



## THE ANALYSIS OF ISLAMIC BANK FINANCIAL PERFORMANCE BY USING CAMEL AND SHARIAH CONFORMITY AND PROFITABILITY (SCNP)

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### Abstract

*This study aims to measure the performance of Islamic banks by using CAMEL and SCnP Model. The population of this study is Islamic banks that were listed on the BI from 2009-2012. The technique used for this research is purposive sampling, while descriptive technique which has explanatory characteristic is implemented for analyzing the data. CAMEL model has five variables: capital (CAR), asset quality (RORA), management (NPM), earnings (ROA), and liquidity (FDR). SCnP model has two variables: Shariah conformity and profitability. The result of study indicates that CAR, RORA, and FDR have met the standards of BI, while NPM and ROA ratios have not met the standards. The analysis of SCnP results are Islamic banks spread out in four quadrants (ULQ, LLQ, URQ, and LRQ) and it recommends that Bank Syariah Mandiri as an investment target because it is able to survive in the upper right quadrant (URQ) during three periods, 2009-2012.*

## ANALISIS KINERJA KEUANGAN BANK SYARIAH MENGGUNAKAN CAMEL DAN SHARIAH CONFORMITY DAN PROFITABILITY (SCnP)

### Abstrak

Penelitian ini bertujuan untuk mengukur kinerja bank syariah dengan menggunakan CAMEL dan SCnP Model. Populasi penelitian ini adalah semua bank umum syariah yang terdaftar di BI dari tahun 2009-2012. Teknik pengambilan sampel menggunakan purposive sampling, sementara teknik analisis data berupa deskriptif yang bersifat explanatory. Model CAMEL memiliki lima variabel, yaitu capital menggunakan proksi CAR, asset quality menggunakan proksi RORA, management menggunakan proksi NPM, earning menggunakan proksi ROA dan liquidity menggunakan proksi FDR. Model SCnP memiliki dua variabel, yaitu Shariah Conformity dan Profitability. Hasil penelitian ini menunjukkan, bahwa rasio CAR, RORA dan FDR telah memenuhi standar yang ditentukan BI, sedangkan rasio NPM dan ROA belum memenuhi standar. Analisis pada hasil SCnP yaitu, bank syariah tersebar dalam empat kuadran (ULQ, LLQ, URQ dan LRQ) dan merekomendasikan Bank Syariah Mandiri sebagai sasaran investasi karena mampu bertahan pada kuadran kanan atas (URQ) selama periode 2009-2012.

JEL Classification: M2, M20

## INTRODUCTION

Monetary crisis in 1998 is a phenomenon that is common knowledge for the world community. In 1998, it had impacts on the various sectors. One of them was in the banking sector. Monetary crisis in 1998 had disappeared the conventional banks and many of them were liquidated due to failure of interest system. The case does not happen on Islamic banks. This event makes investors interested in the banking sector especially on Islamic banking .

The development of Islamic banking based on Annual Report of Indonesian Bank 2011 (2012) is good and the number of banks increases continuously. In 2005, there were only three Islamic Banks and 95 Shariah Rural Banks. Then, in January 2012 based on Islamic Banking Statistics data which was published by Bank Indonesia, the number of Islamic banks had reached 35 units which consisted of 11 Islamic Banks and 24 Islamic Business units (Bank Indonesia, 2012). In addition, the amount of Shariah Rural Bank (BPRS) had reached 155 units in the same period. Table 1 shows the development of Islamic Banking in Indonesia.

Table 1 indicates that there is an interesting phenomenon. Comparing to the distribution of Islamic Banks (BUS) number that had increased in 2009, there is a decline in the number of Islamic Business Unit (UUS) in 2009. It can be said that BUS is more superior to the UUS. From the market segment and aggregate point of view, Rustam (2011) states that BUS market share is greater than UUS; its contributing factors are the amount of branch offices (UUS) have not owned many branches yet as well as BUS).

