Analysis of the Bank's Health Level and Its Effects on the Profitability of Sharia General Banks Listed in Indonesia's Financial Services Authority Period 2015-2018

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Author's contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

Original Research Article

ABSTRACT

Aims: To analyze the level of health of sharia general banks in Indonesia and their effects on profitability.
Study Design: The research method used is quantitative descriptive research.
Place and Duration of Study: The sampling technique used was purposive sampling. The study was conducted a Sharia General Bank registered in the Indonesian Financial Services Authority with a research period of 2015-2018.
Methodology: The analytical method used is the inferential statistical analysis test using SmartPLS Professional 3.0 analysis tools, namely with a descriptive test, and inferential statistical analysis.
Results: Sharia Commercial Banks in the 2015-2018 period based on Non-Performing Finance (NPF) have a healthy predicate and have a negative significant effect on profitability. Based on the Fair to Healthy Ratio (FDR) predicate as Healthy, and no significant positive effect on profitability. Based on Good Corporate Governance (GCG) with a healthy predicate, and no significant positive effect on profitability. Based on Operating Efficiency Ratio (OER) with a healthy predicate, and a significant negative effect on profitability. Based on the Capital Adequacy Ratio (CAR) which is categorized as Very Healthy, and no significant positive effect on profitability.

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Conclusion: Generally, Islamic commercial banks are in good health. However, the achievement of this soundness level is carried out by always striving to comply with the provisions given by Bank Indonesia, not optimizing the available resources so that the bank remains in a healthy condition while meeting the criteria of Bank Indonesia.

1. INTRODUCTION

In Indonesia, the world of Islamic banking continues to experience growth. As of November 2019, the Sharia Banking Statistics Financial Services Authority (OJK) recorded there are 14 Sharia Commercial Banks in Indonesia. This can be seen from the development of assets, positive developments, and continues to grow until March 2019 [1].

With the continued development of assets, PYD and DPK should also be balanced with good bank financial performance. In its operations, Islamic banking also needs oversight of its financial performance. Financial performance can be assessed through the level of profitability. Banking profitability assesses the ability of banks to carry out operations by comparing the profits earned with assets or equity owned. The higher the profitability of a bank, the better the bank's performance (Suryani, 2010 in [2]).

As the development of Islamic banking assets increases, it is hoped that Islamic banking can manage assets effectively to increase the profits generated. So that this can help increase the growth of Islamic banks in Indonesia. Therefore, indicators in measuring the level of bank profitability are used ROA (Return On Assets). According to [2], ROA is used to measure bank profitability because Bank Indonesia as a banking supervisor and supervisor prioritizes the value of profitability as measured by assets whose funds are mostly from public deposits.

Banking profitability can be influenced by the level of health of the bank. The level of health of an Islamic bank also reflects whether or not the financial performance of the bank [3]. The better the level of health of the bank, the higher its financial performance. So that investors are not worried about the funds they have invested.

The health of the financial and non-financial condition of banks is in the interest of all parties concerned, including owners, management, government (through Bank Indonesia) and users of bank services to evaluate the performance of banks in applying the principles of prudence, compliance with applicable regulations and risk management [4]. A healthy bank is a bank that can carry out its functions properly. In other words, a healthy bank is a bank that can maintain and maintain public trust, can carry out the intermediation function, can help smooth payment traffic, and can be used by the government in implementing various policies, especially monetary policy [5].

Based on Law No. 21 of 2008 concerning Islamic banking and Bank Indonesia Regulation No. 4/1 / PBI / 2002 article 1 Paragraph 9 [6], Commercial banks apply sharia principles. For banks, the final results of the assessment of the condition of the bank can be used as a means of establishing business strategies in the future while for Bank Indonesia it can be used as a means of determining and implementing bank supervision strategies by Bank Indonesia [4].

The assessment of the bank-level of health is carried out through a method. The method for assessing the level of health of a bank is regulated in Bank Indonesia Regulation No.13 / 1 / PBI / 2011 concerning the Rating of Level of health of Commercial Banks with a risk approach that includes an assessment of four factors, namely Risk Profile, some of which are through an assessment of credit risk proxied through NPF (Non-Performing Finance) and liquidity risk proxied by FDR (Finance to Deposit), Good Corporate Governance (GCG) through self-assessment of relevant banks, Earnings (Rentability) through OER (Operational Costs of Operating Income) and Capital through CAR (Capital Adequacy Ratio) which is called the RGEC method [6].

The research method used is quantitative descriptive research. The analytical method used is the inferential statistical analysis test using SmartPLS Professional 3.0 analysis tools, namely with a descriptive test, and inferential statistical analysis.

2. LITERATUR AND HYPOTHESIS DEVELOPMENT

2.1 Signaling Theory

Signaling theory provides an overview of the importance of information released by companies for investment decisions by investors. Signal or signal is an action taken by company management that gives instructions to investors about how management views the company's projects [7].

The level of health of the bank in each period is a signal to stakeholders. Any good news on bank performance can be a breath of fresh air and a reminder for managers to maintain the performance that has been achieved well. If the manager believes that the company has good prospects, and wants to increase the number of shares, then the manager needs to communicate it to investors [8]. Likewise with bad news on bank performance can be used as a warning for managers to continue to make improvements to the performance that has not been maximized in its achievement.

