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ANALYSIS COMPARATIVE OF ISLAMIC BANKING HEALTH LEVELS IN ASIA USING RGEC METHOD

Ahmad Mada Wijaya[1], Guntur Kusuma Wardana[2]
[1,2]*UIN Maulana Malik Ibrahim Malang, Indonesia*
Corresponding email: Madwijaya027.mada@gmail.com

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Abstract

This research aims to compare the health levels of Sharia banks in Asia over the period 2017-2022 using the RGEC method, considering the factors of Risk Profile, Good Corporate Governance, Earnings, and Capital. Financial ratios used to assess bank health include risk profile using 2 ratios namely NPF and FDR, GCG factor using self-assessment, Earnings using 4 ratios namely ROA, ROE, BOPO, and capital factors including the CAR ratio. The type of research used is quantitative descriptive research. The data obtained are secondary data in the form of annual financial reports of the companies. The research results show significant differences in the health of Sharia banks in Asia measured using the RGEC method. Sharia Banks categorized as "Very Healthy" are Al Rajhi Bank, Dubai Islamic Bank, Qatar Islamic Bank, Maybank Islamic Berhad, and Ziraat Katilim Bankansi. While Sharia banks categorized as "Healthy" are Boubyan Islamic Bank, Bank Pasargad Iran, Al Salam Islamic Bank, and Islamic Bank Limited. Then the Sharia banking categorized as "Fairly Healthy" is Bank Muamalat Indonesia.

Keywords: *RGEC, bank health, Islamic Banking in Asia*
JEL Classification: *G2, G21, G32*

1. INTRODUCTION

Covid-19 coronavirus pandemic has spread widely throughout the world, causing many casualties. This deadly virus quickly affects all aspects of life in every country. Nearly all sectors of life, including the economy, politics, social, and cultural aspects, have been greatly impacted by the Covid-19 pandemic (McKibbin & Fernando, 2020). The economic sector is the most affected sector due to the Covid-19 pandemic. In fact, the International Monetary Fund (IMF) has stated that the Covid-19 pandemic has resulted in a global economic crisis (Arianto, 2021). In other words, countries within the G7, including Canada, France, Germany, Italy, Japan, and the United States, have officially been confirmed to experience recession. This situation is exacerbated by the Russia-Ukraine war, which has caused further instability in the global economy (Banurea *et al*., 2023). The Russia-Ukraine war has led to an increase in global commodity prices as Russia and Ukraine significantly play crucial roles in the energy and food sectors (Dano, 2022). The Covid-19 pandemic and the Russia-Ukraine war have resulted in global economic instability.

The economy of a country is a highly vital factor in determining the welfare and growth of its society. Economic development reflects a nation's progress in various aspects, including employment opportunities, investment, as well as the distribution of wealth and economic opportunities (Karini & Filianti, 2017). Indicators of a country's economic development can be observed through poverty rates, unemployment rates,

Gross Domestic Product (GDP), and the economic growth of a country. There needs to be synergy between the government and financial institutions to accelerate development by providing necessary financing. Financial institutions play a crucial role in boosting a country's economy. Banking is part of the financial sector with a role in mobilizing and channeling funds from the public. Sodik *et al* (2023) state that banking is an Agent of Development because it plays a significant role in driving a country's economy. This is due to the dependence of society on financial institutions such as banking when they engage in economic activities.

Lately, the Islamic finance industry has experienced rapid growth (Sodik *et al*., 2023). Meanwhile, (Kartika & Segaf, 2022) stated that the development of Indonesia's economy, especially Islamic banking, has seen growth despite the presence of Covid-19. Islamic banking is increasingly demonstrating its existence in the global economy. This growth is driven by increasing awareness among the public of the importance of finance based on Sharia principles. Additionally, more countries are striving to create legal and regulatory environments that support the development of Islamic banking. Sharia banks, which were initially known in predominantly Muslim countries such as those in Indonesia, and Malaysia, are now beginning to be recognized and potentially developed in countries with non-Muslim majority populations (Fahlevi, 2016). This development has begun to emerge in recent periods alongside the growth of the global economy. The total growth of Islamic financial assets, according to data from the Islamic Finance Development Indicator Report (IFDI) 2022, is shown in picture 1.1 :

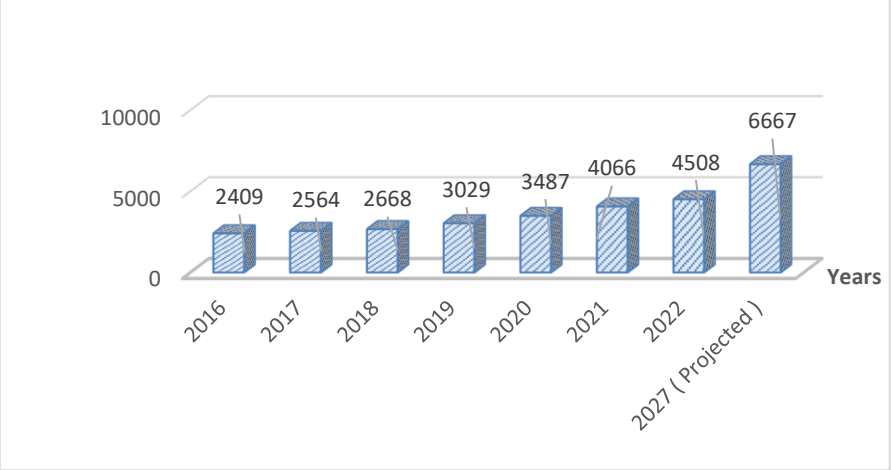

Figure 1. Growth of Islamic Financial Assets in the World
Source: Islamic Finance Development Indicator (IFDI) (2022)

In figure 1, it can be seen that the growth of global Islamic financial assets, measured by total assets, has consistently increased every year. In 2022, the value of global Islamic financial assets amounted to US$ 4.508 billion. This figure increased by 9,80% compared to the previous year. Moreover, the growth of Islamic banking assets in 2027 is predicted to increase to US$ 6.667 billion increase compared to 2022. This indicates significant growth in the Islamic economy in recent years This shows that public interest in the Sharia financial industry is increasing. In fact, in 2027, the growth of sharia financial assets is predicted increase to 32.33%. One of the factors driving the growth of Islamic banking is the involvement of many countries in the development

and support of the Islamic banking industry, thus significantly impacting the development of the Sharia financial industry worldwide (Kurnialis *et al*., 2022; Salmah & Devi, 2023). The top 10 countries contributing to the Sharia financial industry sector are outlined in Figure 2:

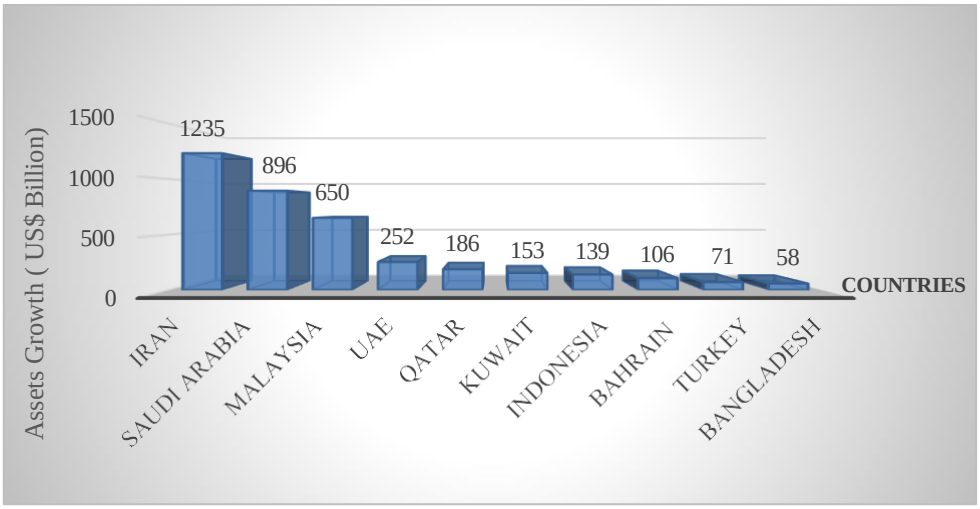

Figure 2. Top Countries by Islamic Finance Assets in the world
Source: Islamic Finance Development Indicator (IFDI) (2022)

