present value of estimated future cash flows discounted using the effective interest rate (Boedi, Nirwanto, & SUBIYANTORO, 2019). In relation to the establishment of the CKPN, an accounting standard is needed to be used as a guide in the formation of CKPN. In this case, the impairment is the component of the financial instrument, both financial assets and financial liabilities. This study will use PSAK which regulates financial instruments, namely, PSAK 50: Financial Instruments: Presentation, PSAK 55: Financial Instruments: Recognition and Measurement. PSAK 50 (2014): Financial Instruments: Presentation is an adoption of IAS 32 Financial Instrument: Presentation as of January 1, 2014 and ratified by the Financial Accounting Standards Board(FASB) of the Indonesian Institute of Accountants (DSAK IAI) on April 29, 2014 and only effective as of January 1, 2016 Paragraph 02 states that "the objective of this Statement is to establish the principles for presenting financial instruments as liabilities or equity and offsetting financial assets and financial liabilities…" PSAK 55 (2014): Financial Instruments: Recognition and Measurement is an adoption of IAS 39 Financial Instrument: Recognition and Measurement as of 1 January 2014 and was ratified by the Financial Accounting Standards Board (FASB) of the Indonesian Institute of Accountants (DSAK IAI) on 29 April 2014 and has just been effectively implemented as of January 1, 2016. In paragraph 01 it is stated "the purpose of this statement is to establish the basic principles for recognizing and measuring financial assets, financial liabilities, and contracts to buy or sell non-financial items" The phenomenon in this study is based on observations made by researchers who suspect that the company has not clearly provided information in the financial statements, how is the mechanism for establishing an allowance for impairment losses at Bank X and its effect on profits.

# The problem formulation

Based on the above background, the identification of the existing problems is how the mechanism for the formation of CKPN in the company, and how the calculation of the formation of CKPN affects the company's profit before and after the application of PSAK 50 & 55

# Literature Review

## Definition of Profit

Profit is the ultimate goal of the profit and loss reporting process. Profit has an important role for the company as a way to show achievement and for the survival of the company. Profit is also often used as a meas ure of investment. The profit adopted by the current accounting structure is accounting profit which is the difference between the income and costs measurement (Lee, 2020). Lee (2020) divides profit into two, namely economic profit and accounting profit. Economic profit is an increase in prosperity caused by the company's economic activities and is only enjoyed by those who are in the economic activity unit. Accounting profit is defined as the difference between realized revenues from transactions that occur during a period the costs associated with those revenues. Accounting profit comes from the perspective of accountants who see the company as a single entity. According to Belkaoui in Lee (2020), accounting profit has the following advantages:

1. Proven accounting profit in history where users of financial statements still believe that accounting profit is still useful for making economic decisions,
2. Accounting profit is measured and reported objectively can be verified because it is based on actual transactions or facts supported by objective evidence
3. On the basis of the realization principle in recognizing revenue, accounting profit meets the criteria of conservatism. That is, accounting does not recognize changes in value but only recognizes realized gains.
4. Accounting profit is seen as useful for control purposes, especially management responsibility. Objective evidence that underlies historical costs is a means to support this responsibility

Each advantage certainly has its own weaknesses in accounting profit. Schroeder, Clark, and Cathey (2019) mentions some of the weaknesses contained in accounting profit. These weaknesses are:

1. The concept of accounting profit has not been clearly formulated,
2. There is no basis for measurement and presentation that theoretically,
3. Generally accepted accounting practices allow for inconsistencies in the periodic earnings measurement of different companies,
4. Changes in the price level (purchasing power of money) have not been reflected in accounting profit which is measured on the basis of nominal value,
5. Other information may prove more useful to investors and shareholders in making investment decisions.

Lee (2020) also argue that there are two concepts used to determine the components of a company's profit, namely "current operating concept (Earnings) and all-inclusive concept of income (comprehensive profit)". The concept of profit for the period is profit that comes from the normal activities of the company in the current period, while the concept of comprehensive income comes from all components of profit including items classified as adjustments for the past period (Lee, 2020).

