

Bank Health Analysis at PT. Bank NTB Syariah With Risk Based Bank Rating and Financial Distress Method

Nurul Hidayati Indra Ningsih ^{*1}, Baiq Reinelda Tri Yunarni ², Mos Indrawati ³

^{*1,2,3} Faculty of Social & Political Sciences, Universitas Muhammadiyah Mataram, West Nusa Tenggara Indonesia

ARTICLE INFO



Jurnal Economic Resources

ISSN: 2620-6196
Vol. 5 Issues 2 (2022)

Article history:

Received – August 29, 2022

Revised – September 22, 2022

Accepted – September 29, 2022

Email Correspondence:

indraningsih21@gmail.com

reinelda.yunarni@gmail.com

mosindrawati79@gmail.com

Keywords:

Financial Distress

Capital

Risk Profile

Profitability

self-assessment,

ABSTRACT

This study aims to determine the health level of PT Bank NTB Syariah in 2019-2020. This research uses quantitative research. The data collection method used in this research is the documentation method. The data analysis technique used is to analyze financial statements in accordance with PJOK Number 8/POJK.03/2014 CHAPTER II Article 6 No. 1 and Article 2 Bank Indonesia Regulation No. 13/1/PBI/2011. The results of the study show that the risk profile or risk profile of Bank NTB Syariah in 2019 and 2020 seen from the NPF value obtained a healthy predicate, while if viewed from the FDR value in 2019 the NPF value received a healthy predicate, but in 2020 it received a Fairly Healthy predicate. Earnings or Profitability of Bank NTB Syariah in 2019 and 2020 obtained the title Very Healthy as reflected in the ROA ratio value of more than 1.5% Capital or Bank NTB Syariah capital in 2019 and 2020 obtained the predicate very healthy as reflected in the calculation of the CAR ratio exceeding the limit 12%. Based on the Self-Assessment in the report on the implementation of Good Corporate Governance, Bank NTB Syariah in 2019 and 2020, obtained a composite rating of 2 with the "Good" predicate category. The NPF, ROA and CAR ratio values indicate the condition of the Islamic NTB Bank in a healthy condition and no potential for Financial Distress to occur.

INTRODUCTION

Islamic banking started in 1980. In 1990, the Indonesian Ulema Council (MUI) formed a working group to establish an Islamic Bank in Indonesia. Furthermore, between 18-20 August 1990, MUI held a workshop on bank interest and banking in Cisarua, Bogor, West Java. The result was further discussion at the IV MUI National Deliberation in Jakarta 22-25 August 1990. This discussion resulted in a mandate for the working group for the establishment of an Islamic bank in Indonesia called the MUI Banking Team. Their task is to approach and consult with all relevant parties. In the end, the MUI Banking Team succeeded in building the first Islamic bank in Indonesia, namely PT Bank Muamalat Indonesia (BMI) on November 1, 1991. Since then, Islamic banks in Indonesia have continued to develop (kompas.com).

Sharia banking institutions have been established by the government of the Republic of Indonesia to operate banking business with sharia principles. Through the Law of the Republic of Indonesia, 1998, the position of Islamic banking is emphasized to participate in developing the economy of the Indonesian people and the country's economy as a commercial bank. Banks based on sharia principles are given

specificity based on the background of a belief in Islam which is an alternative to banking with specificity on sharia principles. Sharia principles are based on monotheism which reflects justice, trustworthiness and the principle of shura and its implementation is part of worship (Iskandar et al., 2017).

The Regional Development Bank of West Nusa Tenggara (Bank NTB Syariah) is a bank owned by the Provincial Government of West Nusa Tenggara together with the City/Regency Governments throughout West Nusa Tenggara. Previously this bank was a conventional bank under the name Bank NTB. Bank NTB officially operated as a Sharia Commercial Bank on September 24, 2018. As a profit-oriented financial institution, Islamic banks will certainly face various risks inherent in banking activities, not closing the possibility of dangers that threaten their survival. Based on the provisions of the bank's soundness assessment, it is stated that internal risk will affect financial status, meaning that if the bank can predict the possibility that the risk will not affect financial status and will not cause a financial crisis. For banks, maintaining soundness is very important.

