

Performance Analysis of Islamic Commercial Banks for the Period 2017-2021.

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Abstract

Indonesia's banking sector, especially Islamic banking, is experiencing rapid growth. To gain investors' trust, this research assesses the performance of registered Islamic commercial banks from 2017 to 2021. It employs a descriptive research approach with quantitative methods, utilizing documentation techniques and combining the innovative Islamicity Performance Index and RGEC methods for data analysis. This unique approach offers a non-statistical descriptive research design using secondary data and non-probability sampling.

The study reveals that, based on the Islamicity Performance Index, the spirituality aspect of these banks' performance during 2017-2021 is less satisfactory, with scores ranging from 2.375 to 2.625. Using the RGEC method, their performance in 2017 was moderately healthy (Composite Rank 3) at 66.67%, while for 2018-2021, they achieved a healthy status (Composite Rank 2) with scores of 80%, 80%, 76.67%, and 76.67%.

Recommendations from the study urge Islamic commercial banks to enhance company profits, zakat, dividend distribution, and qard & donation. Furthermore, they should improve their profit-generation capabilities, particularly addressing instances of negative profit values. Future researchers are encouraged to further scrutinize the accuracy and reliability of the Islamicity Performance Index and RGEC methods, offering valuable insights into the performance of Islamic banking, a sector significantly shaping Indonesia's economic landscape.

Keywords:

Performance Level of Islamic Commercial Banks, Islamic Commercial Banks, Islamicity Performance Index Method, and RGEC Method

JEL Classifications:

Banks • Depository Institutions • Micro Finance Institutions • Mortgages

A. Introduction (Book Antiqua, font 10, space 1 with 6 pt after & before)

Banking has a significant impact on a country's economic activities. The banking sector plays a crucial role in enhancing the national economic system. Banks or banking institutions function as the driving force of the economy in Indonesia, with a vital role as intermediaries. An intermediary is a financial institution that connects funds between surplus spending units and deficit spending units (Kasih, 2021). According to Wijaya (2021), the banking sector in Indonesia is currently experiencing rapid growth. There are already numerous banks in Indonesia, catering to various needs of the population. The diverse range of activities offered by banks has made financial services more accessible and effective for the public. Over time, banks have become an essential part of people's lives.

Currently, one of the banks that is experiencing rapid growth is Islamic banking. The emergence of Islamic banking in Indonesia is a phenomenon that is expected in a country with a majority Muslim population. This is based on the demand from people who want financial institutions to operate based on Islamic principles and be free from interest (riba). According to the Financial Services Authority (OJK), in the context of Islamic finance, interest on money is considered riba and is declared as haram under fiqh law.

Based on data from the Sharia Banking Statistics (SPS) released by the OJK, there has been growth in Islamic banking. The quantitative growth of Islamic banking is evident in the increasing number of offices held by Islamic Commercial Banks, Sharia Business Units, and Sharia People's Financing Banks from 2018 to 2021. The number of offices held by Islamic banking has gradually increased, with consecutive figures of 2,724, 2,917, 3,053, and 3,138 offices from 2018 to 2021.

The development of Islamic banking must demonstrate sufficient performance in building trust among shareholders in their investments. Trust from stakeholders is crucial and needs to be cultivated. To establish this trust, it is necessary to measure the performance of Islamic banks, which requires a tool capable of evaluating and assessing their performance. Information about a company's financial performance can provide insights into its future, growth, and positive development potential. This is important because such information can help evaluate the potential changes in controllable economic resources in the future and estimate the production capacity that can be derived from available resources. Financial performance is also a reflection of a company's success in achieving its goals, so financial performance analysis needs to be conducted to examine the extent to which the company has adhered to appropriate financial rules and practices (Fahmi, 2012).

According to Circular Letter of the Financial Services Authority No. 10/SEOJK.03/2014, to assess the health of Islamic banks and Sharia business units, a measurement method called Risk Profile, Good Corporate Governance, Earnings, and Capital (RGEC) is used. In principle, the responsibility for maintaining the health level, managing, and ensuring the continuity of a bank's business lies entirely with the bank's management. Therefore, banks are required to preserve, improve, and enhance their health levels by applying cautionary principles and Risk Management in their business activities. This includes

conducting periodic assessments of their health levels through self-assessment and taking effective corrective actions. By using the RGEC method, banks are expected to identify issues early, resolve them quickly and accurately, and manage risks more effectively, making them stronger in facing crises.

