

Analysis on the soundness Level of Shariah Commercial Banks Using RGENC During the Covid-19

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ABSTRACT. This study aims to determine the soundness of Islamic Commercial Banks in Indonesia using the measurement method regulated in Bank Indonesia Regulation PBI No.13/1/PBI/2011, concerning the Assessment of Bank Soundness Levels using the RGENC method during the Covid-19 pandemic (2020). The assessment factors in the RGENC method are Risk Profile using credit risk (NPF ratio) and liquidity risk (FDR ratio), Earnings (ROA, ROE and BOPO ratio) and Capital (CAR ratio). This research is a quantitative descriptive using secondary data, namely published reports in the 2020 Annual Report. The research subjects used were 11 Islamic Commercial Banks. The sampling technique in this study used purposive sampling. The result of this study indicates that the level of the soundness of Islamic commercial banks in terms of the risk profile of the NPF ratio with the predicate healthy and FDR fairly healthy. Good corporate governance obtains an average healthy composite rating, in the earnings aspect, the healthy BOPO ratio, ROA and ROE ratio is in the composite rating of fairly healthy and the capital aspect is healthy and gets average composite rating of very healthy.

Keywords: Bank Soundness Level, RGENC Method (Risk Profile, Good Corporate Governance, Earnings, Capital)

1. INTRODUCTION

At the end of December 2019, the world was shocked by an incident that was suspected to be a case of pneumonia, namely the outbreak of pneumonia. A new virus called *Corona Virus Disease* or known as Covid-19 originated from the city of Wuhan, China. This virus shows a very significant rapid spread and there have been many deaths caused by this virus both in China and in other countries including Indonesia (Aditia, 2021). In Indonesia, the first confirmed case of Covid-19 was in early March 2020. Cases of patients who were confirmed positive for Covid-19 continued to increase from day to day. Since then, the spread of Covid-19 has continued to spread. Currently, the number of positive Covid-19 numbers in Indonesia, as of January 19, 2022, reached 4.03 million people with the death toll reaching 144,000 (Kemenkes RI. 2020).

Not only on health but also on the economy and financial system stability and even the economy of most countries in the world grew negatively and even went into recession. Since the pandemic first spread in Indonesia, the Indonesian government has implemented various policies in response to the

COVID-19 pandemic, from implementing Work From Home (WFH), social restrictions or *physical distancing*, to implementing Large-Scale Social Restrictions (PSBB) (Hanoatubun, 2020).).

In line with global economic conditions, the banking sector in general, including the Islamic banking industry, has also experienced a decline in growth due to the Covid-19 pandemic. As an intermediary institution, banks have the potential to experience a deficit in their liquidity. This is because public panic triggers a very large withdrawal of funds (*rushing*) so that it is difficult for banks to channel funds to the business world which ultimately disrupts business continuity in the real sector (Anita, 2021).

However, Islamic banking is known for its resilience to economic crises. During the 1998 crisis, Islamic banking was the only bank that was able to survive and even develop. This is because Islamic banking implements a profit-sharing system so that during this pandemic crisis, the balance sheet conditions of Islamic banks will be elastic because the amount of costs for payment of profit-sharing will also decrease with a decrease in the income earned by Islamic banks. In line with research conducted by (Ilhami & Thamrin, 2021) analyzing the performance of Islamic banking during the Covid-19 pandemic. The results of his research explain that the performance of Islamic banks continues to show significant positive performance growth. However, behind its strength, in facing this pandemic, Islamic banks certainly have a negative record, some of which are a decrease in profits and an increase in NPF during the Covid-19 pandemic. The Financial Services Authority has provided a stimulus to banks in the face of this COVID-19 pandemic. The stimulus was in the form of liquidity assistance and financing restructuring. However, this stimulus must also be supported by good banking performance in adjusting the direction of business in the future. Banks are required to be able to project business lines that can generate good profits to keep banking conditions healthy during this pandemic (Azmi et al., 2021).

The condition of a bank can be seen from the bank itself. A healthy bank has characteristics, the bank is able to carry out business functions that can be carried out properly. Therefore, it is necessary to conduct a health assessment on a bank to find out whether the bank is in a healthy condition or not. Bank Indonesia Regulation No. 6/10/PBI/2004 concerning the Rating System for Commercial Bank Soundness stipulates that banks are required to maintain bank soundness in accordance with the provisions of capital adequacy (*Capital*), asset quality (*Assets*), management quality (*Management*), profitability (*Earnings*), liquidity (*Liquidity*), solvency (*Solvabilities*), and other aspects related to the bank's business and are required to conduct business activities in accordance with prudential principles. The health level assessment is called CAMELS (Financial Services Authority, 2017).

The RGEC method is a development of the previous method, namely CAMELS which has been effective since January 1, 2012 in accordance with Bank Indonesia Regulation No. 13/01/PBI/2011 concerning the assessment of the Soundness of Commercial Banks. This update is due to the rapid development of the banking sector and changes in business complexity and

risk profile of banks, as well as changes in the method of assessing bank conditions, which have prompted the need for increased effectiveness.

The Covid-19 pandemic affected several financial ratios, including the ROA ratio decreased in 2020, the ability of banks to generate profits from their own capital of 1.41% decreased when compared to 2019 which was 1.89%, meaning that the ROA of Islamic Commercial Banks in 2020 was assessed less healthy. If the ROA is lower, the resulting value indicates the quality of asset management is not good. In addition, the NPF ratio during the emergence of the pandemic increased by 0.32% from the previous year but was still in the healthy category and was in the safe limit according to OJK regulations, which was below 5%. In 2019, the CAR ratio of 20.59 experienced a growth of 1.05% in 2020 and is at Composite Rank 1 (Very Healthy). And the BOPO ratio in 2020 has increased by 1% compared to the previous year, if the BOPO ratio is higher, the operational costs will be more inefficient and the bank's condition is not healthy.

