

## EVALUATION OF BANKS HEALTH RATE OF INDONESIA AND MALAYSIA ISLAMIC BANK WITH RGEC METHOD

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**Abstract:** This study aimed to evaluate banks health rate of Islamic banks using the indicator measuring the health level specified in SEOJK Nomor.10/SEOJK.03/2014 is by using the Risk Based Bank Rating or RGEC. The sample in this study using 5 Largest Indonesian Islamic Bank and 2 Malaysia Islamic Bank listed in the top ten of the category "The Best Islamic Institution By Country" in the magazine The Banker 2013 were taken by purposive sampling. The data used is secondary data via the official website of Bank Indonesia and Bank Negara Malaysia is [www.bi.go.id](http://www.bi.go.id) and [www.bnm.go.my](http://www.bnm.go.my). And other official sites of Islamic banks concerned. Based on the results of research conducted it can be seen that all the Islamic banks are being sampled in this study shows the level of health as measured by RGEC during the 2009-2013 period as a whole can be said to include a healthy bank. Risk Factor Profile are included in the category of "HEALTHY" which describes the overall risk management has been implemented properly. Good Corporate Governance Factors considered "HEALTHY" which means it has and implement corporate governance very well. Earnings or profitability factors that judgment consisted of ROA categorized "HEALTHY ENOUGH" with Return On Asset below 1.25% and ROE are categorized as "VERY HEALTHY". By using indicators CAR, researchers proved that all Islamic banks in this study had good Capital factors, namely the aforementioned provisions of Bank Indonesia of 8%.

**Keyword:** Islamic banks health rate, RGEC.

### INTRODUCTION

Islamic Bank is a bank conducting business activities based on Islamic principles and concepts on this bank is the financial industry in efforts their activities rely on trust of the public. In maintaining public confidence, then the measurement bank health of Islamic banks is necessary. Bank Indonesia Regulation Number: 13/1 / PBI / 2011, Article 2 states that the bank is required to maintain and or improve the Bank to apply the precautionary principle and risk management in implementing business activities ([www.bi.go.id](http://www.bi.go.id)).

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Earlier, Bank Indonesia Booklet (152:2014) said the rating BUS (Commercial Bank) includes an assessment of the following factors as capital, asset quality, management, earnings, liquidity and sensitivity to market risk or better known as CAMELS approach (Capital, Assets, Management, Earnings, Liquidity and Sensitivity to market risk) is regulated in PBI 9/1/PBI/ 2007 regarding the measurement of Commercial Banks based on sharia before the change which measures the health rate of Islamic banking through the performance approach Yunanto (2009), however, in order to improve effective rating of the bank to deal with the complexity of the business and risk profile that can be derived from the bank or from the bank's subsidiaries. In addition, changes in the bank's approach to condition assessment applied internationally affects bank rating approach with an approach based on risk (Risk Based Bank Rating), so that the measurement using CAMELS approach modified by using RGEC (Risk Profile, Good Corporate Governance, Earnings and Capital) which is regulated in the Financial Services Authority (POJK) 8 / POJK.03 / 2014 regarding the rating of the Islamic Banks and Sharia Business Unit and these regulations are effectively implemented from 1 July 2014 for the assessment of the Bank position in June 2014. However, each bank is obliged to test the rating of the bank to the position in March 2014 in [www.ojk.go.id](http://www.ojk.go.id).

Assessment or measurement of the level of health as a measure to prevent a crisis of confidence as a few years carried out by the Bank Century is considered unhealthy. In addition to the case which led to the need for the level of health carried out by Islamic banks as a system resilience is due to the condition of the banking sector faced a challenging economic situation changing in the I Dewa Ayu Diah Esti Putri (2014). One of the conditions experienced by the banking world financial crisis in 1997 and the external economic volatility (subprime mortgage) in the United States during 2008. The report stated that the banking supervision of Islamic banking is less affected by the global financial situation has not improved in 2011 ago, but banking sharia developed growth positively in the 2011 report on Banking Supervision issued by Bank Indonesia (2011).

Resilience of the Islamic banking is able to create a competitive advantage in banking competition is increasingly widespread. Islamic banking is currently faced with the competition being so strong from Islamic banking in ASEAN countries due to the MEA which is implemented starting January 2015 but, for the banks is expected to occur in 2020 in the February edition of Infobank Magazine (2015). Bahrullah (2013) say that one of the challenges in MEA is the competition level high health including Islamic banking which has resilience or health levels are so high.

Many previous studies using the rating system for bank with RGEC analysis, including image Ayuanda (2014), Muhammad Rashad Al Fajar (2014), Yudi

Diamond Adi Putra (2015) and Santi (2015). Therefore, the authors conducted a study evaluating the health rate of Indonesia and Malaysia Islamic Bank with methods Risk Profile, Good Corporate Governance, Earnings and Capital (RGEC).

## **LITERATURE OVERVIEW**

### **Shariah Bank**

Article 1 (7) of Law No. 21 of 2008 concerning Islamic Banking Islamic Banking is mentioned that the Bank is conducting its business activities based on Sharia Principles and by type consisting of Islamic Banks and Bank Rakyat Syariah Financing. Philosophically, Islamic banks are banks whose activity leaves the problem of usury, Islamic financial system also regulates the prohibition of acts of fraud, prohibition of acts of fraud, hoarding, and the prohibition of monopolies.

Indonesian Islamic financial development in a more market driven and bottom-up impetus in meeting the needs of the community so it rests on the real sector is also a distinct advantage. different with the Islamic financial developments in Iran, Malaysia, and Saudi Arabia, where sharia financial developments are more reliant on the financial sector instead of the real sector, and the government's role is dominant. In addition in the form of regulatory support, placement of government funds and state-owned enterprises in Islamic financial institutions make a significant increase in total assets. Excellence structure of Islamic financial development in other Indonesian regulatory regime which is considered better than other countries in Azizonbinjamaan (2013). In Indonesia, the Islamic financial authority to issue fatwas are centralized by the National Sharia Board (DSN) - Indonesian Ulema Council (MUI), which is an independent institution. While in other countries, the fatwa can be issued by individual scholars so that the chances are very great differences in banking supervision 2011 report published by Bank Indonesia (2011). In Malaysia, the organizational structure of this fatwa institutions are under Bank Negara Malaysia (BNM), does not stand alone independently in [www.indomea.org](http://www.indomea.org). [www.bahrullah.com](http://www.bahrullah.com) say one of the challenges in the MEA is the competition level high health including Islamic banking which has resilience or health levels are so high. Therefore, Islamic banks are required to have an equivalent level of health. MEA to involve banks with a high level of health. Therefore, Islamic banks are required to have a level equivalent to their health.

### **Opportunities and Challenges of Islamic Banking**

Islamic banking is currently faced with the competition being so strong Islamic banking in ASEAN countries due to the existence of MEA were implemented starting January 2015 but, for the banks is expected to occur in 2020 in the February edition of Infobank Magazine (2015). AEC (ASEAN Economic Community) or the

ASEAN Economic Community (AEC) is a challenge and a new opportunity in the banking world to face the competition that occurs among ASEAN countries. Indonesia and Malaysia is a strong contender because of Indonesia and Malaysia have the potential and opportunities of each in the face of the MEA.

Ferdinand in the discussion of sharia in 2014 in Infobank Magazine (2014) stated before the presence of AEC in 2015 and the Trade Market in 2020, Islamic banking in Indonesia should be able to optimize all its potential to work on the market in Indonesia, foreign banks do not work out. 2015 Islamic bank should be able to take advantage of the existing market and should continue to grow. Aside from the potential possessed by each Islamic banking, Islamic banking is required to have excellent health level.

FSA (Financial Services Authority) in Bank Indonesia Booklet (2014: 38) demanding the right policy for Indonesia face the MEA as the regulatory landscape changes in the banking industry that demands comprehensive reform, including among others the capital structure, liquidity, governance, and securitization, in order to reduce the probability of failure of institutions and made an emphasis on capital, operating income and operating costs, because the MEA is expected to put pressure on the bank's funding and financing. Islamic banking must be prepared to anticipate this and the FSA will be facilitated by establishing communication with authorities in other countries, particularly to ensure equality (level playing field).

