

Assessment of Islamic Bank Soundness: Analysis Using CAMELS, RGEC and ALTMAN Z Score Methods

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Abstract : *The purpose of this study is to analyze the soundness level of PT BCA Syariah. This study is descriptive research with a quantitative approach. The paper used data on the annual financial statements of PT BCA Syariah for the period 2017 until 2021. The analysis using CAMELS, RGEC and Altman Z-Score methods. The results show that overall PT BCA Syariah in the 2017 until 2021 period was at the Health level in the CAMELS, RGEC and Altman Z-Score assessment methods. The highest health and health condition of PT BCA Syariah during the Covid-19 pandemic is a management effort in carrying out appropriate, focused and planned strategies and risk mitigation. The three analytical methods show the same results so that they can be used as a reference for assessing the health of other Islamic banks.*

Keywords : *Bank Soundness, CAMELS, RGEC, Altman Z-Score.*

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1. INTRODUCTION

Banks have an important role for the community, banks function as intermediary institutions between parties with excess funds (surplus units) depositing their funds in the bank with parties lacking funds (deficit units) receiving financing from banks and banks also function as investment institutions for the community (Rivai & Arifin, 2010). This intermediation function will run well if the surplus unit and deficit unit have confidence in the Bank. The running of the intermediary function by the Bank will increase the efficiency and optimization of the use of funds. Funds collected from surplus units by the Bank will then be channeled in the form of loans or financing to deficit units in various forms of productive activities (Rusydia et al., 2019). Therefore, banks need to be managed properly to maintain public trust so that bank operations can run well and sustainably and avoid risk (Mollah et al., 2016).

Bank operational activities face many risks so it is important to be managed by management optimally in order to obtain maximum profit and minimal risk of loss. There are ten risks that must be managed by banks by implementing individual and consolidated risk management (Otoritas Jasa Keuangan, 2016). Risks faced by banks include credit risk or financing risk, liquidity and operational risk. Credit risk is the risk due to the failure of customers or other parties to fulfill their obligations to the Bank in accordance with the agreed agreement. Meanwhile, liquidity risk is the risk arising from the Bank's inability to meet maturing obligations from cash flow funding sources and from high-quality liquid assets that can be collateralized, without disrupting the Bank's activities and financial condition. In the context of banking, risk

has an adverse impact on the income or profit and capital of the bank (Ginena, 2014; Karim, 2010).

Bank must be managed by management properly and maximally in order to be able to make a profit and avoid all forms of loss. Losses experienced by banks can affect the soundness of the bank. An unsoundness of bank not only endangers the bank itself but also endangers its stakeholders. A soundness bank is a bank that has good performance that can be measured quantitatively and qualitatively. Bank soundness Level is the result of an assessment of the bank's condition carried out on the Bank's risk profile. (Otoritas Jasa Keuangan, 2014). Assessment of soundness Bank mechanism regulated through Otoritas Jasa Keuangan (OJK) Regulation as the National banking supervisory body will oversee the soundness of bank. Therefore, anticipating various risks that may occur, it is necessary to take action as early as possible to measure the soundness level of bank.

There is already research on the soundness level of commercial banks that measure the CAMELS method. Research on the soundness level of PT BCA Syariah East Jakarta for the period 2013-2017 using CAMELS with the results of the study showing soundness criteria. (Supatmin, 2020). The soundness level of PT Bank BTPN Syariah Tbk using CAMELS, RGEC and Alman Z Score methods. The results showed that BTPN Syariah obtained a bank soundness level with highest health criteria with CAMELS and RGEC assessments, while with Almant Zscore with a soundness rating. (Hosen & Ashuri, 2022). Measurements using the RGEC method were also carried out by Wahasumiah and Rahma in 2019 at BCA Syariah Bank, BNI Syariah, Bank Bukopin Syariah and BRI Syariah for the period 2014 to 2016. Both found the results that all banks were in a health and highest health level. This indicates that the Islamic Bank is able to face significant negative effects from changes in business conditions. Islamic bank are also considered to have the best development (Wahasumiah & Watie, 2018)