Many studies have been conducted on the performance of Islamic banks in Indonesia, but most of them focus more on financial or business aspects. This is contrary to the original purpose of establishing Islamic banks, as revealed by Ibrahim et al. (2004). Measurement tools like return on investment (ROI), developed by Western civilization for conventional banks, are based on a utilitarian positivist paradigm as the primary target, or they only consider financial performance. This approach is not entirely suitable for applying to Islamic banks (Meilani, 2016).

The assessment of the financial performance of Islamic banks considers not only financial aspects but also the evaluation of overall performance to build trust among stakeholders. Ibrahim et al. (2004) compiled several indices to measure the performance of Islamic banks, known as Islamicity Indices, which consist of the Islamicity Disclosure Index and the Islamicity Performance Index (IPI). The Islamicity Performance Index method can be used to evaluate the performance of Islamic banks, not only in financial terms but also in assessing principles of justice, halalness, and purification (tazkiyah) practiced by Islamic commercial banks (Meilani, 2016).

Islamic banking has experienced rapid growth and must also address challenges in enhancing the trust and loyalty of depositors, stakeholders, and others. Researchers believe that it is necessary to evaluate the performance of Islamic banks in a way that reflects both materialistic and spiritual values. This allows stakeholders to assess the performance of Islamic Commercial Banks from both material and spiritual perspectives. The objectives of this research are as follows: 1) To assess the performance of registered Islamic commercial banks under the financial services authority using the Islamicity Performance Index method for the years 2017-2021. 2) To evaluate the performance of registered Islamic commercial banks under the financial services authority using the RGEC method for the years 2017-2021.

B. Literature Review

B.1. Islamic Bank

Islamic banking is defined as "Everything related to Islamic banks and Sharia Business Units, including institutions, business activities, and the methods and processes of conducting business activities" (Law of the Republic of Indonesia number 21 of 2008, Article 1, paragraph 1, as cited in Islamic Bank Financing). In terms of institutions, there are two types of Islamic banks, namely Islamic Commercial Banks (BUS) and Islamic People's Financing Banks (BPRS), and the legal form of Islamic banks is a Limited Liability Company (Perseroan Terbatas). According to Wangsawidjadja (2012), in terms of business activities, Islamic Commercial Banks (BUS) and Islamic People's Financing Banks (BPRS)

are essentially similar to the business activities of conventional banks. This includes three main activities: collecting funds from the public in the form of deposits or investments (liability product), disbursing funds to the public (assets product), and providing banking services (services product).

B.2. The performance of Islamic banks.

According to Jumingan (2006), bank performance is a part of the overall performance of a bank. The overall performance of a bank describes the achievements of the bank in its operations, including aspects such as finance, marketing, fund allocation, technology, and human resources.

According to this definition, the performance of Islamic banks is not only assessed based on operational, marketing, fund allocation, technology, and human resource aspects, but also on how Islamic banks manage to maintain Sharia compliance while performing their functions as Islamic banks.

B.3. Islamicity Performance Index

The Islamicity Performance Index (IPI) is a method used to measure performance that reflects the Islamic values present in Islamic banks. This method was developed due to the belief that Islamic banking differs from conventional banking, and some Islamic banks may not fully adhere to Sharia principles in their business operations. Therefore, Islamic banking needs to be measured in terms of its objectives to determine whether the bank's operations align with Sharia principles, which can influence the financial performance of Islamic banks.

An index is one way to measure the performance of an organization. While there are many indices available for measuring the performance of organizations, there are relatively few indices designed specifically for measuring the performance of Islamic financial institutions. Ibrahim et al. (2004) introduced an index called the Islamicity Indices, consisting of the Islamicity Disclosure Index and the Islamicity Performance Index. These indices aim to assist stakeholders in evaluating the performance of Islamic banks.