This is in line with research related to the soundness of banks using the RGEC method during the Covid-19 pandemic, including those carried out by Adelin (2021), who stated that the Covid-19 pandemic caused a decrease in profits and an increase in NPF at BNI Syariah Bank, ROA and ROE ratios also decreased. Another study conducted by Anita (2021) showed that the Covid-19 pandemic had quite an impact on the performance of Islamic Commercial Banks as seen from the decline in several financial ratios.

With the Covid-19 pandemic, which is still ongoing, the resulting bank soundness assessment can be used as an evaluation of things that need to be done in the future so that management performance can be improved or maintained according to banking targets. Seeing the importance of assessing the soundness of banks which must be maintained and improved so that public trust in banks can be maintained.

2. LITERATURE REVIEW

2.1. Sharia Banks

According to Law Number 21 of 2008 concerning Sharia Banking, Article 1 paragraph (1) stipulates that Sharia Banking is everything related to Sharia banking and its business units, including organization, operations, business, and methods and the process of carrying out its activities and business. Sharia Banking is a banking system that conducts business activities based on Sharia principles, namely the rules of agreements based on Islamic law between a bank and other parties regarding money storage and/or financial commercial activities, or other activities declared in accordance with Sharia (Financial Services Authority, 2008). Islamic banks, or commonly called Islamic banks in other countries, are different from conventional banks in general. The main difference lies in the operating base used. Whereas conventional banks operate on an interest basis, Islamic banks operate on a profit-sharing basis, plus buying and selling and leasing. This is based on the belief that interest contains elements of usury which is prohibited by Islam (Ascarya & Yumanita, 2005).

Islamic banks are banks with the principle of profit sharing which is the main foundation in all its operations, both in raising and distributing funds. Broadly speaking, the business activities of Islamic banks are divided into fund raising, fund distribution, services, and social activities. Funds that have been raised through the principles of wadi'ah yad dhamanah, mudharabah mutlaqah, ijarah, and others, as well as paid-in capital are included in the *pooling fund*.

2.2. Financial

Financial statements are one of the important sources of information in addition to other information such as industry information, economic conditions, company market share, management quality and others. company, the performance of operating activities, investing activities, and financing activities. One source of information that can be used is to analyze financial statement ratios by analyzing liquidity ratios, solvency ratios, profitability ratios, and activity ratios (Kesuma, 2014).

Financial statement analysis is a method or technique of analysis of financial statements that functions to change data originating from financial statements as raw material into more useful and more in-depth information with certain techniques. The purpose of financial analysis is the analysis of future performance. In analyzing and assessing the financial position, progress and potential in the future, the main factors that generally get the attention of analysts include liquidity, which indicates the company's ability to meet short-term obligations or when they fall due; *Solvency*, namely the company's ability to meet all obligations, both short term and long term; *Profitability (Profitability)*, shows the company's ability to generate profits in a certain period; and *Stability and business development*, and other analytical focuses (Azmi et al., 2021)

2.3. Bank

Health Bank health is the ability of a bank to carry out normal banking operations and be able to fulfill its obligations properly in accordance with applicable regulations. The health of a bank is in the interest of all parties, namely owners, bank managers and the public who use bank services. In this regard, Bank Indonesia as the supervisor and supervisor of banking stipulates the procedure for evaluating the performance of Islamic Commercial Banks (BUS) will refer to the provisions as applied to conventional banks (Sumarauw et al., 2015).

With regard to bank soundness, Bank Indonesia is the institution authorized to supervise bank soundness. The soundness function of the bank makes Bank Indonesia have provisions that must be fulfilled and implemented by banking institutions in Indonesia. There are several methods that can be used in the assessment of bank soundness including CAMEL, CAMEL and RGEC.

2.4. Assessment of Bank Soundness Level by RGEC Method

Assessment of bank soundness level is also known as RGEC method. Scope of assessment used in this method are factors, *Risk Profile* (Risk Profile), *Good Corporate Governance* (GCG), *Earnings* (Rentability), *Capital* (Capital) (Kusumawati, 2016).

3. RESEARCH METHODOLOGY

This research is a descriptive research with a quantitative approach. This method aims to make a systematic, accurate and factual description or description of the facts as well as the relationship between the phenomena to be investigated. While the quantitative approach emphasizes testing theories through measuring research variables with numbers and conducting data analysis. Sources of research data using secondary data. In this study, the authors use data taken from *the Annual Report* of Islamic Commercial Banks (BUS) for the period 2020-2021 whose financial statements have been published.

The population of this research is Islamic Commercial Bank. The object studied is the financial statements of Islamic Commercial Banks which consist of statements of financial position, profit and loss statements, and notes on the financial statements of Islamic Commercial Banks for the period 2020-2021. The subjects in this study were Islamic Commercial Banks (BUS) in Indonesia. The sample in this study consisted of 11 banks, namely: 1) Victoria Syariah Bank, 2) Muamalat Bank, 3) BJB Syariah Bank, 4) Panin Dubai Syariah Bank, 5) Mega Syariah Bank, 6) BCA Syariah Bank, 7) Syariah Bank. Bukopin, 8) Bank BTPN Syariah, 9) Maybank Syariah, 10) Bank Aceh Syariah, 11) Bank BDP NTB Syariah.