Based on data in figure 2, Iran is the country with the highest Sharia financial assets at $1.235 trillion, followed by Saudi Arabia at $896 billion, and Malaysia at $650 billion. Meanwhile, Indonesia ranks 7th with financial assets amounting to $139 billion in 2022. These results indicate that the Asian region significantly dominates the growth of Sharia financial assets worldwide over recent periods. Sharia finance in Asia has experienced rapid growth because Sharia financial products are not only favored by Muslim communities but also increasingly attracting non-Muslims (Fahlevi, 2016). Interestingly, among the top 10 countries, all are from Asia. This demonstrates that the Asian region serves as the center of development for the Sharia finance industry worldwide. Asia has become both the platform and home for the growth of Islamic banking. Majority-Muslim countries such as those in the Middle East, Central Asia, Indonesia, Malaysia, and Bangladesh already have regulations supporting the development of Islamic banking (Fahlevi, 2016).

Islamic banking has experienced significant growth in recent years. However, the health level of Islamic banking needs more attention. These banks can maintain or build public trust, perform intermediation functions, facilitate smooth payment traffic, and can be utilized by the government in implementing various policies (Ningsih & Anik, 2020). The health level of banks is an important aspect that must be known by stakeholders because assessing the health of a bank can be useful in implementing good corporate governance and in facing risks in the future. There are 4 indicators that can be used to assess the health of a banking institution. Earning indicators are used to measure the level of business efficiency and the level of profitability desired by the bank (Devi & Firmansyah, 2020). Then, the risk profile indicator is used to predict the risks that are likely to occur, both internal and external. Capital indicators are used to assess the adequacy of capital held by the bank, and GCG functions to assess whether the company is operating in accordance with its rights and obligations.

This research is conducted due to the existing differences in the results of previous studies. In a study conducted by Widyawati & Musdholifah (2018) it was shown that there are significant differences in the financial performance of Islamic banking in Indonesia, Malaysia, Thailand, and Singapore measured using indicators such as capital risk, asset quality, operational efficiency, liquidity risk, and growth. The results indicate that the performance of Islamic banking in Indonesia is categorized as very good compared to Islamic banking in ASEAN. Research by Wardana & Abdani (2023) states that all Sharia Commercial Banks in Indonesia and Malaysia can be categorized as healthy as a whole. However, Umar & Haryono (2022) also conducted an analysis by comparing the financial performance of Islamic banking in Indonesia, Malaysia, Saudi Arabia, and the United Arab Emirates. The results show that the profitability, capital adequacy, asset quality, and liquidity of Islamic banking in Indonesia, Malaysia, Saudi Arabia, and the UAE differ significantly. In terms of CAR, ROA, and NPF, Islamic banking in Saudi Arabia outperforms Islamic banking in Indonesia, the UAE, and Malaysia. However, in terms of the FDR value, Islamic banking in Indonesia outperforms the UAE, Saudi Arabia, and Malaysia.

The main object of this study is determining the differences in the health conditions of Sharia commercial banks in the Asian region when assessed using the RGEC method, and to ascertain if there are any Sharia banks categorized as unhealthy in this research. RGEC method stands for Risk Profile, Good Corporate Governance, Earnings, and Capital. It is a comprehensive approach used to assess the health or soundness of financial institutions, particularly banks. Each component of RGEC represents a critical aspect of a bank's performance and stability. The benefits of this study include providing contributions in terms of thought and serving as a source of information and reference for further research on the comparison of the health levels of Sharia Banks in Asia using the RGEC method for the period 2017 – 2022.

2. LITERATURE REVIEW

2.1. Islamic Bank

Islamic banking is a banking system based on Sharia, Islamic law, which fundamentally prohibits the payment or receipt of interest (riba) (Rachmawaty *et al*., 2023). Rather than engaging in traditional interest-based transactions, Islamic banks operate on the principle of profit and loss sharing Islamic banking in its operational implementation does not use the interest/usury system, speculation (*maysir*), and uncertainty or ambiguity (*gharar*). This means that when a customer deposits funds, the bank utilizes them in ethical and Sharia-compliant investments. The profits that arise are divided between the bank and the client according to agreed-upon proportions, promoting a collaborative approach. Islamic banking also stresses asset-based funding, avoiding speculative dealings and adhering to moral standards by refraining from investing in activities considered haram (forbidden) in Islam.

2.2. Islamic Banking Performance

Islamic Banking Performance is the condition of a bank to conduct banking operations properly and to achieve all its obligations targets well and in accordance with applicable regulations. Therefore, the bank's compliance in adjusting and improving the assessment of health levels demonstrates evidence of fulfilling its responsibilities to its customers (Triandaru & Budisantoso, 2006). Puspita & Saryadi, (2018) explain that bank management needs to pay attention to general principles as the

basis for assessing the health level of banks, which are risk- oriented, proportional, and significant as well as comprehensive and structured. In OJK Circular Letter No. 10/SEOJK.03/2014, it is also explained that the individual assessment of the health level of Commercial Sharia Banks includes an assessment of risk profile, Corporate Governance (GCG), earnings, and capital.

2.3. Risk Profile, GCG, Earning, Capital (RGEC)

Risk Profile

Risk Profile is Assessment of inherent risk, quality of risk management implementation, and the level of risk in bank operations (Fitriana, 2015). Based on Bank Indonesia Regulation No. 13/1/PBI/2011 regarding the assessment of the health level of commercial banks, Article 7 contains an assessment of risk profiles for eight types of risks: credit risk, market risk, liquidity risk, operational risk, legal risk, strategic risk, compliance risk, and reputation risk. In this study, the researcher only conducted research on credit risk and liquidity risk indicators as proxies for risk profiles because data for these two types of risks are easily found and accessible, while the other six risks are not used due to the limited availability of data. The purpose of risk management is to provide information to regulators and prevent banks from experiencing losses (Segaf *et al*., 2023). Risk Profile is measured through Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR).