## Profit or Loss Components

Information of profit or loss is often used as a measure to assess company performance or as a basis for valuation measures, such as earnings per share. The elements that are part of the income statement are income and expenses. The elements of income and expenses when accumulated can produce different measurements, including: gross profit (loss), operating profit (loss), profit (loss) before tax, and net profit (loss). These components will form the net profit of the company in the form of profit after tax (EAT) or earnings per share (EPS). The components of profit or loss in this case (Kieso, Weygandt, Warfield, Wiecek, & McConomy, 2019):

1. Income from operations (POP and LOP): profit (loss) originating from operating activities, usually on the income statement in the form of operating profit.
2. Income from finance activities (PFIN and LFIN): This profit (loss) comes from income from financing activities, in this case usually interest income (expense) or profit (loss) from foreign exchange differences due to the sale of securities.
3. Income from tax activities (TAX): Profit (loss) from tax activities is the aggregate amount of current tax and deferred tax which is calculated in the calculation of profit or loss for the current period.
4. Income from ordinary (PORD and LORD): business profit (loss) from the results of the company's main activities or activities that are usually carried out. The company's ordinary activities are activities that are carried out consistently or continuously. The profit or loss from this activity results in a profit after tax. This profit (loss) is not affected by extraordinary items.

5. Income from extraordinary activities (PEXT): Extraordinary activities are gains or losses from transactions that are rarely carried out or transactions that are incidental. For example: profit or loss due to natural disasters.
6. Net income (PEPS and LEPS): Net income and net loss are the final results of the calculation of the income statement. This profit is usually in the profit after extraordinary items and discontinued operations.
7. Income from discontinued activities: Profit (loss) from discontinued activities is a transaction originating from an activity that is discontinued during business continuity. Example: a factory is closed.

## Statements of Financial Accounting Standards (PSAK) No. 50 and No. 55 (2006 revision)

### Definition of PSAK No. 50 and No. 55 (2006 revision)

Statements of PSAK 50 and 55 (revised 2006) were approved by the Financial Accounting Standards Board on December 16, 2006. PSAK 50 (revised 2006) replaces PSAK No. 50 issued by DSAK since July 15, 1998 and PSAK 55 (revised 2006) replaces PSAK No. 55 issued by DSAK since September 10, 1999. PSAK 50 (revised 2006) is an accounting standard that refers to International Accounting Standard (IAS) 32 regarding Presentation and Disclosures of Financial instruments. At the time of issuance of this Statement, all arrangements in this Statement are in accordance with IAS 32 (revised 2005) for arrangements for accounting treatment regarding the presentation of financial instruments, except for the following:

1. The arrangement of accounting treatment regarding disclosure still refers to IAS 32 (revised 2000) and has not used IFRS 7 as the basis of reference.
2. The scope of this statement does not regulate whether this statement is permitted for participation in subsidiaries, associated companies, and interest in jointly controlled entities.
3. In the transitional provisions of the application of this statement, the entity must present and disclose the effects of adjustments that occur if the entity adjusts the accounting treatment of its financial instruments in accordance with the requirements of this Standard and discloses that the provisions of paragraphs 8 and 53 of this Statement do not apply to adjustments made to transitional provisions.
4. This Standard is applied prospectively to financial statements covering periods beginning on or after January 1, 2009. Earlier application is permitted.
5. This Standard replaces the requirements for recognizing and measuring financial instruments set out in:
a. PSAK No. 50 (1998) concerning Accounting for Certain Securities Investments; and
b. PSAK No. 55 (Revised 1999) concerning Accounting for Derivative Instruments and Hedging Activities.

