Economics & Business Solutions Journal
Volume 1, Number 1, 2018, 1-12

THE ANALYSIS OF SHARIA BANKS SOUNDNESS LEVEL USING RGEC METHOD

Abdul Karim[1]
Windasari Rachmawati
Rahmatya Widyaswati
Faculty of Economics, Semarang University

ABSTRACT

The results of the RGEC method research with the Islamic bank financial statements as an intervening variable show that it is on the NPF ratio seen from the Risk profile. This percentage shows that the total problem financing banks do not exist, the total of 11 Islamic banks show good NPF performance results. The highest value is in Victoria sharia bank 4.75% in 2014 and the lowest is in Bca sharia bank 0.1 in 2014. Meanwhile there are several banks that do not include the NPF results in their financial statements. When referring to the provisions of the Indonesian bank which states that the NPF ideal standard is <5%, the performance of the Sharia Banks is in ideal condition. In the implementation of eleven Sharia Banks' GCG, not all report the value of GCG at their annual report. In general it can be said that based on the results of self-assessment on the implementation of Good Corporate Governance in 2010 to 2014, the bank received good and very good predicate, although there is difference in value weight of 0.05.

The earning was measured by ROA ratio, the highest ROA ratio was Sharia Maybank Bank with 4.8% in 2010 and the lowest was 0.35 of Sharia BRI, then in 2012 Sharia Victoria was 6.93 and the lowest was 0.52 of Sharia Bukopin. In 2013 to 2014 ROA of a number of Sharia banks were still at reasonable or stable level.

The Capital was measured by their CAR during 2010 – 2014. The percentage of CAR shows that the CAR value was ideal. If it refers to Indonesian Bank provisions regarding minimum capital adequacy requirements (CAR), the best standard or minimum CAR was 8% in ideal condition because it had CAR value exceeding the BI standard provisions.

Keywords*: RGEC, NPF, ROA, NOM, BOPO, LDR, GCG*

INTRODUCTION

Indonesian banking is supported by the existence of dual banking system, namely the long-established conventional banking business and sharia banking that currently operates in Indonesia. Banks based on Islamic sharia or Islamic banks or Sharia banks are banking institutions that use their systems and operations based on Islamic sharia. It means that banking operation follows the business procedures as well as the agreement are based on the Qur'an and Sunnah of the Prophet Muhammad Shallallahu Alaihi Wasalam. In its operation, Islamic bank uses profit sharing system and other rewards in accordance with Islamic sharia.

[1] Corresponding Author: abdulkarim@usm.ac.id

Due to the improvement of the banking industry, Indonesian Bank conducts supervision, coaching and guidance. The supervision was assessed by issuing Act No. 10 year 1998. The Act regulated banks must maintain the soundness of the bank in accordance with the provisions of capital adequacy, asset quality, management quality, liquidity, solvency & other aspects related to bank business and must carry out business activities in accordance with the precautionary principles.

In accordance with the aforementioned needs, Indonesian Bank then refined the assessment methodology of the commercial banks Soundness level. The Banks performance appraisals are measured in several indicators, namely risk profiles, good corporate governance (GCG), earnings (profitability), and capital (wealth). Guidelines in measuring indicators of Risk Profile, GCG, Earnings, and Capital by Indonesian Bank are regulated fully in Indonesian Bank Regulation No.13/1/PBI/2011, concerning Soundness assessments of Commercial Bank. Indonesian Bank Regulation No.13/1/PBI/2011 itself is the change of regulations issued by Indonesian Bank.

Based on the statistical data of sharia banking issued by Indonesian bank, it is noted that sharia banking industry experience positive progress, especially sharia commercial banks (SCB). In 2009, there were 6 Sharia commercial banks (SCB) in 2010 increased to 11 Sharia commercial banks (SCB) up to now. The Soundness of banking must always be monitored so that it remains prime serving its customers (Permana, 2012: 15). Banks that are classified as unsoundness can harm the bank institution itself and also other people who become the customers of the bank.

