

THE HEALTH STATUS OF BANK MEGA SYARIAH: A STUDY USING THE RGEC METHOD (2018-2023)

Rita wiyati¹, Neneng Salmiah², Rafidianto Wibisono³

^{1,2,3}Faculty of Economy and Business Universitas Lancang Kuning, Indonesia
E-mail: ritawiyati@unilak.ac.id

accepted: 21/5/2025; revised: 14/6/2025; published: 31/1/2026

ABSTRACT: Bank health assessment can be conducted using a risk-based approach, adjusting the factors involved in evaluating a bank's health. The Risk-Based Bank Rating (RBBS) method is a structured, comprehensive evaluation that integrates both the bank's risk profile and performance. This assessment utilizes four key indicators: Risk Profile, Good Corporate Governance, Profitability, and Capital, collectively known as the RGEC method. Bank Mega Syariah is classified as a Book 2 bank, which refers to banks with an initial capital between 1 and 5 billion Rupiah. The purpose of this study is to assess the health level of Bank Mega Syariah from 2018 to 2023. This research employs a descriptive method with a quantitative approach. The RGEC Composite Rating, based on various ratios such as NPF, FDR, GCG-Self Assessment, ROA, ROE, BOPO, and CAR, serves as the main indicator. The findings indicate that Bank Mega Syariah improved its health rating over time; from 2018-2019, it held a rating of 2 (healthy), which then increased to a rating of 1 (Very Healthy) from 2020 to 2023.

Keywords: *Risk profile, Earnings, Capital, Good Corporate Governance*

INTRODUCTION

Islamic banking, as a key component of Indonesia's national banking system, plays a crucial role in the country's economy, especially given its predominantly Muslim population. While the functions of Islamic banks in economic activities are similar to those of conventional banks, the primary distinction lies in the principles guiding their financial transactions and operations. Since the establishment of Indonesia's first Islamic bank, Bank Muamalat, in 1991, the growth of Islamic banking in the country has seen significant progress. After that in 1992, Islamic Banks received attention from the Indonesian government which was marked by the recognition of the operational basis of Islamic banks in Indonesia through Law Number 7 of 1992 concerning Banking as amended by Law No. 10/1998 With the legal framework supporting the establishment of Islamic

banks in Indonesia, numerous Islamic banks have been founded over time.

The large number of Islamic banks that were born triggered the formation of Special Regulations regarding Islamic banking in Indonesia by enacting it. Law Number 21 of 2008 concerning Islamic Banking, it is hoped that this legislation can accommodate the increasingly complex growth of Islamic banks, after which many Islamic banks have emerged in Indonesia. In 2021, A significant event occurred in Indonesia's banking sector, particularly within Islamic banks, with the merger of three banks Bank BRI Syariah, Bank BNI Syariah, and Bank Mandiri Syariah into Bank Syariah Indonesia (BSI). As a result, BSI has become the largest Islamic bank in the country today (Salim, M.P, 2023, January 12).

Bank health is a picture of the condition of the bank's performance so that it can be a media for monitoring the bank.

Bank health functions as information for the interests of all related parties. both owners, managers (management), and the community using the bank. Bank health assessment can be carried out with a risk-based approach by adjusting the factors for assessing the level of bank health. The risk-based approach (Risk Based Bank Rating) is a comprehensive and structured assessment of the results of the integration between risk profiles and performance that can be formulated through 4 indicators, namely Risk Profile, Good Corporate Governance, Earnings, and Capital which are then known as the RGEC Method. Bank Mega Syariah is a category 2 book bank, namely a bank whose initial capital ranges from 1 billion to 5 billion Rupiah. Based on the news circulating, Bank BSI Opens Opportunities for Acquisition or Merger of Bank Mega Syariah However, Bank in refuse to open up opportunities for mergers or acquisitions with other Islamic banks. (Simamora, N. 2024, March 09) So it is interesting to study the level of bank health.

LITERATURE REVIEW

According to the Financial Services Authority Circular Letter No. 10/SEOJK.03/2014 Regarding the Evaluation of the Health Status of Sharia Commercial Banks and Sharia Business Units, it is stated that "Bank health assessment is the final result or outcome of the rules and supervision in the banking industry that shows the performance of a country's banking". In assessing the health level of a bank, management needs to pay attention to several general principles that exist.

