THE COMPARISON OF HEALTH OF CONVENTIONAL COMMERCIAL BANKS AND SHARIA COMMERCIAL BANKS USING THE RGEC METHOD

Lidia Desiana [1] , Septi Hermialingga [2] , Nancy Eka Putri Manurung [3] , Gemala Cahya [4]

[1] Universitas Islam Negeri Raden Fatah Palembang
email: lidiadesiana_uin@radenfatah.ac.id

[2,3,4] Politeknik Negeri Sriwijaya

[2] email: septi.hermialingga@polsri.ac.id
[3] email: nancy.eka.putri.manurung@polsri.ac.id
[4] email: gemala.cahya@polsri.ac.id

Abstract

This research aims to measure the level of public bank health conventional and Sharia commercial banks with the use RGEC method during the period 2016-2020. The population used in the study This is all commercial banks in Indonesia for the 2016-2020 period registered with the Financial Services Authority. Retrieval technique sample using purposive sampling that obtained consisting of 65 commercial banks of 57 commercial banks conventional and 8 Sharia commercial banks. Study This uses approach descriptive quantitative and research data obtained through technique documentation. The data analysis technique used is statistics descriptive analysis, RGEC analysis, Kolmogorov-Smirnov, Independent Sample T-Test, and Mann Withney U-Test. Research results show that the level of public bank health conventional and Sharia commercial banks in the 2016-2020 period being measured with RGEC method does not own difference because both of them You're welcome to occupy ranking composite 2 with predicate healthy.

Keywords : *Bank Soundness Level, Commercial Banks Conventional, Sharia Commercial Bank, RGEC Method*

INTRODUCTION

The soundness level of the bank is a results evaluation qualitative on various influential aspects to condition or bank performance through evaluation factor capital, asset quality, management, profitability, liquidity, and sensitivity to market (Sheilla & Dharmastuti, 2018) risk. Evaluation-level health banking in principle is In the interest of all parties involved, including bank owners, bank managers, the community user service banking, Bank Indonesia as banking regulator, investors, and parties other. Parties that can use information about bank health to evaluate internal bank performance apply principal prudence, obedience to applicable regulations, and management risk.

Form effort to push application management bank risk made Bank Indonesia step strategic with creating Bank Indonesia Regulation (PBI) No. 13/1/PBI/2011 concerning evaluation level bank health individually with approach risk (Risk-based Bank Rating) or more known with the designation RGEC. RGEC 's method Already applies in a manner effective since January 1, 2012, and later used in assessment level bank health for the

period ended December 31, 2011, as well at a time revoke PBI No. 6/10/PBI/2004 concerning system evaluation level the health of commercial banks and Bank Indonesia Circular Letter (SEBI) No. 6/23/DPNP dated 31 May 2004 regarding system evaluation level public bank health with the CAMELS (Sheilla & Dharmastuti, 2018) method.

Use RGEC method in evaluation level the health of the bank consists of 4 factors evaluation main, that is risk profile factors (risk profile), Good Corporate Governance (GCG), earnings (profitability), and capital (capital). First, the risk profile assessment factor bank health is done to evaluate quality application management risks and risks inherent in the activity operational a bank. Second, the factor of Good Corporate Governance (GCG) is used to evaluate quality top bank management application principles of good governance. Third, earnings valuation is applied to evaluate performance profitability, sources profitability, sustainability profitability, and management profitability of a bank. And finally, capital becomes a factor evaluation to evaluate the health of the bank's adequacy capital and adequacy management capital a bank.

Evaluation level public bank health in a manner whole time done Financial Services Authority (OJK), as appropriate poured in report annual banking 2015. Based on the report of the level public bank health Conventional (BUK) as of December 2015, there were 68% of BUK classified as Good or be on level composite 2 and 31% BUK at level composite 3 as well Still there is 1% BUK that enters level composite 4. Temporary That level percentage of health in Islamic Commercial Banks (BUS) as of December 2015 almost

rivaled BUK is around 64 % of existing BUS ranked composite 2 and 36% BUS at rating /rating 3.

The evaluation level health of a bank is one reject measuring the most important performance of bank finance (Sheilla & Dharmastuti, 2018). The bank's financial performance is presented in the form of ratio finance which is an indicator measurement from several factor evaluation level bank health with RGEC method. Indicator measurement used in the study This is the ratio Non-Performing Loans (NPL) or Non-Performing Financing (NPF), Return on Assets (ROA), Capital Adequacy Ratio (CAR), and bank self-assessment.

Self-assessment done by a bank to evaluate the implementation of GCG in the bank. Industry GCG value banking National 2007-2016 ever issued by the Development Institute of Indonesian Banking (LPPI) in 2018 to give a description ranking GCG value of each type of bank. Study This show that both conventional banks and Islamic banks alike get predicate Good with the average value of GCG is 1.87% in conventional banks and 1.86% in Islamic banks.