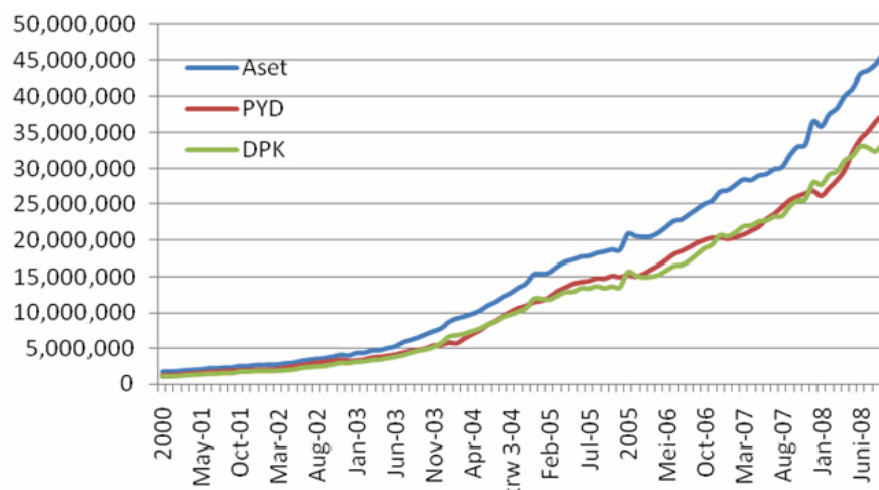
There is growth acceleration that starts from the end of 2007 up to August 2008 as the peak. From Figure 1, the Graph of Shariah Bank growth acceleration, indicates that in the global financial crisis, the growth of Islamic banks accelerate significantly. The facts, written above need to be examined by conducting a scientific study, which measures the financial performance of Islamic banks and uses Islamic and conventional indicators in Indonesia. Mulyadi (2001) states that the performance appraisal is a periodic determination of effectiveness of operational organization; and a part of organization and its employees based on objectives, standards and criteria that have been set previously. The research that can be done are the research that implement CAMEL and Shariah Conformity and Profitability (SCnP) Model. Both of them have the same goal, which is to measure the performance of banks by using financial ratios.

Sucipto (2003) states that financial performance is the result of many individual decisions which are made continuously by management. Orniati (2009) implies that the financial performance is a prospective or future growth and potential development for the company.

The research that had been conducted by Prasetyo (2008) used CAMEL with the financial ratios measured in several aspects. Based on previous research, capital aspect is measured by having CAR (Capital Adequacy Ratio), Asset Quality aspect is measured by implementing RORA (Return On Risk Assets), Management Quality aspect is measured by using NPM (Net Profit Margin), the aspect of Earning Capacity is measured by ROA (Return on Total Assets), and Liquidity is measured by having LDR (Loan on Deposit Ratio).

**Table 1.** The Development of Islamic Banking in Indonesia

Indikasi	2005	2006	2007	2008	2009	2010	2011	2012
BUS	3	3	3	5	6	11	11	11
UUS	19	20	25	27	25	23	23	24
BPRS	95	105	114	131	139	150	153	155



**Figure 1.** Graph of Shariah Bank Growth Acceleration

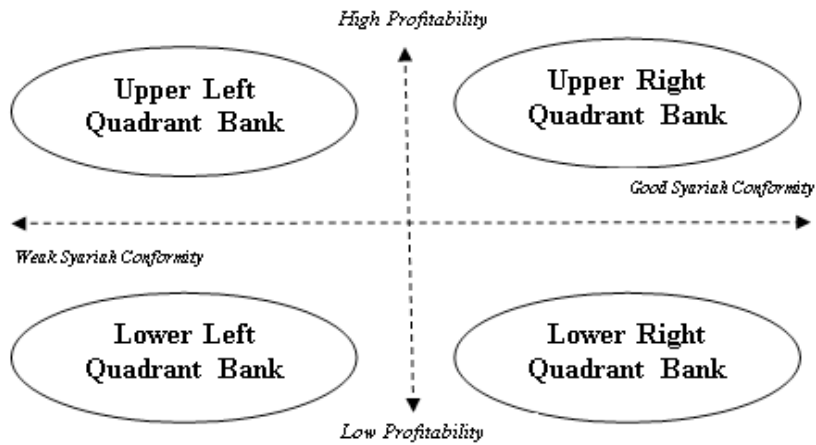
Law No. 21 of 2008, concerns with Shariah Banking, states that Islamic Banking is everything, related to Islamic Banking and Islamic Business Unit (Republik Indonesia, 2008). It covers institutional and business activities, as well as the ways and process in conducting its business. Physiologically, Islamic banks are banks in which their activities leave the issue of usury (Machmud & Rukmana, 2010; Čihák & Hesse, 2010). An Islamic bank is a bank where its activities are both accumulating and distributing of funds in order to provide and give rewards on the basis of Islamic principles. The principles here are buying and selling and profit-sharing (Ika & Abdullah, 2011).