Including risk-oriented, proportional, materiality, significance, comprehensive and structured. According to Law No. 10 of 1998 concerning Banking, it is stated that "banks are required to maintain their health which is a description of the bank's performance as

a means for supervisory authorities in determining strategies and the focus of supervision of banks". In addition, the level of bank health is also important information for banking related parties, both bank owners and the public.

Bank Indonesia evaluates the health of banks based on Bank Indonesia Regulation No. 13/1/PBI/2011, which outlines the use of the RGEC method. This method assesses four key factors: Risk Profile, Good Corporate Governance, Earnings, and Capital. These factors include the evaluation of risk management (Risk Profile), corporate governance (Good Corporate Governance), profitability (Earnings), and capitalization (Capital).

Bank Health Level Assessment using the RGEC method has been explained in Bank Indonesia Regulation No. 13/1/PBI/2011 and Bank Indonesia Circular Letter No. 13/24/DPNP dated October 25, 2011 Regarding the General Bank Health Level Assessment System, it is fundamentally the responsibility of the bank's management to ensure both the health level and the continuity of its operations. The Bank is required to conduct periodic self-assessments of their health level and take effective corrective measures by using assessment analysis of several risks. According to the RGEC method, these risks consist of 4 parts, namely Risk Profile, Good Corporate Governance, Earning, and Capital. The RGEC method is a development of the method regarding bank health from the CAMELS method. The RGEC method involves the application of internal risk management and risk quality in banking, which is implemented through eight factors, namely liquidity risk, credit risk, market risk, strategic risk, legal risk, compliance risk, operational risk, and reputation risk. Then, for management in the CAMELS method, there is a change to Good Corporate Governance (F. Sodiq, et al., 2023;49).

Health assessment for general Islamic banking refers to Financial Services

Authority Regulation No.8/POJK.03/2014 concerning Assessment of the results of calculating the ratio of several indicators, then determining the composite rating, so that it will be known whether the bank gets a rating of 1 (very healthy), 2 (healthy), 3 (fairly healthy), 4 (less healthy), and 5 (unhealthy). Then based on the composite rating obtained, the bank will be assessed for its health rating for 6 years, namely using the years 2018-2023.

METHODS

The data required for this study is gathered through the collection of information that has already been processed by other entities, utilizing financial reports. The source of data is secondary, specifically including financial report data from Bank Mega Syariah, which was obtained from the Indonesia Stock Exchange (IDX) website for the period of 2018-2023. The Composite Assessment of Bank Health is determined through a thorough, structured, and systematic analysis of each relevant factor. This assessment process establishes the Composite Rating of the bank's health level for the years 2018 to 2023.

RESULTS AND DISCUSSION

Non-Performing Financing (NPF) is used to assess the extent of financing issues encountered by banks. The financing in question is financing provided to third parties other than banks that are classified as problematic. NPF is calculated by comparing problematic financing with total financing to third parties and multiplied by 100%.

The higher the NPF ratio, the worse the quality of bank financing. Conversely, the lower the NPF ratio, the better the financing of a bank.

The research findings outline the key results of the study. The presentation of the results and discussion should be structured systematically, focusing solely

on the data/information relevant to the research objectives. The discussion section elaborates on the findings derived from the research. The author should organize, analyze, evaluate, interpret, and compare the results with previous studies.

Table 1. NPF Ratio at Bank Mega Syariah 2018 – 2023

Tahun	Bank Mega Syariah	
	NPF	Rank
2018	2,15	2 (Healthy)
2019	1,72	1 (Very Healthy)
2020	1,69	1 (Very Healthy)
2021	1,15	1 (Very Healthy)
2022	1,09	1 (Very Healthy)
2023	0,98	1 (Very Healthy)

Source: Processed Reseach Data (2025)

Bank Mega Syariah received a rating of 2 (healthy) only in the first year, then Bank Mega Syariah developed by receiving a rating of 1 (very healthy) in the following years, namely 2019 - 2023.

Liquidity risk is assessed using the Financing to Deposit Ratio (FDR), which measures the level of issues arising from financing extended to third parties. The FDR is calculated by comparing the total financing provided to the total funds received from third parties or the community, then multiplying by 100%. A lower FDR indicates higher liquidity capacity for the bank, while a higher FDR suggests lower liquidity capacity in Islamic banks, as a larger portion of funds is allocated to financing. Bank Mega Syariah in 2018-2019 obtained the same FDR Ratio at rank 3 (Quite Healthy). While in 2020-2023 Bank Mega Syariah managed to get rank 1 (very healthy).