Research with the Altman Z-Score method has been conducted by Indriyanti whose research results show that banks listed on the Indonesia Stock Exchange are generally in the bankrupt category (Indriyanti, 2016). This is similar to research conducted by Idawati and Pratama on several Conventional Banks in the period 2015 to 2017, which on average shows that they are in a 'Gray Area' condition or lead to bankruptcy (Idawati & Pratama, 2019). Likewise, what is seen in Islamic Bank, where research was shown by Hosen and Nada in 2013 in the period 2007 to 2010 which made Bank Muamalat Indonesia, Bank Syariah Mandiri and Bank Mega Syariah as its objects. The results of his research show that the condition of these three banks is classified as 'bankrupt' in each year (Hosen & Nada, 2013).

Research related to the assessment of the soundness level of BCA Syariah conducted by (Supatmin, 2020) only measures using CAMELS at the PT BCA Syariah East Jakarta office, while this research was conducted at PT BCA Syariah head office with three CAMELS, RGEC and Alman Z-score assessment methods to obtain a comprehensive assessment and analyze the comparison of these three assessment methods. Research on the health assessment of Islamic banks using these three methods has also been conducted at PT BTPN Syariah (Hosen & Ashuri, 2022) which found differences in the results of the assessment of the CAMELS, RGEC and Almant Z-Score methods. So that there is an opportunity to conduct research on the soundness assessment of PT BCA Syariah using the CAMELS, RGEC and Almant Z-Score analysis methods which have not yet been carried out for the 2017 to 2021 financial reporting period. This research at PT BCA Syariah was conducted because BCA Syariah's profitability decreased after the covid-19 pandemic in 2021 and 2022. This can be seen

from the ROA value of 1.2% from 2017 to 2020 and from 2021 to 2022 it fell to 1.10% below the ideal standard set in the POJK of 1.5%.

Based on the above background, the purpose of this study is to analyze the soundness level of PT BCA Syariah for the period 2017 to 2021. This bank was chosen because it is classified as a bank located in certain areas, BCA Syariah does not open branch offices in the provincial capital but only in a few regions. This study analyzes the soundness Level of bank with three analysis methods, namely CAMELS, RGEC and Altman Z-Score because these three assessment methods have different principles so that later a comprehensive assessment is obtained. The paper used data the annual financial statements of PT BCA Syariah from 2017 to 2021. This study also aims to analyze the soundness Level of bank before and during the Covid 19 pandemic crisis..

2. LITERATURE REVIEW AND METHOD

2.1 Assessment of Soundness Bank

The soundness level of a bank is the result of a qualitative and quantitative assessment of the bank's condition on various aspects that affect the performance of a Sharia Commercial Bank or Sharia Business Unit (UUS). Quantitative assessment and qualitative assessment of capital factors, asset quality, profitability, liquidity, sensitivity to market risk and qualitative assessment of management factors. Then explained by SE BI No. 9/24/DPbS dated October 30, 2007 concerning the soundness Level Rating System for Commercial Bank Based on Sharia Principles that the ratios used to calculate the rating of capital factors, asset quality, profitability, liquidity and sensitivity to market risk are divided into main ratios, supporting ratios and observation ratios. The main ratios are ratios that have a strong influence (high impact) on the soundness level of the bank, while the supporting ratios are ratios that directly affect the main ratios and the observed ratios are additional ratios used in the analysis and consideration. (Bank Indonesia, 2007a). The assessment of soundness level is known as the Capital, Asset Quality, Management, Earning, Liquidity, Sensitivity to market risk (CAMELS).