### **Banks Health Rate**

Assessment of the health of banks is these factors is done through quantitative or qualitative assessment after the develop of judgment based on the materiality and significance of these factors as well as the assessment of the influence of other factors such as the condition of the banking industry and the national economy in a Bank Indonesia Circular Letter No. 6/23/ DPNP. In accordance with the Circular of the Financial Services Authority (SEOJK) Number. 10/SEOJK.03/2014, Rating for Islamic Banks and Sharia Business Unit, banks are required to conduct their own assessment of the Bank with the Bank's Risk-based approach Rating (RBBR).

To assess a bank's health can be seen from several aspects. So as to determine whether the bank is in a healthy condition, quite healthy, less healthy, and unhealthy and Bank Indonesia may provide guidance or instructions on how the bank should be run or even discontinued operations. The assessment is done based on 5 composite.

**Table 2.1**  
**Composite Rating Bank Health**

<i>Composit Ratings (CR)</i>	<i>Bank Conditions</i>
Composit Ratings-1 (CR-1)	Reflects the general condition of the bank is very healthy so considered very able to deal with a significant negative effect of changes in business conditions and other external factors.
Composit Ratings-2 (CR-2)	Bank reflect conditions generally healthy, so it is considered capable of facing significant negative effect of changes in business conditions and other external factors
Composit Ratings-3 (CR-3)	Bank reflect conditions generally pretty healthy so considered sufficient to face a significant negative effect of changes in business conditions and other external factors.
Composit Ratings-4 (CR-4)	Bank reflect conditions that are generally less healthy so it less able to cope with a significant negative effect of changes in business conditions and other external factors.
Composit Ratings-5 (CR-5)	Bank reflect conditions that are generally not healthy so judged unable to face the significant negative effect of changes in business conditions and other external factors.

*Source: www.ojk.go.id/Surat-Edaran-Otoritas-Jasa-Keuangan-(SEOJK) -Nomor.10/SEOJK.03/2014.*

### **RGEC Method**

Bank Rating individually for Islamic Banks include an assessment of the Risk Profile, Good Corporate Governance (GCG), Earning, and Capital while for Sharia covers only factor Risk Profile. In Circular Letter Financial Services Authority (SEOJK) Number. 10 / SEOJK.03 / 2014 stating indicator sharia bank rating are as follows:

#### ***A. Risk Profile***

Assessment of the risk inherent conducted with respect to the parameters / indicators are quantitative or qualitative. Determination of the level of risk inherent on each type of risk refers to the general principles of the Bank Rating Sharia and Sharia Business Unit Circular Financial Services Authority (SEOJK) Nomor.10 / SEOJK.03 / 2014. Factor assessment is an assessment of the risk profile inherent risk and Quality Risk Management (KPMR) in the operational activities of the Bank. Risks that must be assessed consists of 10 types of risk are credit risk, market risk, liquidity risk, operational risk, legal risk, strategic risk, compliance risk, reputation risk, the risk of returns and investment risk.

### ***B. Good Corporate Governance***

Assessment factor Good Corporate Governance (GCG) for Islamic banks is an assessment of the quality of bank management on the implementation of the Five Principles of Good Corporate Governance, Transparency, Accountability, Responsibility, professional, and kewajaran Penetapan peringkat factor GCG done. Assessment of the factors GCG in RGEC approach is based into three main aspects, namely, governance structure, governance processes, and governance outputs.

### ***C. Profitability (Earnings)***

Profitability factor assessment (Earnings) includes an evaluation of the performance of profitability, the sources of profitability, sustainability (sustainability) profitability, profitability management, and implementation of social functions.

### ***D. Capital***

Assessment of the capital factor includes the evaluation of capital adequacy and capital adequacy management. In assessing capital factor Islamic Banks need to consider ingkat trends, structure, and stability of capital by observing the performance of Peer Group as well as the adequacy of the Bank's capital management Sharia.

## **RESEARCH METHOD**

The object of this research is Financial Statements and the Annual report of the five largest Islamic Banks in Indonesia magazine *The Banker* in 2013 and three editions of Islamic Banks in Malaysia. The financial data that will be examined are the financial statements and the Annual report each Islamic banks, the Financial Statements for 2009-2013 was obtained through the media [www.bi.go.id](http://www.bi.go.id), [www.bnm.go.my](http://www.bnm.go.my) and related bank website. Sampling technique is purposive sampling technique, because the banking company a sample capable of providing the information needed for the study, which used a sample that has met the following criteria during the study period 2009-2013: a. Bank studied are still operating until the study period, 2013, b. Islamic banking company's financial statements at the end of the 2009-2013 period which have been audited by an independent auditor, c. Bank studied included in *The Banker* magazine edition of November 2013 in the category "Top Islamic Institution by country" and, d. Bank studied has a volume almost comparable assets.

This type of study was a descriptive study. Descriptive research relating to give an idea or concept in Sumanto affirmation (2014:16). This study researchers developed the concept, gather facts, observation and understanding but does not

perform hypothesis described here is about the health rate of Islamic banks in Indonesia and Malaysia. The method used in this research method is a quantitative method that produces data such as numbers and percentages, and can be measured with certainty. This study will measure levels of health indicator Indonesia and Malaysia Islamic bank with RGEC method.

### **Difference Method RBBR Islamic Bank and Conventional Banks**

Health assessment system between CAMELS bank does not vary much with RGEC. Some parts still look the same as they used a scoring system Capital and Earnings. The Management assessment system was changed to Good Corporate Governance. As for the components of Asset Quality, Liquidity and Sensitivity to Market Risk finally put together the components of Risk Profile. Differences RGEC Islamic banks with conventional banks are only on the risk profile, which in conventional banks there are 8 whereas the risk profile in Islamic banks coupled with 2 risk profile, ie the risk of returns and investment risk. In conventional bank risk yields can be included in the market risk and to risk investments included in credit risk. (Circular of the Financial Services Authority (SEOJK) Number. 10 / SEOJK.03 / 2014).

### **Measuring Instruments Data**

The data obtained in the financial statements examined are some financial ratios that are part RGEC indicator in the Circular of the Financial Services Authority (SEOJK) Nomor.10 / SEOJK.03 / 2014 and SE BI NO. 13/24 / DPNP dated 25 October 2011. The variables and these measurements serve to restrict information that is not related to the study. As for the variables and measurements in this study were:

#### ***A. Risk Profile***

Calculate by credit risk, the lower this ratio, the possibility is very low bank losses are automatically income will increase (negative), Due to the high NPF will affect the performance of Islamic banking in the Edy (2014) in [www.bisnis.liputan6.com](http://www.bisnis.liputan6.com). The formula for calculating the NPF in Bank Islam Malaysia Berhad:

$$NPF = \frac{\textit{Total Impaired finance}}{\textit{gross financing and advances}} \times 100\%$$

Or in Annex 1.1.a. SE BI No. 13/24 / DPNP dated October 25, 2011

$$NPF = \frac{\textit{bad debt}}{\textit{Total debt}} \times 100\%$$

**Table 3.1**  
**Determination of criteria for ranking Component Risk Profile (NPF)**

<i>Composit</i>	<i>Information</i>	<i>Criteria</i>
1.	Very Healthy	Quality of risk credit management very adequate (Rasio $\leq 2\%$ )
2.	Healthy	Quality of adequate credit risk management ( $2\% < \text{Rasio} \leq 5\%$ )
3.	Enough Healthy	Quality of credit risk management is adequate ( $5\% < \text{ratio} \leq 8\%$ )
4.	Less healthy	Quality of the implementation of inadequate credit risk management ( $8\% < \text{Ratio} \leq 12\%$ )
5.	Not Healthy	Quality of the application of credit manajemenrisiko inadequate (ratio $> 6.12\%$ )