Research results from Setyaningsih and Resmi (2018) show exists a difference in performance finance between 5 commercial banks conventional and 5 Sharia commercial banks from 2013 to 2015 based on NPL, LDR, ROA, and CAR ratios. Of all ratios used, the performance of public bank finance conventional rated Better compared to the performance of sharia commercial bank finance. However, results are differently shown by research Madani, et. all (2020)who did research on 33 conventional banks and 3 Islamic banks in 2016-2018 with compare CAR, ROA, ROE, BOPO, LDR, and NPL

ratios. Research results show No there is a difference between conventional banks and Islamic banks in the sixth ratio used. There is a research gap in the results research conducted by researchers earlier raises a desire strong to carry out the study back on the topic almost the same that is analyze comparison level public bank health conventional and Sharia commercial banks. However, the study This own several differences from the study before, one of which was in research This writer in a manner completely uses all aspect evaluation levels of the health of existing banks in RGEC method is appropriate with Bank Indonesia stipulation. Based on the description background back above, the author means to do a study with the title "Comparison of Bank Soundness Level Conventional Commercial Banks and Islamic Commercial Banks Using RGEC Method On.

RESEARCH METHOD

Study This uses design study comparative with analysis descriptive. Study comparative according to Sugiyono (2019) is comparative studies circumstances One variable or more on two or more different samples, or at different times. Application comparative research This is used to know the comparison between level public bank health conventional and Sharia commercial banks as well as analyzed the use RGEC method for explain results from processing of the data studied through measurement of each factor Risk Profile, Good Corporate Governance, Earning and Capital.

The type of data used in study This is quantitative data namely the data presented in form numbers (Africano, 2020). The data sources in research This

secondary data is data that has been arranged in the form of documents obtained written from the company nor from the internet that can support the study (Hansen, 2022). Secondary data in study This is report financials, reports annual reports, and general bank GCG reports published by conventional and Islamic commercial banks for the 2016-2020 period through the OJK website and each bank's website.

Population according to Keller, (2022) is the generalization area it comprises from object or subject with quality and characteristics specified by the researcher For study and then pulled in conclusion. Population in research These are 95 commercial banks conventional and 14 Sharia commercial banks.

Sample according to Ramdhan (2021) is part or representative of the population to be researched. Sample in study This is taken by applying purposive sampling Tersiana (2018) technique. Purposive sampling is a method of taking sample No in a manner random or with the use of something criteria certain (Unaradjan, 2019). Criteria taking sample used on research This is as follows: 1. Commercial banks that have a core capital of up to IDR 6,000,000,000,000.00 (six trillion rupiahs) or also known as included bank in criteria Bank Group based on Core Capital 1 (KBMI 1) for the period 2016-2020; 2. Commercial banks that do not planned perform a merger and or acquisition in time a number of years to front ; 3. Commercial banks registered with the Financial Services Authority (OJK) which are complete have published good reports; 4. Corporate Governance (GCG) and reports his finances from 2016 to with the year 2020.

In accordance with the selected criteria in use purposive sampling technique above, so that obtained sample study consisting of 65 commercial banks 57 commercial banks conventional, and 8 Sharia commercial banks.

Statistical data analysis techniques are through the Independent Samples T Test for data that is normally distributed and the Mann-Whitney test for data that is not normally (Ghazali, 2016) distributed.

RESULTS OF RESEARCH AND DISCUSSION

Testing assumption classic used in study This is the normality test. Normality test used in research This is the Kolmogorov-Smirnov test. Testing normality is done as a condition For doing a different test as well as aiming To test whether the data studied is normally distributed or abnormal.

RGEC factor data normality test results (risk profile, GCG, earnings, capital) and level obtained bank health through the IBM SPSS program is as follows:

Table 1
Distribution of Risk Profile Data, Good Corporate Governance (GCG), Capital and Soundness Level of Commercial Banks Conventional and Sharia Commercial Banks
Test of Normality

Normality Test		Sig.
Risk Profile	Commercial Banks conventional	.200*
	Sharia Commercial Banks	055
GCG	Commercial Banks conventional	.000
	Sharia Commercial Banks	.200*
Earnings	Commercial Banks conventional	.023
	Sharia Commercial Banks	032
Capital	Commercial Banks conventional	.023
	Sharia Commercial Banks	032
Health Level	Commercial Banks conventional	002
	Sharia Commercial Banks	.031

Source: Data processed, 2022

Based on the table above can be concluded that only the risk profile is normally distributed because sig > 0.05, so using a parametric statistical test namely the independent sample t-test, while the GCG, Earning, Capital, and bank soundness levels are not normally distributed because sig < 0.05, so using non-parametric statistical tests namely the Mann-Whitney test.