4. DISCUSSION

4.1. Analysis of Performance Measurement of Islamic Commercial Banks with RGEC

4.1.1. Analysis of BUS Risk Profile Assessment Risk

profile assessment is an assessment of the quality of risk management implementation in bank operational activities. The ratios used to assess the soundness of banks in terms of *risk profile* are as follows:

1. Liquidity Risk

Based on Table 4.1 presents the results of the recapitulation of liquidity risk for Commercial Banks Sharia in 2020 uses ratios. Liquidity risk conditions according to the FDR ratio, the higher the FDR ratio obtained indicates the greater the number of Third-Party Funds used for lending which can lead to adverse results for the bank, therefore a bank is classified as less good if it has a high FDR ratio. Conversely, if it has a low FDR, it indicates that the bank's liquidity risk is in good condition.

Table 4. 1 Obtained Value and Health Rating of BUS FDR Ratio

Nama Bank	Nilai FDR		
	(%)	PK	Keterangan
Bank Victoria Syariah	74,5%	1	Sangat Sehat
Bank Muamalat	69,84%	1	Sangat Sehat
Bank BJB Syariah	86,64%	3	Cukup Sehat
Bank Panin Dubai Syariah	111,71%	4	Kurang Sehat
Bank Mega Syariah	63,94%	1	Sangat Sehat
Bank BCA Syariah	81,30%	2	Sehat
Bank Syariah Bukopin	196,73%	5	Tidak Sehat
Bank BTPN Syariah	97,37%	3	Cukup Sehat
Maybank Syariah	79,25%	2	sehat
Bank Aceh Syariah	70,82%	1	Sangat Sehat
Bank BDP NTB Syariah	86,53%	3	Cukup Sehat
Rata-Rata	92,60%	3	Cukup Sehat

Source: Processed from the 2020 BUS Annual Report

In the table above, it can be seen that the average FDR ratio of Islamic Commercial Banks is 92.60% and obtained a Composite Rating of 3, namely Fairly Healthy. The resulting predicate reflects that the bank is quite capable of dealing with significant negative effects from changes in business conditions and other external factors. Based on the data and descriptive analysis of FDR, it can be seen that Bank Mega Syariah obtained the lowest FDR ratio of 63.94% with a composite rating of 1 which is very healthy.

2. Credit Risk

Table 4. 2 Obtaining Value and Health Rating of BUS NPF Ratio

Nama Bank	Nilai NPF		
	(%)	PK	Keterangan
Bank Victoria Syariah	2.90%	2	Sehat
Bank Muamalat	3.95%	2	Sehat
Bank BJB Syariah	2.86%	2	Sehat
Bank Panin Dubai Syariah	2.45%	2	Sehat
Bank Mega Syariah	1.38%	1	Sangat Sehat
Bank BCA Syariah	0.01%	1	Sangat Sehat
Bank Syariah Bukopin	4.95%	2	Sehat
Bank BTPN Syariah	0.02%	1	Sangat Sehat
Maybank Syariah	2%	2	sehat
Bank Aceh Syariah	1.53%	1	Sangat Sehat
Bank BDP NTB Syariah	0.77%	1	Sangat Sehat
Rata-Rata	2.12%	2	Sehat

Source: Processed from the 2020 BUS Annual Report

Based on Table 4.2 it can be seen that the NPF ratio of all average Islamic Commercial Banks is ranked 2 "healthy" because the NPF ratio is above 2% and below 5%. This shows that Islamic commercial banks have fewer bad loans and financing by customers. The higher the NPF ratio obtained by the bank, the less the quality of financing carried out by the bank. Conversely, if the NPF ratio is lower, it illustrates that the better the quality of bank financing and the lower the risk of non-performing financing faced by banks.

Based on the descriptive data in the table, it can be seen that the NPF ratio of BCA Syariah Banks obtained the lowest value of 0.01%, this reflects that BCA Syariah banks have the smallest ratios among other Islamic Commercial Banks. Meanwhile, Bank Bukopin Syariah obtained an NPF ratio of 4.95%, this reflects that Bank Bukopin Syariah faces greater credit risk than other Islamic Commercial Banks.

4.1.2. Assessment Analysis Good Corporate Governance

Based on OJK Circular Letter No.10/SEOJK.03/2014 which explains that every Sharia Commercial Bank (BUS) has an obligation to carry out self-assessment (*Self-Assessment*) periodically and periodically.

Table 4. 1 Obtained Values and Health Ratings of the 2020 BUS GCG Ratio

Nama Bank	Nilai GCG		
		PK	Keterangan
Bank Victoria Syariah	1.64	2	Sehat
Bank Muamalat	3	3	Cukup Sehat
Bank BJB Syariah	3	3	Cukup Sehat
Bank Panin Dubai Syariah	2	2	Sehat
Bank Mega Syariah	2	3	Sehat
Bank BCA Syariah	1	1	Sangat Sehat
Bank Syariah Bukopin	3	3	Cukup Sehat
Bank BTPN Syariah	2	2	Sehat
Maybank Syariah	2	2	Sehat
Bank Aceh Syariah	2	2	Sehat
Bank BDP NTB Syariah	2	2	Sehat
Rata-Rata	2.15	2	Sehat

Source: Processed from the 2020 BUS Annual Report

Based on Table 4.3 based on the table above, the average composite rating of Islamic Commercial Banks in 2020 is ranked 2 which reflects the management of bank management in Good Corporate Governance the company as a whole is good. This is reflected in the implementation of GCG principles so that significant weaknesses can be resolved with normal actions. The categorization of whether a bank's GCG implementation is good or not

can be seen from the composite rating obtained by the bank, the smaller the bank's GCG rating, the better the bank's GCG implementation and the higher the bank's GCG rating the less good the bank's GCG implementation.

Based on the data and descriptive analysis in the table above, Bank BCA Syariah got a composite rating of 1 with a very good predicate, while Bank Muamalat and BJB Syariah got a composite rating of 3 which was categorized as quite good. However, the implementation of GCG principles still needs full attention from bank management because the implementation GCG still has significant weaknesses.

