FINANCIAL SUSTAINABILITY INTHE ASSESSMENT OF THEFINANCIAL PERFORMANCE OF WEST SUMATRA SHARIA FINANCING BANK (BPRS)

Nasfi[1), Syukri Iska[2), Nofrivul[3), Antoni[4)*]
[1)]STES Manna WaSalwa, Padang Panjang, Indonesia
[2,3)]*Lecturer Economics Syariah at Institute of IslamicState*Batusangkar*, Indonesia*
[4)]*Lecturer at Economics Department, Bung Hatta University, PadangIndonesia*
**Corresponding Author:* toni819975@gmail.com

Abstract

The objective of research to examine the financial performance of the Bank Financing of Islamic People of West Sumatra. Data analysis techniques using the BPRS health assessment applicable in accordance with the decision of Bank Indonesia No. 9/17/PBI/2007 dated December 4, 2007, the financial aspects of the form CAR, FDR, NPF, ROA and BOPO. Results of the study found that the ratio of CAR, BPRS West Sumatera amounting to 14.27%, with "very healthy" assessment criteria, the ratio of FDR BPRS 75.67% of West Sumatra, with the assessment of "healthy" criteria, the ratio of NPF BPRS West Sumatra average 7.83%, the assessment "Quite Healthy" criteria, the ratio ROA BPRS West Sumatra an average of 1.34%, with "healthy" with the assessment criteria and the ratio of BOPO BPRS West Sumatera on average by 92.43%, with "very healthy" assessment criteria. The implications of this research to analyze the performance of the financial aspect of the BPRS can provide information about the circumstances and financial position of the company within a certain period in order to take a decision in the future moreover sharia financing bank should increase efficiency and lower the financing problem.
Keywords: *Financial performance*, *CAR, FDR, NPF, ROA* and *BOPO*.

Introduction

The Rural Bank in accordance with Banking Law article 13 consists of Rural Credit Banks which carry out conventional activities and carry out activities based on sharia principles. The results of Puteri's research (2015), the Sharia People's Financing Bank (BPRS) about its credibility and the trust of small people, especially in the rural areas, especially in service are still not optimal. Furthermore, his research also mapped out chronic problems to realize the concept of financial inclusiveness in the countryside, and recommended policies in strengthening the BPRS development strategy and supporting financial support to drive the local economy.

Aharia banking began operations on May 1, 1992, namely Bank Muamalat Indonesia, then Bank SyariahMandiri (BSM) which originated from Bank SusilaBakti (BSB) a subsidiary of Bank Mandiri (ex BDN) which was converted into a Islamic bank. Recent Islamic banking, following the amendment to the Banking Law, which was marked by the issuance of Law Number 10 of 1998, experienced very rapid growth and development. Rivai, et al. (2013) said that the system of Islamic Banking proved to be a formidable system in the face of the economic crisis in Indonesia, especially facing a crisis in the world of Banking.

Table 1 the number of BPRS West Sumatra from 2012 to December 2016 as many as 7 BPRS did not increase the number of BPRS, judging from the 2012 financial statements of assets of Rp.158, - billion, in 2013 assets amounted to Rp.172, - billion, in 2014 assets of Rp. 175, - billion, in 2015 assets amounted to Rp.193, - billion and in 2016 assets amounted to Rp.197, - billion. Funding in the form of financing in 2012 amounted to Rp.122 billion - in 2013 financing amounted to Rp.130 billion, in 2014 financing of Rp.135 billion billion in 2015 financing of Rp.133 billion billion in 2016 financing amounting to Rp.147, - billion. In terms of assets, the distribution of funds for the past 5 (five) years has also increased on average, as well. Wadiah and Mudharabah savings sources on average also increased.The development of the business activities of the Syariah Funding Bank of West Sumatra for the past 5 (five) years is illustrated in the table below:

Table 1. Business Activities of BPRS West Sumatra

No	Activities	Year				
		2012	2013	2014	2015	2016
		Billions of Rupiah				
1	BPRS (Unit)	7	7	7	7	7
2	Asset	Rp 158	Rp 172	Rp 175	Rp 193	Rp 197
3	Fund of Distribution					
	a. Financing	Rp 122	Rp 130	Rp 135	Rp 133	Rp 147
	b. Interbank Assets	Rp 28	Rp 34	Rp 34	Rp 55	Rp 45
4	Source of funds :					
	a. Wadiah	Rp 41	Rp 43	Rp 44	Rp 49	Rp 56
	b. Mudharabah	Rp 9	Rp 15	Rp 17	Rp 19	Rp 21
	c. Mudharabah	Rp 48	Rp 53	Rp 63	Rp 75	Rp 79
	d. Passiva Inter Bank	Rp 38	Rp 42	Rp 32	Rp 29	Rp 17
	e. Financing received	Rp 5	Rp 1	Rp -	Rp 2	Rp 3
	f. Immediate obligation	Rp 1	Rp 2	Rp 2	Rp 1	Rp 1
5	Capital	Rp 15	Rp 16	Rp 17	Rp 18	Rp 20

Source: processed based on the publication report of the Financial Services Authority (OJK)

When compared to the business development of Conventional Rural Banks in the last 5 (five) years in West Sumatra, it was illustrated that conventional BPRs in 2012 were 98 BPR positions in December 2016 totaling 91 BPRs, thus reducing the number of conventional BPRs, reducing conventional BPR from OJK data due to liquidated by the authorities. but in general there was a fluctuating growth of assets, credit and funding sources, the last year's decline was only in 2015 capital of Rp.272, - billion to Rp.264, - billion in 2016. Whereas compared to the average growth of financial aspects West Sumatra for the past 5 (five) years, the number of BPRS has not been added, whether the wishes of investors who are not interested in investing in BPRS or there are other problems. Based on the description, this study needs to examine how the performance of BPRS in West Sumatra if viewed from the BPRS financial factors. Business development of Conventional Rural Banks for the last 5 (five) years in West Sumatra, as shown in table 2 below:

Table 2. West Sumatra BPR Business Activities

No	Activities	Year				
		2012	2013	2014	2015	2016
		Billions of Rupiah				
1	BPR (Unit)	98	95	95	93	91
2	Asset	Rp 1.406	Rp 1.337	Rp 1.345	Rp 1.430	Rp 1.558
3	Funds of Distribution;					
	a. Financing / Credit	Rp 1.050	Rp 1.013	Rp 1.019	Rp 1.040	Rp 1.110
	b. Interbank Assets	Rp 273	Rp 268	Rp 283	Rp 355	Rp 388
4	Interbank Assets :					
	a. Saving	Rp 598	Rp 581	Rp 607	Rp 655	Rp 712
	b. Deposit	Rp 374	Rp 344	Rp 366	Rp 477	Rp 499
	c. Passiva Inter Bank	Rp 198	Rp 193	Rp 152	Rp 103	Rp 78
	d. Financing received	Rp 8	Rp 11	Rp 2	Rp 9	Rp 5
	e. Immediate obligation	Rp -	Rp -	Rp -	Rp -	Rp -
5	Capital	Rp 248	Rp 252	Rp 257	Rp 272	Rp 264

Source: processed based on the publication report of the Financial Services Authority (OJK)

The progress and performance of the Sharia People's Financing Bank (BPRS) are assessed not only from asset growth, market share and services to all operational activities, but also need to be measured from the financial aspects, so that the BPRS business activities will be described in advance. and BPR West Sumatra from its financial posts ranging from the number of BPRS, BPR, assets, distribution of funds, sources of funds and capital.

To measure the performance and achievements of an SRB from a financial standpoint, it can be analyzed by ratio analysis, especially in terms of capital / CAR (NP) aspects, productive asset quality (NPF), profitability aspects (BOPO, ROA and ROE) and liquidity aspects (Cash Ratio and FDR) So that the ratios generated from the analysis of financial aspects can provide information about the condition and financial position of the company in a certain period of time to make decisions in the future by parties interested in financial statements.

Based on the above problems where the financial conditions of BPRS tend to grow but the number of BPRS does not grow or add new BPRS, a deeper study is needed to answer these problems by analyzing the financial performance of BPRS from financial aspects.