The different tests will be used in the study This is the Independent Sample t-Test if the data is normally distributed and the Mann Whitney test if the data is not normally distributed. Testing This is done To see the difference from the second sample research and more can become answers from hypothesis research.

Table 2
Different Tests of Risk Profile, Good Corporate Governance (GCG), Capital and Public Bank Soundness Level Conventional and Sharia Commercial Banks

Difference Test (Independent Sample T Test)	Sig
Risk Profile	.601
Difference Test (Mann-Whitney)	Sig
GCG	.465
Earnings	.216
Capital	.124
Health Level	.180

Source: Data processed, 2022

Based on the table above can be concluded that there is no significant difference between risk profile, GCG, earnings, capital, and level of public bank health conventional and Islamic commercial banks because sig > 0.05.

Evaluation to risk profile factor is an evaluation of quality application management risks and risks inherent in activity bank operations. Indicator measurement used in the study This is NPL/NPF ratio. NPL/NPF is a ratio showing internal banking capabilities to manage credit/financing problems provided by the bank. Based on the results test, is known that there is no difference between level public bank health conventional and Sharia commercial banks from risk profile factors with indicator NPL/NPF measurements. In accordance results study Nusron & Setiawan (2020), Triyanto (2020), Demetrin (2019), Sudarsono & Safitri (2018) conclude that mark measured risk profile factors with NPL/NPF ratio at commercial banks conventional and sharia commercial banks also do not own difference.

Evaluation to factor of Good Corporate Governance (GCG) is evaluation to quality top bank management application governance principles (GCG) in the form of good transparency , accountability , accountability , independence , and fairness . Based on results test , is known that No there is difference between level public bank health conventional and sharia commercial banks from GCG factor with indicator measurement bank self-assessment . this in accordance results study Safitri, et. all (2021), Mutia (2019), Sulistianingsih (2018),Daniswara (2016) which concludes mark measured GCG factors with bank self-assessment at commercial banks conventional and Sharia commercial banks also do not own difference.

Evaluation of earnings factor is the evaluation of performance profitability, sources profitability, sustainability profitability, and management bank profitability. The indicator used in the study is the return on assets (ROA) ratio. ROA is the ratio for measuring internal bank management obtain profit in a manner whole. Based on the results test, is known that no there is a difference between level public bank health conventional and Sharia commercial banks from earnings factor with indicator ROA measurement. In accordance results of, study Triyanto (2020), Demetrin (2019), Rahmawati & Yanti (2019) conclude that mark measured earnings factor with ROA ratio at commercial banks conventional and Sharia commercial banks also do not own differences.

Evaluation of capital factor is an evaluation of adequacy capital and adequacy management capital. The indicator used in the study is the Capital Adequacy Ratio (CAR). CARs are measuring ratio calculated capital adequacy of a bank based on a comparison of total capital with Assets weighted According to Risk (ATMR). Based on the results test, is known that No there is a difference between level public bank health conventional and

Sharia commercial banks from capital factor with indicator CAR measurement. in accordance results, study Wahyuni & Wimba (2022), Safitri, et. all (2021), Mutia (2019), Sulistianingsih (2018) concludes that mark measured capital factor with CAR ratio at commercial banks conventional and Sharia commercial banks also do not own difference.

Analysis level health refers to SEOJK No.14/SEOJK.03/2017 concerning the Assessment of the Soundness Level of Commercial Banks. After the mark from RGEC factor is known furthermore given ranking level appropriate bank health with existing criteria. Based on the results determination ranking every RGEC factor, then each rating the RGEC factor given score. Score each RGEC factor and then summed up to produce weights used in the set ranking composite. Rating composite here is ranking end results in evaluation level banking health. Based on the results test, is known that No there is a difference between the level of public bank health conventional and Sharia-based commercial banks RGEC method. In accordance results, study Madani, et. all (2020), Putri & Iradianty (2020) concludes that the level of public bank health conventional and Sharia commercial banks also do not own differences.

CONCLUSION

Based on the results of data analysis regarding the comparison level of public bank health conventional and Sharia commercial banks during the 2016-2020 period that was carried out, the researcher take conclusion as the following: Soundness level of commercial banks conventional during the period 2016-2020 gained ranking composite 2 with predicate healthy. Level the health of Sharia commercial banks during the period 2016 to 2020 also gain ranking composite 2 with predicate healthy. No there is a difference between the level of public bank health conventional and Islamic commercial banks from each factor RGEC method during the period 2016-2020.

REFERENCES

Africano, F., 2020. Ekonometrika Teori dan Aplikasi dengan SPSS.