2.2 Profitability

Tri Hendro S.P and Conny Tjandra Rahardja (2014: 206) in [9] stated that profitability is one of the factors considered in assessing the health of a bank other than capital, asset quality, management and liquidity factors.Indicators in measuring bank profitability are used ROA (Return On Assets). According to [2], ROA is used to measure bank profitability because Bank Indonesia as a banking supervisor and supervisor prioritizes the value of profitability as measured by assets whose funds are mostly from public deposits.

2.3 Bank Health

A healthy bank is a bank that can maintain and maintain public trust, can carry out the intermediation function, can help smooth payment traffic, and can be used by the government in implementing various policies, especially monetary policy [4]. So that banks can establish business strategies in the future and are expected to provide better services for customers and help the government in terms of the country's economy.

2.4 Bank Health Assessment Method

Refer to Article 29 of Law No. 7 of 1992 as amended by Law No. 10 of 1998 [10] concerning Banking, banks are required to maintain their level of health under the provisions of capital adequacy, asset quality, management quality, liquidity, profitability, and solvency, as well as other aspects related to bank business and are required to conduct business activities following prudential principles.

The method for assessing the level of health of a bank is regulated in Bank Indonesia Regulation No.13 / 1 / PBI / 2011 concerning the Rating of 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 Capital which is called the RGEC method. Based on Law No. 21 of 2008 concerning Islamic banking and Bank Indonesia Regulation No. 4/1/ PBI / 2002 article 1 Paragraph 9, Commercial banks applying sharia principles.

2.4.1 Risk profile

According to Bank Indonesia Regulation No. 13/1 / PBI / 2011 risk profile is an assessment of inherent risk and the quality of the application of risk management in bank operations [6]. Banks must pay attention to the scope of application of risk management as stipulated in the applicable provisions regarding the application of risk management for commercial banks, sharia commercial banks, and sharia business units [11]. According to Adegoke and Oyedeko [12] there are two fundamental financial risks related to managing bank resources, namely interest rate risk and liquidity risk. This is due to the fact that both types of risk are caused by the uncertainty that characterizes the manner in which customer deposits are withdrawn. According to Bank Indonesia Circular no. 13/24 / DPNP dated 25 October 2011 regarding the Rating of Commercial Banks Soundness which consists of eight risks namely, credit, market, liquidity, operational, legal, strategic, compliance, and reputation risks.

In this aspect, which is assessed credit risk proxied by Non-Performing Finance (NPF) and liquidity risk proxied by Finance to Deposit Ratio (FDR). NPF is a risk caused by customers who are unable to repay their loans from Islamic banks with a predetermined term [2]. Whereas FDR illustrates the ability of banks to repay

withdrawals by depositors by relying on loans provided as a source of liquidity [9].

2.4.2 Good corporate governance

Based on Bank Indonesia Regulation Number 8/4 / PBI / 2006 dated January 30, 2006, concerning Implementation of Good Corporate Governance for Commercial Banks, the Implementation of Good Corporate Governance in the banking industry must always be based on five basic principles, namely transparency, accountability, responsibility, independence, and fairness [6].

Assessment of Good Corporate Governance factors is an assessment of the quality of bank management on the implementation of the principles of Good Corporate Governance (Santi & Saraswati, 2018).

2.4.3 Earnings

Earnings valuation uses profitability ratios to measure the level of business efficiency and profitability achieved by banks. Assessment of profitability factors includes evaluating the performance of earnings, sources of profitability, and sustainability of bank profitability by considering aspects of the level, trend, structure, and stability by taking into account the performance of each group and bank rentability management, both through quantitative and qualitative aspects of analysis [4].

In this aspect, which is assessed is the level of efficiency and the ability of banks in their operations. This valuation is based on the OER ratio (Operating Costs / Operating Income). OER is considered to be one of the important determining factors for bank profitability because banks can increase profitability by focusing attention on proper cost control and operating efficiency [13].

2.4.4 Capital

Capital or capital factors are assessed based on indicators of bank capital adequacy to anticipate potential losses from a risk profile accompanied by good capital management, under the characteristics, the scale of business, and the complexity of the bank's business [14].

In this aspect, which is assessed is the level of capital adequacy and capital management owned by banks based on the bank's minimum capital requirement. The assessment is based on the CAR (Capital Adequacy Ratio) set by Bank Indonesia [5]. According to [15], this ratio is used to protect depositors and increase the stability and efficiency of financial institutions.
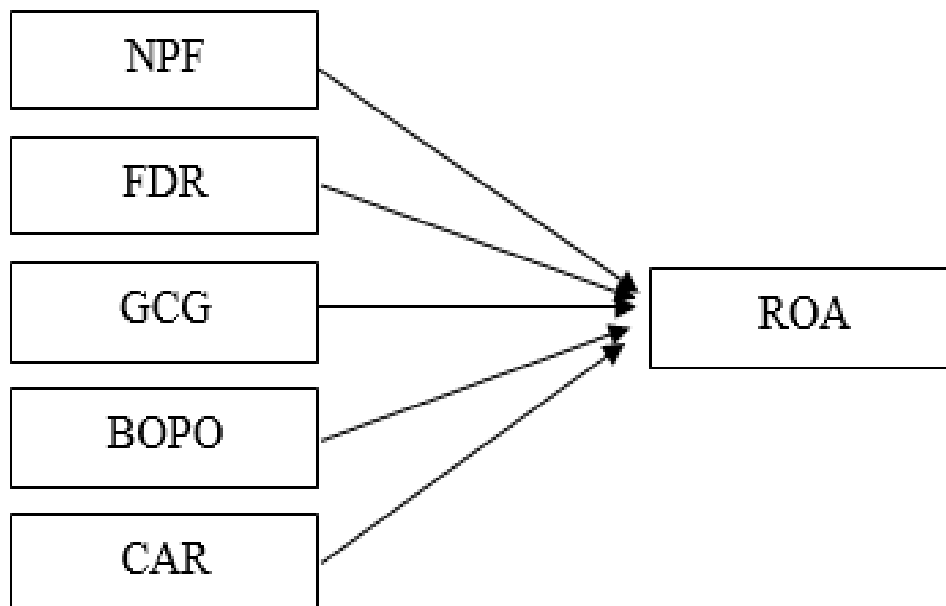