Bank health is assessed as the ability of a bank to carry out normal banking operations and be able to fulfill all its obligations properly, in accordance with applicable regulations. With regard to the health of Islamic banks, the Islamic Financial Authority (OJK) is the institution authorized to supervise the health of banks in Indonesia (Rizal & Humaidi, 2021). The assessment factors for bank soundness consist of measuring the risk profile (Risk Profile), good corporate governance (Good Corporate Governance), profitability assessment (Earnings) and capital assessment (Capital) in accordance with Financial Services Authority Regulation No.8/ POJK/2014 concerning the assessment of the soundness of Islamic Commercial Banks with a risk-based approach (Risk-based Bank Rating), hereinafter referred to as RGEC.

Bank Indonesia issued a circular letter (Regulation No.13/PBI/2011) regarding the Assessment of the Soundness of Commercial Banks with a risk approach that includes an assessment of four factors, namely Risk Profile, Good Corporate Governance (GCG), Earnings (Rentability) and Capita (Capital) which is called the RGEC Method. Further calculation guidelines are regulated in Bank Indonesia Circular Letter No.13/24/DPNP dated October 25, 2011 regarding the assessment of Bank Soundness Level using RGEC. The RGEC method has been active since January 1, 2012 for assessing the soundness of banks. The last period was 31 December 2011 and at the same time revoked PBI No. 6/10/PBI/2004 concerning Commercial Bank Soundness Rating System using the CAMELS method (Rina Agustina, 2020). Banks must continue to maintain their existence and maintain public trust in banks, especially for Islamic banking. To be able to continue to maintain this, all banks must be able to optimize the value of operational, asset and internal performance at the bank.

According to Kasmir in (Nurkhofifah et al., 2019) The definition of Non-Performing Loan (NPL) is credit in which there are obstacles caused by 2 elements, namely from the banking side in analyzing and from the customer who intentionally or unintentionally in his obligations does not make payments. Bank Indonesia Regulation (PBI) No.11/25/2009, the definition of liquidity risk is the risk of a bank due to the inability of a bank to meet its maturing bank obligations from cash flow funding and or liquid assets

without disturbing the bank's daily activities. From this understanding, it means that the bank must be able to provide reserve funds when there is a sudden withdrawal of customer funds and the assets invested by the bank are also quite liquid if they must disburse to cover the need for funds.

According to Kasmir, Profitability is a ratio to assess the company's ability to seek profit. This ratio also provides a measure of the level of management effectiveness of a company (Cashmere, 2014). Capital is the most important factor for a bank in carrying out its business activities. The level of capital adequacy is something that must be considered by the bank because it has sufficient capital to overcome possible losses that may be suffered by the bank and can also be used as a reserve when the bank experiences a crisis. Capital (capital) can be measured using the capital adequacy ratio (CAR). Capital Adequacy Ratio (CAR) is the ratio of the bank's capital adequacy or the ability of the bank in the existing capital to cover possible losses in credit or trading of Wardiah securities in (Achmad Fauzi, Amor Marundha, Iwan Setyawan, Faroman Syarief, Raden Achmad Harianto, 2020).

Current bank health research is very important, especially for management and investors as well as for third parties, namely customers because in saving their funds customers will certainly prefer banks that are included in the healthy category. Banks whose health improves from year to year will certainly attract more customers. An unhealthy bank not only endangers itself, but also other parties. Bank health assessment is very important because the bank manages funds from the public entrusted to the bank. The community as the owner of the funds can withdraw their funds at any time and the bank must be able to return the funds used to distribute it if it wants to remain trusted by its customers. (Mughtar et al., 2016). If at one time, the customer wants to withdraw funds at the same time, it can cause liquidity problems for the bank and can further lead to bank bankruptcy. To avoid bankruptcy in banking, it is necessary to do a financial distress analysis. According to (Rahmaniah & Wibowo, 2020) *Financial distress* is a condition where the company's finances are in an unhealthy state or crisis. Financial distress occurs before bankruptcy.