The main principle of Islamic banks is Islamic law that is derived from the Quran and Hadith. The operational activities of Islamic banks should be based on the commands and prohibitions in the Quran and the Sunnah of Prophet, Muhammad. The main prohibition in Islamic banks' activities is usury which is written in Surah Al-Baqarah verse 275 which says: "Those who devour usury will not stand except as stand one whom the Evil one by his touch hath driven to madness. That is because they say: "Trade is like usury," but Allah hath permitted trade and forbidden usury. Those who after receiving direction from their Lord, desist, shall be pardoned for the past; their case is for

Allah (to judge); but those who repeat (The offence) are companions of the Fire: They will abide therein (forever)" (Surah Al-Baqarah [2]: 275).

The regulation of Indonesian Bank No. 9/1/PBI/2007 states that CAMEL is one of methods to measure the performance of bank. CAMEL is an official measurement tool that has been set by Indonesian Bank to calculate the health of Islamic banks in Indonesia. Usman and Khan (2012) argues that CAMEL is one way to make an assessment of bank. It includes the assessment of capital factors, asset quality, management, earnings and liquidity.

The analysis research about Islamic banks performance by using Shariah Conformity and Profitability (SCnP) model is analysis which classifies Islamic banks into four quadrants (Kuppusammy et al., 2010); they are URQ, LRQ, ULQ, and LLQ. Upper Right Quadrant (URQ) indicates Islamic banks that have the suitability of principles and high profitability. Lower Right Quadrant (LRQ) indicates Islamic banks that have high suitability of Islamic principle but they have low profitability. Upper Left Quadrant (ULQ) indicates Islamic banks that have low compatible Islamic principle but it has high profitability. Lower Left Quadrant (LLQ) indicates the Islamic banks that have Islamic principles and lower profitability.



**Figure 2.** Shariah Conformity and Profitability Model

**METHOD**

The type of this research is descriptive quantitative research in which it is explanatory. In this case, the researchers will describe the quantitative data (numbers) which has been obtained. After having the statistical process, the data is interpreted. Here, the reason for choosing this kind of research because all of the data are in the form of financial ratio and it can be directly and easily described to formulate hypotheses.

The population of this study are all Islamic Banks (BUS) which are registered in the Indonesian Bank (BI) from 2009 to 2012 as many as 11 banks. The study samples are 6 banks that have issued financial statements every last quarter of year regularly in their official websites.

CAMEL variables in this study are capital that uses a proxy CAR, asset quality that uses RORA proxy, management that uses NPM proxy, earnings that uses ROA proxy and liquidity that uses FDR proxy. SCnP variable model is Shariah Conformity which is resulted from the average ratio of Islamic Investment, Islamic Income, and Profit-Sharing Ratio while, the variable profitability is earned from the average ratio of ROA, ROE, and Profit Margin.

The data collection technique, applied in this study is documentation. It is a secondary data from companies' financial statements that have been published in their official website. The analysis that is implemented in this research

is descriptive quantitative analysis. This study describes the financial ratios of each bank and classifies the bank samples into four quadrants that are ULQ, LLQ, URQ, and LRQ.

**RESULT AND DISCUSSION**

Based on the standards that have been set by Indonesian Bank, the CAR value of a banking company can be said to be good if it has reached 8%. Based on Table 2, it can be seen that in 2009, there was not any bank that could meet the standard of Indonesian Bank because all banks under the study had CAR above 8%. All sample banks, namely BMI, BSM, BCAS, BRIS, Islamic BP, and BMS had CAR above 8%. They were written as follow 11,10%; 13,26%; 68,58%; 17,04%; 245, 87% and 10,96%.

In 2010, BCA Syariah was the bank that had the highest CAR of 76,39% ; and the lowest CAR was Bank Syariah Mandiri, 10,60%. In 2011, BCA Syariah still has the highest CAR of 64,29%. This figure had decreased from the previous year by 12 % while, this year, Bank Muamalat Indonesia has the lowest CAR that is 12,01%. This number had decreased from the previous year at 1,25%.

In 2012, Bank Panin Syariah had the highest CAR of 32,20%. However, for four consecutive years from 2009 to 2012, the CAR of Bank Panin Syariah tends to decrease continuously from 245,87% to the rate of 32,20% at

the end of 2012. The lowest CAR is owned by Bank Muamalat Indonesia amount to 11,57%. The results of this analysis support the previous researches, conducted by Prasetyo, 2008; Sangmi & Nazir, 2010. They state that the bank is in an unsafe condition since its ratio does not reach 8%.

The financial performance of Islamic banks by using the CAR ratio indicates that the position is not secure because there is no bank which has the results of a standard up to 8%. All sample banks are BMI, BSM, BCAS, BRIS, BP Syariah, and BMS that have a CAR above 8%. Acquisition CAR that is above 8% is identified because the influence of equity which is owned by banks really affects toward the total assets owned.