Source: SE BI No.6/23/DPNP tanggal 31 Mei 2004

### ***B. Good Corporate Governance***

Based on Bank Indonesia provisions presented in the Monitoring Report of the Bank (2012: 36) the data obtained to determine the level of corporate governance are qualitative data viewed through the Assessment of GCG factor in RGEC based approaches into three main aspects, namely, governance structure, governance process and governance Transparency output includes financial and non-financial conditions. Table composites for Good Corporate Governance:

**Table 3.2**  
**Determination of criteria for ranking component of Good Corporate Governance**

<i>Value Composite</i>	<i>Predicate</i>
$< 1.5$	Very Healthy
$1.5 < \text{NK} < 2.5$	Healthy
$2.5 < \text{NK} < 3.5$	Enough Healthy
$3.5 < \text{NK} < 4.5$	Less healthy
$4.5 < \text{NK} < 5$	Not Healthy

Source: SE BI No.6/23/DPNP tanggal 31 Mei 2004



### **C. Profitability (Earnings)**

Assessment of the earnings factor (earnings) includes assessment of the earnings performance, sources of earnings, and the sustainability of bank earnings. Here is the calculation of the ratio and the composite ranking stipulated in Bank Indonesia regulation:

#### **1. Return on Assets (ROA)**

The greater the ROA of a bank, the greater the level of profit that the bank achieved and the better the position of the bank in terms of asset utilization.

#### **Composite Rating Return On Assets:**

**Table 3.3**  
**Determination of criteria for ranking Component Return On Asset**

<i>Rasio% ROA</i>	<i>Composite</i>	<i>Meaning</i>
ROA $\geq$ 1,5%	CR-1	Very Healthy
1,25% $\geq$ ROA $\geq$ 1,5%	CR-2	Healthy
0,5% $\geq$ ROA $\geq$ 1,25%	CR-3	Enough Healthy
0% $\geq$ ROA $\geq$ 0,5%	CR-4	Less healthy
ROA $\geq$ 0%	CR-5	Not Healthy

*Source:* Circular Letter No. 6/36 / DPNP dated May 31, 2004

In order to measure the health of banks there are small differences between ROA based on theoretical calculations and the calculation based on Bank Indonesia regulations. Theoretically, the profit that counts is profit after tax, while the profit CAMELS system that counts is profit before tax in Santi (2015).

#### **2. Return On Equities (ROE)**

ROE is used to measure the bank's ability to obtain net income attributed to the dividend payment. The increase in this ratio means that there is an increase in net profit of the bank concerned. Furthermore, the increase will cause a rise in stock prices of banks in Santi (2015). Semakin ROE higher the value, the higher the profit of the bank (positive). Composite Rating Return On Equities:

**Table 3.4**  
**Determination of criteria for ranking Component Return On Earnings**

<i>Rasio% ROE</i>	<i>Composite</i>	<i>Meaning</i>
ROE $\geq$ 15%	CR-1	Very Healthy
12,5% $\geq$ ROE $\geq$ 5%	CR-2	Healthy
5% $\geq$ ROE $\geq$ 12,5%	CR-3	Enough Healthy
0% $\geq$ ROE $\geq$ 5%	CR-4	Less healthy
ROE $\geq$ 0%	CR-5	Not Healthy

*Source:* Circular Letter No. 6/36 / DPNP dated May 31, 2004

#### **D. Capital**

Calculation of minimum capital adequacy ratio is done in accordance with Bank Indonesia Regulation No.8/7/PBI/2006 requires banks to meet the minimum capital adequacy ratio using standard methods. The capital adequacy ratio can be measured using indicators CAR (Capital Adequacy Ratio). Kasmir (2003:185) in Venny Dwi Lestari (2009). The higher CAR means higher equity capital to fund productive assets, the lower the cost of funds incurred by the bank. The lower cost of funds, further increasing the bank's profit (positive).

**Table 3.5**  
**Determination of criteria for ranking Components CAR**

<i>Composit</i>	<i>Information</i>	<i>Kriteria</i>
1.	Very Healthy	CAR ratio is significantly higher than the ratio specified in the provisions of CAR (KPPM > 12%).
2.	Healthy	CAR ratio significantly higher than the CAR ratio specified in provisions (9% < CAR $\leq$ 12%).
3.	Enough Healthy	CAR ratio marginally higher compared to the CAR ratio specified in provisions (8% < CAR $\leq$ 9%).
4.	Less healthy	CAR ratio under the applicable provisions (6% < CAR $\leq$ 8%).
5.	Not Healthy	Capital Adequacy Ratio under the applicable provisions (CAR $\leq$ 6%).

*Source:* Indonesia Bank Circular Letter

## RESULT AND DISCUSSION

Based on the Regulation of Financial Services Authority (POJK) 8 / POJK.03 / 2014 and PBI through Islamic banking financial statements published by each of the Islamic Bank, which is as follows:

### A. Risk Profile

Here's a table of results of the assessment has been carried out on a sample of Islamic banks in the study:

**Table 4.1**  
**Tables Risk Assessment Profile (NPF) 2009-2013**

Bank Name	Indicators	2009		2010		2011		2012		2013	
		NPF	CR	NPF	CR	NPF	CR	NPF	CR	NPF (%)	CR
PT Bank Syariah Mandiri		4.84%	2	3.52%	2	2.42%	2	2.82%	2	4.32%	2
PT Bank Muamalat Indonesia		4.73%	2	4.32%	2	2.60%	2	2.09%	2	4.69%	2
PT Bank BRISyariah		3.20%	2	2.19%	2	2.77%	2	3.00%	2	4.06%	2
PT Bank Mega Syariah		2.08%	2	3.52%	2	3.03%	2	2.67%	2	2.98%	2
PT Bank Syariah BNI		2.35%	2	3.59%	2	3.62%	2	2.02%	2	1.86%	1
Bank Islam Malaysia Berhad		11.78%	4	4.50%	2	2.61%	2	1.55%	1	1.18%	1
RHB islamic bank berhad		3.89%	2	3.57%	2	2.67%	2	1.64%	1	1.38%	1
Average all of shariah bank		4.70%	2	3.60%	2	2.82%	2	2.26%	2	2.92%	2

Source: DataProcessed

Based on the data in Table 4.1. fluctuations can be seen on the Net Performing Financing (NPF) in each Islamic bank with the period 2009 to 2013. In the provision made in the Regulation of Bank Indonesia can be categorized either NPF level if they are <5%, in [www.bisnisliputan6.com](http://www.bisnisliputan6.com) states that the the smaller the ratio or percentage of NPF then the more likely the bank will suffer losses or getting better at managing the risks that arise as a result of the inability of the debtor to pay back, or possible losses arising from the failure of the debtor to meet its obligations to the bank, because the NPF affect the performance of the bank, in the 2009 period are known throughout the Islamic banks in this study had a composite rank-2 or "Healthy" which means it has an adequate management to manage the possible losses, while Islamic banks are PT Bank Syariah BRI's (3.20%), PT Bank

Mega Sharia (2.08%), PT Bank BNI Syariah (2.35%) and RHB Islamic Bank Berhad (3.89%), PT Bank Syariah Mandiri (4.84%) and PT Bank Muamalat Indonesia (4.73%), unless the bank which includes the category of "Less Healthy" or PK-4 is Bank Islam Malaysia Berhad which has a very high percentage of the regulations imposed by Bank Indonesia in the amount of 11.78%, therefore it can be known for the 2009 Islamic bank that has value is the smallest NPF Indonesian Islamic bank with a percentage of 2:08% acquired PT Bank Mega Syariah.