The banks Soundness assessment in general had undergone change since it was first enacted in 1999 namely the CAMEL method and then changed to CAMELS method and on January 5, 2011 Indonesian Bank established new regulation to assess the bank's soundness, namely the bank's Soundness level regulation with RGEC method (Risk Profile, Good Corporate Governance, Earnings and Capital). Through RGEC, Indonesian Bank wants banks to be able to identify problems earlier, follow-up improvements that are appropriate and faster, and implement Good Corporate Governance (GCG) and better risk management so that banks are more resistant to crisis (Alfajar, 2014).

The enactment of new regulations from Indonesian Bank which was formally enacted in 2012 concerning the assessment of the soundness level of conventional commercial banks and sharia commercial banks which emphasized on RGEC (Risk Profile, Good Corporate Governance, Earning and Capital), therefore the researchers are interested in examining "The Analysis of Sharia Banks Soundness Level Using RGEC Method (2010 – 2014 Period)" by using financial statements as intervening variables.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The Definition of Sharia Bank

Sharia Banks are financial institutions whose main business is providing credit and other services in payment traffic as well as operating money cieculation in accordance with sharia principles, or in other words, sharia banks are commercial banks that carry out business activities based on sharia principles in their activities to provide services in payment traffic (Act No. 10 year 1998 concerning the Amendment of Act No. 7 year 1992 concerning Banking).

Table 1
The Differences Between Sharia & Conventional Bank

No.	Sharia Bank	Conventional Bank
1.	Investing on permitted business	Value free
2.	Based on profit sharing, profit margin and fee	Rate system
3.	The amount of profit sharing changes depend on business performance	The amount is fix
4.	Profit and falah oriented	Profit oriented
5.	Partnership relation pattern	Debitor-Creditor relationship
6.	There is Sharia Supervisor Council	There isn't similar institution

Source: Antonio M Syafii (1999)

Basically there are three major groups of products offered by a sharia bank (Karim: 2007). These products are (1) fund gathering product (funding), (2) fund distribution product (financing), and (3) service product (service).

The Factors of Bank Soundness Level Assessment Using RGEC Method

Indonesian Bank Regulation No. 13/1/PBI/2011 concerning the assessment system of commercial banks soundness level, the assessment of the commercial banks soundness level includes the assessment of the following factors:

Risk Profile.

The assessment of risk profile factor as intended is the assessment of inherent risk and the quality of risk management implementation in bank operations carried out on 8 (eight) risks, namely:

1. Credit Risk.
2. Market Risk.
3. Liquidity Risk.
4. Operating Risk.
5. Legal Risk.
6. Strategic Risk.
7. Compliance Risk.
8. Reputation Risk.

Good Corporate Governance (GCG).

The assessment of GCG factor is the assessment of bank management on the implementation of GCG principles. Banks are required to implement GCG principles in each of their business activities at all levels of the organization including at the time of drafting the vision, mission, strategic plan, implementation of policies and internal control stages. The scope of the GCG principles application in accordance with Indonesian Bank SE No. 15/15/DPNP year 2013 must at least be realized in:

1. The implementation of the duties and responsibilities of the Board of Commissioner;
2. The implementation of the duties and responsibilities of the Board of Directors;
3. The completeness and implementation of the Committee duties;
4. The handling of interest conflicts;

5. The application of the compliance function;
6. The application of the internal audit function;
7. The application of external audit function;
8. The application of risk management including the internal control system;
9. The provision of fund to related parties and the provision of large exposures;
10. Transparency of SCB financial and non-financial conditions, Good Corporate Governance implementation reports and internal reporting;
11. The handling of interest conflicts;

Profitability (Earning).

The assessment of profitability factors includes an assessment of the components (Kasmir, 2007):

1. The achievement of return on assets (ROA), return on equity (ROE), net interest margin (NIM), and bank efficiency level;
2. The development of operating profit, income diversification, the application of accounting principles in recognition of income and costs, and operating profit prospects.

Capital

The assessment of capital factors includes an assessment of the following components:

1. Adequacy, composition, and projection (future trends) of capital as well as the ability of bank capital to cover assets in problem;
2. The ability of banks to maintain the need for additional capital derived from profits, bank capital plans to support business growth, the access to capital sources, and financial performance of the shareholders to increase bank capital.