RESEARCH METHOD

This research uses quantitative research. The type of data used in this study is quantitative data in the form of numbers contained in the Financial Statements of Bank NTB Syariah. The source of data used in this study is secondary data, which was obtained from the website of Bank NTB Syariah. The data collection method used in this research is the documentation study method. The data analysis technique used is to analyze the financial statements in accordance with the Financial Services Authority Regulation Number 8/POJK.03/2014 concerning the Assessment of the Soundness of Islamic Commercial Banks and Sharia Business Units CHAPTER II Article 6 No. 1 and Article 2 of Bank Indonesia Regulation No. 13/1/PBI/2011.

The steps for assessing the soundness of a bank for each factor and component are as follows:

1. Collect data related to research variables from the company's financial statements.

2. Calculates the RECG value.
3. Provides comprehensive scores for bank soundness assessments from 2019 to 2020.
4. Prediction of financial distress by looking at the financial distress analysis indicators of each RGEC factor

RESULTS AND DISCUSSION

The results of the credit risk research are calculated using the NPF (Non-Performing Financing) ratio. The NPF (Non-Performing Financing) financial ratio is the ratio between non-performing loans and the total loans extended by banks. Thus, the calculation of Non-Performing Financing (NPF) is as follows:

$$\text{NPF} = \times 100\% \frac{\text{Pembiayaan Bermasalah}}{\text{Total Pembiayaan}}$$

Table 1. Non-Performing Financing (NPF) of Bank NTB Syariah

Year	NPF (%)	Ratio	Predicate
2019	1.36	NPF < 2%	Very healthy
2020	1.26	NPF < 2%	Very healthy

Source: Secondary Data processed, 2022

Based on table 1, it is known that the NPF ratio of Bank NTB Syariah in 2019 received a very healthy predicate, because the NPF ratio was below 2%. In 2020 the NPF ratio can still maintain a healthy predicate which is below 2%. The greater the number of non-performing loans owned by a bank, the condition of the bank's financing will be worse and have the potential to cause financial problems. With an NPF value below 2%, it shows that the NTB Syariah Bank can manage its financing very well. Liquidity risk can be calculated using FDR (Financing Deposit Ratio). This financial ratio is used to assess the liquidity of a bank by comparing the amount of credit provided by the bank and third-party funds. Thus, the calculation of the Financing Deposit Ratio (FDR) is as follows:

$$\text{FDR} = \times 100\% \frac{\text{Total Pembiayaan}}{\text{Total Dana Pihak Ketiga}}$$

Table 2. Financing Deposit Ratio (FDR) Bank NTB Syariah

Year	FDR (%)	Ratio	Predicate
2019	81.89	75% < FDR < 85%	Healthy
2020	86.53	85% < FDR < 100%	Healthy enough

Source: secondary data processed, 2022

Based on table 2, the FDR value of Bank NTB Syariah in 2019 obtained a healthy predicate. This is because the FDR is below 85%. In 2020 the FDR value increased, where the FDR was above 85%, which means that it obtained the title of Fairly Healthy. According to (Sulistiani & Iswanaji, 2021), the condition of liquidity risk according to the FDR ratio, the greater the FDR ratio obtained illustrates the increasing number of third party funds used for lending which can result in unfavorable results for the

bank so that it is categorized as bad if it has a large FDR ratio. On the other hand, if it has a small FDR ratio, it means that indicates that the bank's liquidity risk is in good condition.