In the period from 2010 all Islamic banks to be sampled in this study were categorized as "Healthy" based on indicators which are owned by each bank, while Islamic banks are PT Bank Syariah Mandiri (3.52%), PT Bank BRI Syariah (2.19%), PT Bank Mega Syariah (3.52%), PT Bank BNI Syariah (3.59%) and RHB Islamic Bank Berhad (3.57%), PT Bank Muamalat (4.32%) and Bank Islam Malaysia Berhad (4.50%), So that it can be seen Islamic banks with the smallest percentage of NPF, PT Bank BRI Syariah (2.9%). For the next period or 2011 can be seen on the whole Islamic banks are being sampled in this study has ranked the category "Healthy" with NPF <5% by Islamic banks which have the smallest percentage is PT Bank Syariah Mandiri (2:42%).

In the period of 2012, there were only two banks of seven Islamic banks are being sampled in this study who received ratings of composite-1 "Very Healthy" is derived from the Islamic Bank Malaysia namely Bank Islam Malaysia Berhad (1.55%) and RHB Islamic Bank Berhad ( 1.64%), while the other five Islamic banks are Islamic banks in Indonesia which has a composite rank-2 or categorized as "Healthy" based on NPF, PT Bank Syariah Mandiri (2.82%), PT Bank Muamalat Indonesia (2.09%), PT Bank BRI Syariah (3.00%), PT Bank Mega Syariah (2.67%) and PT Bank BNI Syariah (2.02%), with a 1.55% lowest NPF value obtained by Islamic banks in Malaysia, Bank Islam Malaysia Berhad. And for the period 2013 Islamic bank has a composite peringkat-1 is Bank Islam Malaysia Berhad (1.18%), RHB Islamic Bank Berhad (1.38%) and as a representative of the Indonesian Islamic bank, PT Bank BNI Syariah (1.86%). For Islamic banks that are in the composite ranking-2 or "Healthy" is PT Mega Syariah (2.98%), while the three Islamic banks are being sampled in this study are included in the composite rating of 3 or "Enough Healthy" is PT Bank Syariah Mandiri (4.32%), PT Bank Muamalat Indonesia (4.69%) and PT Bank BRI Syariah (4.06%), with the lowest NPF 1.18% value obtained by Bank Islam Malaysia Berhad.

The average value of NPF obtained in each year reflects fluctuations. In 2009 obtained an average value of NPF 4.70%, and has declined (see Table 4.1.) Until the year 2012 and increased again in 2013. But overall from 2009 to 2013, all banks in the study categorized in ranking composite 2 or "HEALTHY" which means Islamic banks still have keep watch distribution of funds in order to minimize the occurrence of non-performing loans and losses for the bank so that the bank

becomes liquid and then dilute its fixed assets in order to meet its obligations to third parties. If the credit is not growing well (high non-performing loans), then capital can not develop properly because of the size of the expansion of banking business is largely determined by credit developments.

### B. Good Corporate Governance

The smaller the composite score indicates better performance GCG GCG banking. Good corporate governance is a mechanism to regulate and manage the business, as well as to increase the prosperity of the company. GCG main goal is to increase the added value for all interested parties (stakeholders) in Ibadil (2013).

**Table 4.2**  
**Table Assessment GCG period 2009-2013**

Bank name	Indicator	2009		2010		2011		2012		2013	
		GCG	CR	GCG	CR	GCG	PK	GCG	CR	GCG	CR
PT Bank Syariah Mandiri		1.32	1	1.72	2	1.60	2	2.25	2	1.85	2
PT Bank Muamalat Indonesia		1.7	2	1.4	1	1.3	1	1.15	1	1.50	1
PT Bank BRISyariah		2.32	2	1.61	2	1.73	2	1.38	1	1.35	1
PT Bank Mega Syariah		1.57	2	1.87	2	1.82	2	1.60	2	1.87	2
PT Bank BNI Syariah		1.60	2	1.62	2	1.63	2	1.25	1	1.30	1
Bank Islam Malaysia Berhad		1.5	1	1.65	2	1.4	1	1.05	1	1.15	1
RHB islamic bank berhad		1.47	1	1.56	2	1.75	2	1.54	2	1.51	2
Average all of shariah bank		1.63	2	1.63	2	1.60	2	1.46	1	1.50	1

Source: Data Processed

Based on Table 4.2. it can be seen the results of calculations performed by the GCG each Islamic bank. In 2009 there were three Islamic banks were included in the composite rankings-1 or "Very Healthy" in the assessment, PT Bank Syariah Mandiri (1.32), Bank Islam Malaysia Berhad (1.5) and RHB Islamic Bank Berhad (1.47), while for Islamic banks More in this study sample included in the composite-2 or "Healthy", such as PT Bank Muamalat Indonesia (1.7), PT Bank BRI Syariah (2.32), PT Bank Mega Syariah (1.57), and PT Bank BNI Syariah (1.60), so that it can be seen that Islamic banks have the lowest GCG 1:32 value obtained by PT Bank Syariah Mandiri.

In 2010 there is only one Islamic bank that is being sampled in this study were included in the composite rankings-1 "*Very Healthy*" namely PT Bank Muamalat Indonesia (1.4), which increased the composite ranking from the previous year, to banks that are included in the ranking komposit- 2 or categorized as "*Healthy*" in 2010 among others are PT Bank Syariah Mandiri (1.72), PT Bank BRI Syariah (1.61), PT Bank Mega Syariah (1.62) and two Malaysian Islamic bank, Bank Islam Malaysia Berhad (1.65) and RHB Islamic Bank Berhad (1.56), which decreased from the previous year, is known for the period 2010 Islamic banks which have the lowest value of GCG is PT Bank Muamalat Indonesia with a value of 1.4.

In the period of 2011 there were two Islamic banks are in a composite rank-1 or categorized as "*Very Healthy*" namely PT Bank Muamalat Indonesia (1.3) and Bank Islam Malaysia Berhad (1.4) were increased back from the previous year dropped to the category of "*Healthy*", and five Islamic banks are included in the composite ranking-2 or in the category "*Healthy*" namely PT Bank Syariah Mandiri (1.60), PT Bank BRI Syariah (1.73), PT Bank Mega Syariah (1.82), PT Bank BNI Syariah (1.63) and RHB Islamic Bank Berhad (1.75), is known for this period of Islamic banks which have the lowest GCG value obtained by PT Bank Muamalat Indonesia with an increasingly lower percentage of 1.3. For the next period or 2012 has increased from the previous year are only two Islamic banks were included in the composite rankings-1 or "*Very Healthy*", in the period of 2012 there were four Islamic banks to be sampled in this study were included in the composite rankings-1 or "*Very Healthy*" which include PT Bank Muamalat Indonesia (1.15), PT Bank BRI Syariah (1.38), PT Bank BNI Syariah (1.25) and Bank Islam Malaysia Berhad (1.05), and there are three Islamic banks are in a composite rank-2 or category "*Healthy*" namely PT Bank Syariah Mandiri (2.25), PT Bank Mega Syariah (1.60) and RHB Islamic Bank Berhad (1.54). for the period 2012 Islamic banks have the lowest GCG value is derived from the Islamic bank of Malaysia, Bank Islam Malaysia Berhad with a value of 1.05.

For the period 2013 to note that Islamic banks are being sampled in this study, was able to maintain a composite ranking from the previous year. With the following percentages of PT Bank Syariah Mandiri (1.85), PT Bank Muamalat Indonesia (1.50), PT Bank BRI Syariah (1.35), PT Bank Mega Syariah (1.87), PT Bank BNI Syariah (1.30), Bank Islam Malaysia Berhad (1.15) and RHB Islamic Bank Berhad (1.51). Thus it can be seen that Islamic banks have the lowest value of GCG is Bank Islam Malaysia Berhad with a value of 1.15.

The average value of the entire GCG Islamic banks in each year for the years 2009-2011 can be seen throughout the Islamic banks in this study are included in the composite ranking category 2 or "*Healthy*" which means Islamic banks must increase the "*Show*" and its operations to maintain existence or development. For the subsequent years 2012-2013 can be seen in Table 4.2. that the average GCG

increased composite into PK-1 or categorized as “*very healthy*”, but based on percentage after experiencing an increase in the value of 1.46, the value of GCG decreased value return that is equal to 1.50.