1. Non-Performing Financing

NPF is one of the key indicators for assessing the performance of bank functions because high NPF is an indicator of a bank's failure in managing banking business, which will have effects on the bank's performance in managing banking business, including issues caused by NPF such as liquidity problems (inability to pay third parties), profitability (financing cannot be collected), solvency (reduced capital) (Solihatun, 2014).

$$\text{NPF} = \frac{\text{Total Non-Performing financing}}{\text{Total Financing}} \text{X}100\%$$

Table 1. Assessing Bank Health Based on the NPF Ratio

Rank	Description	Criteria
1	Very Healthy	0 < NPF<2
2	Healthy	2 ≤ NPF < 5
3	Fairly Healthy	5 ≤ NPF < 8
4	Less Healthy	8 ≤ NPF < 12
5	Unhealthy	NPF ≥ 12

Source: PJOK No. 4/SEOJK.03/2017

2. Financing to Deposit Ratio

FDR is a ratio comparing the amount of funds disbursed in the form of financing to the total funds from the public and own capital used. In other words, the FDR is used as an indicator to assess the vulnerability level of a bank (Solihatun, 2014).

$$FDR = \frac{\text{Total Financing}}{\text{Customer Deposit Ratio}} X100\%$$

Table 2. Assessing Bank Health Based on the FDR Ratio

Rank	Description	Criteria
1	Very Healthy	FDR< 75%
2	Healthy	75% ≤ FDR< 85%
3	Fairly Healthy	85% ≤ FDR< 100%
4	Less Healthy	100% ≤ FDR< 120%
5	Unhealthy	FDR ≥ 120%

Source: PJOK No. 4/SEOJK.03/2017

Good Corporate Governance (GCG)

Assessment of GCG factors is an evaluation of the bank's management quality regarding the implementation of GCG principles, which are based on Bank Indonesia provisions regarding GCG implementation for commercial banks, taking into account the characteristics and complexity of the bank's business (Sodik *et al*., 2023). Based on Bank Indonesia Regulation No. 11/33/PBI/2009, the implementation of Good Corporate Governance is one of the efforts to protect stakeholders' interests and improve compliance with applicable laws and ethical values that apply generally in the Islamic banking industry. The implementation of GCG in Islamic banking is based on Bank Indonesia Circular Letter (SEBI) No. 12/13/DPbS 2010 concerning the Implementation of GCG for Sharia Commercial Banks (BUS) and Sharia Business Units (UUS) as well as Financial Services Authority Regulation (POJK) No. 8/POJK.03/2014 and Financial Services Authority Circular Letter (SEOJK) No. 10/SEOJK.03/2014 regarding the Assessment of the Health Level of Sharia Commercial Banks and Sharia Business Units.

Based on Bank Indonesia Regulation No. 11/33/PBI/2009 and Bank Indonesia Circular Letter No. 12/13/DPbS 2010, the application of GCG in the banking sector must be based on five fundamental principles, namely: Transparency, which involves openness in presenting material and relevant information as well as transparency in decision-making processes; Accountability, which pertains to clarity of roles or implementation of responsibilities by the bank's organs so that its management functions effectively; Responsibility, which refers to the bank management's compliance with applicable laws and principles of bank governance; Independence, which involves the professional management of the bank without any influence or pressure from anyone; Fairness, which entails the equitable and equal fulfillment of stakeholders' rights arising from agreements and applicable laws and regulations.

Table 3. Assessing Bank Health Based on the FDR Ratio

Rank	Description	Criteria
1	Very Healthy	GCG < 1,5%
2	Healthy	1,5% ≤ GCG < 2,5%
3	Fairly Healthy	2,5% ≤ GCG < 3,5%
4	Less Healthy	3,5% ≤ GCG < 4,5%

Rank	Description	Criteria
5	Unhealthy	4,5% ≤ GCG < 5%

Source: PJOK No. 4/SEOJK.03/2017

Earnings

Earnings component is conducted to determine the ability of Islamic banks to generate profits to ensure the continuity of operational activities (Rizal & Humaidi, 2021). With differences in financing focus, this will also affect the total income generated. There are several parameters used to assess profitability, including Return on Assets (ROA), Return on Equity (ROE), and Operating Expenses to Operating Income (BOPO).

1. **Return on Assets (ROA)**

ROA is a banking ratio that assesses profitability aspects aimed at measuring the ability of Sharia banks' management to generate pre-tax profits overall. According to (Rahman, 2022), the purpose of this ratio is to gauge management's success in profit generation. Banks with high profitability tend to be more selective in providing financing. Banks with high ROA typically have better management and a higher level of caution in disbursing financing, allowing them to better assess riskier financing.

$$ROA = \frac{Net\ Income}{Total\ Asset}\ X\ 100\%$$

Table 4. Assessing Bank Health Based on the ROA Ratio

Rank	Description	Criteria
1	Very Healthy	ROA > 1,5%
2	Healthy	1,25% ≤ ROA< 1,5%
3	Fairly Healthy	0,5% ≤ ROA< 1,25%
4	Less Healthy	0% ≤ ROA < 0,5 %
5	Unhealthy	ROA ≤ 0%

Source: PJOK No. 4/SEOJK.03/2017

2. **Return on Equity**

ROE is a ratio indicating how much a company can generate profit or gain from managing its capital, both its own capital and investor capital (Gultom & Siregar, 2022). ROE is also used to measure management's ability to manage existing capital to obtain net income. This ratio often reflects a company's acceptance of good investment opportunities and effective cost management. If ROE is high, the company has effectively managed its capital, thereby attracting investor trust and interest in investing (Diaz & Jufrizen, 2014).

$$ROE = \frac{Net\ Income}{Total\ Equity}\ X\ 100\%$$

Table 5. Assessing Bank Health Based on the ROE Ratio

Rank	Description	Criteria
1	Very Healthy	ROE > 15%
2	Healthy	12,5% ≤ ROE < 15%
3	Fairly Healthy	5% ≤ ROE < 12,5%
4	Less Healthy	0% ≤ ROE < 5 %
5	Unhealthy	ROE ≤ 0%

Source: PJOK No. 4/SEOJK.03/2017

3. Operating Expenses to Operating Income

BOPO is a ratio between operational costs and operational income (Hidayat *et al*., 2022). Operational costs are used to measure the efficiency level and the bank's ability to conduct its operational activities. Operational costs are the expenses incurred by the bank in carrying out its core business activities such as labor costs, marketing expenses, and other operational costs. Operational income is the bank's main revenue, namely the profit earned from fund placements in the form of financing and other operational income (Sudarmawanti & Pramono, 2017). BOPO calculation involves comparing operational costs to measure the efficiency level and the bank's ability to conduct its operational activities.

$$BOPO = \frac{Operating\ expense}{Operating\ Income}\ X\ 100\%$$

Table 6. Assessing Bank Health Based on the BOPO Ratio

Rank	Description	Criteria
1	Very Healthy	BOPO < 83%
2	Healthy	83% ≤ BOPO < 85%
3	Fairly Healthy	85% ≤ BOPO < 87%
4	Less Healthy	87% ≤ BOPO < 89%
5	Unhealthy	BOPO > 89%

Source: PJOK No. 4/SEOJK.03/2017

Capital

Refer to Bank Indonesia Circular Letter No. 13/24/DPNP year 2011. Capital adequacy in the Islamic banking industry is one of the most crucial aspects because it is related to the management of public funds. Additionally, capital adequacy is also related to addressing risk exposure that occurs currently and, in the future (Ginting *et al*., 2020). Assessment of capital factors includes evaluation of capital adequacy and capital management adequacy. Capital assessment utilizes the Capital Adequacy Ratio (CAR). CAR is one of the components of capital factors, representing the sufficiency of capital used to test the adequacy of a bank's capital.

1. Capital Adequacy Ratio

$$CAR = \frac{Capital}{Risk\ Weighted\ Ratio}\ X\ 100\%$$

Table 7. Assessing Bank Health Based on the Capital Ratio

Rank	Description	Criteria
1	Very Healthy	CAR > 12%
2	Healthy	9% < CAR ≤ 12%
3	Fairly Healthy	8% < CAR ≤ 9%
4	Less Healthy	6% < CAR ≤ 8%
5	Unhealthy	CAR ≤ 6 %

Source: PJOK No. 4/SEOJK.03/2017

After estimating RGEC, finally we measure Composite Rating by classifying the weight based on the RGEC value. The following table shows the ranking of bank soundness.