The lower the FDR value, it illustrates that the bank is liquid and able to meet maturing obligations and vice versa. The higher the FDR value, it illustrates that a bank is less liquid. The greater the distribution of funds in the form of financing compared to deposits or customer deposits, the greater the risk borne by the bank. Profitability risk can be calculated by Return on Assets (ROA). This ratio is calculated to measure the success of management in generating profits. The greater this ratio, the better the company's performance, because the higher the level of investment. Thus, the calculation of Return on Assets (ROA) is as follows:

$$ROA = \times 100\% \frac{\text{Laba Sebelum Pajak}}{\text{Total Aktiva}}$$

Table 3. Return on Assets (ROA) of Bank NTB Syariah

Year	ROA (%)	Ratio	Predicate
2019	2.56	ROA > 1.5%	Very healthy
2020	1.74	ROA > 1.5%	Very healthy

Source: Secondary data processed, 2022

Based on table 3, in 2019 the ROA of Bank NTB Syariah obtained a very healthy predicate with a ratio above 1.5%. In 2020 ROA has decreased, but the predicate remains in the very healthy category at 1.74%. The decrease in the ROA ratio indicates that the bank's productivity in managing funds has decreased so that the company's profits have decreased. The ratio to assess this capital is the Capital Adequacy Ratio (CAR). Capital Adequacy Ratio (CAR) is a capital factor assessment ratio based on a comparison between the amount of bank capital and total risk-weighted assets. Thus, the calculation of the Capital Adequacy Ratio (CAR) is as follows:

$$CAR = \times 100\% \frac{\text{Modal}}{\text{Aktiva Tertimbang Menurut Risiko}}$$

Table 4. Capital Adequacy Ratio (CAR) of Bank NTB Syariah

Year	CAR (%)	Ratio	Predicate
2019	35.47	CAR > 12	Very healthy
2020	31.60	CAR > 12	Very healthy

Source: Secondary data processed, 2022

Based on table 4, the CAR ratio of Bank NTB Syariah in 2019 received a very healthy rating because the CAR ratio was above 12%. In 2020 the CAR ratio can still maintain a very healthy predicate, which is above 12%. This shows that the capital owned by Bank NTB Syariah can anticipate the possibility of credit risk and risk of loss.

The Good Corporate Governance (GCG) factor is obtained from the results of the report on the implementation of Good Corporate Governance (GCG) of Bank NTB Syariah from 2019-2020. The results of the report are as follows:

Table 5. Good Corporate Governance (GCG) of Bank NTB Syariah

Year	Rating	Predicate
2019	2	Well
2020	2	Well

Source: Bank NTB Syariah GCG implementation report, 2022

In 2019 to 2020 Bank NTB Syariah obtained the predicate, because Bank NTB Syariah has implemented integrated governance, which is generally very good in accordance with PBI, SEBI, and POJK in a comprehensive manner. This is reflected in adequate compliance with the implementation of integrated governance principles. The Board of Directors has directed, monitored, and evaluated the implementation of corporate governance and carried out its duties and responsibilities related to risk management in accordance with the jurisdiction of the local authority/supervisor. The entire board of commissioners and directors have adequate integrity, competence, and financial reputation.

Bank health assessment is very important, including Bank NTB Syariah, because the bank manages funds from the public who are trusted by the bank. Trust can be obtained by maintaining the soundness of the bank. To determine the soundness of a bank, it can be seen from how the bank's performance is. In general, the assessment of bank soundness serves to evaluate the bank's performance in applying the precautionary principle, compliance with applicable regulations and risk management. A healthy bank is a bank that can carry out its functions properly, can maintain and maintain public trust and can carry out the intermediation function. The assessment of Bank NTB Syariah Year 2019 to 2020 is as follows:

Table 6. Health Assessment of Sharia NTB Banks in 2020

Component	Ratio	Score (%)	Rating					Predicate	Composite
			1	2	3	4	5		
Risk profile	NPF	1.36	V					Very healthy	Very healthy
	FDR	81.89		V				Very healthy	
Earnings	ROA	2.56	V					Very healthy	
Capital	CAR	35.47	V					Very healthy	
GCG	GCG	2		V				Well	
Composite Value		25		15 + 8 = 23					