### C. Profitability (Earnings)

#### 1. Return on Assets (ROA)

Ratios Return on Assets (ROA) of the higher indicates that the bank is more effective in optimizing owned assets to generate earnings, because the amount of ROA is influenced by the amount of profit generated. This study showed ROA obtained from the self-assessment carried out by the bank are as follows:

**Table 4.3**  
**Table Assessment ROA period 2009-2013**

Bank Name	Indicator	2009		2010		2011		2012		2013	
		ROA	CR	ROA	CR	ROA	CR	ROA	CR	ROA	CR
PT Bank Syariah Mandiri		2.23%	1	2.21%	1	1.95%	1	2.25%	1	1.53%	1
PT Bank Muamalat Indonesia		0.46%	4	1.36%	2	1.52%	1	1.54%	1	0.50%	4
PT Bank BRISyariah		0.53%	3	0.35%	4	0.20%	4	1.19%	3	1.15%	3
PT Bank Mega Syariah		2.22%	1	1.90%	1	1.58%	1	3.81%	1	2.33%	1
PT Bank BNI Syariah		-3.60%	5	0.61%	3	1.29%	2	1.68%	1	1.37%	2
Bank Islam Malaysia Berhad		1.16%	3	1.15%	3	1.57%	1	1.72%	1	1.69%	1
RHB islamic bank berhad		0.62%	3	0.56%	3	0.90%	3	0.65%	3	0.61%	4
Average all of shariah bank		0.52%	3	1.16%	3	1.29%	1	1.83%	1	1.31%	2

Source: Data Processed

Based on Table 4.3. it can be seen the composite ranking position of each Islamic bank to be sampled in this study. As for the position of 2009, there were two banks were included in the PK-1 or “*Very Healthy*” namely PT Bank Syariah Mandiri (2:23%) and PT Bank Mega Syariah (2:22%), then the Islamic bank is included in the PK-3 or “*Enough Healthy*” is PT Bank BRI Syariah (0.53%). Bank Islam Malaysia Berhad (1.16%) and RHB Islamic Bank Berhad (0.62%). Banks that are included in the PK-4 or “*Less healthy*” in the period of 2009 were PT Bank Muamalat Indonesia (0.46%) and Bank in PK-5 or “*Not Health*” is PT Bank BNI Syariah (-3.60%). It can be concluded for the period 2009 Islamic banks in accordance with the provisions of Bank Indonesia has ROA> 1.25% is the entire Islamic banks to otherwise “*healthy*”

except for PT Bank Muamalat Indonesia (0.36%) “less healthy” and PT Bank BNI Syariah (-3.60% ) and declared “Unfair”. So that it can be seen Islamic banks with the highest ROA value is PT Bank Syariah Mandiri with 2:23 percentage%.

In the period from 2010 can be seen there are two banks that are included in the composite rating of 1 or “Very Healthy”, namely PT Bank Syariah Mandiri (1.95%) and PT Bank Mega Syariah (1.90%), for Islamic banks which are included in the composite rating of 2 or “healthy” only PT Bank Muamalat Indonesia (1.36%) experienced an increase from the previous year only in the composite rating-4 or “less healthy”, Islamic banks are included in the composite rating of 3 or “Enough Healthy” there are three banks of shariah bank being sample, namely PT Bank BNI Syariah (0.61%) increased dramatically from unhealthy, including Islamic banks in Malaysia, Bank Islam Malaysia Berhad (1.15%) and RHB Islamic Bank Berhad (0.56%). and PT Bank BRI Syariah who declined to include in the composite rating of 4 or “less healthy”, for the year 2010 the bank with the highest ROA acquired PT Bank Syariah Mandiri with a percentage of 2.21%. For the period 2011 there were four Islamic banks are included in the category of “Very Healthy” or composite rank-1 is PT Bank Syariah Mandiri (1.95%), PT Bank Muamalat Indonesia (1.52%), PT Bank Mega Syariah (1.58%), then Bank Islam Malaysia Berhad (1.57%) increased from the previous year which only two are in the composite rating-3 or “Enough Healthy”. In the period 2011 ROA highest value obtained by PT Bank Syariah Mandiri with a percentage of 1.95%.

In 2012 there were five banks that are in the composite rank-1 “Very Healthy” while these banks are PT Bank Syariah Mandiri (of 2.25%) and PT Bank Mega Syariah (3.81%) were still able to maintain a composite ranking from previous years, PT Bank Muamalat Indonesia (1:54%) and Bank Islam Malaysia Berhad which maintains the composite ranking from the previous year, and PT Bank BNI Syariah (1.68%), which increased from a composite rank-2 or “Healthy”. There are two banks that are included in the composite ranking category-3 or “Less health” -the Bank Syariah BRI increased from the previous year and RHB Islamic Bank Berhad which remain in the composite ranking-3 or “Enough Healthy”. For the period of 2012 obtained the highest ROA Bank Mega Syariah with a percentage of 3.81%.

In 2013 there were three banks that are in the composite rankings-1 or “Very Healthy”, which are PT Bank Syariah Mandiri (1.53%) and PT Bank Mega Syariah (2:33%) were still able to maintain the composite rankings, as well as Bank Islam Malaysia Berhad ( 1.69%). PT Bank BNI Syariah (1.37%) experienced a reduction in the composite rankings into a composite rank-2 or “Healthy” and PT Bank BRI Syariah who survived the composite rank-3 or “Enough Healthy”. And for Islamic banks included in the PK-4 or categorized as “less healthy” is PT Bank Muamalat (0.50%), which dropped drastically from PK-1 and RHB Islamic Bank Berhad



(0.61%), which dropped from PK-3 or “Healthy enough”. In this period, Bank Mega Syariah obtain the highest ROA at 2.33%.

Indicator ROA is the ratio between profit after tax to total assets which basically means that the higher the return on assets, the greater the level of profit achieved in the bank Santi (2015), Regulation of Bank Indonesia said good value for ROA is > 1.25% in yudhi (2014).

Average on ROA indicator (can be seen in Table 4.3.) Overall Islamic bank for each year can be seen in 2009 and 2010, all banks are included in the composite rating category 3 or “Enough Healthy” and require an increase in the ability to earn profits by using optimization of the asset. Then there was an increase in 2011-2012 included in the category of CR-1 or “Very Healthy”, but declined back to the year 2013 are in the CR-2 or in the category “Healthy”.

## 2. Return On Equities (ROE)

Return on equities (ROE) is the ability of a company to use its own capital to generate profits, and therefore higher value of ROE, the higher the profits the bank (positive). The following is a table ROE measurements performed by each Islamic bank.

**Table 4.4**  
**Table Assessment ROE period 2009-2013**

Bank Name	Indicator	2009		2010		2011		2012		2013	
		ROE	CR	ROE	CR	ROE	CR	ROE	CR	ROE	CR
PT Bank Syariah Mandiri		44.20%	1	63.58%	1	24.24%	1	25.05%	1	15.34%	1
PT Bank Muamalat Indonesia		8.03%	3	17.78%	1	20.79%	1	29.16%	1	11.41%	3
PT Bank BRISyariah		3.35%	4	1.28%	4	1.19%	4	10.41%	3	10.20%	3
PT Bank Mega Syariah		39.97%	1	26.81%	1	16.89%	1	57.98%	1	26.23%	1
PT Bank BNI Syariah		-18.60%	5	3.65%	4	6.63%	3	10.18%	3	11.73%	3
Bank Islam Malaysia Berhad		16.48%	1	16.38%	1	18.44%	1	20.21%	1	21.07%	1
RHB Islamic bank berhad		7.30%	3	7.18%	3	11.40%	3	10.30%	3	8.95%	3
Average all of syariah bank		51.84%	1	53.36%	1	54.12%	1	51.88%	1	54.54%	1

Source: Data Processed

Based on table 4.4. it can be seen in 2009 there are three Islamic banks are included in the composite rankings-1 or categorized as "Very Healthy" namely PT Bank Syariah Mandiri, PT Bank Mega sharia Islamic Bank Malaysia Berhad and the percentage of each 44.20%, 39.97% and 16:48%, and then Islamic banks including composite peingkat 3 or categorized as "enough healthy", namely PT Bank Muamalat Indonesia (8.03%) and RHB Islamic Bank Berhad (7.30%). For banks which are included in the composite rating of 4 or included in the category of "less healthy" is PT Bank BRI Syariah, and banks which are included in the composite ranking 5 is PT Bank BNI Syariah with negative ROE value (-18.60%). So can diketahui Islamic banks have the highest ROE value is PT Bank Syariah Mandiri with the percentage 44.20%.