Table 8. Assessing Bank Health Based on the Capital Ratio

Composite Rating	Weight (%)	Criteria
1	86 – 100	Very Healthy
2	71 – 85	Healthy
3	61 - 70	Fairly Healthy
4	41 - 60	Less Healthy
5	< 41	Unhealthy

Source: PJOK No. 4/SEOJK.03/2017

2.4. Research Framework

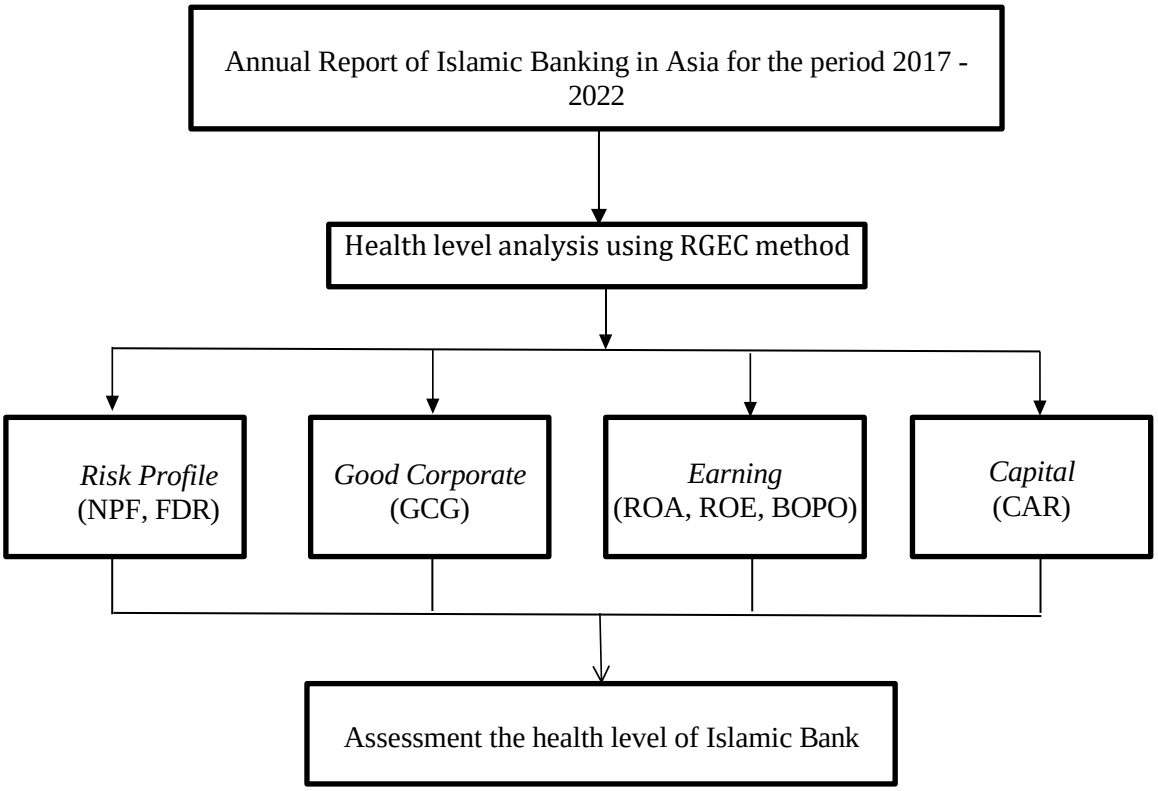

Figure 3. Research Framework

3. METHODOLOGY

This research utilizes a descriptive research method employing a quantitative approach. The data presented employs financial reports published by Sharia Banks in Asia during the period 2017-2022 to determine the banks' health level based on POJK No.4/POJK.03/2016 and SE OJK No.14/SEOJK.03/2017 regarding the Assessment of General Bank Health Level. The subjects of this study are Sharia commercial banks in Asia from 2017 to 2022, with the objective being the assessment of the health level of Sharia commercial banks in Asia using the RGEC method. The population in this study comprises Sharia commercial banks in Asia that are members of the Islamic Financial Services Board from 2017 to 2022, totaling 188 banks.

Sampling is conducted using purposive sampling method. Purposive random sampling involves "selecting samples from a population based on scientific considerations." The criteria include (1) Membership in the Islamic Financial Services Board (IFSB) in 2023, (2) Islamic banking in Asia providing financial reports and listed in the 100 Largest Islamic Banks according to The Asian Banker 2022, and (3) Islamic banking listed in the Top 10 Countries by Islamic Finance Assets. Based on these criteria, there are 10 out of 188 Sharia commercial banks in Asia that meet the research criteria.

Table 6. Research Sample

No	Islamic Bank	Countries	Description
1.	Al Rajhi Bank	Saudi Arabia	Al Rajhi Bank is the first Islamic banking owned by Saudi Arabia established in 1957 as well as the largest Islamic bank in Saudi Arabia.
2.	Dubai Islamic Bank	Uni Emirates Arab	Dubai Islamic Bank is the first Islamic banking owned by Uni Emirates Arab established in 1975 as well as the largest Islamic bank in Uni Emirates Arab
3.	Boubyan Islamic Bank	Kuwait	Boubyan Islamic bank the Largest Islamic Bank based In Kuwait. This bank established in 2004. Boubyan Islamic Bank is renowned for its innovation in providing Islamic banking products and services
4.	Maybank Islamic Berhad	Malaysia	Maybank Islamic Berhad is a subsidiary of Malayan Banking Berhad (Maybank). The bank was established in 2008. Currently, Maybank Islamic Berhad is included in one of the largest Islamic banks in Malaysia
5.	Qatar Islamic Bank	Qatar	Qatar Islamic Bank (QIB) is the main bank in Qatar that operates in accordance with the principles of Islamic banking. This bank contributes greatly to economic development in Qatar
6.	Bank Pasargad	Iran	Bank Pasargad Iran was established in 2005 as a bank fully adhering to Sharia banking principles in Iran. This bank is committed to continuously developing new technologies and services to enhance its customers' experience.
7.	Al Salam Islamic Bank	Bahrain	Al Salam Islamic Bank is a new Islamic bank established in 2006. Nevertheless, this bank was able to become one of the largest Islamic banks in Bahrain.
8.	Bank Muamalat Indonesia	Indonesia	Bank Muamalat Indonesia is a sharia bank established on November 24, 1991. This bank aims to meet the financial needs of the Indonesian people who want financial products and services that are in accordance with sharia principles
9.	Islamic Bank Bangladesh Limited	Bangladesh	Islamic Bank Bangladesh Limited (IBBL) is one of the leading Islamic banks in Bangladesh. Established in 1983, the bank operates in accordance with Islamic banking principles.
10.	Ziraat Katilim Bankasi	Turkey	Ziraat Katilim Bankansi is one of the largest Islamic banks in Turkey. The bank was only established in 2015. As one of the largest Islamic banks in Turkey, Ziraat Katılım Bankası has an extensive branch network throughout the country and has contributed to expanding financial inclusion in Turkey.

4. RESULT AND DISCUSSION

4.1. Result

Research on the health level of top 10 Sharia banks in Asia shows different health level results. These differences are caused by the values of each component that influence the bank's health, such as NPF, FDR, GCG, ROA, ROE, BOPO, and CAR. These seven components yield different results in each bank and each year. To determine the health level results of Sharia banks in each bank, calculations similar to those at the beginning of Chapter IV are used. Then, an average calculation is performed by dividing the total by the number of years. To obtain the bank's health level, the number of components studied, namely 4 components (RGEC), is divided. In calculating the health of Sharia banks, factors determining the quality of each Sharia bank's health during the period 2017-2022 are directly analyzed.