4.1.3. Analysis of Valuation Based on Earnings

In this study, 4 components were used to measure the success of management in generating profits, the ratios were ROA, ROE and BOPO.

1. Return On Assets

Return On Assets is a ratio that describes the bank's ability to manage the funds invested in the overall assets that generate profits.

Table 4. 2 Obtained Values and Health Ratings of BUS ROA Ratio

Nama Bank	Nilai ROA		
	%	PK	Keterangan
Bank Victoria Syariah	0.16%	4	Kurang Sehat
Bank Muamalat	0.03%	4	Kurang Sehat
Bank BJB Syariah	0.41%	4	Kurang Sehat
Bank Panin Dubai Syariah	0.06%	4	Kurang Sehat
Bank Mega Syariah	1.74%	1	Sangat Sehat
Bank BCA Syariah	1.10%	3	Cukup Sehat
Bank Syariah Bukopin	0.04	4	Kurang Sehat
Bank BTPN Syariah	7.16	1	Sangat Sehat
Maybank Syariah	1.04	3	Cukup Sehat
Bank Aceh Syariah	1.73	1	Sangat Sehat
Bank BDP NTB Syariah	1.74	1	Sangat Sehat
Rata-Rata	1.39	2	Sehat

Source: Processed from the 2020 BUS Annual Report

Based on Table 4.4 it can be seen that the average ROA of all BUS is healthy, this is because the average ROA ratio of all BUS is above 1.25% and below 1.50%. The average ROA value has decreased from before the pandemic to the time of the pandemic. Based on Bank Indonesia regulations, the ROA standard is quite good if the value is > 1.50%. This can certainly be understood because the main advantage of Islamic banking is profit sharing on the financing disbursed. In this pandemic condition, banks are generally very careful in disbursing financing. In addition to the existing financing, adjustments have been made through the stimulus provided by the government. And this of course will reduce the ability of banks to earn profits.

The average ROA of Islamic banking is 1.39%. The National Sharia Pension Savings Bank in 2020 has a ratio of 7.16% which is in a very good rank for generating profits based on assets owned. Meanwhile, Bank Muamalat Indonesia has the smallest ratio of 0.03%.

2. Return on Equity

Return on Equity (ROE) is a ratio used to measure a bank's ability to earn a net profit associated with dividend payments.

Table 4. 5 Obtaining Values and Health Ratings of BUS ROE Ratio

Nama Bank	Nilai ROE		
	%	PK	Keterangan
Bank Victoria Syariah	-0.09%	5	Tidak Sehat
Bank Muamalat	0.29%	4	Kurang Sehat
Bank BJB Syariah	0.51%	4	Kurang Sehat
Bank Panin Dubai Syariah	0.01%	4	Kurang Sehat
Bank Mega Syariah	1.74%	4	Kurang Sehat
Bank BCA Syariah	3.1%	4	Kurang Sehat
Bank Syariah Bukopin	0.02%	4	Kurang Sehat
Bank BTPN Syariah	16.08%	2	Sehat
Maybank Syariah	5.13%	3	Cukup Sehat
Bank Aceh Syariah	15.72%	2	Sehat
Bank BDP NTB Syariah	9.54%	3	Cukup Sehat
Rata-Rata	4.75%	3	Cukup Sehat

Source: Processed from the 2020 BUS Annual Report

Based on Table 4.5 it can be seen that the average ROE value obtained from all Islamic Commercial Banks of 4.75% is ranked 3 "Fairly Healthy" this is because the ROE ratio is above 0% and below 5%. The ROE ratio is categorized as good if it has a ratio of > 12.5%. The increase in ROE ratio illustrates the increasing ability of banks to generate net profits. The higher the ROE owned by the company, the better the bank's performance in generating profits. And the smaller the percentage of ROE, this indicates that the bank is not doing well in generating profits based on its equity. Based on the descriptive data and results presented in the table, the National Sharia Pension Savings Bank has a ratio of 16.08% with a composite rating of "Healthy" this indicates that the bank is in good condition in generating net income based on the equity owned by the bank. And at Bank Victoria Syariah, it has an ROE ratio of -0.09 which is in PK-5 "Unhealthy".

3. Operating Expenses and Operating Income Operating

Costs and Operating Income is a ratio used to measure a bank's ability to earn net profits associated with dividend payments.

Table 4. 3 Obtained Values and Health Ratings of the BOPO BUS Ratio

Nama Bank	Nilai BOPO		
	%	PK	Keterangan
Bank Victoria Syariah	97.80%	4	Kurang Sehat
Bank Muamalat	99.45%	4	Kurang Sehat
Bank BJB Syariah	95.41%	3	Cukup Sehat
Bank Panin Dubai Syariah	99.42%	4	Kurang Sehat
Bank Mega Syariah	93.71%	3	Cukup Sehat
Bank BCA Syariah	86.30%	1	Sangat Sehat
Bank Syariah Bukopin	97.73%	4	Kurang Sehat
Bank BTPN Syariah	72.42%	1	Sangat Sehat
Maybank Syariah	87.83%	1	Sangat Sehat
Bank Aceh Syariah	81.50%	1	Sangat Sehat
Bank BDP NTB Syariah	76.83%	1	Sangat Sehat
Rata-Rata	89.85%	2	Sehat

Source: Processed from the 2020 BUS Annual Report

Based on Table 4.6 it can be seen that the average BOPO ratio of each Islamic commercial bank is ranked 2 with a healthy predicate because the BOPO ratio is at a value above 89% and under 93%. This shows that the cost efficiency used by banks over the last few periods. In addition, the high value of the BOPO ratio illustrates the stable ability of banks to reduce operational costs.