In the period from 2010 can be seen there are four Islamic banks contained in the composite ranking 1, PT Bank Muamalat with the largest percentage ROE is 63.58%, PT Bank Muamalat Indonesia (17.78%), PT Bank Mega Syariah (26.81%) and Bank Islam Malaysia Berhad ( 16.38%), then for Islamic banks contained in the composite rating of 3 or "Enough Healthy" namely RHB Islamic Bank Berhad and are included in the composite rating of 4 or "less healthy" is PT Bank BNI Syariah increased compared with the previous year.

In the period 2011 Islamic banks to be sampled in this study were able to maintain a composite ranking of each except PT Bank BNI Syariah which has increased from the previous year with a percentage of 6.63% to obtain a composite rank of 3 or category "Enough Healthy" and to the highest ROE percentage obtained by PT Bank Syariah Mandiri, the percentage decreased from the previous year of 24.24%. Islamic banks that period of 2012 increased from the previous year only PT Bank BRI Syariah with 10.41% percentage gain composite rating of 3 or categorized as "Less Healthy" and to Islamic banks that have the highest percentage of ROA is PT Bank Mega Syariah with the percentage of 57.98%.

Period of 2013 there were three banks were included in the composite rankings-1 or are in the category of "Very Healthy". The Islamic banks are PT Bank Syariah Mandiri (15.34%), PT Bank Mega Syariah (26.23%) who obtain the highest value for the percentage of ROE and Bank Islam Malaysia Berhad (21.07%), the third Islamic bank is an Islamic bank that is able to maintain its ranking composite from year to year during 2009-2013. For Islamic banks were included in the composite rank-3 or "Enough Healthy" is PT Bank Muamalat Indonesia (11:41%), which decreased from the previous year, PT Bank BRI Syariah (10.20%), PT Bank BRI Syariah (11.73%) and RHB Islamic Bank Berhad (8.95%).

Return On Earnings is an indicator of the ratio between profit after tax to total equity which basically means that the higher the return on equity, the greater the

profit level achieved bank, the following is a picture of fluctuations or changes of this indicator.

Overall average in every year that are owned by each bank can be known to obtain Composite Rating-1 or Very Healthy during 2009-2010 with the highest ROE in 2013 because there has  $\geq 12.5\%$  ROE value.

#### D. Capital

The higher CAR means higher equity capital to fund productive assets, the lower the cost of funds incurred by the bank. The lower cost of funds, further increasing the bank's profit (positive). The following is a table regarding the capital indicator.

**Table 4.5**  
**Table Assessment CAR 2009-2013 period**

Bank Name	Indicator	2009		2010		2011		2012		2013	
		CAR	CR	CAR	CR	CAR	CR	CAR	CR	CAR	CR
PT Bank Syariah Mandiri		12.39%	2	10.60%	3	14.57%	2	13.82%	2	14.10%	2
PT Bank Muamalat Indonesia		11.10%	2	13.26%	2	12.01%	2	11.57%	2	14.05%	2
PT Bank BRISyariah		17.04%	1	20.62%	1	14.74%	2	11.35%	2	14.40%	2
PT Bank Mega Syariah		10.96%	3	13.14%	2	12.03%	2	13.51%	2	12.99%	2
PT Bank Syariah BNI		28.80%	1	27.68%	1	20.67%	1	19.07%	1	16.23%	1
Bank Islam Malaysia Berhad		16.32%	1	16.92%	1	16.72%	1	13.99%	2	14.06%	2
RHB islamic bank berhad		13.78%	2	13.56%	2	12.88%	2	13.97%	2	13.86%	2
Average all of syariah bank		15.77%	1	16.54%	1	14.86%	2	14.00%	2	14.32%	2

Source: Data Processed

Based on table 4.5. in terms of capital it can be seen in the period of 2009, there were three banks that are in the category of capital "Very Healthy" or CR-1, PT Bank BRI Syariah PT Bank BNI sharia and Islamic Bank Malaysia Berhad. There are three banks that are included in the category of CR-2 or "Healthy", namely PT Bank Syariah Mandiri, PT Bank Muamalat Indonesia and RHB Islamic Bank Berhad and PT Bank Mega Syariah is located at CR-3 or "Enough Healthy" and knowable PT Bank BNI sharia has the largest percentage in the period of 2009 with

a percentage of 28.80%. In the next period 2010 respectively above mentioned bank is still able to maintain a composite ranking, except for PT Bank Mega Syariah increased from CR-3 into CR-2 or "Healthy" and for the largest percentage of the indicator CAR in 2010 acquired PT Bank BNI Syariah with a percentage of 27.68%. For the period 2011 there were two Islamic banks have capital adequacy level "Very Healthy" namely PT Bank BNI Syariah with the percentage of 20.67% and Bank Islam Malaysia Berhad with a percentage of 16.72%. for other Islamic banks in the period 2011 still included in the category "Healthy" in the capital adequacy of the bank owned PT Bank Syariah Mandiri (14.57%), PT Bank Syariah Muamalat Indonesia (12.01%), PT Bank BRI Syariah (14.74%), PT Bank Mega Syariah (12.03%) and RHB Islamic Bank Berhad (12.88%). For the period 2011 Islamic banks which have the largest percentage of CAR is PT Bank BNI Syariah with the percentage of 20.67%.

In the period 2012 Islamic banks that are in the composite "Very Healthy" only PT Bank BNI Syariah with 19.07% percentage which is the largest percentage of CAR for this period, whereas for other banks still ranks second composite or "Healthy" As for the banks, among others, with the percentage of each of the following PT Bank Syariah Mandiri (13.82%), PT Bank Syariah Muamalat Indonesia (11.57%), PT Bank BRI Syariah (11.35%), PT Bank Mega Syariah (13.51%), Bank Islam Malaysia Berhad (13.99% ), and RHB Islamic Bank Berhad (13.97%) and for the period of 2013 PT Bank BNI Syariah still able to maintain its capital adequacy with the percentage of 16.23% and remains an Islamic bank that has the highest percentage of CAR. Other Islamic banks remained consistent in the composite ranking 2 or categorized as "Healthy" namely PT Bank Syariah Mandiri (14.10%), PT Bank Syariah Muamalat Indonesia (14.05%), PT Bank BRI Syariah (14.40%), PT Bank Mega Syariah ( 12.99%), Bank Islam Malaysia Berhad (14.06%) and RHB Islamic Bank Berhad (13.86%).

The provisions set out in the Regulation of Bank Indonesia in Yudhi stated minimum capital ratio is 8%, so for Islamic banks have CAR or Capital <8%, it can be considered inadequate in capital indicator

The average value of CAR in the period 2009-2010 was 15.77% and 16.54%, this shows that Islamic banks have increased over the CAR and are on CR-1 or "Very Healthy", but for the period 2011 and 2012 in the study of Islamic banks this has decreased from 14.96% to 14.00% and increased again slowly with a gain of 0.32% and be 14.32% and is expressed in CR-2 or "Healthy".

### **Interpretation of Results**

Rating of Bank Syariah in Indonesia and Bank Syariah in Malaysia, based on the data that have been processed before the RGEC indicator, it can be seen health

rate of each Islamic bank during 2009-2013 of each indicator is the reference in the calculation of the level of health while after processing it can be seen.