The greater the ratio, the company will maximize more assets for getting the return. Table 3 presents the ability of banks to maximize the assets to earn profit from 2009 up to 2012. In 2009, the bank which tried to increase the assets maximally forgetting profit was Bank Syariah Mandiri that was 3,90%. It means that having productive assets of 100 can generate a

profit of 3,90 while, Bank Panin Syariah is a bank that has the smallest RORA of the year that is 0,05%.

In 2010, Bank Syariah Mandiri still had the biggest RORA, 3,10% and the smallest is Bank Panin Syariah, 0,69%. Even though the Bank Syariah Mandiri had the highest RORA, but actually, its RORA had decreased at 0,80%, comparing to the previous year. On the contrary, RORA of Bank Panin Syariah increased 0,64% from the previous 2011, Bank Syariah Mandiri year.

In possessed a high RORA of 2,35%. This number had decreased from the previous year at 0,75% while, the lowest RORA was 0,67% owned by BCA Syariah. In 2012, the biggest RORA was 2,79% which was still owned by Bank Syariah Mandiri where this figure had increased by 0,44% while, the lowest RORA that was owned by Bank Panin Syariah was equal to 0,71%. The rate was decreased amount of 0,06%. Handayani (2005) dan Prasetyo (2008) explains that there is raising or falling ratio every year. Then, a good bank is a bank which organizes its assets optimally to obtain profit.

**Table 2.** CAR Data

No.	Nama Bank	CAR			
		2009	2010	2011	2012
1	Bank Muamalat	11.10%	13.26%	12.01%	11.57%
2	Bank Syariah Mandiri	12.39%	10.60%	14.57%	13.82%
3	BCA Syariah	68.58%	76.39%	64.29%	31.47%
4	BRI Syariah	17.04%	20.62%	14.74%	24.03%
5	Bank Panin Syariah	245.87%	54.81%	61.98%	32.20%
6	Bank Mega Syariah	10.96%	13.14%	12.03%	13.51%

**Table 3.** RORA Data

No.	Name of Bank	RORA			
		2009	2010	2011	2012
1	Bank Muamalat	1.38%	1,50%	1.39%	1.09%
2	Bank Syariah Mandiri	3.90%	3,10%	2.35%	2.79%
3	BCA Syariah	0.86%	0,91%	0.67%	0.76%
4	BRI Syariah	2.96%	1,76%	1.34%	1.79%
5	Bank Panin Syariah	0.05%	0.69%	0.77%	0.71%
6	Bank Mega Syariah	1.42%	1.75%	1.68%	1.86%



NPM can be good when it is above 81%. Table 4 illustrates that, there is no bank that can reach above 81%. Banks which are still under the 81% figure are not categorized as good. The NPM of 15,62%; 37,75%; 67,70%; -12,19%; 138,83% and 22,10% are owned successively by Bank Muamalat Indonesia, Bank Syariah Mandiri, BCA Syariah, BRI Syariah, Bank Panin Syariah and Bank Mega Syariah.

In 2009, the bank that reached the largest NPM value was BCA Syariah with 67,70% and the lowest value was -138,83% that were owned by Bank Panin Syariah. In 2010, the largest value of NPM was owned by Bank Syariah Mandiri amount to 39,43% and the lowest rate was -39,25%. Those same values increased from the previous year which was 1,68%, reached by Bank Syariah Mandiri and 99,58% was owned by the Bank Panin Syariah.

In 2011, the bank which reached the largest value was Bank Syariah Mandiri amount to 37,77%, this figure had decreased by 1,66% from the previous year. Whereas, the value of the lo-

west NPM was owned by BRI Syariah amount to -1,06%, these figures show an increase of 2,19% from the previous year. In 2012, Islamic banks reached the highest value of NPM for four years and became the bank which had the largest value of NPM. The NPM value 45,78% and an increase was 8,01% from the previous year. BRI Syariah is still reaching the lowest value that is 5,94% but, this figure is also the biggest NPM rate for four years by raising 7,02% from the previous year.

The result analysis which are supported by Prasetyo (2008); Kusumo (2008); Piliang and Wakil (2008) and Ahmad and Saif (2010) shows that the bank has a decline in profitability. It is caused by the stock values decline so that it influences the dividends earned. Basically, the raise or fall of NPM value is due to the changes of profit and expenses in financial statements.