Fig. 1. Theoretical frame work

3. METHODS RESEARCH

3.1 Research Design

This research was conducted in Indonesia, where the object that became the research center of Sharia Commercial Banks registered with the Financial Services Authority for the 2015-2018 Period. The research location is the Financial Services Authority in Indonesia, which provides information on the company's financial statements by accessing the official website of the Financial Services Authority [1].

This research is a quantitative descriptive study, which is the approach of drawing data by referring to the assessment indicators of the health of banks and processing data through statistical or mathematical methods collected from secondary data.

3.2 Analysis Method

The analytical method used is the descriptive quantitative method, namely the data depiction approach by referring to the bank's healthy level assessment indicators and data processing through statistical or mathematical methods collected from secondary data.

It is expected that the conclusions obtained in a study are more measurable and comprehensive. This study used as many as 14 samples with a span of 4 years of research, so the amount of data used was 56 sample data.

This research was processed using SmartPLS Professional software version 3.0. [16] explained that PLS (Partial Least Square) is a method of analysis that is soft modeling because it does not assume the data must be of a certain scale measurement, which means the number of samples can be small (under 100 samples).

4. RESULTS AND DISCUSSION

4.1 Results

Bank Health Analysis using RGEC Method

Bank health analysis is carried out by comparing the value of each variable used with indicators (criteria) based on SE BI No.13/24/ DPNP / 2011 and SE BI No.15 / 15 / DPNP / 2013 [6]. Following are the results of the health analysis of

Islamic Commercial Banks for the period 2015-2018:

1) Risk Profile

   a) Non-Performing Finance (NPF)

The higher of NPF value of a bank, the greater the risk borne by the bank for returning customer loans. The higher NPF shows the soundness of a bank that is less healthy and can have an impact on the declining profitability of the bank. The following are the results of a bank health analysis based on NPF. Here are the results of the analysis of sharia bank health in 2015-2018 based on NPF:

   b) Finance to Deposit Ratio (FDR)

The higher FDR value indicates that the bank's health condition is not good enough, which is marked by the lower bank liquidity, because it is unable to return credit for customer withdrawals. Thus it can cause a decrease in company profitability. The following are the results of a bank health analysis based on FDR.

2) Good Corporate Governance

The higher the level of implementation of the bank's basic GCG principles, the composite value of the self-assessment value will be lower which shows the bank is very healthy and can increase the profitability of the bank. The following are the values and predicate of GCG composite of Islamic Banks in 2015-2018:

3) Earnings- Operational Efficiency Ratio (OER)

The lower the OER value indicates the healthier a bank, because it has a high level of efficiency in carrying out its operational activities. The following are the values and predicates of the OER Sharia Commercial Bank composite in 2015-2018:

4) Capital- Capital Adequacy Ratio (CAR)

The higher the CAR ratio of a bank, shows that the bank is very healthy. This means that the higher the ability of banks to bear the risk resulting from each credit or risky productive assets by using the capital they have. The following are the values and predicates of the CAR Sharia Commercial Bank composite in 2015-2018.

Table 1. Operasional variable

Variable	Description	Measurement	Indicator	Measuring Scale
Profitability	A ratio that shows the combination of the effects of liquidity, asset management, and debt on operating results.	$ROA = \dfrac{Net\ Income}{Total\ Assets}$	Bank Indonesia as the builder and supervisor of banking prefers the value of its profitability measured by assets whose funds are largely from public savings funds [2].	Ratio
Risk Profile	The ratio used to calculate credit risk and liquidity risk	$NPF = \dfrac{Financing\ Problems}{Total\ Credit}\ X\ 100\%$ $FDR = \dfrac{Total\ Financing}{Third\ Party\ Funds}\ X\ 100\%$	NPF Criteria: Very Healthy: NPF <2% Healthy: 2% <NPF <5% Fairly Healthy: 5% <NPF <8% Unhealthy: 8% <NPF <12% Unhealthy: NPF> 12% FDR criteria: Very Healthy: 50% <FDR ≤75% Healthy: 75% <FDR ≤85% Fairly Healthy: 85% <FDR ≤100% Unhealthy: 100% <FDR ≤120% Unhealthy: FDR> 120%	Ratio
Good Corporate Governance	The bank conducts a comprehensive self-assessment on the adequacy of the implementation of Good Corporate Governance.	The bank's self-assessment composite value (CV)	CV<1,5=Very Healthy 1.5<CV<2.5=Healthy 2.5<CV<3.5=Fairly Healthy 3,5<CV<4,5=less healthy 4,5<NK<5=unhealthy	Nominal
Earnings	The level of business efficiency and the ability of the bank to make a profit.	$OER = \dfrac{Operating\ Cost}{Operating\ Income}\ X\ 100\%$	OER criteria: Very Healthy: OER ≤94% Healthy: 94% <OER ≤95% Fairly Healthy: 95% <OER≤96% Less Healthy: 96% <OER≤97% Unhealthy: OER ≥97%	Ratio
Capital	The level of capital adequacy of a bank that contains or generates risk.	$CAR = \dfrac{Capital\ Funds}{Risk\ Weighted\ Assets}\ X\ 100\%$	CAR criteria: Very Healthy: CAR ≥12% Healthy: 9% <CAR ≤12% Fairly Healthy: 8% <CAR ≤9% Unhealthy: 6% <CAR ≤8% Unhealthy: CAR ≤6%	Ratio