The assessment of the soundness level of bank has changed with the issuance of OJK Regulation No. 8/POJK.03/2014 concerning Assessment of soundness bank of sharia Commercial Banks and Sharia Business Units. Assessment of the soundness condition of Islamic Banks is carried out based on risk including risks related to the application of sharia principles and bank performance or also known as Risk-based Bank Rating. The assessment includes Risk profile; Good Corporate Governance, Earnings; and Capital, known as the RGEC method where these components will be assessed based on a comprehensive and structured analysis of the rating by taking into account the materiality and significance of each factor which is determined to be a Composite Rating. (Otoritas Jasa Keuangan, 2014).

Assessment of the soundness banks can be analyzed using the Altman Z-score which is able to predict bankruptcy of banks. Altman Z-Score is one of the most well-known prediction models, due to its ability to predict and easy application. which was originally formulated in 1968. The study characterized four balance sheet and income statement variables, with the addition of stock market variables, as useful for predicting the likelihood of a company going bankrupt. The selected variables were considered liquidity, profitability, leverage, solvency and activity and were based on two different criteria: their popularity in the literature and their potential relevance for research. Each company is assigned a score (Z-Score) composed by a discriminant function of five variables weighted by coefficients (Altman et al., 2013)

2.2 Method

This research is quantitative descriptive research. This study aims to assess the soundness level of PT BCA Syariah. The data source in this study is documentation in the form of the bank's annual financial statements for the reporting period 2017 to 2021 obtained from the PT BCA Syariah website. The Bank's financial soundness level is analyzed using the CAMELS, RGEN and Altman Z-Score methods to see the potential for bankruptcy. Assessment factors in the CAMELS method use the CAR ratio (for capital assessment), KAP and NPF (for asset quality assessment), ROA, ROE, NOM, BOPO (for profitability or earning assessment) and STM and FDR (for liquidity assessment). The RGEN method of assessment uses the ratio of NPF and FDR (for risk profile assessment), NPM (for GCG assessment), ROA, ROE and BOPO (for earning assessment), and CAR (for capital assessment).

2.2.1 Capital (Bank Indonesia, 2007a)

Capital is one of the important factors for banks in developing their business and facing risks. Capital adequacy is an important factor to manage current and future risk exposures. Based on SE BI No.9/24/DPbs/2007 (Bank Indonesia, 2007b) explains that the main ratio used to measure capital adequacy is the Minimum Capital Adequacy Ratio (CAR). This ratio serves to measure the adequacy of bank capital in absorbing losses. The calculation of KPMM or CAR value and KPMM/CAR Assessment Criteria are as follows:

Table 1. Assesment Criteria KPMM/CAR

Rank	Criteria	Predicate
1	$KPMM \geq 12\%$	Highest Health
2	$9\% \leq KPMM < 12\%$	Health
3	$8\% \leq KPMM < 9\%$	Moderate Health
4	$6\% < KPMM < 8\%$	Less Health
5	$KPMM < 6\%$	Unhealth

Source: SE BI No.9/24/DPbs/2007

2.2.2 Asset Quality(Bank Indonesia, 2007a)

Asset quality assessment is intended to assess the condition of the bank's assets, including the anticipation of the risk of default of the financing that will arise. Quantitative assessment of asset quality factors is done by assessing the KAP and NPF components (SE BI No.9/24/DPbs/2007). The quality of the bank's earning assets (KAP), is the main ratio that serves to measure the quality of Islamic bank assets. Non Performing Financing as a supporting ratio that serves to measure the level of non-performing financing faced by the bank. The calculation of the ratio value and assessment criteria are:

Table 2. Assesment Criteria KAP

Rank	Criteria	Predicate
1	$KAP > 0,99$	Highest Health
2	$0,96 < KAP \leq 0,99$	Health
3	$0,93 < KAP \leq 0,96$	Moderate Health
4	$0,90 < KAP \leq 0,93$	Less Health
5	$KAP \leq 0,90$	Unhealth

Source: SE BI No.9/24/DPbs/2007

Table 3. Assesment Criteria NPF

Rank	Criteria	Predicate
1	$NPF < 2\%$	Highest Health
2	$2\% \leq NPF < 5\%$	Health
3	$5\% \leq NPF < 8\%$	Moderate Health
4	$8\% \leq NPF < 12\%$	Less Health
5	$NPF \geq 12\%$	Unhealth