ROA is a ratio which is used to measure the rate of return on assets or how rentable are assets owned by every unit. Table 5, ROA data

**Table 4.** NPM Data

No.	Name of Bank	NPM			
		2009	2010	2011	2012
1	Bank Muamalat	15.62%	23.53%	25.08%	33.13%
2	Bank Syariah Mandiri	37.75%	39.43%	37.77%	45.78%
3	BCA Syariah	67.70%	4.17%	7.34%	11.06%
4	BRI Syariah	-12.19%	-3.27%	-1.08%	5.94%
5	Bank Panin Syariah	-138.83%	-39.25%	0.47%	23.22%
6	Bank Mega Syariah	22.10%	6.47%	11.88%	23.15%

**Table 5.** ROA Data

No.	Name of Bank	ROA			
		2009	2010	2011	2012
1	Bank Muamalat	0.45%	1.36%	1.52%	1.54%
2	Bank Syariah Mandiri	2.23%	2.21%	1.95%	2.25%
3	BCA Syariah	0.42%	0.78%	0.87%	0.84%
4	BRI Syariah	0.53%	0.35%	0.20%	1.19%
5	Bank Panin Syariah	-1.38%	-2.53%	1.75%	3.29%
6	Bank Mega Syariah	2.22%	1.90%	1.58%	3.81%

Source: financial statements (2013)

shows the ROA value of banking firms from 2009 to 2012. In 2009, Islamic banks could be categorized as good bank based on ROA data; that was above 1,5%. The best bank was Bank Syariah Mandiri that had ROA amount to 2,23%. It means that the company can generate a net profit, 2,23 of the total assets, 100. Whereas, the lowest ROA was -1,38% ; and it was owned by Bank Panin Syariah.

In 2010, Bank Syariah Mandiri still had value above the standard which was equal to 2,21% but, this figure decreased up to 0,02% from the previous year. The ROA of Bank Panin Syariah decreased up to 1,15% that constituted the smallest ROA value at the end of 2010; it was -2,53%. The decrease of ROA due to an increasing asset, which is higher than the increase of profit before having taxes.

In 2011, there were four banks that are respectively above the standard, 1,5%; they were Bank Muamalat Indonesia, Bank Syariah Mandiri, Bank Panin Syariah, and Bank Mega Syariah amount to 1,52%; 1,95%; 1,75% and 1,58%. Bank Muamalat Indonesia and Bank Panin Syariah got the raising ROA respectively by 0,16% and 4,28% from the previous year, while the Bank Syariah Mandiri and Bank Mega Syariah had decreasing ROA respectively by 0,26% and 0,32% from the previous year. The lowest ROA was owned by BRI Syariah that was equal to 0,20%. Comparing to the previous year, this number is decreased amount to 0,15%. Based on the final result, decreasing made by BRI Syariah reach its lowest value for four years respectively.

In 2012, the highest ROA was achieved by Bank Mega Syariah up to 3,81%. However, there were two banks that were still under the standard, like BCA Syariah and BRI Syariah. They had 0,84% and 1,19%. Based on the findings of study, the decrease of ROA was due to an increase assets owned is higher than the increase of profit before having taxes (Piliang & Wakil, 2008; Sangmi & Nazir, 2010).

The bank is getting better when FDR value is lower. Table 6 shows the FDR data in 2009. The bank that had the lowest value of FDR was Bank Panin Syariah amount to 35,43%. Whereas, the biggest value of FDR, 120,98% was owned by BRI Syariah.

In 2010, the lowest FDR was owned by Bank Panin Syariah at 69,76%, while the largest FDR was 95,82%, owned by BRI Syariah. Both of these figures increased and decreased up to 34,33% and 25,16%. In the Year 2011, the lowest FDR value of 76,83% is owned by BCA Syariah while, the highest FDR value was 162,97%, owned by Bank Panin Syariah. It could be analyzed that BCA Syariah is better than Bank Panin Syariah. This year BMI reached its lowest FDR of 85,18% over a period of four years from 2009 to 2012. It can be assumed that in 2011, BMI could control the financing better than the others by providing the fund deposit.

The tendency of FDR values increased in 2012; they were 8,97%; 8,37%; 3,08%; 22,99% and 5,8% and successively owned by BMI, BSM, BCA Syariah, BRI Syariah and Bank Panin Syariah. Then, it could be said that BCA Syariah

**Table 6.** FDR Data

No.	Name of Bank	FDR			
		2009	2010	2011	2012
1	Bank Muamalat	85.82%	91.52%	85.18%	94.15%
2	Bank Syariah Mandiri	83.07%	82.54%	86.03%	94.40%
3	BCA Syariah	81.57%	77.89%	76.83%	79.91%
4	BRI Syariah	120.98%	95.82%	90.55%	113.54%
5	Bank Panin Syariah	35.43%	69.76%	162.97%	123.88%
6	Bank Mega Syariah	81.39%	78.17%	83.08%	88.88%

has more ability to control the financing than the other sample banks; it was by having the funds deposit. It is shown by having a small increase of 3,08% for BCA and an increase of 22,99% for BRI Syariah.