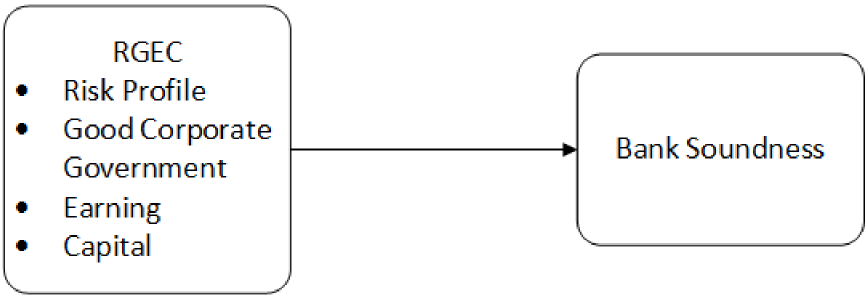
Previous Researches

Heidy Arrvida Lasta, Zainul Arifin, and Nila Firdausi Nuzula in their research entitled "The Analysis of Bank Soundness Level Using RGEC Approach (Risk Profile, Good Corporate Governance, Earning, Capital) (BRI Bank Study, 2011-2013 period) found that BRI Soundness level from 2011 to 2013 measured using RGEC approach was stated sound in a whole. Risk Profile factor assessed through NPL, IRR, LDR, LAR, Cash Ratio as a whole described risk management that had been implemented properly. BRI Good Corporate Governance factor had already gained and implemented corporate governance very well. Earnings or Profitability Factor whose assessment consists of ROA and NIM increased and this indicated an increase in the number of assets owned by BRI followed by an increase in profits obtained by BRI. By using the CAR indicator, the researchers proved that BRI had good Capital factor, which is above the Indonesian Bank regulation of 8%.

Hening Asih Widyaningrum, Suhadak, Topowijono in their research entitled "The Analysis of Bank Soundness Level Using Risk Based Bank Ranking (RBBR) Method (Study in Banks Listed on Indonesia Stock Exchange in the Banking Sub Sector IHSG in 2012) found research results obtained from Return on Assets showed there were unsoundness banks with Return on Assets value below 1.25%. Net Interest Margin assessment showed that all banks that became research samples could be classified into Soundness banks. The assessment of capital factors with Capital Adequacy Ratio showed positive results on each banks, overall each banks had Capital Adequacy Ratio value so that they were Soundness banks.

Framework of Thinking

Figure 1
Research Framework of Thinking



RESEARCH METHOD

Types and Sources of Data

The type of research in this study is descriptive research with quantitative approach, explaining the object under study by giving description or explanation of the problem that has been identified and carried out intensively and in detail on sharia BNI by analyzing the financial statements.

Method of collecting data

Literature Study: from articles, journals, books, and previous researches. Documentary Study: by collecting secondary data in the form of the company's 2010-2014 annual financial report data obtained from www.bi.go.id.

The Definition of Operating Variable

The steps of analyzing data in this study are as follows:

Risk Profile Analysis

NPF (Non Performing Finance)

According to Indonesian Bank Dictionary, Non-Performing Loans (NPL) or Non-Performing Financing (NPF) are problem loans which consist of loans classified as substandard, doubtful and loss. The term NPL is for commercial banks, while NPF is for sharia banks.

By most central banks, non-performing loans are categorized as bank earning assets which are doubtful in their collectability. To maintain the security of the depositors' funds, the central bank requires commercial banks to provide reserve for eliminating non-performing loans. Thus, the greater the amount of non-performing loan balances held by banks, the greater the amount of reserve funds that must be immediately provided, and the greater the costs they must bear to make the reserve funds. Of course this affects the profitability of the bank's business.

A bank that is undermined by large number of non-performing loans tends to decrease its profitability. Return on Assets (ROA) which is one of the benchmarks of its profitability will decrease (Siswanto Sutojo, 2008). The term NPL is for commercial banks, while NPF is for sharia banks.

$$NPL = \frac{Credit\ in\ Problem}{Total\ Credit} \times 100\%$$

NPF is the rate of return on financing provided by depositors to the bank, in other words NPF is the level of non-performing financing at the bank. NPF is known by calculating non-current financing against Total Financing. If the lower the NPF, the bank will experience profit, on the contrary the higher the NPF, the bank will suffer losses due to the rate of return on bad loans. Non-performing loans consist of loans classified as substandard, doubtful and loss.