Non-Performing Financing

Table 7. Average Non-Performing Financing 2017 – 2022

No	Bank Name	Country	Average NPF	Description
1.	Al Rajhi Bank	Saudi Arabia	1.41%	Very healthy
2.	Dubai Islamic Bank	United Arab Emirates	4.95%	Healthy
3.	Boubyan Islamic Bank	Kuwait	0.93%	Very healthy
4.	Maybank Islamic Berhad	Malaysia	1.39%	Very healthy
5.	Qatar Islamic Bank	Qatar	1.40%	Very healthy
6.	Bank Pasargad	Iran	6.52%	fairly Healthy
7.	Al Salam Islamic Bank	Bahrain	4.53%	Healthy
8.	Bank Muamalat	Indonesia	2,42%	Healthy
9.	Islamic Bank Limited	Bangladesh	8.76%	Less Healthy
10.	Ziraat Katilim Bankansi	Turkey	1.65%	Very healthy

Based on Table 7, it shows that Sharia banking categorized as very healthy because it has an NPF value below 2% are Al Rajhi Bank (ARB) from Saudi Arabia, Boubyan Islamic Bank (BIB) from Kuwait, Maybank Islamic Berhad (MIB) from Malaysia, Qatar Islamic Bank (QIB) from Qatar, and Ziraat Katilim Bankansi (ZKB) from Turkey. Then, banks categorized as healthy because $2 \leq NPF < 5$ are Dubai Islamic Banking (DIB) from the United Arab Emirates, and Al Salam Islamic Bank (AIB) from Bahrain. And Sharia banks categorized as fairly healthy because $5 \leq NPF < 8$ are Bank Pasargad (BPI) from Iran, and Bank Muamalat (BMI) from Indonesia. Whereas Sharia banking categorized as less healthy because $8 \leq NPF < 12$ is Islamic Bank Limited (IBL) from Bangladesh.

Financing to Deposit Ratio

Table 8. Average Financing to Deposit Ratio 2017 – 2022

No	Bank Name	Country	Average NPF	Description
1.	Al Rajhi Bank	Saudi Arabia	81,73%	Healthy
2.	Dubai Islamic Bank	United Arab Emirates	92,63%	Fairly Healthy
3.	Boubyan Islamic Bank	Kuwait	91,97%	Fairly Healthy
4.	Maybank Islamic Berhad	Malaysia	83,07%	Healthy
5.	Qatar Islamic Bank	Qatar	106,52%	Less Healthy
6.	Bank Pasargad	Iran	77,52%	Healthy
7.	Al Salam Islamic Bank	Bahrain	113,08%	Less Healthy
8.	Bank Muamalat	Indonesia	63,32%	Healthy
9.	Islamic Bank Limited	Bangladesh	108,41%	Less Healthy
10.	Ziraat Katilim Bankansi	Turkey	92,05%	Fairly healthy

Financing Deposit Ratio (FDR) is a ratio comparing the amount of funds disbursed in the form of financing to the total funds from the public and own capital used. According to Aryanti & Wahyudi (2022), the higher the FDR, the lower the liquidity of the respective bank. The purpose of FDR is to determine and assess the extent to which a bank has a healthy condition in conducting its business operations. FDR is considered good when its calculation results in low values because Sharia banks are deemed capable of meeting financing demands using their total assets.

Good Corporate Governance

Table 9. Average Good Corporate Governance 2017 – 2022

No	Bank Name	Country	Rank GCG	Description
1.	Al Rajhi Bank	Saudi Arabia	1	Very healthy
2.	Dubai Islamic Bank	United Arab Emirates	1	Very healthy
3.	Boubyan Islamic Bank	Kuwait	1	Very healthy
4.	Maybank Islamic Berhad	Malaysia	1	Very healthy
5.	Qatar Islamic Bank	Qatar	1	Very healthy
6.	Bank Pasargad	Iran	2	Healthy
7.	Al Salam Islamic Bank	Bahrain	1	Very healthy
8.	Bank Muamalat	Indonesia	2	Healthy

No	Bank Name	Country	Rank GCG	Description
9.	Islamic Bank Limited	Bangladesh	1	Very healthy
10.	Ziraat Katilim Bankansi	Turkey	3	Fairly healthy

Based on Table 9, it shows that Sharia banking categorized as very healthy because it has a GCG value below 1.5% are Al Rajhi Bank (ARB) from Saudi Arabia, Dubai Islamic Bank (DIB) from the United Arab Emirates, Boubyan Islamic Bank (BIB) from Kuwait, Maybank Islamic Berhad (MIB) from Malaysia, Qatar Islamic Bank (QIB) from Qatar, Al Salam Islamic Bank (AIB) from Bahrain, Bank Muamalat (BMI) from Indonesia, and Islamic Bank Limited (IBL) from Bangladesh. Then, banks categorized as healthy because $1.5 \leq GCG < 2.5$ are Bank Pasargad (BPI) from Iran. And Sharia banks categorized as fairly healthy because $2.5 \leq GCG < 3.5\%$ are Ziraat Katilim Bankansi (ZKB) from Turkey.

Return on Assets

Table 10. Average Return on Assets 2017 – 2022

No	Bank Name	Country	Rank GCG	Description
1.	Al Rajhi Bank	Saudi Arabia	2,37%	Very healthy
2.	Dubai Islamic Bank	United Arab Emirates	1,94%	Very healthy
3.	Boubyan Islamic Bank	Kuwait	1,02%	Fairly healthy
4.	Maybank Islamic Berhad	Malaysia	0,92%	Fairly healthy
5.	Qatar Islamic Bank	Qatar	1,87%	Very healthy
6.	Bank Pasargad	Iran	2,31%	Very healthy
7.	Al Salam Islamic Bank	Bahrain	0,93%	Fairly healthy
8.	Bank Muamalat	Indonesia	6,33%	Very healthy
9.	Islamic Bank Limited	Bangladesh	0.76%	Fairly healthy
10.	Ziraat Katilim Bankansi	Turkey	1,46%	Very healthy

Source: Company's Annual Report, 2023

Based on Table 10, it shows that Sharia banking categorized as very healthy because it has an ROA value above 1.5% are Al Rajhi Bank (ARB) from Saudi Arabia, Dubai Islamic Bank (DIB) from the United Arab Emirates, Qatar Islamic Bank (QIB) from Qatar, Bank Muamalat (BMI) from Indonesia. Then, banks categorized as healthy because $1.25 \leq ROA < 1.5$ are Ziraat Katilim Bankansi (ZKB) from Turkey. Meanwhile, Sharia banks categorized as fairly healthy because $0.5 \leq ROA < 1.25\%$ are Boubyan Islamic Bank (BIB) from Kuwait, Maybank Islamic Berhad (MIB) from Malaysia, Al

Salam Islamic Bank (AIB) from Bahrain, and Islamic Bank Limited (IBL) from Bangladesh.