### The purpose of PSAK No. 50 and No. 55 (2006 revision)

PSAK 50 and 55 (revised 2006) were effective on January 1, 2010 after being postponed from January 1, 2009. The objectives of PSAK 50 (revised 2006) according to Financial Accounting Standards as of September 1, 2007 (Yanto, Handayani, Solikhah, & Mula, 2016): "The purpose of this statement is to establish the principles for presenting and disclosing financial instruments as liabilities or equity and offsetting financial assets and financial liabilities. This Standard applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; classification related to interest rates, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities would be offset. The principles in this statement complement the principles for recognizing and measuring financial assets and financial liabilities in PSAK 55 (revised 2006) on Financial Instruments: Recognition and Measurement." While the objectives of PSAK 55 (revised 2006) according to Financial Accounting Standards as of September 1, 2007 (Yanto et al., 2016): "The purpose of this statement is to establish the basic principles for recognizing and measuring financial assets, financial liabilities, and contracts to buy or sell non-financial items. The requirements for presentation and disclosure of financial instrument information are regulated in PSAK 50 (revised 2006) on Financial Instruments: Presentation and Disclosure." An entity shall recognize a financial asset or a financial liability on its balance sheet if, and only if, it becomes a party to the contractual provisions of the instrument (see paragraph 38 relating to the purchase of a financial asset on a regular basis) in accordance with Financial Accounting Standards As of September 1 2007 (Yanto et al., 2016). On initial recognition of a financial asset or financial liability, an entity shall measure it at fair value. In the event that a financial asset or financial liability is not measured at fair value through profit or loss, the fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability are based on Financial Accounting Standards as of September 1, 2007. (Yanto et al., 2016)

**Criteria for Evaluation of Impairment according to PSAK 50 & 55**

An evaluation of whether there is impairment objective evidence must be carried out by each entity at each reporting date of financial position. An entity must make an estimate of the recoverable amount and then recognize an impairment loss, at the carrying amount and the recoverable amount if objective evidence of impairment is found (Sari, 2019). Heykal and Siagian (2014) said that the credit value to be impaired could be done individually or collectively. Individual impairment is carried out on loans that are individually significant and there is impairment objective evidence. Meanwhile, collective credit impairment was carried out on loans that were not evaluated individually as well as loans that were individually significant but there was no impairment objective evidence. According to Rahayu, Rahmawati, and Rini (2021), the collective valuation is based on historical losses on trade receivables. For this purpose, the company must document accounts receivable that cannot be collected for the purposes of calculating collective impairment. Companies should keep historical data for uncollectible receivables, so as to determine the probability.

## Impairment Evaluation Technique

In the Indonesian Banking Accounting Guidelines (Devi, Wigarba, Herawati, & Yasa, 2021), there are various techniques for evaluating impairment, both individually and collectively. In selecting and using an impairment evaluation technique, banks need to consider a cost and benefit analysis as well as the availability of historical information and data.
According to Heykal and Siagian (2014), for individual assessment, techniques that can be used are:

1. Discounted Cash Flow, credit that has been impaired is recorded based on the discounted amount and not based on the discounted value. book value, because the bank will not be able to recover the entire amount of credit that has been given to the debtor. The discounted amount is obtained by estimating future cash flows.
2. Fair value of Collateral, taking into account the value of cash flows for future guarantees or collateral.
3. Obsevable Market Price, in conditions where the amount and period of future cash flows cannot be ascertained and credit price quotes in an active market can be observed through market information and data, the market price can be used as the fair value of credit by taking into account the estimated time of realization or credit sales. the. If this approach is used, the bank must have complete information about the amount, source of information and the date of the market price.

Meanwhile, for collective impairment, techniques that can be used include statistical model analysis with;

1. Roll Rate Analysis Method This approach can be done by analyzing the level of credit losses in each period of arrears (deliquency stage).
2. Outstanding Migration Analysis, this approach is carried out by analyzing the level of outstanding credit migration from the highest grade to the lowest grade. Furthermore, the migration rate is calculated based on the percentage of credit score or the number of accounts that move from the lowest arrears period to the arrears period in which the credit card is judged to be uncollectible (default). Furthermore, the migration rate is used to determine the loss rate of the credit card group based on each period of arrears. Both methods are used to calculate the default probability, which is the level of probability of the debtor's failure to meet obligations.

### Impairment Evaluation Period

In evaluating impairment, a certain period of time is required, i.e. at the end of every month or at the latest at the end of every quarter, banks are required to evaluate whether there is objective evidence that loans or credit groups are impaired. When a bank evaluates at the end of each quarter, but there is objective evidence of impairment before the next evaluation date, the bank is required to re-estimate the future cash flows and CKPN for the loan (Boedi et al., 2019).

### Establishment of CKPN

CKPN is an allowance created if the carrying value of a financial asset after it is written down is less than the initial carrying amount (Boedi et al., 2019). To determine the size of CKPN to be established, banks must pay attention to the following: (Boedi et al., 2019).