LDR (Loan to Deposit Ratio)

LDR is a traditional measurement that shows time deposits, demand deposits, savings, and others that are used in fulfilling loan requests from customers. According to Indonesian Bank Circular Letter No.6/23/DPNP dated May 31, 2004 Appendix 1e, the Loan to Deposit Ratio (LDR) can be measured from the comparison between the total amount of loans granted and the third party funds. The amount of credit disbursed will determine the bank's profit. If the bank is unable to distribute credit while the funds accumulated are a lot, it will cause the bank to lose (Kasmir, 2008). The higher the Loan to Deposit Ratio (LDR), the higher the company's profit is (assuming that the bank is able to channel loans effectively, so that the number of bad loans will be little).

$$LDR = \frac{Total\ Amount\ of\ Distributed\ Funds}{Total\ Amount\ of\ Third\ Party\ Funds} \times 100\%$$

Credit given is the credit given by bank that has been withdrawn or disbursed by the bank. Credit provided does not include credit to other banks. Whereas what is included in the definition of third party funds is demand deposits, deposits and savings (Sinungan, 2000). Based on Indonesian Bank provisions, the magnitude of the standard value of the Loan to Deposit Ratio (LDR) is between 85% - 100%.

GCG

The definition of Corporate governance (CG) from Cadbury Committee of the United Kingdom (1999), is: "a set of rules governing the relationship between shareholders, managers of companies, creditors, government, employees and other internal and external stakeholders related to their rights and obligations, or in other words a system that regulates and controls the company".

GCG contains five main principles, namely transparency, accountability, responsibility, independency and fairness, and are created to protect the interests of all stakeholders.

Earning (Profitability)

Return on Assets (ROA)

By knowing ROA, we can assess whether the company has been efficient in using its assets in its operating activities to generate profits. Munawir (2001: 57) explains that profitability is used to measure the efficiency of the use of capital in a company by comparing earnings with the capital used in operations, therefore large profits do not guarantee or are not a measurement that the company is rentable. For management or other parties, high profitability is more important than large profits. According to Lestari and Sugiharto (2007: 196) the rate of ROA can be said to be good if > 2%.

$$Return\ On\ Asset = \frac{Net\ Profit}{Total\ Assets} \times 100$$

Net Operating Margin (NOM)

The variable of net operating margin is the main ratio of profitability in sharia banks to determine the productive ability to generate profits. Net operating margin can also be interpreted as profitability to determine the ability of productive assets to generate profits.

$$NOM = \frac{(OE - DBH - OL)}{AP\ Average} \times 100\%$$

Operating Costs Operating Revenues (OCOR)

According to Dendawijaya (2005) the ratio of operating costs is used to measure the level of efficiency and ability of a bank to conduct its operations. Operating Cost Ratio to Operating Income (OEOI) is often called the efficiency ratio used to measure the ability of a bank's management to control operating costs against operating income. The smaller this ratio means the more efficient operating costs incurred by the bank concerned (Almilia and Herdiningtyas, 2005).

$$OCOR = \frac{Operating\ Costs}{Operating\ Revenues} \times 100\%$$

Capital Analysis

Capital Adequacy Ratio is a capital ratio that shows the bank's ability to provide funds for business development needs and accommodate the possible risk of losses caused by bank operations. The greater the ratio, the better the capital position is (Achmad and Kusuno, 2003). According to Indonesian Bank Regulation Number 10/15/PBI/2008 article 2 paragraph 1 listed that banks are required to provide minimum capital of 8% of risk-weighted assets (RWA).

RESULT AND DISCUSSION

The first stage is an analysis of the development of sharia banks listing on ISE during 2010 - 2014. This analysis uses more secondary data. The second stage is to analyze the projection of sharia banks listing on ISE during 2010 - 2014 in the Soundness category based on the financial statements of sharia banks. This research was carried out on the Indonesian stock exchange by using 11 sharia bank annual reports data on ISE from 2010 to 2014. By choosing 11 categories of sharia banks listing on the Indonesian stock exchange, and having fast and efficient company turnover ratio as well as all companies that submit Financial Statements and Annual Reports consecutively from 2010-2014 and companies that have Return on assets, NPF, OCOR, GCG, NOM, CAR, and LDR.