Source: SE BI No.9/24/DPbS/2007

2.2.3 Management(Bank Indonesia, 2007a)

Based on PBI No.9/1/PBI/2007 concerning the Soundness Level Assessment System for Commercial Banks Based on Sharia Principles, it explains that the assessment of management factors includes an assessment of the following components:

- a) Quality of general management, implementation of risk management, especially management's understanding of the risks of Sharia Commercial Banks and UUS.
- b) Compliance of the Sharia Commercial Bank and UUS with applicable regulations, commitments to Bank Indonesia and other parties, and compliance with sharia principles including education to the public, implementation of social functions.

The assessment of the ranking of the components forming the management factor is carried out through analysis by considering supporting indicators and elements of judgment. The rating of each component consists of an A, B, C and D rating.

2.2.4 Earning or Rentability(Bank Indonesia, 2007a)

Rentability assessment is intended to assess the bank's ability to generate profits. Quantitative assessment of the profitability factor is carried out by assessing the components of Net operating margin (NOM), Return on Asset (ROA), return on Equity (ROE) and Operating Expenses Operating Income (BOPO) in accordance with SE BI No.9/24/DPbS/2007..

- a. Net operating margin (NOM) (Bank Indonesia, 2007b), is the main ratio. This ratio serves to determine the ability of productive assets to generate profits. The calculation formula and assessment criteria are as follows:

Table 4. Assesment Criteria NOM

Rank	Criteria	Predicate
1	$NOM > 3\%$	Highest Health
2	$2\% < NOM \leq 3\%$	Health
3	$1,5\% < NOM \leq 2\%$	Moderate Health
4	$1\% < NOM \leq 1,5\%$	Less Health
5	$NOM \leq 1\%$	Unhealth

Source: SE BI No.9/24/DPbS/2007

- b. Return on assets (ROA) (Bank Indonesia, 2007b), is a supporting ratio. This ratio serves to measure the success of management in generating profits. The

smaller this ratio indicates a lack of ability of bank management in terms of managing assets to increase revenue and or reduce costs. The formula and assessment criteria are :

Table 5. Assesment Criteria ROA

Rank	Criteria	Predicate
1	$ROA \geq 1,5\%$	Highest Health
2	$1,25\% < ROA \leq 1,5\%$	Health
3	$0,5\% < ROA < 1,25\%$	Moderate Health
4	$0\% < ROA \leq 0,5\%$	Less Health
5	$ROA \leq 0\%$	Unhealth

Source: SE BI No.9/24/DPbS/2007

- c. Return on equity (ROE)(Bank Indonesia, 2007b), is an observed ratio. This ratio serves to measure the ability of the bank's paid-up capital to generate profits. The greater this ratio, the greater the ability of the bank's paid-up capital to generate profits for shareholders. The formula and assessment criteria are:

Table 7. Assesment Criteria ROE

Rank	Criteria	Predicate
1	$ROE \geq 12\%$	Highest Health
2	$12,5\% \leq ROE < 12\%$	Health
3	$5\% \leq ROE < 12,5\%$	Moderate Health
4	$0\% < ROE < 5\%$	Less Health
5	$ROE \leq 0\%$	Unhealth

Source: SE BI No.9/24/DPbS/2007

- d. Ratio Operating expenses and operating income (BOPO)(Bank Indonesia, 2007b) is a supporting ratio. This ratio serves to measure the efficiency of the operational activities of Islamic banks. The formula and assessment criteria are:

Table 6. Assesment Criteria BOPO

Rank	Criteria	Predicate
1	$BOPO \leq 83\%$	Highest Health
2	$83\% \leq BOPO \leq 85\%$	Health
3	$85\% \leq BOPO \leq 87\%$	Moderate Health
4	$87\% < BOPO \leq 89\%$	Less Health
5	$BOPO > 89\%$	Unhealth

Source: SE BI No.9/24/DPbS/2007

2.2.5 Liquidity(Bank Indonesia, 2007b)

Liquidity assessment is to assess the bank's ability to maintain an adequate level of liquidity and anticipate liquidity risks that will arise. Quantitative assessment of liquidity factor is conducted by assessing the STM and FDR components (SE BI No.9/24/DPbS/2007).