Sources: SE No.13/24/DPNP/2011, SE No.15/15/DPNP/2013, Harmono (2009:233)

Table 2. NPF Sharia banks' value and predicate for 2015-2018

Company	Year	NPF (%)	Predicate	Company	Year	NPF (%)	Predicate
PT. Bank Aceh Syariah	2015	2.3	Healthy	PT. Bank BNI Syariah	2015	2.53	Healthy
	2016	1.39	Very Healthy		2016	2.94	Healthy
	2017	1.38	Very Healthy		2017	2.89	Healthy
	2018	1.04	Very Healthy		2018	2.93	Healthy
PT BPD Nusa Tenggara Barat Syariah	2015	1.31	Very Healthy	PT. Bank Mega Syariah	2015	4.26	Healthy
	2016	1.2	Very Healthy		2016	3.3	Healthy
	2017	1.35	Very Healthy		2017	2.95	Healthy
	2018	1.63	Very Healthy		2018	2.15	Healthy
PT Bank BCA Syariah	2015	0.7	Very Healthy	PT. Bank Panin Dubai Syariah	2015	2.63	Healthy
	2016	0.5	Very Healthy		2016	2.26	Healthy
	2017	0.32	Very Healthy		2017	12.52	Not Healthy
	2018	0.35	Very Healthy		2018	4.81	Healthy
PT. Bank Tabungan Pensiunan Nasional Syariah	2015	1.25	Very Healthy	PT. Bank Victoria Syariah	2015	9.8	Unwell
	2016	1.53	Very Healthy		2016	7.21	Quite Healthy
	2017	1.67	Very Healthy		2017	4.59	Healthy
	2018	1.39	Very Healthy		2018	4	Healthy
PT. Bank Muamalat Indonesia	2015	7.11	Quite Healthy	PT. Bank Syariah Bukopin	2015	2.99	Healthy
	2016	3.83	Healthy		2016	7.63	Quite Healthy
	2017	4.43	Healthy		2017	7.85	Quite Healthy
	2018	3.87	Healthy		2018	5.71	Quite Healthy
PT. Bank Syariah Mandiri	2015	6.06	Quite Healthy	PT. Bank Jabar Banten Syariah	2015	6.93	Quite Healthy
	2016	4.92	Healthy		2016	17.91	Not Healthy
	2017	4.53	Healthy		2017	22.04	Not Healthy
	2018	3.28	Healthy		2018	4.58	Healthy
PT. Bank BRISyariah	2015	3.89	Healthy				
	2016	3.19	Healthy				
	2017	4.75	Healthy				
	2018	4.97	Healthy				

Source: Processed Data

Table 3. FDR Sharia banks' value and predicate for 2015-2018

Company	Year	FDR (%)	Predicate	Company	Year	FDR (%)	Predicate
PT. Bank Aceh Syariah	2015	84.05	Healthy	PT. Bank Syariah Mandiri	2015	81.99	Healthy
	2016	84.59	Healthy		2016	79.19	Healthy
	2017	69.44	Very Healthy		2017	77.66	Healthy
	2018	71.98	Very Healthy		2018	77.25	Healthy
PT BPD Nusa Tenggara Barat Syariah	2015	100.87	Unwell	PT. Bank Mega Syariah	2015	98.49	Quite Healthy
	2016	97.66	Quite Healthy		2016	95.24	Quite Healthy
	2017	75.07	Healthy		2017	91.05	Quite Healthy
	2018	98.93	Quite Healthy		2018	90.88	Quite Healthy
PT. Bank Muamalat Indonesia	2015	90.3	Quite Healthy	PT. Bank Panin Dubai Syariah	2015	96.43	Quite Healthy
	2016	95.13	Quite Healthy		2016	91.99	Quite Healthy
	2017	84.41	Healthy		2017	86.95	Quite Healthy
	2018	73.18	Very Healthy		2018	88.82	Quite Healthy
PT. Bank Victoria Syariah	2015	95.29	Quite Healthy	PT. Bank Syariah Bukopin	2015	90.56	Quite Healthy
	2016	100.67	Quite Healthy		2016	88.18	Quite Healthy
	2017	83.57	Healthy		2017	82.44	Healthy
	2018	82.78	Healthy		2018	93.4	Quite Healthy
PT. Bank BRISyariah	2015	84.16	Healthy	PT. BCA Syariah	2015	91.4	Quite Healthy
	2016	81.42	Healthy		2016	90.1	Quite Healthy
	2017	71.87	Very Healthy		2017	88.5	Quite Healthy
	2018	75.49	Healthy		2018	89	Quite Healthy
PT. Bank Jabar Banten Syariah	2015	104.75	Unwell	PT. Bank Tabungan Pensiunan Nasional Syariah	2015	96.5	Quite Healthy
	2016	98.73	Quite Healthy		2016	92.7	Quite Healthy
	2017	91.03	Quite Healthy		2017	92.5	Quite Healthy
	2018	89.85	Quite Healthy		2018	95.6	Quite Healthy
PT. Bank BNI Syariah	2015	91.94	Quite Healthy				
	2016	84.57	Healthy				
	2017	80.21	Healthy				
	2018	79.62	Healthy				