Daniswara, F.D., 2016. Analisis Perbandingan Kinerja Keuangan Berdasarkan Risk Profile, Good Corporate Governance, Earnings, and Capital (RGEC) Pada Bank Umum Konvensional dan Bank Umum Syariah Periode 2011-2014. *Gema*, *30*(51), p.62387.

Demetrin, D.V., 2019. Analisis Perbedaan Kinerja Keuangan Bank Umum Syariah dengan Bank Konvensional di Indonesia (Sebuah Studi Komparatif).

Ghozali, I., 2016. Aplikasi analisis multivariete dengan program IBM SPSS 23.

Hansen, B., 2022. *Econometrics*. Princeton University Press.

Keller, G., 2022. *Statistics for management and economics*. Cengage Learning.

Madani, M., Mahsuni, A.W. and Junaidi, J., 2020. Analisis Perbandingan Rasio Keuangan Bank Konvensional dan Bank Syariah. *eJurnal Ilmiah Riset Akuntansi*, *9*(07).

Mutia, E., 2019. Perbandingan Tingkat

Kesehatan Bank Umum Konvensional Dan Bank Umum Syariah Menggunakan Metode Rgec (Risk Profile, Good Corporate Governance, Earnings, Dan Capital). *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi*, *4*(4), pp.635-653.

Nusron, L.A. and Setiawan, A., 2020. Analisis Perbandingan Risiko Keuangan Bank Konvensional dengan Bank Syariah. *Journal of Business and Information Systems (e-ISSN: 2685-2543)*, *2*(1), pp.21-31.

Putri, A.M. and Iradianty, A., 2020. Analisis Perbandingan Kinerja Keuangan Perbankan Syariah Dengan Perbankan Konvensional 2015-2019. *Jurnal Mitra Manajemen*, *4*(8), pp.1103-1117.

Rahmawati, A. and Yanti, E.R., 2019. Perbandingan Tingkat Kesehatan Bank Konvensional Dan Bank Syariah Dengan Metode Risk Profile, Good Corporate Governance, Earnings, Capital. *Jurnal Administrasi Kantor*, *7*(2), pp.200-214.

Ramdhan, M., 2021. *Metode penelitian*. Cipta Media Nusantara.

Safitri, E., Rani, F. and Yanti, D., 2021. Perbedaan Tingkat Kesehatan Bank Umum Konvensional Dan Bank Umum Syariah Yang Terdaftar Di Bursa Efek Indonesia (BEI). *Journal of Applied Business Administration*, *5*(1), pp.44-54.

Setyaningsih, R. and Resmi, S., 2020. Analisis Komparasi Kinerja Keuangan Bank Umum Konvensional dan Bank Umum Syariah. *Telaah Bisnis*, *19*(2), pp.105-118.

Sheilla, S. and Dharmastuti, C.F., 2018. Analisis Tingkat Kesehatan Bank Menggunakan Metode RGEC (Risk Profile, Good Corporate Governance, Earnings, Capital) Terhadap Kinerja Perbankan (Roa) Pada Perusahaan Perbankan Periode 2015-2016. *Prosiding Working Papers Series In Management*, *10*(1).

Sudarsono, H. and Safitri, A.R., 2018. Perbandingan pengaruh rasio keuangan terhadap return on asset (ROA) pada bank umum konvensional dan bank umum syariah. In *Proceeding of Conference on Islamic Management, Accounting, and Economics* (pp. 59-67).

Sugiyono, P.D., 2019. Metode Penelitian Pendidikan (Kuantitatif, Kualitatif, Kombinasi, R&d dan Penelitian Pendidikan). *Metode Penelitian Pendidikan*, *67*.

Sulistianingsih, H., 2018. Analisis Perbandingan Tingkat Kesehatan Bank Konvensional dan Bank Syariah dengan Menggunakan Pendekatan RGEC. *Jurnal Menara Ekonomi: Penelitian dan Kajian Ilmiah Bidang Ekonomi*, *4*(1).

Tersiana, A., 2018. *Metode penelitian*. Anak Hebat Indonesia.

Triyanto, S.A., 2020. Analisis Perbandingan Kinerja Keuangan Antara Perbankan Konvensional Dengan Perbankan Syariah di Jawa Barat: Studi Kasus Bank Mandiri dan Bank Syariah Mandiri. *Jurnal Tasyri': Jurnal Muamalah dan Ekonomi*

Syariah, *2*(1), pp.37-51.

Unaradjan, D.D., 2019. *Metode penelitian kuantitatif*. Penerbit Unika Atma Jaya Jakarta.

Wahyuni, N.N.S. and Wimba, I.G.A.,

2022. Analisis Komparatif Deskriptif Kinerja Bank Umum Syariah Dengan Bank Konvensional. *WidyaAmrita: Jurnal Manajemen, Kewirausahaan dan Pariwisata*, *2*(1), pp.21-32.