Return on Equity

Table 11. Average Return on Assets 2017 – 2022

No	Bank Name	Country	Rank GCG	Description
1.	Al Rajhi Bank	Saudi Arabia	2,37%	Very healthy
2.	Dubai Islamic Bank	United Arab Emirates	1,94%	Very healthy
3.	Boubyan Islamic Bank	Kuwait	1,02%	Fairly healthy
4.	Maybank Islamic Berhad	Malaysia	0,92%	Fairly healthy
5.	Qatar Islamic Bank	Qatar	1,87%	Very healthy
6.	Bank Pasargad	Iran	2,31%	Very healthy
7.	Al Salam Islamic Bank	Bahrain	0,93%	Fairly healthy
8.	Bank Muamalat	Indonesia	6,33%	Less Healthy
9.	Islamic Bank Limited	Bangladesh	0.76%	Healthy
10.	Ziraat Katilim Bankansi	Turkey	1,46%	Very Healthy

Based on Table 11, it shows that Sharia banking categorized as very healthy because it has an ROE value above 15% are Al Rajhi Bank (ARB) from Saudi Arabia, Dubai Islamic Bank (DIB) from the United Arab Emirates, Qatar Islamic Bank (QIB) from Qatar, Bank Pasargad (BPI) from Iran, and Ziraat Katilim Bankansi (ZKB) from Turkey. Then, banks categorized as healthy because $12.5 \leq ROE < 15$ are Islamic Bank Limited (IBL) from Bangladesh. Meanwhile, Sharia banks categorized as fairly healthy because $5 \leq ROE < 12.5\%$ are Boubyan Islamic Bank (BIB) from Kuwait, Maybank Islamic Berhad (MIB) from Malaysia, and Al Salam Islamic Bank (AIB) from Bahrain. As for Sharia banking categorized as less healthy because $0 \leq ROE < 5\%$ is Bank Muamalat (BMI) from Indonesia.

Operating Expenses to Operating Income

Table 12. Average Operating Expenses to Operating Income 2017 – 2022

No	Bank Name	Country	Rank GCG	Description
1.	Al Rajhi Bank	Saudi Arabia	39.69%	Very healthy
2.	Dubai Islamic Bank	United Arab Emirates	36.75%	Very healthy
3.	Boubyan Islamic Bank	Kuwait	44.26%	Very healthy

4.	Maybank Islamic Berhad	Malaysia	35.57%	Very healthy
5.	Qatar Islamic Bank	Qatar	18.69%	Very healthy
6.	Bank Pasargad	Iran	78.13%	Very healthy
7.	Al Salam Islamic Bank	Bahrain	43.13%	Very healthy
8.	Bank Muamalat	Indonesia	98.46%	Unhealthy
9.	Islamic Bank Limited	Bangladesh	47.04%	Very healthy
10.	Ziraat Katilim Bankansi	Turkey	43,41%	Very Healthy

Based on Table 12, it shows that Sharia banking categorized as very healthy because it has a BOPO value less than 83% are Al Rajhi Bank (ARB) from Saudi Arabia, Dubai Islamic Bank (DIB) from the United Arab Emirates, Boubyan Islamic Bank (BIB) from Kuwait, Maybank Islamic Berhad (MIB) from Malaysia, Qatar Islamic Bank (QIB) from Qatar, Bank Pasargad (BPI) from Iran, Al Salam Islamic Bank (AIB) from Bahrain, and Islamic Bank Limited (IBL) from Bangladesh. Whereas banks categorized as unhealthy because BOPO > 89% are Bank Muamalat (BMI) from Indonesia and Ziraat Katilim Bankansi (ZKB) from Turkey.

Capital Adequacy Ratio

Table 13. Average Capital Adequacy Ratio 2017 – 2022

No	Bank Name	Country	Rank GCG	Description
1.	Al Rajhi Bank	Saudi Arabia	20.22%	Very healthy
2.	Dubai Islamic Bank	United Arab Emirates	17.40%	Very healthy
3.	Boubyan Islamic Bank	Kuwait	18.43%	Very healthy
4.	Maybank Islamic Berhad	Malaysia	18.29%	Very healthy
5.	Qatar Islamic Bank	Qatar	18.71%	Very healthy
6.	Bank Pasargad	Iran	8.53%	Fairly healthy
7.	Al Salam Islamic Bank	Bahrain	23.35%	Very healthy
8.	Bank Muamalat	Indonesia	18.34%	Very healthy
9.	Islamic Bank Limited	Bangladesh	14.74%	Very healthy
10.	Ziraat Katilim Bankansi	Turkey	14.45%	Very Healthy

Based on Table 13, it shows that Sharia banking categorized as very healthy because it has a CAR value above 12% are Al Rajhi Bank (ARB) from Saudi Arabia, Dubai Islamic Bank (DIB) from the United Arab Emirates, Boubyan Islamic Bank (BIB) from Kuwait, Maybank Islamic Berhad (MIB) from Malaysia, Qatar Islamic

Bank (QIB) from Qatar, Al Salam Islamic Bank (AIB) from Bahrain, Bank Muamalat (BMI) from Indonesia, Islamic Bank Limited (IBL) from Bangladesh, and Ziraat Katilim Bankansi (ZKB) from Turkey. Whereas Sharia banking categorized as fairly healthy because 8% < CAR ≤ 9% is Bank Pasargad (BPI) from Iran.

4.2 Discussion

The assessment of bank health is crucial because banks manage funds entrusted by the public. Trust can be obtained by maintaining the bank's health level. To determine the health level of a bank, it can be observed from the bank's performance. In general, the assessment of a bank's health aims to evaluate the bank's performance in applying prudential principles, compliance with applicable regulations, and risk management. A bank healthy is one that can perform its functions well, maintain public trust, and fulfill intermediation functions. Below is the composite ranking of Sharia banking in Asia for the period 2017-2022.

1. Al Rajhi Bank

Tabel 14. Al Rajhi Bank Health component rating period 2017 -2022

No	Component	Ratio	Composite Value (%)	Rank					Description
				1	2	3	4	5	
1	Risk Profile	NPF	1,41%	√					Very Healthy
		FDR	81,83%		√				Healthy
2	Earning	ROA	2,50%	√					Very Healthy
		ROE	18,59%	√					Very Healthy
		BOPO	39,69%	√					Very Healthy
3	Capital	CAR	20,22%	√					Very Healthy
4	GCG	Self-Assessment	1	√					Very Healthy
Composite Value				30	4				
Total Composite Value Al Rajhi Bank								34	
Total overall composite value								35	

$$\text{Composite Rating} = \frac{\text{Total Composite Value Al Rajhi Bank Bank}}{\text{Total overall composite value}} \text{ x } 100\%$$

$$= \frac{34}{35} X 100\%$$

= 97,14% (Very Healthy)

From table 14, it can be seen that the risk profile of Al Rajhi Bank (ARB) for the period 2017-2022, measured through the NPF ratio, obtained the label "Very Healthy" and the FDR obtained the predicate "Healthy".. Additionally, Al Rajhi Bank's earnings component, measured by the ROA ratio, received the label "Very Healthy", while the ROE ratio received the label "Very Healthy", and the BOPO ratio also received the label "Very Healthy". Furthermore, Al Rajhi Bank's capital component, measured through the Capital Adequacy Ratio (CAR), obtained the label "Very Healthy". Moreover, the Good

Corporate Governance component, measured through self-assessment by the company itself, received the label "Very Healthy".

2. Dubai Islamic Bank

Tabel 15. Dubai Islamic Bank Health component rating period 2017 -2022

No	Component	Ratio	Composite Value (%)	Rank 1	2	3	4	5	Description
1	Risk Profile	NPF	4,95%		√				Healthy
		FDR	92,63%			√			Fairly Healthy
2	Earning	ROA	1,94%	√					Very Healthy
		ROE	15,68%	√					Very Healthy
		BOPO	36,75%	√					Very Healthy
3	Capital	CAR	17,40%	√					Very Healthy
4	GCG	Self-Assessment	1	√					Very Healthy
Composite Value				25	4	3			
Total Composite Value Dubai Islamic Bank								32	
Total overall composite value								35	

$$\text{Composite Rating} = \frac{\text{Total Composite Value Dubai Islamic Bank}}{\text{Total overall composite value}} \text{ x } 100\%$$

$$= \frac{32}{35} X 100\%$$

= 91,42% (Very Healthy)

From table 15, the risk profile of Dubai Islamic Bank for the period 2017-2022, measured through the NPF ratio, obtained the label " Healthy" and the FDR obtained the predicate "Fairly Healthy". Additionally, Dubai Islamic Bank earnings component, measured by the ROA ratio, received the label "Very Healthy", while the ROE ratio received the label "Very Healthy", and the BOPO ratio also received the label "Very Healthy". Furthermore, Dubai Islamic bank capital component, measured through the Capital Adequacy Ratio (CAR), obtained the label "Very Healthy". Moreover, the Good Corporate Governance component, measured through self- assessment by the company itself, received the label "Very Healthy".