Islamic banks use the term “financing” to replace the term “loan”. The term used in this study is adjusted by having the Financing to Deposit Ratio (FDR), so that the results can be supported by the previous research (Prasetyo, 2008; Amalia, 2012). The resulting trends over the study period get a fluctuating movement but, it is still on the value of specified standards.

Graph SCnP Model for the Year of 2009 shows a picture of the Islamic banks performance that spread out in three quadrants. The results says that the Bank 1 (BMI), 2 (BSM), 3 (BCAS), and 6 (BMS) are at Upper Right Quadrant (URQ) which indicate the sample banks that have Shariah suitability and a quite high profitability levels. Bank 5 (BP Syariah) is the Lower Right Quadrant (LRQ) which indicates that the sample banks have a high level of Shariah suitability but the profitability is quite low. Bank 4 (BRIS) is at Upper Left Quadrant (ULQ) which indicates that the sample banks have a low level of Shariah conformity but their profitability is quite high.

Graph SCnP Model year 2010 shows that the Bank 2 (BSM) and Bank 1 (BMI) are in the Upper Right Quadrant (URQ) which indicates

that sample banks have Shariah conformity and quite high profitability levels. Bank 3 (BCAS), 5 (BP Syariah) and 6 (BMS) are at the Lower Right Quadrant (LRQ) which indicate that the sample banks have a high level of Shariah suitability but their profitability is quite low. Bank 4 (BRIS) is the Lower Left Quadrant (LLQ) which indicates that the sample bank has Shariah conformity and profitability levels are equally low.

Kuppusamy et al. (2010) states that downward movement indicates a decline on the profitability ratios, so that, there can be two movements namely the downward movement on one quadrant and down movement on two quadrant.

Graph SCnP Model Year 2011 shows that the Bank 2 (BSM) is at Upper Right Quadrant (URQ) which indicates the sample bank that has Shariah suitability and profitability levels are quite high. Bank 3 (BCAS) and 6 (BMS) are at the Lower Right Quadrant (LRQ); and it indicates that the sample banks have high level of Shariah conformity but their profitability is quite low. Here, bank 1 (BMI), 4 (BRIS), and 5 (BP Syariah) are located on lower Left Quadrant (LLQ) which indicates the sample banks that have shariah suitability and profitability levels are equally low.

The Chart of SCnP Model Year 2012 shows that the Bank 2 (BSM) and 6 (BMS) are

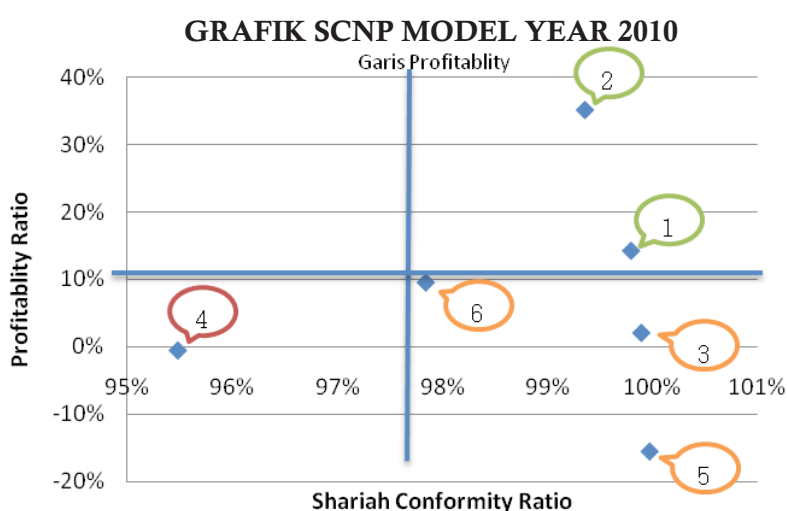


Figure 3. Graph SCnP Model 2009



at Upper Right Quadrant (URQ) which indicates the sample banks have Shariah suitability and quite high profitability levels. Bank 3 (BCAS) is the Lower Right Quadrant (LRQ) which indicates that the sample banks have a high level of Shariah suitability but quite low profitability. Bank 1 (BMI), 4 (BRIS), and 5 (BP Syariah) are located on Lower Left Quadrant (LLQ) which indicate the sample banks that have Shariah concord and profitability levels are equally low.