1. CKPN is established based on the difference between the carrying amount of credit and the present value of estimated future cash flows discounted using the effective interest rate;
2. Banks are not allowed to establish CKPN in excess of the amount that can be attributed to individual loans or collective credit groups and is supported by objective evidence of impairment; as well as
3. CKPN is provided in accordance with the currency denominated in the loans.

According to Pakpahan, Lindrianasari, Sukmasari, and Dharma (2020) To determine the amount of CKPN, banks need to find the difference between the value of the debtor's credit arrears before and after the individual impairment occurs. However, if there is objective evidence of impairment on credits that are assessed individually, then the credits are included in the group of financial assets that have the same credit risk characteristics. After that the credit is calculated collectively. Individual loans that are calculated collectively include a group of similar financial assets that are not individually significant and financial assets that are individually significant but not impaired based on individual credit evaluations. After all credit evaluation processes are carried out, the Bank establishes Allowance for Impairment Losses (CKPN), which must pay attention to:

1. CKPN is formed based on the difference between the carrying amount of credit and the present value of estimated future cash flows discounted using the effective interest rate (EIR).
2. Banks are not allowed to provide allowance for impairment losses in excess of the amount that can be attributed to individual loans or collective credit groups and is supported by objective evidence of impairment
3. Allowance for impairment losses is provided in accordance with the currency denominated in the loans.

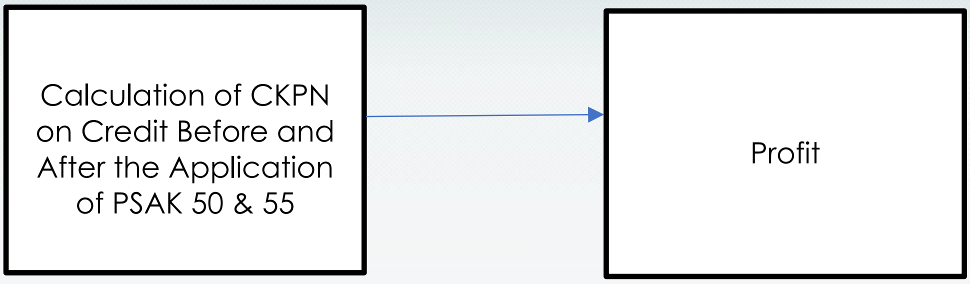
### Credit CKPN Calculation Formula

CKPN : EAD (Exposure at Default) x PD (Probability of Default) x LGD (Loss Given Default) LGD : 1-Discounted recovery rate EAD : Value of receivables based on age of receivables

## Framework

IFRS began to receive attention and became an interesting phenomenon in Indonesia. Accounting standards in Indonesia have begun to adopt IFRS, two of which are PSAK 50 and PSAK55. PSAK 50 is a statement of financial accounting standards that regulates financial instruments: presentation. While PSAK 55 is a statement of financial accounting standards that regulate financial instruments: recognition and measurement. The application of PSAK 55 regarding financial instruments: recognition and measurement is done for two reasons, namely internal reasons and external reasons of the company. Internal reasons, for example, because the company wants financial reporting of international standards, because it can increase the value of the company in the eyes of stakeholders, increase the value of the company in the eyes of customers, improve employee performance. External reasons such as demands from IAI that require companies to apply PSAK 55 revised 2011 to be applied prospectively on January 1, 2012 where PSAK 55 has adopted all the provisions of IAS 39 regarding Financial Instruments:

Recognition and Measurement as of January 1, 2009




This study aims to determine whether Bank x in applying the calculation of CKPN on Credit is in accordance with the applicable standards of PSAK 50 and PSAK 55, and how big the effect is on bank x's profit before and after the application of PSAK 50 & 55.

## Hypothesis

With the implementation of PSAK 50 and PSAK 55, the process of preparing and analyzing financial statements with international standards is getting better for companies and can also make financial reports more reasonable and informative. Thus the hypothesis in this study : There are differences in the Calculation of CKPN on Credit before and after the application of PSAK 50 & 55 and there are differences in the Value Relevance of Financial Information before and after the application of PSAK 50 & 55.