Source: Secondary data processed, 2022

$$PK = \times 100\% \frac{\text{Jumlah Nilai Komposit}}{\text{Total Nilai komposit Keseluruhan}}$$

$$\text{Composite Value} = \times 100\% = 88\% \frac{22}{25}$$

- 1) *Risk Profile* or the risk profile of Bank NTB Syariah in 2019 is healthy by calculating the Non-Performing Financing and Financing to Deposit Ratio as follows:
 - a. In 2019 Bank NTB Syariah experienced an increase by obtaining an NPF of 1.36%, this means that there were 1.36% of funds included in substandard, doubtful, and non-performing financing from the total financing provided by the bank. The smaller the NPF value, the better the bank in selecting prospective borrowers. And according to the composite value determination matrix in the Indonesian Circular Letter, it has an NPF of 1.36% and includes a Very Healthy rating.
 - b. In 2019 Bank NTB Syariah experienced an increase by obtaining an FDR of 81.89%, which means that each fund raised by the bank can support loans of 81.89% of the total granted, in this case the bank can manage deposits in the form of financing of 81.89% so that the ability to generate profits of a bank will increase along with the increase in financing in accordance with the composite value determination matrix in the Indonesian Circular Letter, which has an FDR of 81.89% with a composite rating of 2 and gets a healthy predicate because it exceeds 75% and is less than 85%. In this case, it shows that Bank NTB Syariah can carry out its operational activities well and in a liquid state. The smaller the percentage of the FDR ratio, the more it shows that the bank is a liquid bank.
- 2) *Earnings* or Profitability of Bank NTB Syariah in 2019 obtained the Very Healthy predicate which is reflected in the calculation of the ROA ratio of 2.56%. This means that the level of asset productivity from the average total assets used generates a profit of 2.56%, the higher the ROA percentage, the higher the bank's productivity.
- 3) *Capital* or Bank NTB Syariah capital in 2019 obtained a very healthy predicate which is reflected in the calculation of the CAR ratio, which is 35.47%. This shows that the capital owned by Bank NTB Syariah can anticipate possible credit risk of 35.47%. The greater the CAR value, the better the bank's ability to deal with possible losses. In accordance with the composite value determination matrix in the Bank Indonesia Circular Letter, the CAR value of 35.47% is in the very healthy rating or composite rating 1 because it exceeds the 12% limit.
- 4) Based on the Self-Assessment in the report on the implementation of Good Corporate Governance of Bank NTB Syariah in 2019. Good Corporate Governance of Bank NTB Syariah obtained a composite rating of 2 with the category "Good". This shows that in 2019 Bank NTB Syariah carried out excellent management and followed GCG principles in accordance with the provisions stipulated by Bank Indonesia Regulations.
- 5) Based on the calculation of the final composite value obtained a value of 92% or between weights of 86-100%, it can be concluded that the soundness of Bank NTB Syariah in 2019 obtained a composite rating of 2 in the Very Healthy category.

The condition of Bank NTB Syariah, which is generally very healthy, is considered capable of facing significant negative effects from changes in business conditions and other external factors as

reflected in the ratings of assessment factors, including risk profile, profitability, capital, and GCG implementation. Bank NTB Syariah showed a positive performance where the Bank was able to face changes for the better. This better condition has a positive impact for the company to be able to develop the company.

Table 7. Assessment of the Health of NTB Sharia Banks in 2020

Component	Ratio	Score (%)	Rating					Predicate	Composite
			1	2	3	4	5		
<i>Risk profile</i>	NPF	1.26	V					Healthy	
	FDR	86.53			V			Healthy	
<i>Earnings</i>	ROA	1.74	V					Very healthy	
<i>Capital</i>	CAR	31.60	V					Very healthy	Very Healthy
<i>GCG</i>	GCG	2		V				Well	
Composite Value			15 + 4+3 = 22						