- a. *Short Term Mismatch* (STM) is the main ratio, the amount of short-term assets compared to short-term liabilities, this ratio serves to measure the bank's ability to meet short-term liquidity needs. The formula and assessment criteria are:

Table 8. Assesment Criteria STM

Rank	Criteria	Predicate
1	$STM > 25\%$	Highest Health
2	$20\% < STM \leq 25\%$	Health
3	$15\% < STM \leq 20\%$	Moderate Health
4	$10\% < STM \leq 15\%$	Less Health
5	$STM \leq 10\%$	Unhealth

Source: SE BI No.9/24/DPbS/2007

- b. *Financing to Deposit Ratio* (FDR) (Bank Indonesia, 2007b) is the ratio between financing disbursed to Third Party Funds (DPK). FDR has not been included in the provisions of BI and OJK as part of the ratio measuring the soundness level of Islamic banks liquidity factor. However, SEBI No.6/23./DPNP/2004 there are provisions for LDR criteria in BUK, which are the same as FDR in Islamic banks. Formula and assessment criteria:

Table 9. Assesment Criteria LDR/FDR

Rank	Criteria	Predicate
1	$50\% < FDR \leq 75\%$	Highest Health
2	$75\% \leq FDR \leq 85\%$	Health
3	$85\% < FDR \leq 100\%$ $FDR \leq 50\%$	Moderate Health
4	$100\% < FDR \leq 120\%$	Less Health
5	$FDR > 120\%$	Unhealth

Source: SE BI No.6/23./DPNP/2004

2.2.6 Sensitivity to Market Risk(Bank Indonesia, 2007b)

Sensitivity assessment of market risk is intended to assess the bank's ability to anticipate changes in market risk caused by exchange rate movements. The market risk sensitivity assessment is conducted by assessing the capital adequacy component formed to cover market risk (exchange rate fluctuations). The ratio used for Market Risk (MR) is the main ratio, measuring the ability of bank capital to cover risks arising from changes in exchange rates (SE BI No.9/24/DPbS/2007). The formula and assessment criteria are :

Table 10. Assesment Criteria MR

Rank	Criteria	Predicate
1	$MR \geq 12\%$	Highest Health
2	$10\% \leq MR < 12\%$	Health
3	$8\% \leq MR < 10\%$	Moderate Health
4	$6\% < MR < 8\%$	Less Health
5	$MR < 6\%$	Unhealth

Source: SE BI No.9/24/DPbS/2007

2.2.7 Risk Profile (Otoritas Jasa Keuangan, 2014)

Assessment of the risk profile is an assessment of the inherent risk and Quality of Risk Management Implementation (KPMR) in the Bank's operations towards 10 risks (POJK No.8/POJK.03/2014) that is credit risk, market risk, liquidity risk, operational risk, legal risk, strategic risk, compliance risk, reputation risk, yield risk and investment risk. Risk Profile is an assessment of the risk profile of an Islamic Bank which can be measured using the Non Performing Financing (NPF) ratio indicator and the Financing to Deposit Ratio (FDR). FDR and NPF formulas as described in the CAMELS method.

2.2.8 Good Corporate Governance (GCG) (Otoritas Jasa Keuangan, 2014)

Assessment of the Good Corporate Governance (GCG) factor is an assessment of the management of Islamic Commercial Banks on the implementation of GCG principles. Assessment of the GCG factor for Sharia Commercial Banks is an assessment of the quality of bank management on the implementation of 5 (five) GCG principles: transparency, accountability, responsibility, professionalism, fairness. Determination of the Good Corporate Governance factor rating is carried out based on a comprehensive and structured analysis of the results of the assessment of the implementation of the principles of Good Corporate Governance of Islamic Commercial Banks and other information related to the Good Corporate Governance of Sharia Commercial Banks. The parameters or indicators of the Good Corporate Governance factor assessment of the implementation of the principles of Good Corporate Governance refer to the provisions of Good Corporate Governance applicable to Sharia Commercial Banks and Sharia Business Units by taking into account the characteristics and complexity of the Bank's business.