Table 2. FDR Ratio at Bank Mega Syariah 2018 – 2023

Tahun	Bank Mega Syariah	
	(%)	Rank
2018	90,88	3 (Quite healthy)
2019	94,53	3 (Quite healthy)
2020	63,94	1 (Very Healthy)
2021	62,84	1 (Very Healthy)
2022	54,63	1 (Very Healthy)
2023	71,85	1 (Very Healthy)

Source: Processed Reseach Data (2025)

The independent evaluation of Good Corporate Governance (GCG) implementation in Islamic banking is guided by the provisions outlined in Bank Indonesia Regulation (PBI) No. 11/33/PBI/2009 and Bank Indonesia Circular Letter (SEBI) No. 12/13/DPbS, which focus on the application of GCG in Islamic Commercial Banks (BUS) and Islamic Business Units (UUS). In addition, the Financial Services Authority Regulation (POJK) No. 8/POJK.03/2014 and Financial Services Authority Circular Letter (SEOJK) No. 10/SEOJK.03/2014 offer further guidance on assessing the health levels of Islamic Commercial Banks and Islamic Business Units.

Bank Mega Syariah in assessing the Good Corporate Governance factor rating uses parameters/indicators guided by SEOJK No. 10/SEOJK.03/2014 It includes five core principles: transparency, accountability, professionalism, responsibility, and fairness. The bank carried out a self-assessment, yielding the following results.

Table 3. GCG Values at Bank Mega Syariah 2018 – 2023

Tahun	Bank Mega Syariah	
	GCG (%)	Rank
2018	<i>Self Assessment</i>	1
2019	<i>Self Assessment</i>	2
2020	<i>Self Assessment</i>	2
2021	<i>Self Assessment</i>	2
2022	<i>Self Assessment</i>	2
2023	<i>Self Assessment</i>	1

Source: Processed Reseach Data (2025)

Bank Mega Syariah in 2018 was ranked 1 (very healthy), but experienced a decline in the following years, namely 2019 - 2022 which decreased to rank 2 (healthy) and increased again in 2023 by getting a rank 1 (very healthy). Bank Mega Syariah in 2018 was ranked 1 (very healthy), but in 2019 - 2022 it was ranked 2 (healthy) and in 2023 it increased again by getting a rank 1 (very healthy), this indicates that Bank Mega Syariah has made efforts to implement good GCG Principles

Return on Assets (ROA) is a financial ratio that measures a bank's ability to generate profitability or profit relative to its income, assets, and shareholders' equity. In calculating ROA, profit before tax is obtained which is divided by the average total assets and will be multiplied by 100%. Thus the ROA ratio is as follows:

Table 4. ROA Ratio at Bank Mega Syariah 2018 - 2023

Tahun	Bank Mega Syariah	
	(%)	Rank
2018	0,93	3 (Quite healthy)
2019	0,89	3 (Quite healthy)
2020	1,74	1 (Very Healthy)
2021	4,08	1 (Very Healthy)
2022	2,59	1 (Very Healthy)
2023	1,96	1 (Very Healthy)

Source: Processed Reseach Data (2025)

Bank Mega Syariah in 2018-2019 received a ranking of 3 (fairly healthy), but in 2020-2023 experienced a significant increase to rank 1 (very healthy). Bank Mega Syariah in 2018-2019 received a ranking of 3 (fairly healthy) but the following year, namely 2020-2023, experienced a rapid increase by getting a ranking of 1 (very healthy). This indicates that Bank Mega Syariah is very good at generating profits by investing.

Return on Equity (ROE) is a financial ratio that compares net profit after tax to equity, reflecting how efficiently a bank uses its equity to generate profit. It is calculated by dividing net profit after tax by shareholders' equity and multiplying the result by 100%. A higher ROE indicates that the bank is more effective in generating profits from its equity capital, while a lower ROE suggests the opposite.