Source: Processed Data

Table 4. GCG Sharia banks' value and predicate for 2015-2018

Company	Year	GCG Composite	Predicate	Company	Year	GCG Composite	Predicate
PT. Bank Aceh Syariah	2015	3	Quite Healthy	PT. Bank Syariah Mandiri	2015	2	Healthy
	2016	3	Quite Healthy		2016	1	Very Healthy
	2017	3	Quite Healthy		2017	1	Very Healthy
	2018	3	Quite Healthy		2018	1	Very Healthy
PT BPD Nusa Tenggara Barat Syariah	2015	2	Healthy	PT. Bank Mega Syariah	2015	2	Healthy
	2016	2	Healthy		2016	2	Healthy
	2017	2	Healthy		2017	2	Healthy
	2018	2	Healthy		2018	1	Very Healthy
PT. Bank Muamalat Indonesia	2015	3	Quite Healthy	PT. Bank Panin Dubai Syariah	2015	2	Healthy
	2016	2	Healthy		2016	2	Healthy
	2017	3	Quite Healthy		2017	3	Quite Healthy
	2018	3	Quite Healthy		2018	2	Healthy
PT. Bank Victoria Syariah	2015	3	Quite Healthy	PT. Bank Syariah Bukopin	2015	1.5	Very Healthy
	2016	1.97	Healthy		2016	1.5	Very Healthy
	2017	1.62	Healthy		2017	1.5	Very Healthy
	2018	1.56	Healthy		2018	1.5	Very Healthy
PT. Bank BRISyariah	2015	2	Healthy	PT. BCA Syariah	2015	1	Very Healthy
	2016	2	Healthy		2016	1	Very Healthy
	2017	1.57	Healthy		2017	1	Very Healthy
	2018	1.54	Healthy		2018	1	Very Healthy
PT. Bank Jabar Banten Syariah	2015	2.5	Healthy	PT. Bank Tabungan Pensiunan Nasional Syariah	2015	2	Healthy
	2016	2.54	Quite Healthy		2016	2	Healthy
	2017	2.54	Quite Healthy		2017	2	Healthy
	2018	3	Quite Healthy		2018	2	Healthy
PT. Bank BNI Syariah	2015	2	Healthy				
	2016	2	Healthy				
	2017	2	Healthy				
	2018	2	Healthy				

Source: Processed Data

Table 5. OER Sharia banks' value and predicate for 2015-2018

Company	Year	OER (%)	Predicate	Company	Year	OER (%)	Predicate
PT. Bank Aceh Syariah	2015	76.07	Very Healthy	PT. Bank Syariah Mandiri	2015	94.78	Healthy
	2016	83.05	Very Healthy		2016	94.12	Healthy
	2017	78	Very Healthy		2017	94.44	Healthy
	2018	79.09	Very Healthy		2018	90.68	Very Healthy
PT BPD Nusa Tenggara Barat Syariah	2015	67.19	Very Healthy	PT. Bank Mega Syariah	2015	99.51	Not Healthy
	2016	68.69	Very Healthy		2016	88.16	Very Healthy
	2017	78.1	Very Healthy		2017	89.16	Very Healthy
	2018	86.86	Very Healthy		2018	93.88	Very Healthy
PT. Bank Muamalat Indonesia	2015	97.41	Not Healthy	PT. Bank Panin Dubai Syariah	2015	89.29	Very Healthy
	2016	97.76	Not Healthy		2016	96.17	Kurang Sehat
	2017	97.68	Not Healthy		2017	217.4	Not Healthy
	2018	98.24	Not Healthy		2018	99.57	Not Healthy
PT. Bank Victoria Syariah	2015	119.19	Not Healthy	PT. Bank Syariah Bukopin	2015	91.99	Very Healthy
	2016	131.34	Not Healthy		2016	109.62	Not Healthy
	2017	96.02	Unwell		2017	99.2	Not Healthy
	2018	96.38	Unwell		2018	99.45	Not Healthy
PT Bank BRISyariah	2015	93.79	Very Healthy	PT. BCA Syariah	2015	92.5	Very Healthy
	2016	91.33	Very Healthy		2016	92.2	Very Healthy
	2017	95.34	Quite Healthy		2017	87.2	Very Healthy
	2018	95.32	Quite Healthy		2018	87.4	Very Healthy
PT. Bank Jabar Banten Syariah	2015	98.78	Not Healthy	PT. Bank Tabungan Pensiunan Nasional Syariah	2015	85.8	Very Healthy
	2016	122.77	Not Healthy		2016	75.1	Very Healthy
	2017	134.63	Not Healthy		2017	68.8	Very Healthy
	2018	94.66	Healthy		2018	62.4	Very Healthy
PT. Bank BNI Syariah	2015	89.63	Very Healthy				
	2016	86.88	Very Healthy				
	2017	87.62	Very Healthy				
	2018	85.37	Very Healthy				