Source: Secondary Data Processed, 2022

$$PK = \times 100\% \frac{\text{Jumlah Nilai Komposit}}{\text{Total Nilai komposit Keseluruhan}}$$

$$\text{Composite Value} = \times 100\% = 88\% \frac{22}{25}$$

- 1) *Risk Profile* of Bank NTB Syariah in 2020 obtained a very healthy predicate, with the calculation of Non-Performing Financing (NPF) and Financing to Deposit Ratio (FDR) as follows:
 - a. In 2020, Bank NTB Syariah experienced an increase by obtaining an NPF of 1.26%, which means that there were 1.26% of funds included in substandard, doubtful and loss financing of the total financing provided by the bank. The smaller the NPF value, the better the bank in selecting loan candidates. And according to the composite value determination matrix in the Circular Letter of Bank Indonesia, it has an NPF of 1.26% and is included in the Very Healthy rating.
 - b. In 2020 Bank NTB Syariah experienced an increase by obtaining an NPF of 86.53%, which means that every fund raised by the bank can support loans given by 86.53% of the total given. In this case the bank can manage deposits in the form of financing by 86.53% so that the ability to generate profits of a bank will increase along with the increase in financing in accordance with the composite value determination matrix in the Bank Indonesia Circular Letter which has an FDR of 86.53% with a composite rating. 3 and received a healthy predicate for exceeding 85% and less than 100%. In this case, it shows that Bank NTB Syariah is less able to carry out its operational activities properly and is in a less liquid state.
- 2) *Earnings* or Profitability of Bank NTB Syariah in 2020 obtained a Very Healthy predicate which is reflected in the calculation of the ROA ratio of 1.74%. This means that the level of asset productivity

from the average total assets used generates a profit of 1.74%. The higher the percentage, the level of productivity will increase.

- 3) *Capital of Bank NTB Syariah* capital in 2020 obtained a very healthy predicate, as reflected in the calculation of the Capital Adequacy Ratio (CAR) of 31.60%. This shows that the capital owned by Bank NTB Syariah can anticipate possible credit risk of 31.60%. The greater the value of the Capital Adequacy Ratio (CAR), the better, because the percentage of CAR shows the ability of capital to cover possible credit failures. In accordance with the composite value determination matrix contained in the Circular of Bank Indonesia. The Capital Adequacy Ratio (CAR) value of 31.60% is in a very healthy rating or a composite rating of one because it exceeds the minimum limit of 12%.
- 4) Based on the Self-Assessment in the report on the implementation of Good Corporate Governance, Bank NTB Syariah in 2020 obtained the very healthy predicate. This shows that in 2020 it received a composite rating value of 2 or in the good predicate category, meaning that Bank NTB Syariah has carried out good management and follows GCG principles in accordance with the provisions stipulated by Bank Indonesia Regulations, but still needs to be improved. Good corporate governance (GCG) is a system in company management that can create added value for all parties with an interest in the company (stakeholders), whether investors, companies, creditors, the government, and the wider community. Halimatusadiah & Gunwan, in(Pratikto & Afiq, 2021).

Based on the calculation of the final composite value obtained a value of 88% or 86-100%, it can be concluded that the soundness level of Bank NTB Syariah in 2020 obtained a composite rating of 1 in the VERY HEALTHY category. To see the financial distress of Bank NTB Syariah, the following analysis is carried out:

Table 8. Assessment of Potential Financial Distress with NPF, ROA and CAR

No	Ratio	2019	2020
1	NPF	1.36%	1.26%
2	ROA	2.56%	1.74%
3	CAR	35.47%	31.60%

Source: Secondary data processed, 2022

The NPF ratio of Islamic NTB Bank in 2019 to 2020 is below 5%, meaning that the NTB Syariah Bank bears a small financing risk, because the smaller the percentage of NPF value, the better. This illustrates that Bank NTB Syariah in 2019-2020 has no potential to experience financial distress when viewed from the calculation of the NPF ratio. If you look at the ROA value of Bank NTB Syariah in 2019 and 2020, it shows a number that is more than 1.5%. According to BI standards, a healthy bank is a bank that has an ROA of more than 1.5%, while Bank NTB Syariah can generate an ROA of 2.56% in 2019 and 1.74% in 2020 exceeding the predetermined standard. This means that in 2019 and 2020 Bank NTB Syariah has optimized its assets to generate profits and has no potential to experience financial distress

when viewed from its ROA ratio. The CAR ratio of NTB Syariah banks in 2019 and 2020 was higher than 12%, meaning that the bank already has sufficient capital to cover the risk of asset decline. This shows that the overall CAR value in 2019 and 2020 is categorized as very healthy, although the value decreases in 2020, it can be said that Bank NTB Syariah has no potential for Financial Distress.

