

FINANCIAL PERFORMANCE ANALYSIS BANK SYARIAH INDONESIA WITH THE CAMEL APPROACH FROM 2019 - 2021

Akbar Sarif ¹⁾, Rini Ariyanti ²⁾

¹ University Of Malaya, Kuala Lumpur
email: akbarsarif@gmail.com

² Universiti Sains Islam Malaysia, Negeri Sembilan
email: tehrini.ariyanti@gmail.com

Abstract

The bank's financial performance describes the financial condition in a certain period involving aspects of raising funds and channeling funds as measured by indicators of capital adequacy, liquidity, and bank profitability. The CAMEL method is used as an assessment of the level of performance and soundness of an operating bank to serve as a reference for the smooth operation of the bank. These aspects include Capital (capital adequacy), Asset Quality (asset quality), Management (management), and Earnings (profitability), and Liquidity (liquidity). In this journal, financial performance will be judged by its financial ratios NPF (Non-Performing Financing), FDR (Financing to Deposit Ratio), ROA (Return on Assets), ROE (Return on Equity), NIM (Net Interest Margin), CAR (Capital Adequacy Ratio). Having a financial performance report is very useful for a company as a basis for determining the company's strategy for the future. Looking at the company's overall performance, can even guide in making decisions.

Keywords: Banking, CAMEL, Financial Performance, Ratio.

INTRODUCTION

Economics-related science will continue to advance with the times. Banking is often a financial entity that manages public money and engages in economic activity (Rifai, Junus, and Khusnah 2021). Because it helps to strengthen capital, collect and channel finances, and save public monies that are then used to meet local requirements, the banking industry's existence in Indonesia has a substantial impact on society. The primary function of the bank is the collection and distribution of funds; all other banking activities are secondary functions (Andi 2019).

Positive effects for the domestic economy are anticipated to result from development in Indonesia's banking industry (Sofyan 2016). In the realm of banking, there are two types of banks: conventional banks and Islamic banks. In addition to the money raised, conventional banks also use an interest system (usury) to conduct all of their business operations. This has been practiced for a very long time and has developed into a habit for both the Indonesian people and the

community in terms of making money from commercial endeavors. Therefore, this has no bearing on Islamic law.

As for Islamic banks, their presence is a way to give the public confidence in the activities of the banking industry, particularly in Indonesia, where the majority of the population is Muslim, and where it is prohibited to charge interest (usury) or obtain additional value during the lending process (as stated in Q.S. Al Baqarah verse 279). In order for the community to feel secure and at ease throughout every transaction and for the bank to anticipate the requirements of the community (Marimin, Romdhoni, and Fitria 2015). The Bank must also perform well financially and in terms of how well it fulfills its obligations—often assessed using the CAMEL method. This will undoubtedly be covered in the journal.

THEORETICAL FOUNDATION

Definition of Financial Performance in Islamic Banking Finance

According to metrics of capital adequacy, liquidity, and bank profitability, the bank's financial performance defines the bank's financial situation throughout a specific time period, including issues of obtaining funds and allocating funds (Umiyati and Faly 2019). In the bank's annual report, an overview of financial performance is often presented by offering a comparison for the previous three years. Financial performance analysis is used to judge how well a company has performed its obligations, including those connected to marketing, finance, the collection and distribution of cash, technology, and human resources (Taufiq and Rofiqo 2022).

Growth Percentage Rate

The rate of growth of something expressed as a percentage number from one time period to the next is known as percentage growth. Percentage growth is typically used to analyze a variety of activities, including business performance, national economic growth, and population growth rates. This data will be analyzed to determine the performance level of Bank Syariah Indonesia companies.