Source: Processed Data

Table 6. CAR Sharia banks' value and predicate for 2015-2018

Company	Year	CAR (%)	Predicate	Company	Year	CAR (%)	Predicate
PT. Bank Aceh Syariah	2015	19.44	Very Healthy	PT. Bank Syariah Mandiri	2015	12.85	Very Healthy
	2016	20.74	Very Healthy		2016	14.01	Very Healthy
	2017	21.5	Very Healthy		2017	15.89	Very Healthy
	2018	19.67	Very Healthy		2018	16.26	Very Healthy
PT BPD Nusa Tenggara Barat Syariah	2015	27.12	Very Healthy	PT. Bank Mega Syariah	2015	18.74	Very Healthy
	2016	31.17	Very Healthy		2016	23.53	Very Healthy
	2017	30.87	Very Healthy		2017	22.19	Very Healthy
	2018	35.42	Very Healthy		2018	20.54	Very Healthy
PT. Bank Muamalat Indonesia	2015	12.36	Very Healthy	PT. Bank Panin Dubai Syariah	2015	20.3	Very Healthy
	2016	12.74	Very Healthy		2016	18.17	Very Healthy
	2017	13.62	Very Healthy		2017	11.51	Healthy
	2018	13.34	Very Healthy		2018	23.15	Very Healthy
PT. Bank Victoria Syariah	2015	16.14	Very Healthy	PT. Bank Syariah Bukopin	2015	16.31	Very Healthy
	2016	15.98	Very Healthy		2016	15.15	Very Healthy
	2017	19.29	Very Healthy		2017	19.2	Very Healthy
	2018	22.07	Very Healthy		2018	19.31	Very Healthy
PT. Bank BRISyariah	2015	13.94	Very Healthy	PT. BCA Syariah	2015	34.3	Very Healthy
	2016	20.63	Very Healthy		2016	36.7	Very Healthy
	2017	20.05	Very Healthy		2017	29.4	Very Healthy
	2018	29.72	Very Healthy		2018	24.3	Very Healthy
PT. Bank Jabar Banten Syariah	2015	22.53	Very Healthy	PT. Bank Tabungan Pensiunan Nasional Syariah	2015	19.9	Very Healthy
	2016	18.25	Very Healthy		2016	23.8	Very Healthy
	2017	16.25	Very Healthy		2017	28.9	Very Healthy
	2018	16.43	Very Healthy		2018	40.9	Very Healthy
PT. Bank BNI Syariah	2015	15.48	Very Healthy				
	2016	14.92	Very Healthy				
	2017	20.14	Very Healthy				
	2018	19.31	Very Healthy				

Source: Processed Data

Table 7. Descriptive statistics

	N	Mean	Min	Max	Standard Deviation
ROA	52	1.117	-10.77	12.4	3.528
NPF	52	4.261	0.32	22.04	4.01
FDR	52	87.853	69.44	104.75	8.349
GCG	52	1.997	1	3	0.629
OER	52	94.731	62.4	217.4	22.01
CAR	52	20.854	11.51	40.9	6.686

Source: Processed Data

4.1.1 Descriptive statistics test

The Table 7 is the result of a descriptive statistical test of a total of 52 sample data with a span of research for 4 years with a total sample of 13 issuers. Previously the number of samples was 14, but due to extreme data, the samples were excluded.

The average value of the ROA is 1,117 percent, which means profitability based on low-value ROA indicates that the average Sharia Commercial Bank has not utilized its assets effectively in making a profit. The minimum value is -10.77 percent. The maximum value is 12.4 percent.

The mean value of the NPF is 4,261 percent, which means the level of risk based on the NPF is low. This indicates the risk borne by a small Sharia Commercial Bank, on repaying customer loans and shows the soundness of a Sharia Commercial Bank that is good or healthy. The minimum value is 0.32 percent. The maximum value is 22.04 percent.

The mean value of the FDR of 87,853 percent indicates a liquidity risk based on a moderate FDR. So it can be concluded that the health condition of the bank is quite good or quite healthy. The minimum value is 69.44 percent. The maximum value is 104.75 percent.

The mean value of the GCG Composite is 1,997, indicating the implementation of GCG in Sharia Commercial Banks is of low value. This indicates that the Sharia Commercial Bank has implemented GCG well so that it is included in the Fairly Healthy criteria. The minimum value is 1. The maximum value is 3.

The average value (mean) of OER is 94,731 percent, which means the level of efficiency of operational activities based on low-value OER. So it can be concluded that the Sharia Commercial Bank is in good health. The minimum value is 62.4 percent. The maximum value is 217.4.