4.1.4. Valuation Analysis Based on Capital

The ratio used to assess capital is the *Capital Adequacy Ratio (CAR)*, CAR is a capital factor assessment ratio based on a comparison between the amount of capital and total risk-weighted assets.

Based on Table 4.7 it can be seen that the average value of the CAR ratio in Islamic Commercial Banks is 31.60% and is in a very healthy rating because the ratio CAR is above 12%. The average CAR of Islamic banking increased by 1.85%. This is because the capital owned by Islamic banking is mostly unemployed or not channeled for financing. Islamic banks are still very careful in responding to unstable economic conditions to prevent the risk of non-performing financing. The results of this study are in line with research conducted by (Anita, 2021) which states that the CAR in Islamic banking during the pandemic is in a healthy position where the average is above 8%.

From each Sharia Commercial Bank, it is known that the Sharia National Pension Savings Bank has the largest ratio of 49.44% which shows

that BTPN Syariah has a higher capital than other banks. While the smallest CAR ratio was obtained by Bank Muamalat Indonesia with a ratio of 15.21%.

Table 4. 4 Obtained Values and Health Ratings of the BUS CAR Ratio

Nama Bank	Nilai CAR		
	%	PK	Keterangan
Bank Victoria Syariah	26.08%	1	Sangat Sehat
Bank Muamalat	15.21%	1	Sangat Sehat
Bank BJB Syariah	24.14%	1	Sangat Sehat
Bank Panin Dubai Syariah	31.43%	1	Sangat Sehat
Bank Mega Syariah	24.15%	1	Sangat Sehat
Bank BCA Syariah	45.30%	1	Sangat Sehat
Bank Syariah Bukopin	22.22%	1	Sangat Sehat
Bank BTPN Syariah	49.44%	1	Sangat Sehat
Maybank Syariah	24.31%	1	Sangat Sehat
Bank Aceh Syariah	18.60%	1	Sangat Sehat
Bank BDP NTB Syariah	26.08%	1	Sangat Sehat
Rata-Rata	31.60%	1	Sangat Sehat

Source: *Processed from the 2020 BUS Annual Report*

In conducting an analysis to assess the soundness of banks using the RGEC method at Islamic Commercial Banks, the first step taken is each of the RGEC indicators, namely *Risk Profile* (Financing Risk/NPF and Liquidity Risk/FDR), *Good Corporate Governance*, *Earnings* (ROA Ratio, ROE and BOPO) and *Capital* (CAR Ratio) will be assessed by calculating the presentation value of each RGEC indicator and then categorized as a health assessment rating in accordance with applicable regulations. After getting the presentation value and health assessment rating of each indicator, the composite value and ranking will be determined. The following is the calculation of the presentation value and health assessment rating of each RGEC indicator used in this study.

4.1.5. Analysis of Composite Rating for Islamic Commercial Banks

After calculating each indicator in the RGEC aspect, namely *Risk Profile* (NPF and FDR), *GCG*, *Earnings* (ROA, ROE and BOPO) and *Capital* (CAR). Based on the Circular Letter of the Financial Services Authority (SEOJK) No.10/SEOJK.03/2014, it is necessary to do a thorough calculation of the assessment. The following are the provisions in performing calculations to obtain a composite value as follows:

- 1) Each ratio indicator will be given a weighted value in accordance with the provisions
- 2) . The total weight of the overall score will be divided by the maximum total weight and then multiplied by 100%

3) . in accordance with the existing assessment provisions, the following table determines the composite rating determined by the OJK.

After all bank ratios and data have been processed, to find out the soundness of a bank, it is necessary to calculate the composite rating for the bank's soundness level using the RGEC method, as follows:

Table 4. 5 Scores and Health Ratings of RGEC Victoria Syariah Indicators in 2020

Rasio	Bank Victoria Syariah		
	%	PK	Keterangan
NPF	2.90%	2	Sehat
FDR	74.50%	1	Sangat Sehat
GCG	1.64	2	Sehat
ROA	0.16%	4	Kurang Sehat
ROE	-0.09%	5	Tidak Sehat
BOPO	97.80%	4	Kurang Sehat
CAR	26.08%	1	Sangat Sehat

Table 4 6 Scores and Health Ratings for the RGEC Muamalat Indonesia Indicator in 2020

Rasio	Bank Muamalat		
	%	PK	Keterangan
NPF	3.95%	2	Sehat
FDR	69.84%	1	Sangat Sehat
GCG	3	3	Cukup Sehat
ROA	0.03%	4	Kurang Sehat
ROE	0.29%	4	Kurang Sehat
BOPO	97.80%	4	Kurang Sehat
CAR	26.08%	1	Sangat Sehat

Table 4. 7 Scores and Health Ratings for the BJB Syariah RGEC Indicators in 2020

Rasio	Bank BJB Syariah		
	%	PK	Keterangan
NPF	2.86%	2	Sehat
FDR	86.64%	3	Cukup Sehat
GCG	3	3	Cukup Sehat
ROA	0.41%	4	Kurang Sehat
ROE	0.51%	4	Tidak Sehat
BOPO	95.41%	3	Cukup Sehat
CAR	24.14%	1	Sangat Sehat

Table 4. 8 Scores and Health Ratings for the Panin Dubai Syariah RGEC Indicators in 2020

Rasio	Bank Panin Dubai Syariah		
	%	PK	Keterangan
NPF	2.45%	2	Sehat
FDR	111.71%	4	Kurang Sehat
GCG	2	2	Sehat
ROA	0.06%	4	Kurang Sehat
ROE	0.01%	4	Kurang Sehat
BOPO	99.42%	4	Kurang Sehat
CAR	31.43	1	Sangat Sehat