## Research Methods

### Object of research

Opie and Brown (2019) states "The object of research is the scope or things that are the subject matter in a study." Thus, the author concludes that the object of research is the scope which is the subject matter of a study. The object of research used in this study is the annual financial report (annual report) and the General Monthly Report (LBU) of conventional banking companies that have implemented PSAK 50 and 55 in 2010, 2011, 2012 and 2013 at Bank X. Initial application of PSAK 50 & 55 at Bank X was conducted in 2011. All data is displayed in millions of rupiah.

### Population and Sample

This study will use data from the company's consolidated financial statements, by in-depth analysis and comparing the mechanism for the formation of CKPN based on the policies of each company with the accounting standards that will be used. These data are taken from the annual report and credit details of the companies that will be used as research samples. the company is a regional-owned company operating in the banking sector, namely Bank x.

## The Type of Research

This research uses descriptive and comparative research types. According to Miyashita, Katoh, Anzai, and Sengoku (2020) said that: "In general the research method is defined as a scientific way to obtain data with certain goals and uses". Miyashita et al. (2020) says that descriptive research is research conducted to determine the existence of independent variables, either one or more variables (stand-alone variables) without making comparisons or looking for relationships between variables. While comparative research according to Miyashita et al. (2020) is research that compares the state of one or more variables in two or more different samples, or at two different times. The application of comparative research in this study is used to determine the comparison of earnings before and after the implementation of PSAK 50 & 55.

## Variable Operations

In accordance with the title of the study, namely "Analysis of the Calculation of Allowance for Impairment Losses on Credit before and after the Application of PSAK 50 & 55 to Bank Profit x".

then the variables to be studied can be distinguished into two variables, namely:

### Independent Variable (Variable X)

These variables are often referred to as stimulus, predictor, and antecedent variables. The independent variable is the variable that affects or is the cause of the change or the emergence of the dependent (bound) variable. So in this study, the independent variable is the application of PSAK 50 & 55 to the calculation of the Allowance for Impairment of Credit given a period of 2 years before IFRS convergence (from 2010 to 2011) and 2 years after IFRS convergence (from 2010 to 2011). 2012 to 2013).

### Dependent Variable (Variable Y)

The dependent variable is a variable that is affected or is the result of the existence of an independent variable in accordance with the problem to be studied, the dependent variable is the profit for the period 2010 to 2013.

## Data analysis technique

Data analysis is an effort made by working with data, sorting it into manageable units, looking for and finding patterns, discovering what is important and learned and deciding what to present to others. This study uses data from the financial statements of Bank x. This research is a descriptive research conducted by:

1. Identify activities
2. Classify products based on calculation segmentation
3. Calculate the CKPN value before and after the application of PSAK 50 & 55 which refers to the applicable Guidelines with the formula:

a. Rule base (before PSAK 50&55)

| | |
|---|---|
| Current | 1% x Outstanding |
| Special mention | 5% x Outstanding |
| Substandard | 15% x Outstanding |
| Doubtful | 50% x Outstanding |
| Loss | 100% x Outstanding |

b. Principal Base (after PSAK 50&55 )

$$\boxed{CKPN = PD \times LGD \times EAD}$$

4. Analyze the measurement of profit and loss after it is calculated according to the provisions of PSAK 50 & 55

## Analysis and Discussion Results

### Analysis of Credit Values given to CKPN

The following is a financial position which includes total loans granted, total CKPN and percentage of CKPN compared to loans for the period 31 December 2010, 2011, 2012 and 2013.

**Table 1.**
Value of Credit granted to CKPN

| Period | Loans | CKPN | CKPN to total assets |
|---|---|---|---|
| 2010 | 21,491,279 | 574,526 | 2.67% |
| 2011 | 26,998,466 | 507,900 | 1.88% |
| 2012 | 35,374,390 | 602,949 | 1.70% |
| 2013 | 45,308,580 | 896,076 | 1.98% |

From the table above it can be seen that the percentage before the application of PSAK 50 & 55 (2010 period) is greater than after the application of PSAK 50 & 55. This shows that the allowance for impairment before the application of PSAK 50 & 55 is greater than after the application of PSAK 50 & 55