B.4. RGEC

The assessment of a bank's performance involves evaluating the bank's ability to conduct its banking operations effectively and meet its obligations. The analytical tools for evaluating bank performance have undergone changes, where tools like CAMEL and CAMELS are no longer used and have been replaced by RGEC (Fortrania & Oktaviana, 2015). Regulations regarding the assessment of the health of Islamic commercial banks can be found in Circular Letter of the Financial Services Authority Number 10/SEOJK.03/2014 and use the RGEC approach (Risk Profile, Good Corporate Governance, Earnings, Capital) in their evaluations. The assessment scale based on RGEC ranges from 1 to 5, where lower values indicate better bank health. There are four measurement factors in assessing the level of bank performance using RGEC.

C. Research Methodology

This research is a descriptive study using a quantitative approach. Descriptive research aims to address existing issues based on data. The analytical process in descriptive research involves presenting, analyzing, and interpreting data (Narbuko & Ahmadi, 2015). Quantitative descriptive methodology is a quantitative research that uses numerical or statistical descriptions. In other words, this research describes the performance of Islamic commercial banks registered with the financial authority from 2017 to 2021.

Data collection in this study is done through documentation methods. Documentation involves searching and collecting data in the form of records, transcripts, books, newspapers, magazines, minutes, reports, agendas, and so on (Arikunto S., 2006). Data obtained through the documentation method are considered secondary data. Relevant secondary data sources used include annual financial reports obtained from financial publications by companies and other supporting sources. The data consists of the annual reports of Islamic Commercial Banks registered with the Financial Services Authority for the period 2017-2021.

The population, according to Riduwan (2012), refers to the objects or subjects within a certain area that meet specific criteria related to the research problem. Population encompasses all characteristics or attributes possessed by the subjects or objects under study. Based on the explanation of the population provided above, the population in this study includes all Islamic Commercial Banks registered with the Financial Services Authority, including Bank Aceh Syariah, BPD Riau Kepri Syariah, BPD NTB Syariah, Bank Muamalat Indonesia, Bank Victoria Indonesia, Bank Jabar Banten Syariah, Bank Syariah Indonesia, Bank Mega Syariah, Bank Panin Dubai Syariah, Bank Syariah Bukopin, BCA Syariah, BTPN Syariah, and Bank Aladin Syariah.

Sampling technique is the method of selecting a sample (Sugiyono, 2019). The sampling technique used in this research is non-probability sampling. Non-probability sampling, according to Sugiyono (2019), is a sampling technique in research that does not provide equal opportunities or chances for every member of the population to be selected as research samples. The sample determination technique in this research is purposive sampling. Purposive sampling, as defined by Arikunto (2006), is a technique for selecting research samples based on specific criteria determined by the researcher, not randomly or by region or strata but based on considerations that focus on specific objectives. The sample criteria in this research include Islamic Commercial Banks registered with the Financial Services Authority (OJK) for the period 2017-2021, Islamic Commercial Banks operating in the study years (2017-2021), and Islamic

Commercial Banks that consistently publish their financial reports with complete data required for the research calculations. The sample in this study includes Bank Aceh Syariah, BPD NTB Syariah, Bank Muamalat Indonesia, Bank Jabar Banten Syariah, Bank Mega Syariah, Bank Panin Dubai Syariah, Bank Syariah Bukopin, BCA Syariah, and BTPN Syariah.

Data analysis in this research involves descriptive statistical analysis using the Islamicity Performance Index and RGEC methods. Descriptive statistics is a statistical technique used to analyze and describe collected data as they are, without aiming to make general conclusions or generalizations (Sugiyono, 2019).

The criteria for assessing the performance of Islamic commercial banks using the Islamicity Performance Index and RGEC methods in this research involve calculating and evaluating each ratio in the Islamicity Performance Index and RGEC methods and determining the assessment rankings based on each of these ratios. Below are the formulae for the indicators of the Islamicity Performance Index and RGEC method.