Risk Profile

The measurement uses Non Performing Financing (NPF). The measurement of the NPF ratio in sharia banking can be seen from the average (mean) NPF ratio. This percentage shows that there is not problem in total financing of the banks, total of 11 sharia banks show good NPF performance results. For the highest value is sharia Victoria bank 4.75% in 2014 and the lowest is sharia bca bank 0.1 in 2014. There are several banks that do not include the NPF results in their financial statements. When referring to the provisions of the Indonesian bank which states the NPF ideal standard is <5%, the performance of Sharia Bank is in ideal condition.

Financing To Deposit Ratio

The measurement of NPF ratio in sharia banking can be seen in the table below:

Table 2

Loan to Deposit Ratio

No	Nama Bank	2010	2011	2012	2013	2014	Explanation
1	Bank BCA Syariah	77,8	78,8	99,8	83,6	89,4	Ideal
2	Bank BNI Syariah	68,93	78,6	84,99	97,86	92,55	Ideal
3	Bank BRI Syariah	95	90	100	102	93	Ideal
4	Bank JabarBantenSyariah	71	72	74	96	93	Ideal
5	Bank MaybankSyariah Indonesia	152	289	197	152	157	Not ideal yet
6	Bank Muamalat Indonesia	70	74	73	89	84	Ideal
7	Bank PaninSyariah	69	162	105	90	94	Ideal
8	Bank BukopinSyariah	99	83	91	100	92	Ideal
9	Bank SyariahMandiri	70	74	73	89	84	Ideal
10	Bank Syariah Mega Indonesia	78	63,75	88	93	93	Ideal
11	Bank Victoria Syariah	16,93	46,08	73,77	90,75	95,19	Ideal

In table 2 it can be seen that the average (mean) ratio of the percentage of this increase shows that the financing made by sharia banks is greater than that of third party funds. Because the greater the FDR, the greater the quality and level of liquidity, in addition to the high FDR can also show that sharia banks are less likely to have large enough funds of idle fund. If referring to the Indonesian Bank provisions stating that the ideal standard of FDR is 85-110% then the performance of several sharia Banks is in ideal condition.

From table 2 above of the 11 sharia banks, sharia Maybank has the highest percentage above the FDR provisions of Indonesian bank, namely from 2010 - 2014 is 289%, this condition according to Indonesian bank is not ideal.

GCG Assesment

Good Corporate Governance is one of the assessment components in the RGEC method and is not an assessment of the bank's financial performance. Therefore, the GCG implementation report is made separate from the financial statements.

Based on the GCG implementation reports of Sharia Banks for 2010 and 2014 period, the implementation of GCG in sharia Banks can be seen in table 6 below:

In the GCG implementation of the eleven sharia Banks, not all reported the value of GCG in their annual reports. In general it can be said that based on the results of the self-assessment of the implementation of Good Corporate Governance in 2010 to 2014, the banks obtained good and very good title, although there were differences in value weights amounting to 0.05. This difference can be seen in the fifth factor of the implementation of Sharia Bank GCG, namely the implementation of sharia principles in the activities of fund raising and distribution of funds and services.

The results of the descriptive analysis of the Sharia Bank GCG implementation shows that sharia Panin reduced the value weight on the implementation of sharia principles in fund raising activities and distribution of funds and services, the possibility of the decline is because Sharia Panin Bank must adjust to the new condition where there is a change in capital and in terms of share ownership. However, despite the decline in value, this did not significantly affect the performance of Sharia Banks, because in addition to the very small decline in value, the implementation of sharia Bank GCG also received good and very good predicate. In the GCG data above, there are still a number of sharia banks that did not include the GCG assessment results at their annual report.