The mean value for the CAR is 20,854 percent which indicates the CAR value is very high. So it can be indicated that the ability of Sharia Commercial Banks is very high in bearing the risk resulting from any credit or earning assets at risk of using their capital. Thus the bank's soundness is very healthy. The minimum value is 11.51 percent. The maximum value is 40.9 percent.

4.1.2 Evaluation of measurement model

The loading factor illustrates how big the indicators are related to each construct. The path diagram above shows all indicators have a 1,000 loading factor, which means that all indicators are valid because the loading factor value meets the criteria, ie the loading factor of the contract must be above 0.70. These results indicate a good relationship between the indicators with each construct.

The second check of convergent validity is to look at the value of Cronbach's alpha and composite reliability. The results are as follows Table 8.

Cronbach's alpha value and composite reliability above, 7 show the high reliability of measuring instruments which means that the gauges of each construct are highly correlated. The third examination of convergent validity is to look at the value of AVE. AVE values above 0.5 are highly recommended. From the Table 8, all constructs are 1 or above 0.5

4.1.3 Evaluation of structural models

R Square (R2) value of 0.748 means that the variability of the return on asset construct can be explained by the NPF, FDR, Good Corporate Governance, OER and CAR constructs at 74.8%. while 25.2% is explained by other variables not included in this study.

Table 8. Construct reliability and validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
X1_NPF	1.000	1.000	1.000	1.000
X2_FDR	1.000	1.000	1.000	1.000
X3_GCG	1.000	1.000	1.000	1.000
X4_BOPO	1.000	1.000	1.000	1.000
X5_CAR	1.000	1.000	1.000	1.000
Y_ROA	1.000	1.000	1.000	1.000

Source: SmartPLS 3.0 data processing
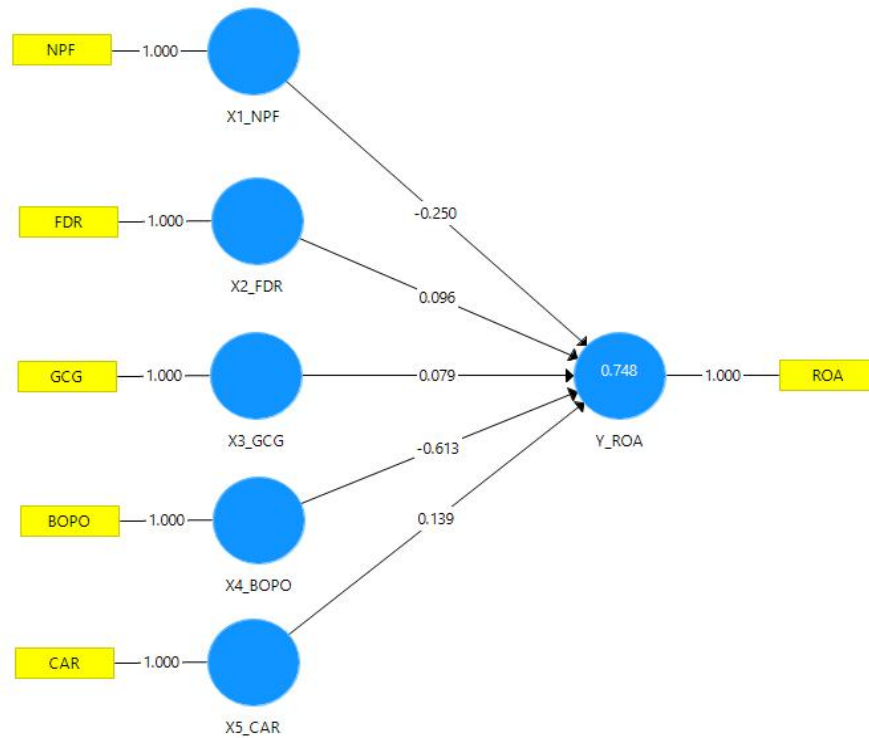
Fig. 2. Measurement Model
Source: SmartPLS 3.0 data processing

Table 9. R Square

	R Square	R Square Adjusted
Y_ROA	0.748	0.721

Source: SmartPLS 3.0 Data Processing

4.1.4 Hypothesis testing

Based on the Table 10, the results can be used to answer the hypotheses in this study. Hypothesis testing in this study was conducted by looking at the T-Statistic value and the P-Value value with a T value> 1.96 and the P-value <0.05. In the results of this study, four variables influence but are not significant to the ROA variable, including the FDR, GCG, and CAR variables that have a positive relationship and NPF variables that have a negative relationship. While the variable that has a significant effect on the ROA variable is the OER variable with a negative relationship. So it can be concluded that only the OER variable has a negative and significant effect on profitability which is proxied by Return on Assets (ROA) the hypothesis can be accepted.