PT Bank Syariah Indonesia, Tbk's financial statements were directly utilized (observation) for the research calculation using the Growth Rate formula. The purpose of this growth rate computation is to ascertain the growth percentage. The formula is as follows:

$$\text{Growth Rate} = \frac{(\text{Present Value} - \text{Past Value})}{\text{Past Value}} \times 100$$

The CAMEL Approach

As the nation's central bank, Bank Indonesia is responsible for overseeing

and controlling all banking operations in the country. One of its guiding principles is to evaluate the health and performance of active banks in order to provide a benchmark for the efficient operation of banking operations. The evaluation is frequently referred to as CAMEL. These elements include capital (capital adequacy), asset quality, management, earnings (profitability), and liquidity (Amelia and Chandra 2019). Every procedure used in bank financial management is covered by these factors. The bank's performance level is then evaluated and classified into five categories: not good, less good, quite good, good, and very good.

The following financial ratios, according to Umiyati and Faly (2019), can be used to assess the performance of banks: NPF (*Non Performing Financing*), FDR (*Financing to Deposit Ratio*), ROA (*Return on Asset*), ROE (*Return on Equity*), NIM (*Net Interest Margin*), CAR (*Capital Adequacy Ratio*) (Umiyati and Faly 2019).

Table 1: Financial Ratios

Description	Ratio
<i>Capital</i>	Capital Adequacy Ratio (CAR)
<i>Asset Quality</i>	Non Performing Financing (NPF)
<i>Management</i>	Net Interest Margin (NIM)
<i>Earning</i>	a. Ratio of Assets (ROA)
	Return on Equity (ROE)
	Operational Budget and Operating Income (BOPO)
<i>Liquidity</i>	Financing to Deposit Ratio (FDR)

i. Capital

This section consists of the minimum amount of money that banks are required to provide as collateral (KPMM). Where

the bank's management can oversee all of its activities (Yokoyama and Mahardika 2019). The Capital Adequacy Ratio (CAR) formula can be used to determine the capital assessment:

$$CAR = \frac{\text{Capital}}{\text{Risk and Weighted Assets}} \times 100\%$$

Table 2: CAR Ratio Level

Ratio	Predicate
CAR ≥ 12%	Very Good
9% ≤ CAR < 12%	Good
8% ≤ CAR < 9%	Quite Good
6% ≤ CAR < 8%	Less Good
CAR ≤ 6%	Not Good

(Source : Bank Indonesia, 2018)

If the available capital can be managed effectively, a bank's level of capital adequacy and potential profit margin will both be positively impacted by a higher CAR ratio value.

ii. Asset Quality

Asset quality evaluates the kinds of assets that the bank possesses in this part. The rules of Bank Indonesia (BI) state that the ratio of classified earning assets to all earning assets can be used to determine the asset value. The two associated components of the Productive Asset Quality (KAP) aspect are the Provision for Elimination of Earning Assets (PPAP) and Non Performing Financing (NPF). The amount of non-performing finance rises as the NPF ratio rises since higher NPF ratios indicate lower (or worse) quality bank credit (Ishak and Pakaya 2022). The NPF calculation formula is as follows:

$$BDRNPF = \frac{\text{Nonperforming Loans}}{\text{Total Loans}} \times 100\%$$

Table 3: NPF Ratio Level

Ratio	Predicate
0% < NPF ≤ 2%	Very Good
2% < NPF ≤ 5%	Good
5% < NPF ≤ 8%	Quite Good
8% < NPF ≤ 11%	Less Good
NPF > 11%	Not Good

(Source: SE BI 13/24/DPNP/2011)

iii. Management

One of the benchmarks we might see when evaluating management is the caliber or aptitude of the company's workforce. Furthermore, other variables are taken into account when determining management, specifically those that are derived from the Net Interest Margin (NIM) ratio formula:

$$NIM = \frac{\text{Net interest income}}{\text{Average Earning Assets}} \times 100\%$$

Table 4: NIM Ratio Level

Ratio	Predicate
NIM > 3%	Very Good
2% < NIM ≤ 3%	Good
1,5% < NIM ≤ 2%	Quite Good
1% < NIM ≤ 1,5%	Less Good
NIM ≤ 1%	Not Good

The higher this percentage, the higher the interest revenue generated by the assets the bank manages, decreasing the likelihood of a bank experiencing difficulties.