Profitability

Return on Assets (ROA)

The measurement of ROA ratio in sharia banking can be seen in the table below:

Table 3

Return on Assets

No	Nama Bank	2010	2011	2012	2013	2014	Explanation
1	Bank BCA Syariah	1	0,9	0,84	1	0,8	Ideal
2	Bank BNI Syariah	0,61	1,29	1,48	1,37	1,22	Ideal
3	Bank BRI Syariah	0,35	0,2	1,19	1,15	0,08	Ideal
4	Bank JabarBantenSyariah	0,72	1,23	-0,59	0,91	0,72	Ideal
5	Bank MaybankSyariah Indonesia	4,48	3,57	2,88	2,87	3,61	Not ideal yet
6	Bank Muamalat Indonesia	1,36	1,13	0,2	0,27	0,17	Ideal
7	Bank PaninSyariah	-2,53	2,06	3,48	1,03	1,99	Ideal
8	Bank BukopinSyariah	0,74	0,52	0,55	0,69	0,27	Ideal
9	Bank SyariahMandiri	2,21	1,95	2,25	1,53	-0,04	Ideal
10	Bank Syariah Mega Indonesia	1,9	1,58	3,81	2,33	0,29	Ideal
11	Bank Victoria Syariah		6,93	1,43	0,5	-1,87	Ideal

In table 3 it can be seen that the average (mean) of the highest (ROA) ratio is sharia Maybank Bank with 4.8% in 2010 and the lowest 0.35 sharia BRI, then in 2012 Sharia Victoria 6.93 and the lowest 0.52 Sharia Bukopin. In 2013 to 2014 ROA of some sharia banks were still at reasonable or stable level. Umiyati and Quen (2015) said that the measurement of Sharia Bank Performance with the RGEC Method was 2.06%, which means that there was difference in the average decrease in ROA of 0.34%. But this decline did not have impact, the changes were very small. When referring to the previous research conducted by Hari P (2014) on the Measurement of Sharia Bank Performance with the RGEC Method, it shows that even though a bank has a decreased performance, the bank cannot be predicted to go bankrupt as long as the bank's risk handling parameters are very good so as to prevent or minimize bankruptcy.However, if referring to Indonesian Bank provisions stating the ideal standard of ROA is 1.5%, the performance of the Sharia Maybank is not yet ideal compared to the ROA of other sharia banks.

Net Operating Margin (NOM)

it can be seen that the performance of the net operating margin of sharia banks during 2010 - 2014: it can be seen that the average (mean) NOM ratio of the eleven sharia banks shows the ideal NOM. The highest percentage is by Sharia Mega bank i.e 15.49% in 2010. As with other earnings factors such as ROA and ROE, NOM also experienced a decrease in the average (mean) value. However, if referring to Indonesian Bank provisions which state the ideal standard of NOM is> 5%, the performance of sharia Banks is in ideal condition.

Capital

Capital Adequacy Ratio (CAR)

In the table below it can be seen the performance of CAR in sharia banks during 2010 – 2014.

Table 4

Capital Adequacy Ratio

No	Nama Bank	2010	2011	2012	2013	2014	Explanation
1	Bank BCA Syariah	76,4	45,9	31,5	22,4	29,6	Ideal
2	Bank BNI Syariah	28,19	20,75	19,29	16,54	18,76	Ideal
3	Bank BRI Syariah	20,62	14,74	11,35	14,49	12,89	Ideal
4	Bank Jabar Banten Syariah	31,43	30,29	21,09	15,78	17,99	Ideal
5	Bank Maybank Syariah Indonesia	124,43	73,44	63,89	59,41	52,13	Ideal
6	Bank Muamalat Indonesia	13,26	11,78	11,03	14,43	13,91	Ideal
7	Bank Panin Syariah	54,81	61,98	32,2	20,83	25,69	Ideal
8	Bank Bukopin Syariah	11,51	15,29	12,78	11,1	14,8	Ideal
9	Bank Syariah Mandiri	10,6	14,57	13,82	14,1	14,12	Ideal
10	Bank Syariah Mega Indonesia	13,14	12,03	13,51	12,99	19,26	Ideal
11	Bank Victoria Syariah		45,2	28,08	18,4	15,27	Ideal

In Table 5, it can be seen that the highest average (mean) ratio of sharia banking occurred in 2011 by Sharia Maybank of 73.44%. The percentage of CAR illustrates that the CAR value is ideal. If referring to Indonesian Bank provisions concerning minimum capital provision requirement (MCPR) that the best standard or minimum CAR is 8%, the performance of Sharia Panin Bank before and after go public is in ideal condition because it has CAR above the BI Standard provisions.