2.2.9 Altman Z-Score (Altman, 1968)

Altman Z-Score is a ratio used to predict the bankruptcy of a company. Altman conducted experiments by taking a sample of companies that have experienced bankruptcy using certain financial ratios that have strong predictions compared to other ratios in predicting financial difficulties and bankruptcy. Five financial ratios that can be used to detect corporate bankruptcy, known as the Z-score equation model, namely Working capital/Total assets, Retained Earnings/Total assets, Earnings before interest and taxes/Total assets, Market Value of Equity/Book Value of Total Liabilities, Sales/Total assets, measurements are used for manufacturing companies. (Altman, 1968). The Altman Z-Score calculation formula for non-manufacturing companies is modified by eliminating the Sales / Total assets ratio so that the model formed becomes:

$$Z\text{-score} = 6,56X_1 + 3,267X_2 + 6,72X_3 + 1,05X_4$$

Dimana : X_1 = Working capital/Total assets

X_2 = Retained Earnings/Total assets

X_3 = Earnings before interest and taxes/Total assets

X_4 = Book value of equity/ Total Liability

Altman Z-score ratings can be classified in several areas:

Table 11. Classified Z-Score

Classified areas	Value Range
High Risk of Bankrupt	$Z < 1,81$
Grey Area	$1,81 < Z < 2,99$
Healthy	$Z > 2,99$

Source : (Altman,1968)

3. RESULTS AND DISCUSSION

3.1 Results

Tabel 12 shows the results of the calculation of the CAMELS ratio and the Health Rating of PT BCA Syariah for the 2017-2021 Period :

Faktor CAMELS	Rasio	Tahun									
		2017		2018		2019		2020		2021	
		Nilai	Predikat	Nilai	Predikat	Nilai	Predikat	Nilai	Predikat	Nilai	Predikat
Capital	CAR	29.40%	Highest Health	24.30%	Highest Health	38.30%	Highest Health	45.30%	Highest Health	41.40%	Highest Health
Asset Quality	KAP	0.994	Highest Health	0.997	Highest Health	0.996	Highest Health	0.997	Highest Health	0.993	Highest Health
	NPF	0.32%	Highest Health	0.35%	Highest Health	0.58%	Highest Health	0.50%	Highest Health	1.13%	Highest Health
Management	NPM	-	-	-	-	-	-	-	-	-	-
Earning	NOM	1.26%	Less Health	1.33%	Less Health	1.11%	Less Health	1.20%	Less Health	1.18%	Less Health
	ROA	1.20%	Moderate Health	1.20%	Moderate Health	1.20%	Moderate Health	1.10%	Moderate Health	1.10%	Moderate Health
	ROE	4.30%	Less Health	5.00%	Moderate Health	4.00%	Less Health	3.10%	Less Health	3.20%	Less Health
Liquidity	BOPO	87.20%	Less Health	87.40%	Less Health	87.60%	Less Health	86.30%	Moderate Health	84.80%	Health
	STM	34.94%	Highest Health	33.29%	Highest Health	41.46%	Highest Health	18.64%	Moderate Health	14.83%	Less Health
	FDR	88.50%	Moderate Health	89.00%	Moderate Health	91.00%	Moderate Health	81.30%	Health	81.40%	Health
Sensitivity of Market Risk	MR	-	-	-	-	-	-	-	-	-	-
Assesments Rating		Health		Health		Health		Health		Health	

Sumber : Data processed (2022)

Then in Table 13 is the result of the calculation of RGEN and the Health Rating of PT BCA Syariah for 2017 - 2021.:

Faktor RGEN	Rasio	Tahun									
		2017		2018		2019		2020		2021	
		Nilai	Predikat	Nilai	Predikat	Nilai	Predikat	Nilai	Predikat	Nilai	Predikat
Risk Profile	FDR	88.50%	Moderate Health	89.00%	Moderate Health	91.00%	Moderate Health	81.30%	Health	81.40%	Health
	NPF	0.32%	Highest Health	0.35%	Highest Health	0.58%	Highest Health	0.50%	Highest Health	1.13%	Highest Health
Good Corporate Governance	NPM	-	-	-	-	-	-	-	-	-	-
Earning	ROA	1.20%	Moderate Health	1.20%	Moderate Health	1.20%	Moderate Health	1.10%	Moderate Health	1.10%	Moderate Health
	ROE	4.30%	Less Health	5.00%	Moderate Health	4.00%	Less Health	3.10%	Less Health	3.20%	Less Health
	NI	-	-	-	-	-	-	-	-	-	-
Capital	BOPO	87.20%	Less Health	87.40%	Less Health	87.60%	Less Health	86.30%	Moderate Health	84.80%	Health
	CAR	29.40%	Highest Health	24.30%	Highest Health	38.30%	Highest Health	45.30%	Highest Health	41.40%	Highest Health
Assesments Rating		Health		Health		Health		Health		Health	

Sumber : Data processed (2022)

Table 14 is the result of calculating the Altman Z-Score Value and Health Rating of PT BCA Syariah for 2017 - 2021:

Component Ratio	Koefisien	Tahun				
		2017	2018	2019	2020	2021
X1 Working Capital/Total Asset	6.56	0.98	0.96	0.94	0.96	0.96
X2 Retained Earning/Total Asset	3.26	0.01	0.18	0.27	0.01	0.01
X3 EBIT/Total Aset	6.72	0.01	0.01	0.01	0.01	0.01
X4 Book Value Equity/Total Liabilities	1.05	1.52	1.63	1.63	1.90	1.49
Working Capital		Rp 5.812.405.766.995	Rp 6.755.900.669.158	Rp 8.113.878.242.997	Rp 9.371.738.086.159	Rp 10.227.943.451.619
Total Asset		Rp 5.961.174.477.140	Rp 7.064.008.145.080	Rp 8.634.373.690.079	Rp 9.720.253.656.189	Rp 10.642.337.798.588
Retained Earning		Rp 47.860.237.199	Rp 58.367.069.139	Rp 67.193.529.264	Rp 87.422.212.976	Rp 73.105.881.728
Earning Before Interest and Taxes		Rp 62.192.686.073	Rp 72.393.453.347	Rp 83.295.675.610	Rp 92.603.681.838	Rp 107.507.014.652
Book Value Equity (Total Equity)		Rp 1.136.111.178.445	Rp 1.261.334.491.910	Rp 2.328.292.245.222	Rp 2.752.142.715.295	Rp 2.840.792.371.157
Total Liabilities		Rp 746.348.856.644	Rp 773.585.914.453	Rp 1.424.052.056.910	Rp 1.447.482.868.077	Rp 1.908.156.780.383
Value Z Score		8.091	8.637	8.825	8.415	7.958
Assesments Rating		Health	Health	Health	Health	Health

Source: Data processed (2022)

3.2 Discussion

Based on the results of the calculation with the CAMELS method, it shows that the capital factor in the last 5 years is ranked 1 highest Health, although the CAR value fluctuates but is always above the minimum value set at 8%. In 2019 the CAR value increased significantly by 57.61% from 24.30% in 2018 to 38.30% in 2019. The increase was mainly due to capital injection from PT Bank Central Asia, Tbk, amounting to Rp1,000 billion, profit, and other comprehensive income. The equity of PT BCA Syariah as of December 31, 2019 was recorded at Rp2,328.3 billion, an increase of Rp1,067.0 billion or 155.1% from the previous year. This change had an impact on the value of ROE corrected to 4% from the previous 5%.