The SCnP model graph for four years, from 2009 to 2012 presents that the results are not much different. Islamic Banking spread out in four quadrants that are URQ, LRQ, LLQ, and ULQ. On the observation chart, BSM was at URQ for four consecutive years. BSM also had movement, starting from the changes in the level of raising profitability from 2009 to 2012. It was from 28,06% up to 38,06%. At the end of the year, BSM was able to show the best numbers; it was 99,74% in Shariah Conformity Ratio compared with BMI, BCA Syariah, BRI Syariah, BP Syariah and BMS.

In 2010, BMI was moved to LRQ. It indicates that Islamic banks were able to provide a high level of Shariah suitability but its profitability was still quite low. In 2011, BMI had movement to the left of LLQ which indicated a significant decrease in the Shariah Conformity Ratio of 3%. The decline can shift the movement of

BMI position to LLQ. It indicated that the bank had shariah suitability and quite low profitability levels when it is compared to other sample banks. In 2012, BMI was still in LLQ but the bank was able to show the highest rate of profitability ratio of 21,28%.

BCA Syariah had movement on the charts in 2010. BCA Syariah moved down towards the LRQ in which in 2009, it showed the location of URQ. BCA Syariah had decline profitability in 2010 approximately from 20% to 2,07%. In 2011, BCA Syariah remained on the LRQ but it showed the raising of Profitability Ratio up to 3,07% and 4,91% at the end of 2012 while, there were fluctuations in Shariah Conformity Ratio for the four year period.

The Movement of BRI Syariah for four years always changes in the percentage level but it does not make the position of BRI Syariah from LLQ. During three years, from 2009 until 2011, BRI Syariah has shariah suitability and quite low profitability levels when it is compared to other sample banks. Although, the number of Shariah Conformity Ratio reached 97,93% in 2011, it is not enough to give a satisfactory profitability figures. In 2009 to 2010, the rate of profitability was located at -0,55% and -0,10%. Although it shows a continuous raising but BRI Syariah cannot exceed profitability which is provided by BMI, BMS, and BCASyariah. In 2012, BRI Syariah moved towards ULQ which indi-

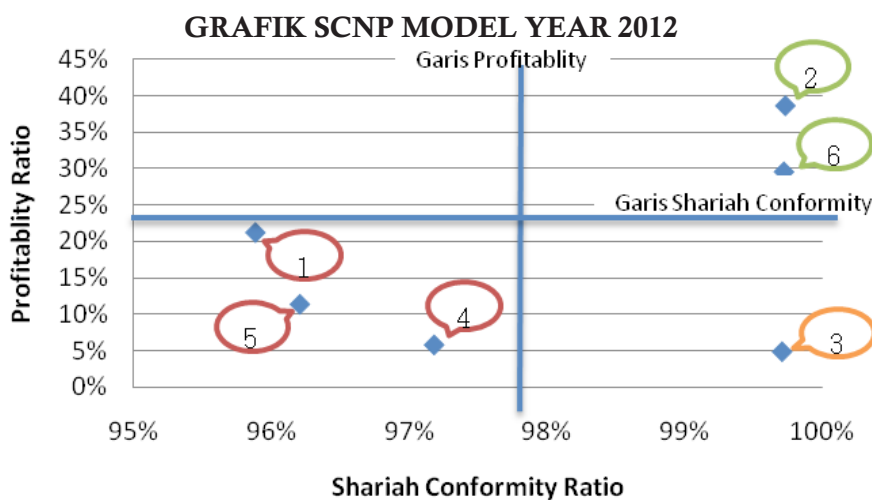


Figure 4. Graph SCnP Model Year 2011

cated the bank had quite low Shariah suitability rate but it had a high profitability. In 2012, the profitability increased up to 5,75% but BRI Syariah did not move toward URQ. It is because BRI Syariah has declined the ratio of Conformity amount to 2,1%.

Bank Panin Syariah moved on the SCnP charts for four periods. From 2009 to 2010, BP Syariah was in the LRQ. It indicates that banks had a high level of Islamic suitability but the profitability was low. In the two periods, it seems that BP Syariah had a negative value on the indicator of profitability. However, its ratio had an increase of 31,73%. In the third and fourth periods, in 2011 and 2012, BP Syariah had a movement to the left. It means that the bank was in LLQ. Moreover, it also had a Shariah suitability rate and quite low profitability level. Then, its ratio of profitability increased in 2012. BP Syariah reached its highest value that was equal to 11,42%.