Table 1. Formulas of Islamicity Performance Index and RGEC Methods

Method	Indicator	Formule
Islamicity Index	Performance Profit Sharing Ratio (PSR)	$PSR = \frac{\text{Mudharabah} + \text{Musyarakah}}{\text{Total Financing}} \times 100\%$
	Zakat Performance Ratio (ZPR)	$ZPR = \frac{\text{Zakat}}{\text{Aktiva Bersih}} \times 100\%$
	Equitable Distribution Ratio (EDR)	$\text{Qard and Donation} = \frac{\text{Funds of assistance and qard}}{\text{Income} - (\text{zakat} + \text{taxes})} \times 100\%$
		$\text{Employees Expense} = \frac{\text{Labor expenses}}{\text{Income} - (\text{zakat} + \text{taxes})} \times 100\%$
		$\text{Shareholder} = \frac{\text{Dividen}}{\text{Income} - (\text{zakat} + \text{taxes})} \times 100\%$
		$\text{Net Profit} = \frac{\text{Net Profit}}{\text{Income} - (\text{zakat} + \text{taxes})} \times 100\%$
		$IH = \frac{\text{Islamic Investment}}{\text{Islamic Investment} +}$

RGEC	Islamic Investment vs Non-Islamic Investment (IH)	Non-Islamic Investment) x 100%
	Islamic Income vs Non-Islamic Income (IIC)	$IIC = \frac{\text{Islamic Income}}{\text{Islamic Income} + \text{Non-Islamic Income}} \times 100\%$
	Risk Profile	$NPF \text{ (Non-Performing Financing)} = \frac{\text{Problematic Financing}}{\text{Total Financing}} \times 100\%$
		$FDR \text{ (Financing to Deposit Ratio)} = \frac{\text{Total Financing}}{\text{Third-Party Funds}} \times 100\%$
	Good Governance	Self-Assesment
	Earnings	Corporate $ROA \text{ (Return on Assets)} = \frac{\text{Profit before tax}}{\text{Total assets}} \times 100\%$
		$ROE \text{ (Return on Equity)} = \frac{\text{Net profit after tax}}{\text{Owner's equity}} \times 100\%$
Capital		$CAR \text{ (Capital Adequacy Ratio)} = \frac{\text{Total Capital}}{\text{Total Risk-Weighted Assets}} \times 100\%$

D. Result & Discussion

Table 2. The Performance of Islamic Commercial Banks According to the Islamicity Performance Index

Year	Indicator	Ratio	Value	Criteria
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2017	Profit Sharing Ratio	PSR	30.43%	Satisfactory Very	
	Zakat Performance Ratio	ZPR	0.01%	Unsatisfactory Very	
	Equitable Distribution Ratio	Q&D	3.39%	Unsatisfactory	
		EE	21.19%	Less Satisfactory Very	
		SH	4.95%	Unsatisfactory Very	
		NP	9.27%	Unsatisfactory	
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory Very	
	Islamic Income vs Non-Islamic Income	IIC	99.98%	Satisfactory	
	Total			19/8 = 2.375	Less Satisfactory
	2018	Profit Sharing Ratio	PSR	36.19%	Satisfactory Very
Zakat Performance Ratio		ZPR	0.00%	Unsatisfactory Very	
Equitable Distribution Ratio		Q&D	4.64%	Unsatisfactory	
		EE	24.26%	Less Satisfactory Very	
		SH	4.49%	Unsatisfactory Very	
		NP	14.58%	Unsatisfactory	
Islamic Investment vs Non-Islamic Investment		IH	100%	Very Satisfactory Very	
Islamic Income vs Non-Islamic Income		IIC	99.96%	Satisfactory	
Total			19/8 = 2.375	Less Satisfactory	
2019		Profit Sharing Ratio	PSR	44.19%	Satisfactory Very
	Zakat Performance Ratio	ZPR	0.00%	Unsatisfactory Very	
	Equitable Distribution Ratio	Q&D	4.91%	Unsatisfactory	
		EE	26.19%	Less Satisfactory Very	
		SH	4.34%	Unsatisfactory Very	
		NP	15.14%	Unsatisfactory	
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory	