Table 4. 9 Scores and Health Ratings for RGEC Mega Syariah Indicators in 2020

Rasio	Bank Mega Syariah		
	%	PK	Keterangan
NPF	1.38%	1	Sangat Sehat
FDR	63.94%	1	Sangat Sehat
GCG	2	2	Sehat
ROA	1.74%	4	Kurang Sehat
ROE	0.01%	4	Kurang Sehat
BOPO	93.71%	4	Kurang Sehat
CAR	24.45%	1	Sangat Sehat

Table 4. 10 Scores and Health Ratings for BCA Syariah Banks RGEC Indicators in 2020

Rasio	Bank BCA Syariah		
	%	PK	Keterangan
NPF	0.01%	2	Sehat
FDR	81.30%	2	Sehat
GCG	1	1	Sangat Sehat
ROA	1.10%	3	Cukup Sehat
ROE	3.1%	4	Kurang Sehat
BOPO	86.30%	1	Sangat Sehat
CAR	45.30%	1	Sangat Sehat

Table 4. 11 Scores and Health Ratings for Bank Bukopin Syariah RGEC Indicators in 2020

Rasio	Bank Syariah Bukopin		
	%	PK	Keterangan
NPF	4.95%	2	Sehat
FDR	196.73%	5	Tidak Sehat
GCG	2	2	Sehat
ROA	0.04%	4	Kurang Sehat
ROE	0.02%	4	Kurang Sehat
BOPO	97.73%	4	Kurang Sehat
CAR	22.22%	1	Sangat Sehat

Table 4. 12 Scores and Health Ratings BTPN Syariah Bank RGEC Indicators for 2020

Rasio	BTPN Syariah		
	%	PK	Keterangan
NPF	0.02%	1	Sangat Sehat
FDR	97.37%	3	Cukup Sehat
GCG	2	2	Sehat
ROA	7.16%	1	Sangat Sehat
ROE	16.08%	2	Sehat
BOPO	72.42%	1	Sangat Sehat
CAR	49.44%	1	Sangat Sehat

Table 4. 13 Earning and the Health Rating of Maybank Syariah Indicators in 2020

Rasio	Maybank Syariah		
	%	PK	Keterangan
NPF	2.00%	2	Sehat
FDR	79.25%	2	Sehat
GCG	2	2	Sehat
ROA	1.04%	3	Cukup Sehat
ROE	5.13%	3	Cukup Sehat
BOPO	87.83%	1	Sangat Sehat
CAR	24.31%	1	Sangat Sehat

Table 4. 14 Obtained Scores and Health Ratings for Bank Aceh Syariah RGEC Indicators in 2020

Rasio	Bank Aceh Syariah		
	%	PK	Keterangan
NPF	1.53%	1	Sangat Sehat
FDR	70.82%	1	Sangat Sehat
GCG	2	2	Sehat
ROA	1.73%	1	Sangat Sehat
ROE	15.72%	2	Sehat
BOPO	81.50%	1	Sangat Sehat
CAR	18.60%	1	Sangat Sehat

Table 4. 15 Scores and Health Ratings for Bank BDP NTB Syariah RGECE Indicators in 2020

Rasio	Bank BDP NTB Syariah		
	%	PK	Keterangan
NPF	0.77%	1	Sangat Sehat
FDR	86.53%	3	Cukup Sehat
GCG	2	2	Sehat
ROA	1.74%	1	Sangat Sehat
ROE	9.54%	3	Cukup Sehat
BOPO	76.83%	1	Sangat Sehat
CAR	26.08%	1	Sangat Sehat

After all bank ratios and data have been processed, to determine the soundness of a bank, it is necessary to calculate the composite rating to determine the health level of each Islamic Commercial Bank using the RGECE method, as follows:

Table 4. 16 Composite Rating of Islamic Commercial Banks in 2020

Periode	Komponen	Rasio	Peringkat					Kriteria	PK	
			1	2	3	4	5			
Bank Victoria Syariah	Risk NPF	2.90		√				Sehat	PK-3 (Cukup Sehat)	
	Profile FDR	74.50	√					Sangat Sehat		
	GCG	1.64		√				Sehat		
	Earnings ROA	0.16			√			Kurang Sehat		
	ROE	-0.09				√		Tidak Sehat		
	BOPO	97.80				√		Kurang Sehat		
	Capital CAR	26.08	√					Sangat Sehat		
Peringkat Komposit	Total Nilai	10	8	-	4	1	24 : 35 x 100%	66%		
Bank Muamalat	Risk NPF	3.95		√				Sehat	PK-3 (Cukup Sehat)	
	Profile FDR	69.84	√					Sangat Sehat		
	GCG	3			√			Cukup Sehat		
	Earnings ROA	0.03				√		Kurang Sehat		
	ROE	0.39					√	Kurang Sehat		
	BOPO	97.80				√		Kurang Sehat		
	Capital CAR	26.08	√					Sangat Sehat		
Peringkat Komposit	Total Nilai	10	4	3	6	-	23 : 35 x 100%	66%		
Bank BJB Syariah	Risk NPF	2.86		√				Sehat	PK-3 (Cukup Sehat)	
	Profile FDR	86.64			√			Cukup Sehat		
	GCG	3				√		Cukup Sehat		
	Earnings ROA	0.41				√		Kurang Sehat		
	ROE	0.51					√	Kurang Sehat		
	BOPO	95.41				√		Cukup Sehat		
	Capital CAR	24.12	√					Sangat Sehat		
Peringkat Komposit	Total Nilai	5	4	9	4	-	22 : 35 x 100%	63%		
Bank Panin Dubai Syariah	Risk NPF	2.45		√				Sehat	PK-4 (Kurang Sehat)	
	Profile FDR	111.71				√		Kurang Sehat		
	GCG	2			√			Sehat		
	Earnings ROA	0.06				√		Kurang Sehat		
	ROE	0.01					√	Kurang Sehat		
	BOPO	99.42				√		Kurang Sehat		
	Capital CAR	31.43	√					Sangat Sehat		
Peringkat Komposit	Total Nilai	5	8	-	8	-	21 : 35 x 100%	60%		
Bank Mega Syariah	Risk NPF	1.38		√				Sangat Sehat	PK-2 (Sehat)	
	Profile FDR	63.94	√					Sangat Sehat		
	GCG	2						Sehat		
	Earnings ROA	1.74				√		Kurang Sehat		
	ROE	0.01					√	Kurang Sehat		
	BOPO	93.71				√		Kurang Sehat		
	Capital CAR	24.45	√					Sangat Sehat		
Peringkat Komposit	Total Nilai	15	4	-	6	-	26 : 35 x 100%	71%		
Bank BCA Syariah	Risk NPF	0.01		√				Sehat	PK-2 (Sehat)	
	Profile FDR	81.30	√					Sehat		
	GCG	1						Sangat Sehat		
Bank BTPN Syariah	ROA	1.10				√		Cukup Sehat	PK-4 (Kurang Sehat)	
	ROE	3.10					√	Kurang Sehat		
	BOPO	86.30					√	Kurang Sehat		
	Capital CAR	45.30	√					Sangat Sehat		
	Peringkat Komposit	Total Nilai	10	8	3	4	-	25 : 35 x 100%		71%
	Risk NPF	4.95			√			Sehat		PK-4 (Kurang Sehat)
	Profile FDR	196.73					√	Tidak Sehat		
	GCG	2			√			Sehat		
	Earnings ROA	0.04					√	Kurang Sehat		
	ROE	0.02					√	Kurang Sehat		
BOPO	97.73				√		Kurang Sehat			
Capital CAR	22.22	√					Sangat Sehat			
Peringkat Komposit	Total Nilai	5	8	-	6	1	20 : 35 x 100%	57%		
Bank BTPN Syariah	Risk NPF	0.02					√	Sangat Sehat	PK-1 (Sangat Sehat)	
	Profile FDR	97.37				√		Cukup Sehat		
	GCG	2				√		Sehat		
	Earnings ROA	7.16	√					Sangat Sehat		
	ROE	16.08			√			Sehat		
	BOPO	72.42	√					Sangat Sehat		
	Capital CAR	49.44	√					Sangat Sehat		
Peringkat Komposit	Total Nilai	20	8	3	-	-	20 : 35 x 100%	89%		
Maybank Syariah	Risk NPF	2.00				√		Sehat	PK-2 (Sehat)	
	Profile FDR	79.25	√					Sehat		
	GCG	2				√		Sehat		
	Earnings ROA	1.04				√		Cukup Sehat		
	ROE	5.13				√		Cukup Sehat		
	BOPO	87.83	√					Cukup Sehat		
	Capital CAR	24.31	√					Sangat Sehat		
Peringkat Komposit	Total Nilai	10	12	6	-	-	27 : 35 x 100%	77%		
Bank Aceh Syariah	Risk NPF	1.33		√				Sangat Sehat	PK-1 (Sangat Sehat)	
	Profile FDR	70.82	√					Sangat Sehat		
	GCG	2			√			Sehat		
	Earnings ROA	1.73	√					Sangat Sehat		
	ROE	15.72	√					Sehat		
	BOPO	81.50	√					Sangat Sehat		
	Capital CAR	24.31	√					Sangat Sehat		
Peringkat Komposit	Total Nilai	25	8	-	-	-	33 : 35 x 100%	94%		
BDP NTB Syariah	Risk NPF	0.77		√				Sangat Sehat	PK-1 (Sangat Sehat)	
	Profile FDR	86.53				√		Cukup Sehat		
	GCG	2				√		Sehat		
	Earnings ROA	1.74	√			√		Sangat Sehat		
	ROE	9.34					√	Cukup Sehat		
	BOPO	76.83	√					Sangat Sehat		
	Capital CAR	26.08	√					Sangat Sehat		
Peringkat Komposit	Total Nilai	20	4	6	2	-	32 : 30 x 100%	91%		

Source: Processed from the BUS Annual Financial Report 2020

Discussion

1. Victoria Sharia Banks

Of all the variables used in assessing the soundness of Islamic Commercial Banks using the RGEC method, Victoria Sharia Banks are in a composite rating of 3 "Sufficiently Healthy". Based on each ratio, ROE is the ratio with the lowest composite rating, namely PK-5 "Unhealthy" at -0.09%. This shows that the bank's performance is included in the category that is not good in generating net profit based on the equity held by the bank during the covid-19 pandemic.

2. Bank Muamalat

Based on the calculation results of each of the RGEC indicators in the table, Bank Muamalat's level of health during the Covid-19 pandemic is in the Composite Rank-3 "Sufficiently Healthy". The ratio that experienced a decline at Bank Muamalat during the pandemic was the ROA and ROE Ratio and obtained a Composite Rating-4 "unhealthy"

3. Bank BJB Syariah

. Similar to Bank Muamalat, at Bank BJB Syariah the ROA and ROE ratio also decreased and obtained a composite-4 rating of "Unhealthy" this is because the bank's ability to print profits is being disrupted. One of the reasons is the still unstable economy due to the Covid-19 pandemic.

4. Bank Panin Dubai Syariah

Of all the variables used in assessing the soundness of Islamic commercial banks using the RGEC method, the health level of Panin Syariah Bank during the Covid-19 pandemic is in Composite Rank-4 "Unhealthy". face significant negative effects from changes in business conditions and other external factors. The composite rating obtained is due to the fact that at Panin Dubai Syariah Bank there are several ratios that get PK-4, namely the FDR ratio of 111.71%, ROA of 0.06%, ROE of 0.01 and BOPO of 99.42%.