iv. Earning

Earning in this context refers to an evaluation of the profitability of the bank's operations and the effectiveness of its business operations. Profits at a sound bank will keep rising. This formula computes the growth in a bank's profits using the Ratio of Assets (ROA) and Operating Costs to Operating Income (BOPO) (Rifai, Junus, and Khusnah 2021)

▪ **ROA Formula**

The ratio known as return on assets (ROA) is used to assess how

well bank managers get overall profit (profit before taxes). Greater profit margins are possible with higher ROA values.

$$ROA = \frac{\text{Profit Before Taxes}}{\text{Total Assets}} \times 100\%$$

Table 5: ROA Ratio Level

Ratio	Predicate
2% < ROA	Very Good
1,25 % < ROA ≤ 2 %	Good
0,5% < ROA ≤ 1,25 %	Quite Good
0% < ROA ≤ 0,5%	Less Good
ROA ≤ 0%	Not Good

Source: SE BI 13/24/DPNP/2011

▪ **ROE Formula**

The ratio known as return on equity (ROE) is used to assess a bank's capacity to raise net finance, or profit after taxes, for dividend payments.

$$ROE = \frac{\text{Profit After Tax}}{\text{Equity Capital}} \times 100\%$$

Table 6: ROE Ratio Level

Ratio	Predicate
diatas 20%	Very Good
12,5% - 20%	Good
5,01% - 12,5%	Quite Good
0% - 5%	Less Good
under 0%	Not Good

▪ **BOPO Formula**

A ratio called BOPO is used to assess how well banks are able to run their businesses and to gauge their level of efficiency. This ratio has been calculated using:

$$BOPO = \frac{\text{Operational Costs}}{\text{Operational Income}} \times 100\%$$

Table 7: BOPO Ratio Level

Ratio	Predicate
BOPO < 94%	Very Good
94% < BOPO ≤ 95%	Good
95% < BOPO ≤ 96%	Quite Good
96% < BOPO ≤ 97%	Less Good
BOPO > 97%	Not Good

Source: Appendix SE BI 13/24/DPNP/2011

Banks benefit when the BOPO ratio is lower because they are employing their resources more effectively.

v. **Liquidity**

As is well known, the concept of liquidity includes a measure of the bank's capacity to settle its short-term debts promptly. Good liquidity is influenced by a bank's ability to pay short-term debts (such demand deposits, deposits, and savings deposits). The following is the formula for using the Financing to Deposit Ratio (FDR) formula to determine the amount of liquidity:

$$FDR = \frac{\text{Financing}}{\text{Third party funds}} \times 100\%$$

Table 8: FDR Ratio Level

Ratio	Predicate
50% < FDR ≤ 75%	Very Good
75% < FDR ≤ 85%	Good
85% < FDR ≤ 100%	Quite Good
100% < FDR ≤ 120%	Less Good
FDR > 120%	Not Good

Source: Circular Letter of Bank Indonesia No. 6/23/DPNP

With payback terms of less than a year, the loans offered here are short-term loans. In general, tiny enterprises receive loans. Publicly deposited money, savings accounts, current accounts, and other types of public deposits are examples of third party funds.

RESEARCH METHOD

This data was analyzed using quantitative approaches (numbers) in the study's calculations. Secondary data from the 2020–2021 PT Bank Syariah Indonesia (BSI) financial statements, information published on the BSI website and other relevant and appropriate websites, and publication results from various reliable journals and books are the sources of the data used. By computing the value of the BSI Financial Statements directly, the data collecting method is employed.

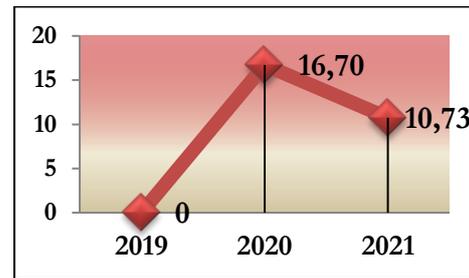
RESEARCH AND DISCUSSION RESULTS

1. Growth in Total Assets, Liabilities, Equity, & Mudharabah and Musyarakah Financing.

The Islamic banking sector of PT Bank Syariah Indonesia Tbk (BSI) has experienced wildly variable growth during the past three years. In this section, the growth chart of PT Bank Syariah Indonesia's total assets, total liabilities, total equity, and mudharabah- and musyarakah-neto financing will be examined by the author.