Table 5. ROE Ratio at Bank Mega Syariah 2018 – 2023

Tahun	Bank Mega Syariah	
	(%)	Rank
2018	4,08	4 (Unwell)
2019	4,27	4 (Unwell)
2020	9,76	3 (Quite healthy)
2021	28,48	1 (Very Healthy)
2022	11,73	3 (Quite healthy)
2023	9,76	3 (Quite healthy)

Source: Processed Research Data (2025)

The Operating Expenses to Operating Income (BOPO) ratio is used to assess a bank's efficiency in generating profit. It is calculated by dividing operating expenses by operating income and then multiplying the result by 100%. For BOPO, Bank Mega Syariah received a rating of 2 (Healthy) in 2018 - 2019, then

increased from 2020 - 2023 by getting a rating of 1 (Very Healthy).

Table 6. BOPO Ratio at Bank Mega Syariah 2018 – 2023

Tahun	Bank Mega Syariah	
	(%)	Rank
2018	93,84	2 (Healthy)
2019	93,71	2 (Healthy)
2020	85,52	1 (Very Healthy)
2021	64,64	1 (Very Healthy)
2022	67,33	1 (Very Healthy)
2023	76,69	1 (Very Healthy)

Source: Processed Research Data (2025)

The Capital Adequacy Ratio (CAR) is a financial ratio that evaluates a bank's capital adequacy to absorb potential losses and meet the minimum capital requirements set by regulations. The calculation of this ratio will assess based on the comparison of the amount of capital to risk-weighted assets (RWA) and multiplied by 100%.

Table 7. CAR Ratio at Bank Mega Syariah 2018 – 2023

Tahun	Bank Mega Syariah	
	(%)	Rank
2018	20,54	1 (Very Healthy)
2019	19,96	1 (Very Healthy)
2020	24,15	1 (Very Healthy)
2021	25,59	1 (Very Healthy)
2022	26,99	1 (Very Healthy)
2023	30,86	1 (Very Healthy)

Source: Processed Research Data (2025)

From the table 7 above, it shows the results during 2018-2023, ranked 1 is very healthy. The bank's capital is sufficient and meets its minimum capital provision for risk-weighted assets.

Table 8. Health Level of Bank Mega Syariah 2018 – 2023

Year	Composite Value	Weight (%)	Composite Rating	Description
2018	26	74%	2	Healthy
2019	26	74%	2	Healthy
2020	32	92%	1	Very Healthy
2021	34	97%	1	Very Healthy
2022	32	91%	1	Very Healthy
2023	32	91%	1	Very Healthy

Source: Processed Research Data (2025)

From 2018 to 2019, Bank Mega Syariah was ranked 2 (healthy), but between 2020 and 2023, it improved its health rating to rank 1 (very healthy). According to PBI No. 13/1/PBI/2011, this indicates that the bank is in excellent condition and is well-prepared to withstand significant negative impacts from changes in banking conditions or other factors.

In evaluating bank health, the RGEC method was updated to include the BOPO Ratio, a new measure to assess the health of Islamic banks, as per the Financial Services Authority Circular Letter No. 28/SEOJK.03/2019. This regulation updates and adjusts the RGEC method for assessing Islamic banking in Indonesia.

From the research conducted, it was found that studies focusing on Islamic banks are less prevalent compared to those examining conventional banks. Given Indonesia's status as the country with the largest Muslim population in the world, it holds significant potential for the development of Islamic banks. Therefore, the author recommends further research

into Islamic banking in Indonesia for future studies.

CONCLUSION

Based on the Composite Rating obtained by Bank Mega Syariah in 2018 - 2019, it was ranked 2 (healthy) then in the following year, namely 2020 - 2023, Bank Mega Syariah was able to improve its health rating from initially ranked 2 to ranked 1 (very healthy). A better health rating will indicate that the bank is more able to face the possibility of negative influences from certain factors in the future.

With the many studies related to the health of Islamic banks, it is hoped that it will be able to accelerate the development of Islamic banks in Indonesia, which is the country with the largest Muslim population in the world.