	Islamic Income vs Non-Islamic Income	IIC	99.83%	Very Satisfactory
			20/8 =	
	Total		2.5	Less Satisfactory
2020	Profit Sharing Ratio	PSR	47.53%	Satisfactory
	Zakat Performance Ratio	ZPR	0.01%	Very Unsatisfactory
	Equitable Distribution Ratio	Q&D	8.94%	Very Unsatisfactory
		EE	28.59%	Less Satisfactory
		SH	5.18%	Very Unsatisfactory
		NP	12.51%	Very Unsatisfactory
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory
	Islamic Income vs Non-Islamic Income	IIC	99.96%	Very Satisfactory
			20/8 =	
	Total		2.5	Less Satisfactory
2021	Profit Sharing Ratio	PSR	53.04%	Very Satisfactory
	Zakat Performance Ratio	ZPR	0.02%	Very Unsatisfactory
	Equitable Distribution Ratio	Q&D	7.73%	Very Unsatisfactory
		EE	23.61%	Less Satisfactory
		SH	4.32%	Very Unsatisfactory
		NP	6.33%	Very Unsatisfactory
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory
	Islamic Income vs Non-Islamic Income	IIC	99.96%	Very Satisfactory
			21/8 =	
	Total		2.625	Less Satisfactory

Table 3. The performance among Islamic commercial banks based on the Islamicity Performance Index

Islamic commercial bank	Indicator	Ratio	Value	Criteria	
Bank Aceh Syariah	Profit Sharing Ratio	PSR	10.57%	Very Unsatisfactory	
		Zakat Performance Ratio	ZPR	0.00%	Very Unsatisfactory
	Equitable Distribution Ratio	Q&D	2.83%	Unsatisfactory	
		EE	44.00%	Satisfactory	
		SH	16.57%	Very Unsatisfactory	
		NP	26.92%	Unsatisfactory	
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory	
	Islamic Income vs Non-Islamic Income	IIC	99.66%	Very Satisfactory	
	Total			20/8 = 2.5	Less Satisfactory
	Bank Muamalat Indonesia	Profit Sharing Ratio	PSR	49.82%	Satisfactory
Zakat Performance Ratio			ZPR	0.00%	Very Unsatisfactory
Equitable Distribution Ratio		Q&D	22.66%	Unsatisfactory	
		EE	23.78%	Very Unsatisfactory	
		SH	0.00%	Very Unsatisfactory	
		NP	0.66%	Unsatisfactory	
Islamic Investment vs Non-Islamic Investment		IH	100%	Very Satisfactory	
Islamic Income vs Non-Islamic Income		IIC	99.98%	Very Satisfactory	
Total			21/8 = 2.625	Less Satisfactory	
Bank Jabar Banten Syariah	Profit Sharing Ratio	PSR	28.62%	Unsatisfactory	
		Zakat Performance Ratio	ZPR	0.01%	Very Unsatisfactory
	Equitable Distribution Ratio	Q&D	21.34%	Unsatisfactory	
		EE	34.11%	Satisfactory	
		SH	0.00%	Very Unsatisfactory	

		NP	-4.06%	Very Unsatisfactory
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory
	Islamic Income vs Non-Islamic Income	IIC	99.99%	Very Satisfactory
Total			20/8 = 2.5	Less Satisfactory
Bank Mega Syariah	Profit Sharing Ratio	PSR	35.37%	Satisfactory
	Zakat Performance Ratio	ZPR	0.05%	Very Unsatisfactory
	Equitable Distribution Ratio	Q&D	2.07%	Very Unsatisfactory
		EE	21.66%	Very Unsatisfactory
		SH	0.00%	Very Unsatisfactory
		NP	16.71%	Very Unsatisfactory
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory
	Islamic Income vs Non-Islamic Income	IIC	99.95%	Very Satisfactory
Total			19/8 = 2.375	Less Satisfactory
Bank Syariah Bukopin	Profit Sharing Ratio	PSR	67.62%	Very Satisfactory
	Zakat Performance Ratio	ZPR	0.00%	Very Unsatisfactory
	Equitable Distribution Ratio	Q&D	0.06%	Very Unsatisfactory
		EE	18.81%	Very Unsatisfactory
		SH	0.00%	Very Unsatisfactory
		NP	-17.01%	Very Unsatisfactory
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory
	Islamic Income vs Non-Islamic Income	IIC	99.92%	Very Satisfactory
Total			20/8 = 2.5	Less Satisfactory
BCA Syariah	Profit Sharing Ratio	PSR	59.13%	Very Satisfactory