**Table 4.6**  
**Table Assessment Indicators RGEC entire 2009-2013 period**

<i>Shariah Bank Name</i> <i>Indicator</i>	<i>Risk Profil</i>		<i>Earnings</i>				<i>GCG</i>		<i>Capital</i>	
	<i>NPF</i>	<i>CR</i>	<i>ROA</i>	<i>CR</i>	<i>ROE</i>	<i>CR</i>	<i>GCG</i>	<i>CR</i>	<i>CAR</i>	<i>CR</i>
PT Bank Syariah Mandiri	3.58%	2	2.03%	1	34.48%	1	1.74	2	13.10%	1
PT Bank Muamalat Indonesia	3.69%	2	1.08%	3	17.43%	1	1.33	1	12.40%	1
PT Bank BRISyariah	3.04%	2	0.68%	3	5.29%	2	1.67	2	15.63%	1
PT Bank Mega Syariah	2.86%	2	2.37%	1	33.58%	1	1.74	2	12.53%	1
PT Bank BNI Syariah	2.69%	2	0.27%	4	2.72%	4	1.48	1	22.49%	1
Bank Islam Malaysia Berhad	4.32%	2	1.46%	2	18.52%	1	1.35	1	15.60%	1
RHB islamic bank berhad	2.63%	2	0.67%	3	9.03%	2	1.566	1	14.08%	1
Average all of Indicators	3.26%	2	1.22%	3	17.29%	1	1.56	2	15.12%	1

Source: DataProcessed

Based on table 4.6. it can be obtained the following results:

### **A. Risk Profile**

In Bank Indonesia provisions concerning risk profile, which sets the percentage of NPF is < 5% to be considered "healthy" or have a good ability to manage the risks that will arise or arises. Up, it can be seen the average assessment undertaken in this study during 2009-2013 was obtained from all seven Islamic banks are each categorized composite rank-2 then obtained an average percentage of 3.26%, which means in accordance with the conditions imposed by the Bank Indonesia is < 5% and the overall Islamic banks to be sampled in this study are included in the category of CR-2 or "HEALTHY".

If the view of the percentage of each Islamic bank is showing the entire Islamic banks in the study are included in the category of CR-2 or "Healthy", and it is known that has the smallest NPF is RHB Islamic Bank Berhad with a percentage of 2.63%. The lower this ratio, the possibility is very low bank losses are automatically income

will increase (negative), until it can be concluded that the RHB Bank Berhad which represents Islamic banks in Malaysia have a low probability to suffer losses owing to better management capabilities and has support of his administration to always anticipate the risks that are likely to occur. As for the Islamic banks in Indonesia only has a very thin difference with RHB Islamic Bank Berhad is PT Bank BNI Syariah with a percentage of 2.69%, which has little significant difference of 0.06%.

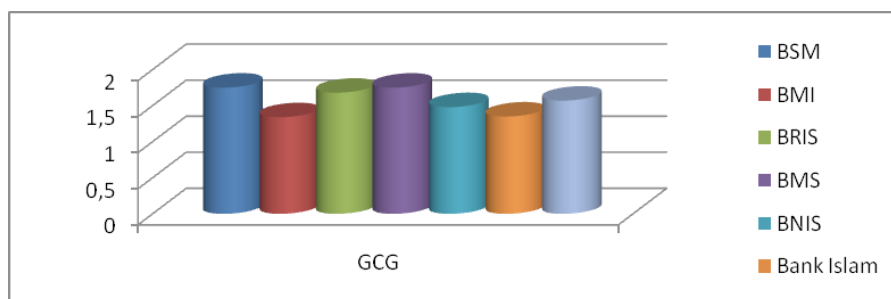
### B. Good Corporate Governance

Under the provisions of Bank Indonesia regarding GCG judging assessed through the "Show" and has a standard for the assessment of  $\leq 2.5$  to be categorized in a state of "Healthy". So in this study we can conclude that each Islamic bank in this study that have good corporate governance is considered "Very Healthy" PT Bank Muamalat Indonesia (1.33), PT Bank BNI Syariah (1.48) and Bank Islam Malaysia Berhad, and to bank Islamic categorized as "Healthy" is PT Bank Syariah Mandiri (1.74), PT Bank BRI Syariah (1.67), PT Bank Mega Syariah (1.74) and Islamic banks from Malaysia, namely RHB Islamic Bank Berhad (1.57).

Overall average obtained from seven Islamic banks to the sample in this study during 2009-2013 can be seen the average value of the overall Islamic banks is equal to 1.56, which means in accordance with the provisions imposed by Bank Indonesia regarding GCG  $< 2.5$  to be categorized "Healthy". By looking at the average of the whole bank, it can be concluded that all Islamic banks in this study are included in the Composite Rating 2 for the assessment of GCG or say "HEALTHY".

However, when seen from the average percentage each of which has been obtained, it can be known Islamic banks in Indonesia which has the lowest percentage of GCG is PT Bank Muamalat Indonesia with a value of 1.33. The average indicator GCG during 2009-2013 for each Islamic bank in this study, are as follows:

Figure 4.1: On average indicator GCG Each Islamic Bank during 2009-2013



Source: DataProcessed

### C. Profitability (Earnings)

#### 1. Return On Assets

Indicator used in this study is about profitability ROA and ROE. Based on the above provisions imposed by Bank Indonesia stipulates that ROA which can be categorized as a category "Healthy" is ROA > 1.25%, the greater the ROA of a bank, the greater the level of profit that the bank achieved and the better the bank's position in terms of use assets.

It can be seen in the average of each Islamic bank accumulated during 2009-2013, PT Bank Syariah Mandiri and PT Bank Mega Syariah is located in the category of "Very Healthy" or PK-1 with percentage (%) respectively 2.03% and 2.37% and Bank Islam Malaysia Berhad is the title of "Healthy" which has a lower percentage 1.46% just to be in the title "Healthy". In this study, there are three Islamic banks which are in the category CR-3, namely PT Bank Muamalat Indonesia (1.08%), PT Bank BRI Syariah (0.68%) and RHB Islamic Bank Berhad (0.67%), which has a larger percentage Low and PT Bank BNI Syariah is located at CR-4 and declared "Less Healthy". It can be seen the highest value for ROA in this study were at PT Bank Mega Syariah at 2.37%, which means having the possibility of the level of profit achieved in terms of the use of the bank and a good asset, whereas for the highest value of Islamic banks in Malaysia in this study held by the Bank Islam Malaysia Berhad with a percentage of 1.42%.

Overall average obtained from seven Islamic banks to the sample in this study during 2009-2013 can be seen the average percentage of the overall Islamic banks regarding ROA is an indicator of 1.22%, which means not in accordance with the provisions imposed by the Bank Indonesia regarding ROA > 1.25% to categorize "Healthy". By looking at the average of the whole bank, it can be concluded that all Islamic banks in this study are included in the Composite Rating-3 for assessment ROA or say "ENOUGH HEALTHY".

#### 2. Return On Earnings

Indicator ROE in accordance with the provisions set by Bank Indonesia that ROE can be categorized as "Healthy" is equal to > 5%, so that by measuring each Islamic bank during 2009-2013 in this study can be seen that Islamic banks have a ROE of > 5% is six of the seven samples of Islamic banks in the study, namely PT Bank BNI Syariah which has a ROE of 2.72% and categorized as "less healthy". Islamic banks were included in the CR-1 or "Very Healthy" is PT Bank Syariah Mandiri (34.48%) PT Bank Muamalat Indonesia (17.43%), PT Bank Mega Syariah (33.58%), and Bank Islam Malaysia Berhad (18.52%). Islamic banks were included in the CR-2 are PT Bank BRI Syariah (5.29%) and RHB Islamic Bank Berhad (9.03%).

Based on the data obtained it is known, higher ROE value, the higher the bank's profit (positive). Therefore, Islamic banks in Indonesia which has the highest ROE is PT Bank Syariah Mandiri with a percentage of 34.48%, while Islamic banks in Malaysia are being sampled in this study which has the largest percentage of Bank Islam Malaysia Berhad with a percentage of 18.52%.