CONCLUSION

The Risk Profile of the Islamic NTB Bank in 2019 and 2020 seen from the NPF value, it obtained a healthy predicate, whereas while if viewed from the FDR value, in 2019 the NPF value received a healthy predicate, but in 2020 it received a Fairly Healthy predicate. Earning or Profitability of Bank NTB Syariah in 2019 and 2020 obtained the Very Healthy predicate which is reflected in the ROA ratio value of more than 1.5%. The capital or capital of Bank NTB Syariah in 2019 and 2020 obtained a very healthy predicate which is reflected in the calculation of the CAR ratio exceeding the 12% limit. Based on the Self-Assessment in the report on the implementation of Good Corporate Governance, Bank NTB Syariah in 2019 and 2020, obtained a composite rating of 2 with the "Good" predicate category. The NPF, ROA, and CAR ratio values indicate of the Islamic NTB Bank in a healthy condition and no potential for financial distress to occur.

REFERENCE

- Achmad Fauzi, Amor Marundha, Iwan Setyawan, Faroman Syarief, Raden Achmad Harianto, RP (2020). Analysis of Capital Adequacy Ratio (Car) and Assessment of Bank Soundness Level at Pt Bank Syariah Xxx. JMBI UNSRAT (Scientific Journal of Business Management and Innovation at Sam Ratulangi University), 7(1), 114–127. <https://doi.org/10.35794/jmbi.v7i1.28392>
- Iskandar, I., Nuruddin, A., & Siregar, S. (2017). Financing Risk Management in Islamic Banks: A Philosophical Review. *Al-Ulum*, 17(1), 20–43. <http://journal.iaingorontalo.ac.id/index.php/au/article/view/25>
- cashmere. (2014). Financial Statement Analysis.
- Muchtar, B., Rahmidani, R., & Siwi, MK (2016). Banks & other financial institutions / Bustari Muchtar, Rose Rahmidani, Menik Kurnia Siwi (1st ed.).
- Nurkhofifah, Abdul Rozak, D., & Apip, M. (2019). The Effect of Non-performing Loans on Profitability in Banks Listed on the IDX. *Accountapedia*, 1(1), 30–41. <https://jurnal.unigal.ac.id/index.php/akuntapedia/index>
- Rahmaniah, M., & Wibowo, H. (2020). Analysis of the Potential Occurrence of Financial Distress in Islamic Commercial Banks (Bus) in Indonesia. *Journal of Islamic Banking and Economics*, 3(1), 1–20. <https://doi.org/10.46899/jeps.v3i1.151>
- Rina Agustina. (2020). ASSESSMENT OF THE HEALTH LEVEL OF SHARIA BANKING IN INDONESIA USING THE RGEC METHOD. *AL-URBAN: Journal of Islamic Economics and Islamic Philanthropy* Vol. 1, No. 1, June 2017, 4(2), 141–152. <https://doi.org/10.22236/alurban>
- Rizal, F., & Humaidi, M. (2021). Analysis of the Soundness of Islamic Banks in Indonesia 2015-2020. *Etihad: Journal of Islamic Banking and Finance*, 1(1), 12–22.

<https://doi.org/10.21154/etihad.v1i1.2733>

Sulistiani, E., & Iswanaji, C. (2021). Analysis of the Health of Islamic Commercial Banks During the 2020 Covid-19 Pandemic With the Rgec Approach. *Ratio: Journal of Islamic Banking*, 7(2), 106–116. <https://doi.org/10.30997/jn.v7i2.4575>

Regulation: Circular Letter of Bank Indonesia No.9/24/DPbS concerning the Rating System for Soundness of Commercial Banks Based on Sharia Principles.

Bank Indonesia Regulation Number 13/1/PBI/2011 concerning Rating of Commercial Bank Soundness

Financial Services Authority Regulation (POJK) Number 8/POJK.03/2014 concerning Assessment of Soundness Level of Sharia Commercial Banks and Sharia Business Units