**Analysis of Allowance Expense to Total Assets**

The following is a table of allowance expenses to total assets

**Table 2.**
Allowance Expense to Total Assets

| Period | Asset | Allowance Expense | Allowance Expense to total assets |
|---|---|---|---|
| 2010 | 42,026,411 | 350,204 | 0.83% |
| 2011 | 52,102,571 | 329,727 | 0.63% |
| 2012 | 66,993.997 | 360,409 | 0.54% |
| 2013 | 66,720,141 | 717,961 | 1.08% |

From the table above, it can be seen that in 2010 the expenses tended to be higher compared to the following years because the calculation rate for each collectibility was greater than the following years. In 2013 it was quite high due to the significant increase in the NPL ratio reaching 2.83%.

## Analysis of Impairment Calculation Rates

The following is a table of rates for calculating allowance for impairment losses before and after the application of PSAK 50&55

**Table 3.**
Rate of Impairment Calculation

| No | PRICES BEFORE IMPLEMENTATION OF PSAK 50&55 | PRICES AFTER IMPLEMENTATION OF PSAK 50&55 | DIFFERENCE |
|---|---|---|---|
| 1 | 1% | 0.05% | 0.95% |
| 2 | 5% | 1.52% | 3.48% |
| 3 | 15% | 15.01% | -0.01% |
| 4 | 50% | 23.21% | 26.79% |
| 5 | 100% | 76.67% | 23.33% |

From the table above, it can be seen that the CKPN rates before the application of PSAK 50 & 55 were much higher than after the application of PSAK 50 & 55, this is due to the calculation method of CKPN in PSAK 50 & 55 seen based on the company's historical data statistics for 5 years, not based on rule base.

## Analysis of Total CKPN on Absolute Non-Performing Loans

**Table 4.**
Total CKPN on Absolute Non-Performing Loans

| Period | ABSOLUTE NPL | CKPN | COVERAGE RATOI | Non-Performing Loan |
|---|---|---|---|---|
| 2010 | 399,738 | 574,526 | 143.73% | 1.86% |
| 2011 | 529,170 | 507,900 | 95.98% | 1.96% |
| 2012 | 732,250 | 602,949 | 82.34% | 2.07% |
| 2013 | 1,282,233 | 896,076 | 69.88% | 2.83% |

From the table above, it can be seen that the coverage ratio for the year after the adoption of PSAK 50 & 55 was much lower than in 2010, this is in line with the CKPN expenses which tended to be smaller and the CKPN rates which were smaller compared to 2010.

## Analysis of Total Capital to Net Profit (ROE)

**Table 5.**
Total Capital to Net Profit (ROE)

| Period | Total Core Capital | Net profit | ROE |
|---|---|---|---|
| 2010 | 4,278,130 | 890,171 | 20.81% |
| 2011 | 4,551,623 | 947,477 | 20.82% |
| 2012 | 4,650,062 | 1,185,436 | 25.49% |
| 2013 | 5,350,343 | 1,376,662 | 25.73% |

Bank x's ROE continues to increase from year to year in line with the increase in total core capital.

## Total Asset Analysis on ROA

**Table 6.**
Total Assets to ROA

| Period | Asset | Gross profit | ROA |
|---|---|---|---|
| 2010 | 42,026,411 | 1,217,271 | 2.90% |
| 2011 | 52,102,571 | 1,297,224 | 2.49% |
| 2012 | 66,993.997 | 1,498,262 | 2.24% |
| 2013 | 66,720,141 | 1,743,431 | 2.61% |

ROA before the application of PSAK 50 & 55 was greater than in the years after the application of PSAK 50 & 55, this was due to the continued increase in the NPL ratio from 2010 to 2013.

# Conclusions and Suggestions

## Conclusion

Based on the results of research and discussion, it can be concluded that:

- There is a difference in the Calculation of CKPN on Credit before and after the application of PSAK 50 & 55 at Bank X during 2010 to 2013
- There are differences in the Value Relevance of Financial Information before and after the application of PSAK 50 & 55 at Bank X during 2010 to 2013

## Suggestion

This research is a case study on a conventional banking company that applies PSAK 50 & 55, so that the researchers suggest that further researchers can explore other banks by paying attention to other accounts in the financial statements that have changed due to the implementation of the latest regulations.

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