	Zakat Performance Ratio	ZPR	0.00%	Very Unsatisfactory
	Equitable Distribution Ratio	Q&D	2.36%	Very Unsatisfactory
		EE	34.21%	Satisfactory
		SH	0.00%	Very Unsatisfactory
		NP	21.57%	Unsatisfactory
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory
	Islamic Income vs Non-Islamic Income	IIC	99.98%	Very Satisfactory
			18/8=	
	Total		2.25	Less Satisfactory
BTPN Syariah	Profit Sharing Ratio	PSR	0.10%	Very Unsatisfactory
	Zakat Performance Ratio	ZPR	0.00%	Very Unsatisfactory
	Equitable Distribution Ratio	Q&D	0.01%	Very Unsatisfactory
		EE	28.51%	Unsatisfactory
		SH	3.03%	Very Unsatisfactory
		NP	29.67%	Unsatisfactory
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory
	Islamic Income vs Non-Islamic Income	IIC	99.99%	Very Satisfactory
			18/8=	
	Total		2.25	Less Satisfactory
Bank Panin Dubai Syariah	Profit Sharing Ratio	PSR	88.81%	Very Satisfactory
	Zakat Performance Ratio	ZPR	0.00%	Very Unsatisfactory
	Equitable Distribution Ratio	Q&D	1.06%	Very Unsatisfactory
		EE	0.50%	Very Unsatisfactory
		SH	0.00%	Very Unsatisfactory
		NP	-1.64%	Very Unsatisfactory
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory

	Islamic Income vs Non-Islamic Income	IIC	100%	Very Satisfactory
	Total		15/8= 1.875	Unsatisfactory
BPD Syariah	Profit Sharing Ratio	PSR	40.45%	Satisfactory
	Zakat Performance Ratio	ZPR	0.00%	Very Unsatisfactory
	Equitable Distribution Ratio	Q&D	0.93%	Very Unsatisfactory
		EE	17.33%	Unsatisfactory
		SH	22.32%	Unsatisfactory
		NP	31.26%	Satisfactory
	Islamic Investment vs Non-Islamic Investment	IH	100%	Very Satisfactory
	Islamic Income vs Non-Islamic Income	IIC	99.97%	Very Satisfactory
	Total		18/8= 2.25	Less Satisfactory

The results of the analysis of the performance levels among Islamic commercial banks based on the Islamicity Performance Index method for the years 2017-2021 indicate that Bank Muamalat Indonesia has the highest ranking with a score of 2.625, falling into the "less satisfactory" category. On the other hand, the lowest ranking is held by Bank Panin Dubai Syariah with a score of 1.875, falling into the "unsatisfactory" category.

The analysis of the performance level of Islamic commercial banks based on the Islamicity Performance Index method for the years 2017-2021 shows that the overall performance of the banks falls into the "less satisfactory" category. The scores for the years 2017 and 2018 were 2.375, which falls into the "less satisfactory" category. In 2019 and 2020, the scores were 2.5, also classified as "less satisfactory." In 2021, the score improved to 2.625 but still remained in the "less satisfactory" category.

Table 4. The Performance of Islamic Commercial Banks According to the RGEC

Year	Indicator	Ratio	Value	Criteria
2017	Risk Profile	NPF	4.80%	Fairly Healthy
		FDR	84.63%	Healthy
	GCG Earnings	Self-Assesment	2.33	Healthy
		ROA	0.25%	Fairly Healthy
	Capital	ROE	-36.28%	Unhealthy
		CAR	21.83%	Very Healthy