The information is derived from the 2021 official financial statements, which may be viewed on the PT Bank Syariah Indonesia Tbk (BSI) website. Meanwhile, the data for 2019 and 2020 is the combined total value of 3 Islamic banks (Syariah Mandiri, BNI Syariah, BRI Syariah) which are already available in the financial statements of Bank Syariah Indonesia in 2021.

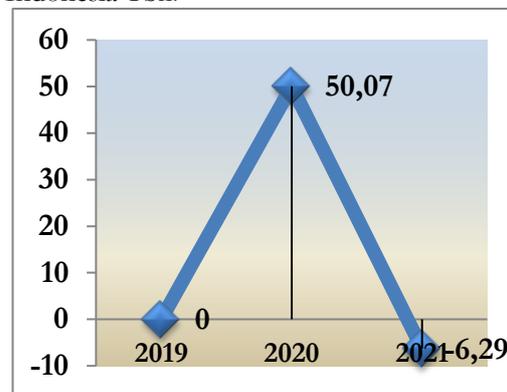
Figure 1
Asset Growth of PT Bank Syariah Indonesia Tbk.



(data processed from the financial statements of PT. Bank Syariah Indonesia Tbk.)

It can be seen in Figure 1, where the total assets owned by PT Bank Syariah Indonesia Tbk. in 2019 amounted to IDR 205.3 trillion to 2020 increased by IDR 34.3 trillion with a growth of 16.70% so that total assets reached IDR 239.6 trillion. In the following year, in 2021, it increased by IDR.25.7 trillion, up 10.73% so that total assets reached IDR.265.3 trillion. The increase was caused by increases in net financing, receivables, and securities investments(Indonesia 2021).

Figure 2
Liability Growth of PT Bank Syariah Indonesia Tbk.



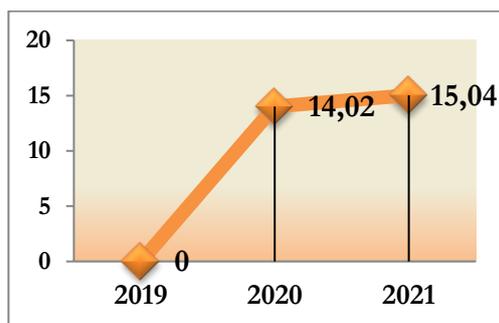
(Source: data processed from the financial statements of PT. Bank Syariah Indonesia Tbk.)

The following is presented in Figure 2 which is a graph of growth in total liabilities at PT Bank Syariah Indonesia Tbk (BSI). Where total assets in 2019 amounted to Rp.44 trillion to 2020 amounting to Rp.66 trillion, an increase of 50.07% or Rp.22 trillion. Then in the following year there was a decrease which

was quite influential in the graph of Rp.4.1 trillion, so that it experienced a growth decrease of 6.29% with a difference in a drastic decrease of around 56.36% from the previous year which became Rp.61.9 trillion.

The decrease was caused by deposits in the form of Wadiah demand deposits from IDR 30.8 trillion in 2020 to IDR 22.4 trillion in 2021. However, wadiah savings have increased by Rp.5.3 trillion, from Rp.29.6 trillion in 2020 to Rp.34.8 trillion(Indonesia 2021).

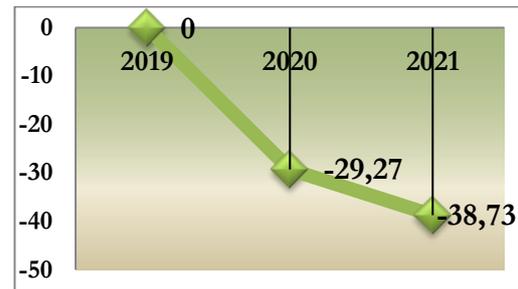
Figure 3
Equity Growth of PT Bank Syariah Indonesia Tbk.