5. Bank Mega Syariah

Of all the variables used in the assessment of the soundness of Islamic Commercial Banks, the soundness of Bank Mega Syariah obtained a Composite Rating of "Healthy" with a score of 71%. Each ratio received the very healthy predicate on the NPF and FDR ratios, the GCG ratio received the healthy predicate while the ROA, ROE and CAR ratios received the Unhealthy predicate.

6. Bank BCA Syariah

Based on the calculation results of each of the RGEC indicators in the table, the health level of BCA Bank during the Covid-19 pandemic is in Composite Rank-2 with the title "Healthy". The average ratio of each obtained a healthy predicate. This reflects the condition of the bank which is generally healthy so that

it is considered capable of facing significant negative effects from changes in business conditions and other external factors as reflected in the ratings of the assessment factors, including the Risk Profile, the application of the principles of Good Corporate Governance, Profitability, and Capital which are generally general good.

7. Bukopin Sharia Bank

The health level of Bukopin Sharia Bank during the Covid-19 pandemic was in the 4th Composite Rank with the title "Unhealthy". Each average ratio is in the composite rating of 4 "Unhealthy" namely the ROA ratio of 0.04% ROE of 0.02% BOPO of 97.73% and the FDR ratio is in the composite rating of 5 "unhealthy" with a value of 196.73 this is because the higher this ratio, the lower the bank's liquidity because more capital is allocated for loans or financing.

8. Sharia Pension Savings Bank

Based on the analysis of each RGEC indicator, the Sharia National Pension Savings Bank obtained a composite rating of 1 with the predicate "Very Healthy". Each ratio at BTPN Syariah received a very healthy predicate except for the FDR ratio with a Composite Rating of 3 "Sufficiently Healthy" which was 97.37%.

9. Maybank Syariah

Of all the variables used in assessing the soundness of Islamic Commercial Banks using the RGEC method, the soundness of Maybank Syariah during the Covid-19 pandemic is in the Composite Rank-2 of "Healthy". The average ratio of Maybank Syariah obtained the "Healthy" predicate except for the ROA and ROE ratios which were 1.04% and 5.13%, respectively.

10. Bank Aceh Syariah

Based on the calculation results of each of the RGEC indicators in the table, the health level of Bank Aceh during the Covid-19 pandemic is in Composite Rank-1 with the title "Very Healthy" with a value of 94%. The overall ratio obtained the title Very Healthy. This reflects the condition of the bank which is generally very healthy so that it is considered very capable of facing significant negative effects from changes in business conditions and other external factors as reflected in the ratings of the assessment factors, including Risk Profile, application of the principles of *Good Corporate Governance*, *Profitability*, and *Capital*. which is generally very good.

11. Bank BPD NTB Syariah

Of all the variables used in assessing the soundness of Islamic Commercial Banks using the RGEC method at the Regional Development Bank of NTB Syariah, it is in the composite rating of 1 "Very Healthy". Each ratio obtained an average predicate of very healthy except for the FDR ratio of 86.53% and ROE of 9.54%.

Table 4. 17 Average Recapitulation of Each RGEC Aspect

No.	Aspek	Rata-Rata	Rata-Rata Peringkat Komposit	Predikat
1	Profil Risiko			
	a. Risiko Kredit (NPF)	2.12%	2	Sehat
	b. Risiko Likuiditas (FDR)	92.60%	3	Cukup Sehat
2	GCG	2.15	2	Baik
3	Earnings			
	a. ROA	1.39%	2	Sehat
	b. ROE	4.75%	3	Cukup Sehat
	c. BOPO	89.85%	2	Sehat
4	Capital (CAR)	31.60%	1	Sangat Sehat
5	Rata-Rata PK	72,53%	2	Sehat

Based on the analysis of the overall RGEC indicators, the Islamic Commercial Banks that became the research sample obtained an average composite rating of 2. This illustrates that the health of Islamic commercial banks in 2020 is categorized in good condition or healthy. therefore, it can be interpreted that Islamic commercial banks can overcome significant negative influences originating from changes in business conditions or other external factors.

5. CONCLUSION

The results of the study can be concluded that the soundness of Islamic Commercial Banks, using the RGEC method in 2020 is as follows:

First, Profile assessment *Risk* using 2 indicators, namely credit risk factors using the NPF ratio and liquidity risk using the FDR ratio. Sharia Commercial Bank NPF Ratio in Healthy condition. And the FDR ratio is in Fairly Healthy condition. The results of *Good Corporate Governance* (GCG) Assessment of Islamic Commercial Banks in 2020 were ranked 2 with a good predicate. and the results of the Profitability assessment (*Earnings*) at Islamic Commercial Banks using 3 ratios, namely ROA, ROE and BOPO during 2020. In the 2020 BOPO ratio assessment in Healthy condition, Healthy ROA and ROE in Fairly healthy condition. The results of the capital assessment (*Capital*) at Islamic Commercial Banks in 2020 the CAR ratio value is in a very healthy condition.

Second, The results of the assessment of the soundness of the bank seen from the RGEC aspect of each BUS include:

- a. Bank Victoria Syariah: Fairly Healthy
- b. Bank Muamalat: Fairly Healthy
- c. BJB Syariah Bank: Fairly Healthy
- d. Bank Panin Dubai Syariah: Unhealthy
- e. Mega Syariah Bank: Healthy
- f. BCA Syariah Bank: Healthy
- g. Syariah Bank Bukopin: Unhealthy
- h. BTPN Syariah Bank: Very Healthy
- i. Syariah Maybank: Healthy
- j. Aceh Syariah Bank : Very Healthy
- k. BDP NTB Syariah Bank: Very Healthy

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