In 2009, Bank Mega Syariah was at URQ. It indicates that the bank has Shariah quite high suitability and profitability levels. In 2010, BMS had shifted down towards the LRQ and its profitability decreased by 10,68%. In 2011, BMS was still in LRQ but its Shariah Conformity ratio and Profitability ratios increased by 1,64% and 1%. In 2012, BMS had increased again by 0,25% for Shariah Conformity ratio and 19,11% for Profitability ratios, so that it shifted the position of BMS in URQ this year.

If a financial manager wants to invest in Islamic banking, then he/she should choose a bank which has high shariah suitability and also can provide higher profitability. Based on the analysis of chart in 2009, Bank Muamalat Indonesia, Bank Syariah Mandiri, BCA Syariah and Bank Mega Syariah are recommended bank because they are on URQ. It indicates they have high shariah suitability and capability for providing high profitability. The differences between the banks that come up are Bank Syariah Mandiri has more ability to provide high profitability, BCA Syariah has more ability to provide higher shariah suitability rate than Bank Syariah Mandiri., Bank Muamalat Indonesia and Bank

Mega Syariah have not been able to exceed the Shariah suitability level of BCA Syariah and profitability ratios of BCA Syariah.

The investment analysis of a financial manager based on the analysis chart in 2010 explains that the Bank Syariah Mandiri (BSM) and Bank Muamalat Indonesia (BMI) are recommended. Bank Syariah Mandiri is the main recommendation in 2010 due to BSM has a high level of Shariah suitability and it can provide enough high level of profitability as well when it is compared to BMI and other sample banks in 2010.

Capital budgeting decisions or investment decision is a decision to invest in tangible and intangible assets (Cahyaningdyah & Ressany, 2012). The recommendation of investment decisions for a financial manager based on the chart analysis in 2011 is in Bank Syariah Mandiri (BSM). In 2011, BSM is still in URQ in which it has a high level of Shariah suitability and also can provide higher profitability.

Analysis charts in 2012 shows that Bank Syariah Mandiri (BSM) becomes the recommendation for investors to have investment. For four consecutive years, BSM remains at URQ. It shows that BSM is more stable than the other samples. In other words, BSM is able to provide a high profitability, besides providing the high level of Shariah suitability in 2012.

Observation by implementing SCnP chart Model for four periods in Bank Syariah Mandiri is the main investment recommendation. During the four periods, Bank Syariah Mandiri has been consistently on the Upper Right Quadrant (URQ). It indicates that Bank Syariah Mandiri has shariah suitability levels and good profitability.

This indicates that Bank Panin Syariah has more ability to use bank deposits to cover the saving excess to other businesses. The financial performance of Islamic banks in Indonesia that is analyzed by SCnP model shows that Bank Syariah Mandiri (BSM) which is at URQ for four years consecutively can be recommended for investor. It can be concluded that performance of Islamic banks is appropriate.

## CONCLUSION AND RECOMMENDATION

There are five results that can be found after having the study. First, the financial performance of Islamic banks by using the CAR ratio indicates that there is no bank which has achieved the standard, 8%. All sample banks have CAR, above 8%. Second, by using RORA ratio, it shows that Islamic banks are able to provide the highest RORA in the period of 2009-2012. The example is Bank Syariah Mandiri (BSM) which has RORA amount to 3,90% in 2009. Third, by using NPM, it shows that there is no bank which reached above 81%. The Bank has the highest NPM during the period of 2009-2012 is BCA Syariah (BCAS) amount to 67,70% in 2009. Fourth, by using ROA, it shows that only Bank Syariah Mandiri (BSM) and Bank Mega Syariah (BMS) which are able to provide ROA above the standard of 1,5% for the four terms consecutively from 2009 to 2012. Fifth, by using the FDR, it shows that the bank has the lowest FDR during the period 2009-2012 is Bank Panin Syariah amount to 35,43% in 2009 and in 2011, it has the highest FDR, 162,97%.

The implications for the future research are it should add another variable that is closely related to financial performance especially in the CAMEL method such as adding sensitivity ratio analysis on financial performance analysis. In addition, in implementing the SCnP models, combining Shariah Conformity ratio (SC) and another ratio on the CAMEL (for example combining the ratio of Capital, Assets, Management, Liquidity, and Sensitivity) are suggested. The analysis of financial performance by implementing SCnP model is recommended for an Islamic bank. The analysis should examine the data at the organizational level to determine the perceptions of managers in the company or bank so, it is not limited for investors only.

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