3. Boubyan Islamic Bank

Tabel 16. Boubyan Islamic Bank Health component rating period 2017 -2022

No	Component	Ratio	Composite Value (%)	Rank 1	2	3	4	5	Description
1	Risk Profile	NPF	0,93%	√					Very Healthy
		FDR	91,97%			√			Fairly Healthy
		ROA	1,02%			√			Fairly Healthy

2	Earning	ROE	9,53%			√		Fairly Healthy
		BOPO	44,26%	√				Very Healthy
3	Capital	CAR	18,43%	√				Very Healthy
4	GCG	Self-Assessment	1	√				Very Healthy
Composite Value				20		9		
Total Composite Value Boubyan Islamic Bank							29	
Total overall composite value							35	

$$\text{Composite Rating} = \frac{\text{Total Composite Value Boubyan Islamic Bank}}{\text{Total overall composite value}} \text{ x } 100\%$$

$$= \frac{29}{35} X 100\%$$

= 82,95% (Very Healthy)

From table 16, the risk profile of Boubyan Islamic Bank for the period 2017-2022, measured through the NPF ratio, obtained the label " Very Healthy" and the FDR obtained the predicate "Fairly Healthy". Additionally, Boubyan Islamic Bank earnings component, measured by the ROA ratio, received the label " Fairly Healthy", while the ROE ratio received the label " Fairly Healthy", and the BOPO ratio also received the label "Very Healthy". Furthermore, Boubyan Islamic bank capital component, measured through the Capital Adequacy Ratio (CAR), obtained the label "Very Healthy". Moreover, the Good Corporate Governance component, measured through self-assessment by the company itself, received the label "Very Healthy".

4. Maybank Islamic Berhad

Tabel 17. Maybank Islamic Berhad Health component rating period 2017 -2022

No	Component	Ratio	Composite Value (%)	Rank					Description
				1	2	3	4	5	
1	Risk Profile	NPF	0,93%	√					Very Healthy
		FDR	83.08%		√				Healthy
		ROA	1.42%		√				Healthy
2	Earning	ROE	10,17%			√			Fairly Healthy
		BOPO	35,57%	√					Very Healthy
3	Capital	CAR	17,63%	√					Very Healthy
4	GCG	Self Assesment	1	√					Very Healthy
Composite Value				20	8	3			
Total Composite Value Qatar Islamic Bank								31	
Total overall composite value								35	

$$\text{Composite Rating} = \frac{\text{Total Composite Value Maybank Islamic Berhad}}{\text{Total overall composite value}} \text{ x } 100\%$$

$= \frac{31}{35} X 100\%$

= 88,57% (Very Healthy)

From table 17, it can be seen that the risk profile of Maybank Islamic Berhad for the period 2017-2022, measured through the NPF ratio, obtained the label " Very Healthy" and the FDR obtained the predicate " Healthy". Additionally, Maybank Islamic Berhad earnings component, measured by the ROA ratio, received the label " Fairly Healthy", while the ROE ratio received the label " Healthy", and the BOPO ratio also received the label "Very Healthy". Furthermore, Maybank Islamic Berhad capital component, measured through the Capital Adequacy Ratio (CAR), obtained the label "Very Healthy". Moreover, the Good Corporate Governance component, measured through self-assessment by the company itself, received the label "Very Healthy".

5. Qatar Islamic Banking

Tabel 18. Qatar Islamic Bank Health component rating period 2017 -2022

No	Component	Ratio	Composite Value (%)	Rank					Description
				1	2	3	4	5	
1	Risk Profile	NPF	1,40%	√					Very Healthy
		FDR	106,52%				√		Less Healthy
2	Earning	ROA	1,87%	√					Very Healthy
		ROE	17,15%	√					Very Healthy
		BOPO	18,69%	√					Very Healthy
3	Capital	CAR	18,71%	√					Very Healthy
4	GCG	Self-Assessment	1	√					Very Healthy
Composite Value				30			2		
Total Composite Value Qatar Islamic Bank								32	
Total overall composite value								35	

Composite Rating $= \frac{\text{Total Composite Value Qatar Islamic Banking}}{\text{Total overall composite value}}$ x 100%

$= \frac{32}{35} X 100\%$

= 91,42% (Very Healthy)

Risk profile of Qatar Islamic bank for the period 2017-2022, measured through the NPF ratio, obtained the label " Very Healthy" and the FDR obtained the predicate " Less Healthy". Additionally, Qatar Islamic Bank earnings component, measured by the ROA ratio, received the label " Very Healthy", while the ROE ratio received the label " Very Healthy", and the BOPO ratio also received the label "Very Healthy". Furthermore, Qatar Islamic bank capital component, measured through the Capital Adequacy Ratio (CAR), obtained the label "Very Healthy". Moreover, the Good Corporate Governance component, measured through self-assessment by the company itself, received the label "Very Healthy".

6. Bank Pasargad Iran

Tabel 19. Bank Pasargad Iran Health component rating period 2017 -2022

No	Component	Ratio	Composite Value (%)	Rank					Description
				1	2	3	4	5	
1	Risk Profile	NPF	6,52%			√			Fairly Healthy
		FDR	77,52%		√				Healthy
2	Earning	ROA	2,31%	√					Very Healthy
		ROE	34,06%	√					Very Healthy
		BOPO	84%		√				Healthy
3	Capital	CAR	8,53%			√			Fairly Healthy
4	GCG	Self-Assessment	3			√			Fairly Healthy
Composite Value				10	8	9			
Total Composite Value Bank Pasargad Iran								27	
Total overall composite value								35	

$$\text{Composite Rating} = \frac{\text{Total Composite Value Bank Pasargad Iran}}{\text{Total overall composite value}} \text{ x } 100\%$$

$$= \frac{27}{35} X 100\%$$

= 77,14% (Healthy)

From table 19, it can be seen that the risk profile of Bank pasargad Iran for the period 2017-2022, measured through the NPF ratio, obtained the label " Fairly Healthy" and the FDR obtained the predicate " Healthy". Additionally, Bank Pasargad Iran earnings component, measured by the ROA ratio, received the label " Very Healthy", while the ROE ratio received the label " Very Healthy", and the BOPO ratio also received the label " Healthy". Furthermore, Bank Pasargad Iran capital component, measured through the Capital Adequacy Ratio (CAR), obtained the label "Fairly Healthy". Moreover, the Good Corporate Governance component, measured through self-assessment by the company itself, received the label "Fairly Healthy".