Overall average obtained from seven Islamic banks to the sample in this study during 2009-2013 can be seen the average ROE percentage of the overall Islamic banks amounted to 17.29%, which means that in accordance with the provisions imposed by Bank Indonesia regarding ROE < 2.5% to be categorized "*Healthy*". By looking at the average of the whole bank, it can be concluded that all Islamic banks in this study are included in the Composite Rating-1 for assessment ROE or say "*VERY HEALTHY*".

#### ***D. Capital***

Based on Bank Indonesia regulation concerning CAR were able to be measured through indicators CAR, CAR set of  $\geq 8\%$ , so it can be determined in this study across the Islamic banks to be sampled in this study had a CAR  $\geq 8\%$  and be in CR-1 or "*Very Healthy*". With percentase in excess of provisions imposed by Bank Indonesia.

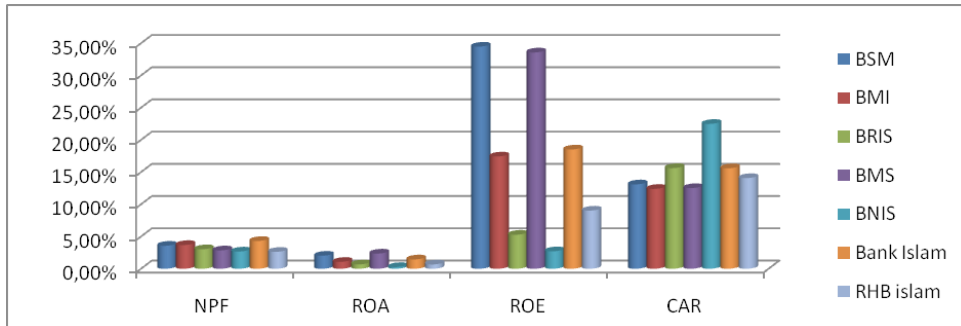
However, when viewed through the highest percentage of the capital which is very inadequate in the face of risks that will happen is PT Bank BNI Syariah with the percentage of 22.49% for Islamic banks in Indonesia, and Bank Islam Malaysia Berhad amounting to 15.60% representing Islamic banks in Malaysia in this study which means healthier because it exceeds the applicable regulations.

Overall average obtained from seven Islamic banks to the sample in this study during 2009-2013 can be seen the average percentage of the overall CAR of Islamic banks is at 15.12%, which means that in accordance with the provisions imposed by Bank Indonesia regarding CAR < 8% to categorize "*Healthy*". By looking at the average of the whole bank, it can be concluded that all Islamic banks in this study are included in the Composite Rating-1 CAR to vote or say "*VERY HEALTHY*".

The average of each indicator Islamic Bank for NPF, ROA, ROE and CAR for 2009-2013 for each Islamic bank in this study, are as follows:



Figure 4.2. On average indicator REC Each Islamic Bank during 2009-2013



Source: Data Processed

## CONCLUSION

Based on the research that has been done, it can be concluded as follows regarding the rating of Bank Syariah in Indonesia and the Islamic Bank in Malaysia by using the indicator RGEC accordance with POJK No. 8/POJK.03/2014 for Islamic banks and Bank Indonesia Circular Letter No. 13/24/DPNP dated 25 October 2011, it can be seen health rate of each Islamic bank to be sampled in this study during 2009 to 2013 of each indicator is the reference in the calculation of the level of health while after processing it can be seen:

### A. Risk Profile

In Bank Indonesia provisions concerning risk profile, which sets the percentage of NPF is <5% to be considered "healthy" or have a good ability to manage the risks that would arise.

Overall Islamic banks of each of the years 2009 and 2013, all banks in the study categorized the Composite Rating 2 or "HEALTHY".

1. For five years shows that Islamic banks have the smallest NPF is RHB Islamic Bank Berhad with a percentage of 2.63%. and for Islamic banks in Indonesia only has a very thin difference with RHB Islamic Bank Berhad is PT Bank BNI Syariah with a percentage of 2.69%, which has little significant difference of 0.06%, because as we all know that the Malaysian government holds a considerable share great for monitoring in terms of system resilience.
2. The average assessment undertaken in this study during 2009-2013 was obtained from all seven Islamic banks are each categorized composite rank-2, the percentage obtained by an average of 3:26%, which means

in accordance with the provisions imposed by Bank Indonesia, <5% and the overall Islamic banks to be sampled in this study are included in the category of CR-2 or "HEALTHY".

### ***B. Good Corporate Governance***

Under the provisions of Bank Indonesia regarding GCG judging assessed through the "Show" and has a standard for the assessment of  $\leq 2.5$  to be categorized in a state of "Healthy".

1. From the average percentage accumulated during the five years that has been obtained, it can be Islamic banks have the lowest percentage of GCG is PT Bank Muamalat Indonesia with a percentage of 1:33%.
2. Overall average obtained from seven Islamic banks to be sampled in this study during 2009-2013 can be seen the average percentage of the overall Islamic banks is at 1:56, which means in accordance with the provisions imposed by Bank Indonesia regarding GCG <2.5 to be categorized "Healthy". By looking at the average of the whole bank, the entire Islamic banks in this study are included in the Composite Rating 2 for the assessment of GCG or say "HEALTHY".

### ***C. Profitability (Earnings)***

#### *a. Return On Assets*

Indicator used in this study is about profitability ROA and ROE. Based on the above provisions imposed by Bank Indonesia stipulates that ROA which can be categorized as a category "Healthy" if  $ROA > 1.25\%$ ,

1. It is known for the highest value ROA accumulated during the five years in this study is at PT Bank Mega Syariah at 2.37%, which means having the possibility of the level of profit achieved in terms of the use of the bank and a good asset, whereas for the highest value of Islamic banks in Malaysia in this study is owned by Bank Islam Malaysia Berhad with a percentage of 1.42% .
2. Overall average obtained from seven Islamic banks to be sampled in this study during 2009-2013 can be seen the average percentage of the overall Islamic banks regarding ROA is an indicator of 1.22%, which means not in accordance with the provisions in force by Bank Indonesia regarding  $ROA > 1.25\%$  to categorize "Healthy". By looking at the average of the whole bank, it can be concluded that all Islamic banks in this study are included in the Composite Rating-3 for assessment ROA or say "ENOUGH HEALTHY".

#### *b. Return On Earnings*

Indicator ROE in accordance with the provisions set by Bank Indonesia that ROE can be categorized as "Healthy" is equal to  $> 5\%$ ,

1. Islamic Bank has the highest ROE in the accumulation of the average for 2009-2013 is PT Bank Syariah Mandiri with a percentage of 34.48%
2. Overall average obtained from seven Islamic banks to be sampled in this study during 2009-2013 can be seen the average percentage of the overall ROE of Islamic banks is at 17:29%, which means that in accordance with the provisions imposed by Bank Indonesia the ROE  $< 2.5$  to be categorized "Healthy". By looking at the average of the whole bank, it can be concluded that all Islamic banks in this study are included in the Composite Rating-1 for assessment ROE or say "VERY HEALTHY".

#### *D. Capital*

Based on Bank Indonesia regulation concerning CAR were able to be measured through indicators CAR, CAR set of  $\geq 8\%$ ,

1. Based on the highest percentage of the accumulated percentage of the CAR during the 2009-2013 capital very inadequate in the face of risks that will happen is PT Bank BNI Syariah with the percentage of 22:49% for Islamic banks in Indonesia
2. Given the average percentage of the overall CAR of Islamic banks is at 15:12%, which means that in accordance with the provisions imposed by Bank Indonesia regarding CAR  $< 8\%$  to categorize "Healthy". By looking at the average of the whole bank, it can be concluded that all Islamic banks in this study are included in the Composite Rating-1 CAR to vote or say "VERY HEALTHY".

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