			(20/30) x100 = 66.67%	Fairly Healthy (PK-3)
	Total			
2018	Risk Profile	NPF	2.31%	Healthy
		FDR	87.95%	Fairly Healthy
	GCG	Self- Assesment	2.11	Healthy
		Earnings	ROA	2.23%
		ROE	7.61%	Fairly Healthy
	Capital	CAR	23.56%	Very Healthy
	Total		(24/30) x100 = 80%	Healthy (PK-2)
2019	Risk Profile	NPF	2.39%	Healthy
		FDR	86.83%	Fairly Healthy
	GCG	Self- Assesment	2.22	Healthy
		Earnings	ROA	2.40%
		ROE	7.33%	Fairly Healthy
	Capital	CAR	23.81%	Very Healthy
	Total		(24/30) x100 = 80%	Healthy (PK-2)
2020	Risk Profile	NPF	2.90%	Healthy
		FDR	96.19%	Fairly Healthy
	GCG	Self- Assesment	2.22	Healthy
		Earnings	ROA	1.50%
		ROE	5.22%	Fairly Healthy
	Capital	CAR	29.12%	Very Healthy
	Total		(23/30) x100 = 76.67%	Healthy (PK-2)
2021	Risk Profile	NPF	1.88%	Very Healthy
		FDR	79.55%	Healthy
	GCG	Self- Assesment	2	Healthy
		Earnings	ROA	1.04%
		ROE	0.76%	Less Healthy
	Capital	CAR	30.16%	Very Healthy

		(23/30)	
		x100 =	
Total		76.67%	Healthy (PK-2)

Table 5. The performance among Islamic commercial banks based on the RGEC

Islamic commercial bank	Indicator	Ratio	Value	Criteria
Bank Aceh Syariah	Risk Profile	NPF	1.32%	Very Healthy
		FDR	69.79%	Very Healthy
	GCG	Assesment	2.4	Healthy
	Earnings	ROA	2.15%	Very Healthy
		ROE	17.10%	Very Healthy
	Capital	CAR	19.74%	Very Healthy
	Total		(29/30)	x100 =
		96.67%		
Bank Muamalat Indonesia	Risk Profile	NPF	3.33%	Healthy
		FDR	68.21%	Very Healthy
	GCG	Assesment	2.8	Fairly Healthy
	Earnings	ROA	0.06%	Less Healthy
		ROE	0.50%	Less Healthy
	Capital	CAR	15.47%	Very Healthy
	Total		(21/30)	x100 =
		70%		
Bank Jabar Banten Syariah	Risk Profile	NPF	7.80%	Fairly Healthy
		FDR	88.23%	Fairly Healthy
	GCG	Assesment	3	Fairly Healthy
	Earnings	ROA	-0.64%	Unhealthy
		ROE	-8.10%	Unhealthy
	Capital	CAR	19.66%	Very Healthy
	Total		(16/30)	x100 =
		53.33%		
Bank Mega Syariah	Risk Profile	NPF	1.93%	Very Healthy

		FDR	89.00%	Healthy
	GCG	Self- Assesment	1.8	Healthy
	Earnings	ROA	1.82%	Very Healthy
		ROE	9.53%	Fairly Healthy
	Capital	CAR	22.49%	Very Healthy
			(26/30)	
	Total		x100 = 86.67%	Very Healthy (PK-1)
Bank Syariah Bukopin	Risk Profile	NPF	4.12%	Healthy
		FDR	111.80%	Less Healthy
	GCG	Self- Assesment	2.4	Healthy
	Earnings	ROA	-1.01%	Unhealthy
		ROE	-6.69%	Unhealthy
	Capital	CAR	19.91%	Very Healthy
			(17/30)	
	Total		x100 = 56.67%	Less Healthy (PK-4)
BCA Syariah	Risk Profile	NPF	0.58%	Very Healthy
		FDR	86.23%	Fairly Healthy
	GCG	Self- Assesment	1	Very Healthy
	Earnings	ROA	1.08%	Fairly Healthy
		ROE	3.49%	Less Healthy
	Capital	CAR	35.71%	Very Healthy
			(23/30)	
	Total		x100 = 76.67%	Healthy (PK-2)
BTPN Syariah	Risk Profile	NPF	2.34%	Healthy
		FDR	95.10%	Fairly Healthy
	GCG	Self- Assesment	2	Healthy
	Earnings	ROA	10.96%	Very Healthy
		ROE	23.00%	Very Healthy
	Capital	CAR	44.42%	Very Healthy