7. Al Salam Islamic Bank

Tabel 20. Al Salam Islamic Bank Health component rating period 2017 -2022

No	Component	Ratio	Composite Value (%)	Rank					Description
				1	2	3	4	5	
1	Risk Profile	NPF	4,53%		√				Healthy
		FDR	113,08%				√		Less Healthy
		ROA	0,93%			√			Healthy
2	Earning	ROE	6,67%			√			Healthy
		BOPO	43,13%	√					Very Healthy
3	Capital	CAR	23,35%	√					Very Healthy

4	GCG	Self-Assessment	1	√					Very Healthy
Composite Value				15	4	6	2		
Total Composite Value Al Salam Islamic Bank								27	
Total overall composite value								35	

$$\text{Composite Rating} = \frac{\text{Total Composite Value Al Salam Islamic Bank}}{\text{Total overall composite value}} \text{ x } 100\%$$

$$= \frac{27}{35} X 100\%$$

= 77,14% (Healthy)

From table 20, the risk profile of Al Salam Islamic Bank for the period 2017-2022, measured through the NPF ratio, obtained the label " Healthy" and the FDR obtained the predicate " Less Healthy". Additionally, Al Salam Islamic bank earnings component, measured by the ROA ratio, received the label " Healthy", while the ROE ratio received the label " Healthy", and the BOPO ratio also received the label " Vey Healthy". Furthermore, Al Salam Islamic Bank capital component, measured through the Capital Adequacy Ratio (CAR), obtained the label "Very Healthy". Moreover, the Good Corporate Governance component, measured through self-assessment by the company itself, received the label "Very Healthy".

8. Bank Muamalat Indonesia

Tabel 21. Bank Muamalat Indonesia Bank Health component rating period 2017 -2022

No	Component	Ratio	Composite Value (%)	1	2	3	4	5	Description
1	Risk Profile	NPF	2,42%		√				Healthy
		FDR	63,32%		√				Healthy
2	Earning	ROA	0,06%				√		Less Healthy
		ROE	0,58%				√		Less Healthy
		BOPO	98,46%					√	Unhealthy
3	Capital	CAR	18,34%	√					Very Healthy
4	GCG	Self-Assessment	1	√					Very Healthy
Composite Value				10	8		4	1	
Total Composite Value Bank Muamalat Indonesia								23	
Total overall composite value								35	

$$\text{Composite Rating} = \frac{\text{Total Composite Value Bank Muamalat Indonesia}}{\text{Total overall composite value}} \text{ x } 100\%$$

$$= \frac{23}{35} X 100\%$$

= 65,71% (Healthy)

From table 21, the risk profile of Bank Muamalat Indonesia for the period 2017-

2022, measured through the NPF ratio, obtained the label " Healthy" and the FDR obtained the predicate " Healthy". Additionally, Bank Muamalat Indonesia earnings component, measured by the ROA ratio, received the label " Less Healthy", while the ROE ratio received the label " Less Healthy", and the BOPO ratio also received the label " Unhealthy". Furthermore, Bank Muamalat Indonesia capital component, measured through the Capital Adequacy Ratio (CAR), obtained the label "Very Healthy". Moreover, the Good Corporate Governance component, measured through self-assessment by the company itself, received the label "Very Healthy".

9. Islamic Bank Limited

Tabel 22 Islamic Bank Limited Health component rating period 2017 -2022

No	Component	Ratio	Composite Value (%)	Rank					Description
				1	2	3	4	5	
1	Risk Profile	NPF	8,76%				√		Less Healthy
		FDR	108,41%				√		Less Healthy
2	Earning	ROA	0,76%			√			Fairly Healthy
		ROE	11,96%		√				Healthy
		BOPO	47,04%	√					Very Healthy
3	Capital	CAR	14,74%	√					Very Healthy
4	GCG	Self-Assessment	1	√					Very Healthy
Composite Value				15	4	3	4		
Total Composite Value Islamic Bank Limited								26	
Total overall composite value								35	

$$\text{Composite Rating} = \frac{\text{Total Composite Value Islamic Bank Limited}}{\text{Total overall composite value}} \text{ x } 100\%$$

$$= \frac{26}{35} X 100\%$$

= 74,28% (Healthy)

From table 22, it can be seen that the risk profile of Islamic Bank Limited for the period 2017-2022, measured through the NPF ratio, obtained the label " Less Healthy" and the FDR obtained the predicate " Less Healthy". Additionally, Islamic Bank Limited earnings component, measured by the ROA ratio, received the label "Fairly Healthy", while the ROE ratio received the label " Healthy", and the BOPO ratio also received the label " Vey Healthy". Furthermore, Islamic Bank Limited capital component, measured through the Capital Adequacy Ratio (CAR), obtained the label "Very Healthy". Moreover, the Good Corporate Governance component, measured through self-assessment by the company itself, received the label "Very Healthy".

10. Ziraat Katilim Bankansi

Tabel 23 Ziraat Katilim Bankansi Health component rating period **2017 -2022**

No	Component	Ratio	Composite Value (%)	Rank					Description
				1	2	3	4	5	
1	Risk Profile	NPF	1,65%	√					Very Healthy
		FDR	92,95%			√			Fairly Healthy
2	Earning	ROA	1,56%	√					Very Healthy
		ROE	22,57%	√					Very Healthy
		BOPO	53.88%	√					Very Healthy
3	Capital	CAR	14,45%	√					Very Healthy
4	GCG	Self Assesment	4			√			Fairly Healthy
Composite Value				25		6			
Total Composite Value Ziraat Katilim Bankansi								31	
Total overall composite value								35	

Composite Rating $= \frac{\text{Total Composite Value Ziraat Katilim Bankansi}}{\text{Total overall composite value}}$ x 100%

$= \frac{31}{35} X 100\%$

= 88,57% (Very Healthy)

From table 23, the risk profile of Ziraat Katilim Bankansi for the period 2017-2022, measured through the NPF ratio, obtained the label " Very Healthy" and the FDR obtained the predicate " Fairly Healthy". Additionally, Al Salam Islamic bank earnings component, measured by the ROA ratio, received the label " Very Healthy", while the ROE ratio received the label " Very Healthy", and the BOPO ratio also received the label " Very Healthy". Furthermore, Al Salam Islamic Bank capital component, measured through the Capital Adequacy Ratio (CAR), obtained the label "Very Healthy". Moreover, the Good Corporate Governance component, measured through self-assessment by the company itself, received the label "Fairly Healthy".

5. CONCLUSION AND RECOMMENDATION

Based on the analysis and interpretation of the research results discussed in the previous chapter, this study concludes that: There are significant differences in the NPF, FDR, ROE, and BOPO ratios in Sharia banks in Asia. Furthermore, there are insignificant differences in the ROA, CAR, and GCG ratio values. The ranking of Sharia banking health in Asia, from highest to lowest, is as follows: A. Sharia banks categorized as very healthy are Al Rajhi Bank from Saudi Arabia with 97.14%, Dubai Islamic from the United Arab Emirates with 91.43%, Qatar Islamic Bank from Qatar with 91.42%, Maybank Islamic Berhad from Malaysia with 88.57%, and Ziraat Katilim Bankansi from Turkey with 88.57%. B. Sharia banks categorized as healthy are: Boubyan Islamic Bank from Kuwait with 82.88%, Bank Pasargad from Iran with 80%, Salam Islamic Bank from Bahrain with 77.14%, and Islamic Bank Limited from Bangladesh with 74.28%. C. Sharia banks categorized as fairly healthy are: Bank

Muamalat from Indonesia with 65.71%.

Based on the results of the discussion analysis, the recommendations we suggest in this study are (1) For practitioners in the Islamic banking sector, it is recommended to continuously monitor and strengthen the risk profile, earnings (profitability), and capital by enhancing resources through management strategies, marketing, and product innovation. (2) For the government, it is hoped that full support will be provided to the Islamic banking industry through the implementation of regulations and capital provision. (3) For researchers, it is recommended to select different research objects, time periods, and variables to obtain a broader and more diverse perspective in studies on the Islamic banking industry.

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