Table 10. Path coefficient values (Mean, STDEV, T-Values, P-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Kesimpulan
X1_NPF_ -> Y_ROA	-0.250	-0.157	0.223	1.119	0.264	Rejected
X2_FDR_ -> Y_ROA	0.096	0.116	0.069	1.392	0.165	Rejected
X3_GCG -> Y_ROA	0.079	0.043	0.067	1.178	0.240	Rejected
X4_OER -> Y_ROA	-0.613	-0.715	0.161	3.805	0.000	Accepted
X5_CAR -> Y_ROA	0.139	0.091	0.126	1.098	0.273	Rejected

Source: SmartPLS 3.0 data processing

4.2 Discussion

The Bank's Healthy Level based on Non-Performing Ratio (NPF) and Its Effect on Profitability: Based on the results of the analysis and criteria and seeing an average low NPF value, the risk is borne by the bank for the repayment of small customer loans so that the Sharia Commercial Bank in the 2015-2018 period is healthy. The results of statistical tests show that Non-Performing Finance (NPF) has a negative but not significant effect on ROA. This indicates that the risk borne by the bank for the repayment of small customer loans does not affect ROA, this can be seen from the low ROA value even though the NPF value is low. What is likely to happen is that the repayment of small customer loans for Islamic Commercial Banks during 2015-2018 is still not optimal so that it does not have an impact on assets, thus assets have not been effectively utilized in making profits. The results of this research are not in line with the results of research by [9] which states that NPL (NPF in Islamic banking) has a negative and significant effect on ROA (profitability).

The Bank's Healthy Level Based On Financing To Deposit Ratio (FDR) and Its Effect On Profitability: Based on the results of the analysis and see the average value for a moderate FDR, this condition indicates that the health condition of the bank is quite healthy. These conditions are expected to significantly affect the level of profitability proxied by ROA. After testing the FDR variable on ROA, the results show that FDR has no significant positive effect on ROA credit for withdrawals by customers does not affect ROA. A moderate FDR value might not have too much impact on bank assets. So the resulting profitability is not optimal. The results of this research are in line with the results of research by [17] which states that FDR has a negative effect, but not significantly to profitability. Although equally insignificant, the direction of the relationship between the research variables is contradictory, which is positive, whereas according to [17] FDR has a negative direction.

The Bank's Healthy Level Based On Good Corporate Governance (GCG) and Its Effect On Profitability: Based on the results of the analysis and criteria used, the level of health of Islamic commercial banks is based on the average value of the GCG composite with a healthy predicate. The soundness of a healthy level based on GCG composite value is expected to be able to significantly influence the profitability proxied by ROA. This hypothesis is contradicted because based on the test results, the GCG composite value has a positive but not significant effect. Long-term GCG assessment where the level of successful implementation can be measured over a long period. While the success rate of ROA can be measured directly, in other words, are short-term. Although GCG can influence decision making, it is not significant. Thus, the results of this research are in line with the results of Setiawan's (2017) research which shows that GCG has a negative but not significant effect on ROA

The Bank's Healthy Level Based On Operating Efficiency Ratio (OER) and Its Effect On Profitability: Based on the results of the analysis and criteria, the average OER value is low so it can be concluded that the soundness of the sharia commercial bank during the 2015-2018 period is healthy. Based on the results of testing the hypothesis, the results show that OER has a significant negative effect on profitability proxied by ROA. Then the proposed hypothesis is accepted. It is possible that any decline in income obtained by Islamic commercial banks during 2015-2018 can increase the value of OER. So that it affects the profit decline and has an impact on a small ROAvalue. The results of this hypothesis test reinforce the results of research by [17] in their research which states

that OER has a negative and significant effect on ROA (profitability).

The Bank's Healthy Level Based On Capital Adequacy Ratio (CAR) and Its Effect On Profitability: Based on the analysis of the criteria set, the average car value of Islamic banks during the 2015-2018 period was high. So it can be concluded that the level of health of Islamic commercial banks during the 2015-2018 period is very healthy. Based on the results of hypothesis testing, CAR does not have a significant positive effect on ROA. Thus the hypothesis proposed was rejected. This is indicated by the establishment of a minimum limit for the achievement of the car ratio of bank Indonesia and OJK for banks, which is 8%. While from the results of monitoring, the car value of Islamic commercial banks during 2015-2018 averaged above 8%, which is 20,854%. So the minimum standard car value is used as a fulfillment of bank Indonesia and OJK requirements, not as a determining factor in increasing the value of ROA (profitability). The results of testing this hypothesis contradict the results of [2] research which states that CAR has a significant positive effect on ROA.

5. CONCLUSION AND SUGGESTION

5.1 Conclusion

a. Sharia Commercial Banks in Indonesia in the 2015-2018 period based on the Non-Performing Finance (NPF) predicate as Healthy. The results of statistical tests show that Non-Performing Finance (NPF) does not have a significant negative effect on ROA.
b. Sharia Commercial Banks in the 2015-2018 period based on the Fair to Healthy Ratio (FDR) predicate. Statistical test results show that the Finance to Deposit Ratio (FDR) has not a significant positive effect on ROA.
c. Sharia Commercial Banks in the 2015-2018 period based on Good Corporate Governance (GCG) have a healthy predicate. Statistical test results show that the GCG composite value has a positive but not significant effect on ROA.
d. Sharia Commercial Banks in the 2015-2018 period based on Operating Efficiency Ratio (OER) with a healthy rating. Statistical test results show that OER has a significant negative effect on profitability that is proxied by ROA.

e. Sharia Commercial Banks in the 2015-2018 period based on the Capital Adequacy Ratio (CAR) with the predicate of Very Healthy. Statistical test results show that CAR has a significant positive effect on ROA.

5.2 Suggestion

a. Further researchers should use other variables that are indicated to significantly influence profitability (ROA) in Islamic Commercial Banks.
b. The minimum number of samples is the limitation of this research. It is hoped that further researchers can increase the period of the study so that more general research results can be obtained.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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