(Source: data processed from the financial statements of PT. Bank Syariah Indonesia Tbk.)

Based on Figure 3, at PT Bank Syariah Indonesia Tbk. it can be seen that the total equity in 2019 amounted to Rp.19 trillion to 2020 amounting to Rp.21.7 trillion, an increase of 14.02% or Rp.2.7 trillion. Then in the following year, in 2021 it also grew by 1.02% from the previous year so that it became 15.04% or as much as IDR.3.3 trillion which reached IDR.25.0 trillion. The increase in equity came from the achievement of profit with an increase in retained earnings of IDR.2.8 trillion or 41.80%(Indonesia 2021).

Figure 4
Growth of Mudharabah-Neto Financing of PT Bank Syariah Indonesia Tbk.

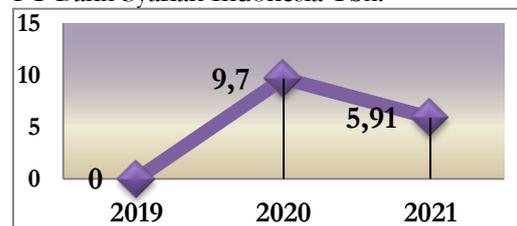


(Source: data processed from the financial statements of PT. Bank Syariah Indonesia Tbk.)

It can be seen in Figure 4, in the 2019-2021 period Mudharabah-Neto financing continued to decline. In 2019 financing of Rp.3.7 trillion to 2020 decreased by 29% or Rp.1.1 trillion to Rp.2.6 trillion.

This was partly due to an increase in mudharabah financing in the business services sector of Rp.10.5 billion or 39.64% from Rp. 26.3 billion to Rp. 36.7 billion. However, this increase was followed by a decrease in other sectors, namely the other sectors and the trading sector with a value of IDR 850.1 billion and IDR 158.7 billion respectively(Indonesia 2021). Then, in 2021, it decrease again by 9% from the year before, making it 38.73%, or IDR 1 trillion, and increasing the total to IDR 1.6 trillion.

Figure 5
Growth of Musyarakah-Neto Financing of PT Bank Syariah Indonesia Tbk.



(Source: data processed from the financial statements of PT. Bank Syariah Indonesia Tbk.)

A graph showing the entire amount of musyarakah-Neto financing at PT Bank Syariah Indonesia Tbk (BSI) is shown in Figure 5. With a total of Rp. 46.4 trillion in 2019 and Rp. 50.9 trillion in 2020,

which experienced an increase of 9.70% or as much as Rp.4.5 trillion. Subsequently, there was a 5.91% growth the next year, or IDR 3 trillion, making IDR 53.9 trillion. The increase in 2021 was due to an increase in the construction sector of Rp. 2.4 trillion or 24.03% and an increase in the mining sector of IDR 1.2 trillion or 117.03%(Indonesia 2021).

CAMEL Approach Analysis

• **Analysis of Capital**

Table 9 : CAR Ratio Level at BSI Bank in 2019-2020

No	Ratio	2019	2020	2021
1.	Capital Adequacy Ratio (CAR)	18,73%	18,24%	22,09%
		Very good	Very good	Very good

(Source: BSI Annual Report 2021)

In 2021, Bank BSI's capital adequacy ratio reached 22.09%, an increase of 3.85% compared to 2020 which reached 18.24%. In accordance with the Financial Services Authority regulation Number In 2021, Bank BSI's capital adequacy ratio reached 22.09%, an increase of 3.85% compared to 2020 which reached 18.24%. 21/POJK.03/2014, the minimum capital adequacy ratio associated with the Bank's risk profile set by OJK is 9.99%. With the Bank's capital adequacy ratio at 22.09%, the Bank's capital structure has the capability to offset market risk, credit risk and operational risk where the ratio is higher than the OJK minimum adequacy ratio and the Bank's capital structure is in compliance with OJK regulations. This means that Bank Syariah Indonesia has managed its capital well and has sufficient capital to protect against solvency risk.