Operating Costs Operating Revenues (OCOR)

The Operating cost ratio is used to measure the level of efficiency and the ability of a bank to conduct operation (Lukman D Wijaya, 2000: 120). The lower the OCOR means the more efficient the bank in controlling its operating costs, with the cost efficiency the greater the profits obtained by the bank.

OCOR is the ratio of operating costs per operating income, which becomes a proxy for Operating efficiency as commonly used by Indonesian Bank. In the table below, OCOR of sharia banks during 2010 – 2014 can be seen as follows:

In the table above, to rank OCOR values in sharia banks some are in good and quite good category for the financial performance during 2010 - 2014.

Conclusions

Based on the RGEC assessment criteria above, the results of the assessment on the Soundness of sharia banks from 2010 to 2014 on 11 sharia banks based on the financial statements of sharia banks as an intervening variable based on Indonesian Bank Decree No. 13/24/PBI/2012, get SOUNDNESS predicate. From the above conclusions, the writer would like to put forward some suggestions:

1. The management of credit risk, market risk, and liquidity risk should be improved, so that the financial performance of Sharia Banks in Indonesia, especially in the credit section will be better.
2. The management of GCG should be improved, so that Soundness composite predicate becomes very Soundness, especially at the inherent risk of bank strategic implementation that only focuses on medium and short term plans.
3. The management of earnings should be improved so that the Soundness composite predicate becomes very Soundness, especially at the inherent risk of net interest income and overhead expenses.
4. The management of capital should be improved so that Soundness composite predicate becomes very Soundness, especially at the inherent risk of providing more enhanced general reserves, so that they can be allocated to assets (productive and problematic) with the aim that the available capital is not mis-used so that Sharia Banks have a minimum capital adequacy of 8%.

ACKNOWLEDGEMENT

This article is a part of young lecturer research scheme funded by Ministry of Research and Technology and Higher Education.

REFERENCES

Alfajar, Muhammad Rasyad. 2014. Analisis Kinerja Keuangan Bank Syariah Devisa dan Bank Syariah Non Devisa Dengan Metode RGEC. Jurnal Mahasiswa UIN Sunan Kalijaga.

Antonio, Muhammad Syafi'i. 2005. BankSyariah: Dari Teori Ke Praktik. Jakarta: Gema Insani Press.

Almilia, L. S. and W. Herdiningtyas. (2005). Analisis Rasio Camel Terhadap Resiko Bermasalah pada Lembaga Perbankan Periode 2000-2002. Jurnal Akuntansi dan Keuangan Vol. 7 No. 2 November 2005

Bank Indonesia 2008. Peraturan Bank Indonesia No. 10/15/PBI/2008 tanggal 24 September 2008 tentang Kewajiban Modal Minimum Bank Umum.

Dendawijaya, L. 2009. Manajemen Perbankan. Edisi Kedua. Jakarta: Ghalia Indonesia.

Hanafi, Mamduh dan Abdul Halim 2005. Analisis Laporan Keuangan, Penerbit UPP AMP Yogyakarta

Kasmir (2012: 12) Manajemen Perbankan. Edisi Revisi. Penerbit PT. Raja Pers. Jakarta.

Lestari, Maharani Ika and Toto Sugiharto. 2007. Kinerja Bank Devisa Dan Bank Non Devisa Dan Faktor-Faktor Yang Mempengaruhinya. Proceeding PESAT (Psikologi, Ekonomi, Sastra, Arsitek & Sipil). 21-22 Agustus, Vol. 2. Fakultas Ekonomi, Universitas Gunadarma.

Munawir, 2001. Akuntansi Keuangan dan Manajemen, Edisi Pertama, BPFE, Yogyakarta.

Tarmidzi Achmad dan Willyanto Kartiko Kusumo (2003), Analisis Rasio Keuangan Sebagai Indikator Dalam Memproteksi Potensi Kondisi Bermasalah Perbankan di Indonesia, Media Ekonomi dan Bisnis Vol. XV No. 1, Juni 2003