REFERENCES

- Abdurrachman, A. 2014. *Ensiklopedia Ekonomi Keuangan Perbankan*. Jakarta: PT. Pradya Paramitya
- Ary Tatang, Gumanti, dkk. 2018. *Metode Penelitian Keuangan*. Jakarta. Mitra WacanaMedia.
- Agustin, H. 2021. *Manajemen Keuangan Syari'ah*. Depok. PT Raja Grafindo Persada.
- Agus, S Irfani. 2020. *Manajemen Keuangan Dan Bisnis : Teori Dan Aplikasi*. Jakarta : Gramedia Pustaka Utama
- Anang F & Andrianto. 2019. *Manajemen Bank Syari'ah ; Implementasi Teori dan Praktek*. Surabaya ; Penerbit Qiara Media.
- Astuti Rini, dkk, 2022, *Manajemen Keuangan Perusahaan, Bandung, Widiananda Bhakti Persada Bandung*.
- Bank Indonesia. 2004. *Peraturan Bank Indonesia Nomor 06/10/PBI /2004 tentang Penilaian Tingkat Kesehatan Bank Umum*. LN 2004/ No 38, TLN No 4282, BI.GO.ID : 14 HLM. Jakarta
- Bank Indonesia. 2011. *Peraturan Bank Indonesia Nomor 13/01/PBI/2011 tentang Penilaian Tingkat Kesehatan*

- Bank Umum. LN 2011/No 1, TLN No 5184, BI.GO.ID : 16 HLM. Jakarta.
- Bank Indonesia. 2004. Surat Edaran Bank Indonesia Nomor 6/23/DPNP Tentang Sistem Penilaian Tingkat Kesehatan Bank Umum. Jakarta. Jdih
- Bank Indonesia. 2011. Surat Edaran Bank Indonesia Nomor 13/24/DPNP Tentang Sistem Penilaian Tingkat Kesehatan Bank Umum. Jakarta. Jdih
- Budiman, Raymond. 2020. Rahasia Analisis Fundamental Saham: Analisis Perusahaan. Jakarta: Alex Media Komputindo.
- Ismail, 2016 Perbankan Syariah. Jakarta. Prenada Media
- Hanafi dan Halim. 2016. Analisis Laporan Keuangan Edisi Kelima. Yogyakarta: UPP STIM YKPN
- Herlina Yustati, Asnaini. 2017. Lembaga Keuangan Syari'ah : Teori Dan Praktiknya Di Indonesia. Yogyakarta. Pustaka Pelajar.
- Indonesia. 1998. Undang-Undang Nomor 10 tahun 1998 tentang Perubahan Atas UU Nomor 7 tahun 1992 tentang perbankan. LN 1998/ No 182, TLN No 3790, LL SETNEG : 32 HLM. Jakarta.
- Indonesia. 2008. Undang-Undang Nomor 21 Tahun 2008 Tentang Perbankan Syari'ah. LN. 2008/No 94, TLN No 4867, LL SETNEG : 36 HLM. Jakarta.
- Indonesia. 1992. Undang-Undang Nomor 7 Tahun 1992 Tentang Perbankan. LN 1992, LL SETNEG : 33 HLM.
- Yuesti A, dkk, 2019. Manajemen Keuangan Jendela Pengelolaan Bisnis, Bali. CV Noah Alethia.
- Kasmir. 2014, Bank Dan Lembaga Keuangan Lainnya. Jakarta: Rajawali Pers.
- _____. 2016. Analisis Laporan Keuangan. Jakarta. PT Raja Grafindo Persada.
- _____. 2018. Analisis Laporan Keuangan. Depok. PT Raja Grafindo Persada.
- _____. 2019. Analisis Laporan Keuangan. Edisi Satu. Cetakan ke 12. Jakarta: PT. Grafindo Persada.
- Mahardika, Dewa PK. 2015. Mengenal Lembaga Keuangan. Bekasi: Gramata Publishing.
- Murhadi, Werner R. 2019. Analisis Laporan Keuangan, Proyeksi dan Valuasi Saham. Jakarta: Salemba Empat
- Ross, S. A. et. al. 2015. Pengantar Keuangan Perusahaan Buku 1 dan Buku 2 Edisi 1. McGraw-Hill Higher Education. Terjemahan Penerbit Salemba 4.
- Rusby. Z, 2017. Manajemen Perbankan Syari'ah. Pekanbaru ; Pusat Kajian Pendidikan Islam FAI UIR.
- Sugiyono. 2017. Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Bandung, Alfabeta, CV.
- Suharyono & Rebin Sumardi, 2020, Dasar-Dasar Manajemen Keuangan; Desertai dengan Contoh Soal dan Jawaban, Jakarta, LPU-Unas.
- Sujarweni, V. Wiratna. 2019. ANALISIS LAPORAN KEUANGAN Teori, Aplikasi, dan Hasil Penelitian. Yogyakarta: PUSTAKA BARU PRESS.