Literature Review

According to Arifin.A and Rivai, V (2010), BPRS are banks that carry out business activities based on Islamic principles which in their activities do not provide services in payment traffic. BPRS is a business entity that is equivalent to people's credit banks in the form of limited liability companies, regional companies and corporations.

Meanwhile, according to Ariyani (2010), one of the financial performance assessments, namely NPF (Non Performing Financing) is the rate of return on financing provided by the debtor to the bank in other words, the NPF is the level of non-performing financing at the bank. NPF is known by calculating non-current financing for total financing. If the lower the NPF, the bank will experience more profits, on the contrary if the high NPF level of the bank will suffer losses due to the rate of return on bad credit.

Assessment of financial performance can be assessed by calculating financial ratios. Financial ratio that connects two financial data (financial statements), namely balance sheet and income statement. The value of the financial ratio will be compared with existing benchmarks.

According to Faisol (2007, p. 150), financial ratios describe a relationship or a balance (mathematic relationship) between a certain amount and another number in the financial statements, and by using an analysis tool in the form of a ratio, this will be able to explain or give an overview to the analyzer regarding the good or bad condition or financial position of a company, especially if the ratio is compared with the comparative ratio used as a standard.

This ratio shows how banks can use their assets to get returns. A higher value for this ratio indicates a higher ability of the company. This ratio is an indicator to evaluate managerial efficiency (Fitri, 2014).

Banking performance assessments include capital factors, productive asset quality factors, management factors, profitability factors and liquidity factors (PBI No.9 / 17PBI / 2007). According to Bank Indonesia to assess the health of banks, it can be seen from various aspects, where the assessment of the bank's financial performance aims to determine whether the bank is in good health, quite healthy, unhealthy and unhealthy. Bank Indonesia or the Authority as supervisors and coaches conduct banking performance assessments known as the CAMEL method, in the form of performance appraisal from aspects of capital (for capital adequacy ratios), aspects assets (for asset quality ratios), aspect management (to assess management quality), aspects earnings (to assess bank profitability ratios) and liquidity aspects to assess bank liquidity ratios (Martono, 2007).

Definition of performance is an overview of the achievement of the program or program or policy in realizing the goals, objectives, mission and vision of an organization (Bastian, 2006). Gitosudarmo and Basri said the concept of financial performance is a series of financial activities in a given period reported in financial statements including income statement and balance sheet (2002, p.275). According to Fahmi (2011), financial performance is an analysis carried out to see the extent to which a company has implemented it using the rules of financial implementation properly.

Based on the Indonesian Banking Booklet 2017, measuring the financial performance of banks for Conventional Commercial Banks is regulated by the Financial Services Authority Regulation (POJK) with POJK Number No.4 / POJK.03 / 2016 dated January 27, 2016 concerning Rating of Commercial Banks and POJK No.8 /POJK.03/2014 dated 11 June 2014 concerning Soundness Rating of Sharia Commercial Banks and Sharia Business Units. To measure the financial performance of BPR with SK Dir.No.30 / 12 / KEP / DIR dated 30 April 1997 and SE BI No.30 / 3 / UPPB dated 30 April 1997 concerning Procedures for Assessing Soundness Levels of Rural Banks, and for BPRS with Bank Indonesia Regulations No.9 / 17 / PBI / 2007 dated 4 December 2007 concerning the Rural Credit Bank Health Assessment System based on Sharia Principles.

Bank Health is the ability of a bank to carry out banking operations activities normally and be able to fulfill all of its obligations properly in ways that comply with applicable banking regulations. LDR is one indicator of the health of bank liquidity. Liquidity assessment is an assessment of the ability of banks to maintain adequate levels of liquidity and adequacy of liquidity risk management. LDR is most often used by financial analysts in assessing a bank's performance, especially from the total amount of credit given by the bank with funds received by the bank. According to Dendawijaya (2005: 116), LDR is a ratio used to find out how far the ability of banks to pay back funds withdrawals made by customers by relying on loans provided as a source of liquidity. LDR is calculated from the comparison between total credit and third party funds.