So that this can be proven based on table 9, that each year which always

increases. This indicates that the capital is in very good condition.

• **Analysis of Asset Quality**

Table 10: NPF Ratio Level at BSI Bank in 2019-2020

No	Ratio	2019	2020	2021
1.	Non Performing Financing (NPF-Neto)	-	1,12%	0,87%
			Very good	Very good

(Source: BSI Annual Report 2021)

In 2021 the NPF-Neto ratio was 0.87%, an improvement of 0.25% compared to 2020 of 1.12%. Collectibility of receivables can be seen from the smooth payment of credit disbursed. So it can be seen in table 10 that if in the following year there is a decrease, it is very good.

• **Analysis of Management**

Table 11 : NIM Ratio Level at BSI Bank in 2019-2020

No.	Ratio	2019	2020	2021
1.	Net Income Margin (NIM)	3,97%	6,04%	6,04%
		Very good	Very good	Very good

(Source: BSI Annual Report 2021)

In this ratio, the level of financial performance in the last 3 years shows "very good" results. The revenue margin increased from 2019 to 2020 by 2.07%. While in the following year, the ratio remained stable

• **Analysis of Earning**

Table 12: ROA, ROE, and BOPO Ratio Levels at Bank BSI in 2019-2020

No	Ratio	2019	2020	2021
1.		1,44%	1,38%	1,61%

	Ratio of Assets (ROA)	Good	Good	Very Good
2.	Return on Equity (ROE)	11,28%	11,18%	13,71%
		Quite Good	Quite Good	Good
3.	Operating Costs to Operating Income (BOPO)	85,27%	84,61%	80,46%
		Quite Good	Good	Very Good

(Source: BSI Annual Report 2021)

In the ROA ratio, in 2020 there was a decrease in percentage by 0.06% but still within the "Good" predicate limit. Then in 2021, it increased by 0.23% so that it showed the results of the predicate "Very Good".

The predicate level aimed at the ROE ratio is the same as the ROA ratio because it decreased in 2020 and increased again the following year. However, more attention needs to be paid to the ROE ratio because the predicate level is still in the standard position and needs to be improved.

For the BOPO predicate level, unlike the previous two ratios, BOPO has improved due to a decrease in percentage in each year so that the predicate shows "Very Good" results. As in 2021, it decreased by 4.15% from 84.61% in 2020 to 80.46%. And likewise in 2020 it decreased by 0.66% from 2019

• **Analysis of Liquidity**

Table 13: FDR Ratio Level at BSI Bank in 2019-2020

No	Ratio	2019	2020	2021
1.	Financing to Deposit	76,15%	74,52%	73,39%
		Good	Very Good	Very Good

	Ratio (FDR)			
--	--------------------	--	--	--

(Source: BSI Annual Report 2021)

In 2021, the FDR ratio reached 73.39%, a decrease of 1.13% when compared to the previous year's FDR ratio, namely in 2020 which reached 74.52%. Bank BSI's FDR ratio is slightly below that set by the regulator, namely the lower limit of the Sharia FDR target of 80% and the upper limit of 92%. This shows that although the Bank's liquidity is high, the effectiveness of financing distribution needs to be improved.

CONCLUSION

Based on the results of the analysis of financial performance at PT Bank Syariah Indonesia, Tbk. using the CAMEL approach in the 2019-2021 period, it can be concluded that:

Financial performance assessment factors include: Capital Adequacy Ratio (CAR), Earning Asset Quality (KAP), Net Interest Margin (NIM), Ratio of Assets (ROA), Operating Costs and Operating Income (BOPO), Financing to Deposit Ratio (LDR).

In each ratio, each has experienced a decrease or increase so that it can determine the level of performance at the bank from 2019 to 2021.