			(26/30)	
Total			x100 =	Very Healthy
			86.67%	(PK-1)
Bank Panin Dubai Syariah	Risk Profile	NPF	2.93%	Healthy
		FDR	97.28%	Fairly Healthy
	GCG	Self- Assesment	2.2	Healthy
	Earnings	ROA	-3.41%	Unhealthy
		ROE	-77.17%	Unhealthy
	Capital	CAR	21.27%	Very Healthy
Total			(18/30)	
			x100 =	Less Healthy
			60%	(PK-4)
BPD NTB Syariah	Risk Profile	NPF	1.36%	Very Healthy
		FDR	86.63%	Fairly Healthy
	GCG	Self- Assesment	2	Healthy
	Earnings	ROA	2.37%	Very Healthy
		ROE	10.67%	Fairly Healthy
	Capital	CAR	32.58%	Very Healthy
Total			(25/30)	
			x100 =	
			83.33%	Healthy (PK-2)

The results of the analysis of the performance levels among Islamic commercial banks based on the RGEC method for the years 2017-2021 show that Bank Aceh Syariah achieved the highest composite score, which is 96.67%, and is ranked Composite Ranking 1 (PK-1), indicating very healthy performance. On the other hand, the lowest composite score was held by Bank Jabar Banten Syariah, which is 53.33%, and is ranked Composite Ranking 4 (PK-4), indicating less healthy performance.

The analysis of the performance level of Islamic commercial banks based on the RGEC method in the year 2017 shows that the banks' performance falls into Composite Ranking 3 (PK-3), which is considered fairly healthy. In the years 2019-2021, the analysis indicates that the banks' performance falls into Composite Ranking 2 (PK-2), signifying healthy performance. On average, the assessment of the banks' performance during 2017-2021 falls into Composite Ranking 2 (PK-2), indicating a healthy performance level.

E. Conclusions & Policy Recommendation

Based on the research results, it can be concluded that the performance level of Islamic commercial banks using the Islamicity Performance Index and RGEC methods for the years 2017-2021 is as follows:

1. Assessment of the performance level of banks using the Islamicity Performance Index method:

The assessment of the performance level of Islamic commercial banks from the perspective of the Islamicity Performance Index for the years 2017-2021 has shown fluctuating values but falls within the same category. The values for the years 2017-2021 are 2.375, 2.375, 2.5, 2.5, and 2.625, respectively. During the years 2017-2021, the performance falls into the "less satisfactory" category. This suggests that Islamic commercial banks have not been able to demonstrate satisfactory levels of spirituality based on the Islamicity Performance Index method. There is a need for specific attention to certain ratios to improve the performance level of Islamic commercial banks based on spirituality values using the Islamicity Performance Index method.

2. Assessment of the performance level of banks using the RGEC method:

In 2017, the performance of banks is categorized as Composite Ranking 3 (CR-3) with a score of 66.67%, indicating "fairly healthy" status. In the years 2018-2021, the performance falls into Composite Ranking 2 (CR-2) with consecutive scores of 80%, 80%, 76.67%, and 76.67%, indicating "healthy" status. This aligns with the composite ranking weight for bank health assessment, where a score between 71% and 85% falls into Composite Ranking 2 (CR-2) with "healthy" criteria. According to the Financial Services Authority Circular Letter No.10/SEOJK.03/2014, banks that obtain Composite Ranking 2 (CR-2) reflect that they are generally in good overall condition and are capable of facing significant negative influences from changes in business conditions and other external factors. This is reflected in the rankings of assessment factors, including risk profile, implementation of GCG (Good Corporate Governance), earnings, and capital, which are generally good. This indicates that Islamic commercial banks are able to demonstrate relatively good materialistic values.

Suggestions for Islamic commercial banks and future researchers are as follows:

1. In the Islamicity Performance Index method, special attention needs to be given to certain ratios such as ZPR, SH, and Q&D, which are still far from expectations. These ratios often result in 0.00%, leading to an unsatisfactory performance rating for Islamic commercial banks. This, in turn, affects the disclosure of the bank's spirituality values, ultimately lowering its score. Banks should work on improving these ratios.
2. In the RGEC method, a close look should be given to the ROA and ROE ratios. This is because some banks still have negative values for both pre-tax and after-tax profits, which can negatively impact the company's Composite Ranking (CR). Banks should strive to improve these values to avoid negative rankings.
3. Future researchers with similar topics or themes are encouraged to conduct research up to the point of accuracy testing, which involves assessing accuracy using both of these methods.

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