Likewise, the CAR value in 2020 increased from 38.30 in 2019 to 45.30% in 2020, an increase of 18.27%. The increase was mainly due to additional capital resulting from corporate actions amounting to Rp329.4 billion. BCAS's equity as of December 31, 2020 was recorded at IDR2,752.1 billion, an increase of IDR423.9 billion or 18.2% from the previous year which was recorded at IDR2,328.3 billion, as a result BCAS's ROE was recorded at 3.1% or a correction from the previous year which was recorded at 4.0%. The ROA value of BCAS in the last 5 years tends to be stable in the range of 1.16% with a fairly healthy rating. The adequate CAR value provides room for BCAS to move more flexibly in or to offset market risk, credit risk, and operational risk. In addition, BCAS also still has adequate capital for portfolio development and business expansion.

Asset quality of PT BCA Syariah in the last five years has been well maintained, always at a highest health level. Gross Non Performing Financing (NPF) can be maintained at a position below 1% except in 2021 at 1.13% but still below the standards set by central bank (BI). In 2020, when covid-19 hit, BCA Syariah's NPF value fell to 0.50% from 0.58% in 2019. This is in line with the ongoing financing restructuring process for customers affected by COVID-19.

In terms of profitability as measured by ROA, ROE, NOM and BOPO, it shows a fairly healthy and less healthy rating in the last five years. BCA Syariah's Return on Assets (ROA) is relatively stable in a fairly healthy ranking from 2017 to 2021.

Likewise, Return on Equity (ROE) has been in an unhealthy position for the last five years. This shows that BCA Syariah's ability to generate profitability is relatively low. However, from the BOPO ratio in the last 3 years, the trend has decreased from 87.60% in 2019 to 86.30% in 2020 and turned again to 84.80% in 2020 with a healthy rating. This reflects BCAS's efforts to continue to make efficiency from year to year even though it has not yet seriously correlated with the increase in BCA Syariah's ROA and ROE.

On the liquidity side, the FDR measurement is quite health until 2019 with an FDR value of 91.% which can reflect an optimal balance between fund collection and distribution activities. In 2020 there was a decrease in the FDR value to 81.30%, this was the result of the challenges faced by the Bank in channeling financing in 2020 due to the weakening business climate which had a direct impact on the decline in the level of demand for financing for the business sector. However, in 2021 BCAS showed an FDR ratio that increased to 81.4%. This cannot be separated from the increase in the level of demand for business sector financing due to economic recovery.

On the Good Corporate Governance side, BCA Syariah has conducted a self-assessment of the implementation of GCG in accordance with OJK Circular Letter No.10/SEJK.03/2014 concerning Health Level Assessment of Sharia Commercial Banks and Sharia Business Units. The assessment was conducted comprehensively covering 3 (three) aspects of BCAS governance, namely Governance Structure, Governance Process, and Governance Outcome. BCA Syariah has submitted the results of the GCG implementation self-assessment to OJK every semester which is incorporated in the BCA Syariah Health Level Report. In the first semester of 2021, BCA Syariah received a rating of one, with the definition of a Very Good rating.

4. CONCLUSION

This study analyzes the health level of PT BCA Syariah using the CAMELS, RGEC and Almant Z-Score methods in order to obtain a comprehensive assessment. The results of this study indicate that the health level of PT BCA Syariah analyzed using the CAMELS, RGEC and Almant Z-Score methods obtained the same results, namely the "Health" rating from 2017 to 2021. The good health level condition at PT BCA shows that the bank's financial performance and management are running very well, especially in mitigating risks. Even in 2020 when the Covid-19 pandemic hit, BCA Syariah maintained its health level even though in general there were several banks experiencing difficulties. The thing that needs to be considered by management is the profitability factor (Earning) which is still in a fairly healthy position, but there are several weaknesses that can cause the composite rating to deteriorate if the Bank does not immediately take corrective action.

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