The results of the BOPO ratio show that the bank seeks a reduction in operating expenses each year. So as to get the title "Very Good" in the last year.

SI's financial performance in 2021 was very solid, with assets growing 10.73%, and Equity growing 15.04%.

SUGGESTION

It is demonstrable that there was a decline in 2019–2020 based on multiple existing ratios' results. With the bank able to monitor financial performance going forward. Furthermore, it needs to be

optimized for improvement while still being maintained for stability.

REFERENCES

- Amelia, Erika Aprilianti, and Astiti Chandra. 2019. "Penilaian Tingkat Kesehatan Bank: Pendekatan CAMEL Dan RGEC." *Jurnal Akuntansi Dan Kenangan Islam* 6 (2): 189–208. <https://doi.org/10.35836/jakis.v6i2.5>.
- Andi, Ahmad Khoirin. 2019. "Pola Dan Perkembangan Perbankan Syariah Di Indonesia." *Istidlal: Jurnal Ekonomi Dan Hukum Islam* 3 (1): 34–41. <https://doi.org/10.35316/istidlal.v3i1.127>.
- Indonesia, Bank Syariah. 2021. "Energi Baru Untuk Indonesia 2021." Laporan Tahunan Bank Syariah Indonesia 2021. 2021. https://ir.bankbsi.co.id/annual_reports.html.
- Ishak, Idham Masri, and Srie Isnawaty Pakaya. 2022. "Pengaruh Non-Performing Financing (NPF) Terhadap Return On Asset (ROA) Di Perbankan Syariah Indonesia (Studi Kasus Pada Bank Umum Syariah Yang Terdaftar Di Ojk Tahun 2013-2020)." *JAMBURA: Jurnal Ilmiah Manajemen Dan Bisnis* 5 (1): 66–70. <https://doi.org/10.37479/jimb.v5i1.14235>.
- Marimin, Agus, Abdul Haris Romdhoni, and Tiara Nur Fitria. 2015. "Perkembangan Bank Syariah Di Indonesia." *Jurnal Ilmiah Ekonomi Islam* 1 (02): 75–87. <https://doi.org/10.29040/jiei.v1i02.30>.
- Rifai, Ahmad, Reynaldi Junus, and Asmaul Khusnah. 2021. "Analisis Tingkat Kesehatan Bank Dengan Menggunakan Metode CAMEL Pada BNI Syariah, Bank Syariah Mandiri, Dan Bank BRI Syariah Dalam Periode Tahunan Tahun 2020." *Halal Research Journal* 1 (2): 63–73. <https://doi.org/10.12962/j22759970.v1i2.86>.
- Sofyan, Syaakir. 2016. "PERKEMBANGAN PERBANKAN SYARIAH DI INDONESIA." *Bilancia: Jurnal Studi Ilmu Syariah Dan Hukum* 10 (2): 91–112.
- Taufiq, Imam, and Azidni Rofiqo. 2022. "Tingkat Kesehatan Perbankan Syariah Di Indonesia: Studi Komparatif Menggunakan Metode CAMEL." *Etihad: Journal of Islamic*

- Banking and Finance* 2 (1): 20–31.
<https://doi.org/10.21154/etihad.v2i1.3949>.
- Umiyati, Umiyati, and Queenindya Permata Faly. 2019. “Pengukuran Kinerja Bank Syariah Dengan Metode RGEC.” *Jurnal Akuntansi Dan Keuangan Islam* 3 (2): 185–201.
<https://doi.org/10.35836/jakis.v3i2.36>.
- Yokoyama, Erwin Putra, and Dewi Putra Khrisna Mahardika. 2019. “Pengaruh Non Performing Financing (NPF), Return On Asset (ROA), Dan Financing to Deposit Ratio (FDR) Terhadap Capital Adequacy Ratio (CAR) (Studi Kasus Pada Bank Umum Syariah Di Indonesia Yang Terdaftar Di Otoritas Jasa Keuangan).” *Jimea* 3 (2): 28–44.
<https://doi.org/10.31955/mea.vol3.iss2.pp>.