Widyanto.A.E (2012) research examined the Bank's Health Level and Financial Performance by Using the CAMEL Method (Case study at PT Bank Mega Syariah Indonesia 2008-2010). Research findings on financial performance of PT. Bank Mega Syariah Indonesia in the capital ratio (CAR) meets the requirements of Bank Indonesia even though each year it goes up and down, the annual ROA ratio meets the requirements even though every year it goes up and down, the BOPO ratio where operational costs do not meet Bank Indonesia requirements above 93.52% and the FDR (Financing to Deposite Ratio) ratio also does not meet Bank Indonesia requirements or is unsound because it is above Bank Indonesia regulations. There is a difference in research, Widyanto.A.E does not examine NPF ratios and in the present study does not examine the ratio of Earning Assets Quality, and ROE.

Zahara's (2013) examined the level of health of rural banks in the CAMEL method (case study on 3 rural banks in West Sumatra), research using CAR, KAP, NPM, ROA, BOPO, CR and LDR ratios. The results of this study are known that BPR X located in Solok Regency has an unhealthy aspect of the CAMEL ratio of Financial aspects to asset ratios, earnings, only the ratio of capital and liquidity that is categorized as healthy, so that the credit rating of BPR X is on average years are also not healthy. BPR Y in Pesisir Selatan Regency has a healthy financial aspect of the CAMEL ratio for all values, so that overall the credit rating of BPR Y's health level is also healthy. Whereas BPR Z located in Pasaman Regency also has a healthy ratio for components, namely Capital, Earning and Liquidity, only the Asset ratio is not healthy. But on average for 3 years the credit level of health level BPR Z has a healthy predicate. The difference in research, Zahara examined the ratios of CAR, KAP, NPM, ROA, BOPO, CR, and LDR and did not examine the Zahara ratio of NPF, while the current study did not examine the ratio of KAP, NPM and CR.

If the ROA ratio is getting higher, the better the financial performance of PT. BPRS Haji Miskin in utilizing assets to obtain profitability. ROA is the value of the ratio produced by the bank, the higher the value of this ratio has the greater potential for banks to generate revenue from the management of assets owned (Ihsan, 2015).

Iswandari M and Adnan. E (2015) which measures the financial performance of Rural Banks and Islamic People's Financing Banks in the Special Region of Yogyakarta which examines using CAR, FDR, NPF and ROA ratios. As a result, in general, the aspects of liquidity, profitability, capital and productive asset quality aspects of Rural Banks show better financial performance than the Islamic People's Financing Bank. The difference between Iswandari'sresearch. M and Adnan.E does not use the BOPO ratio.

According to (Muliawati, 2015), Return On Assets (ROA) focuses the company's ability to obtain Earning in company operations so that in this study ROA is used as a measure of banking performance, the greater the bank ROA, the greater the level of profits the bank achieves and the better also the position of the bank and the use of assets.Research by Hamidi. M (2017), Research Title Comparative Study of Performance of Sharia and Conventional Rural Banks (BPR) in West Sumatra.Iqtishadia Journal, Vol. 10 (1), P-Issn: 1979-0724, E-Issn: 2502-3993. The ratios studied, CAR, AQ (Asset Quality), MQ (Management Quality), EA (Earning Ability), L (Liquidity) and Total Assets. The results of the study concluded several important things. First, Conventional Rural Banks have financial performance (ROA, ROE, NIM) that is superior to Sharia BPR. Second, Conventional BPR is superior to capital adequacy (CAR). The three Sharia BPRs are superior in FDR from Conventional Rural Banks. The four Sharia BPRs are superior in the Cost to Revised cost-to-income ratio (BOPO) of Conventional BPRs.

CAR (Capital Adequacy Ratio), is the capital adequacy that shows the ability of banks to maintain sufficient capital and management's ability to identify, measure, supervise, and control the risks that arise which can affect the size of bank capital (Candra. R, Mangantar. M and Oroh. GS, 2016, p. 432). While the higher the CAR, the stronger the bank's ability to bear the risk of any risky credit or productive assets. If the bank's CAR is high (according to BI regulations or OJK), it means that the bank is able to finance its operations (Defri, 2012).

According to (Fitriana, 2016), Capital Adequacy Ratio (CAR) is a capital adequacy ratio that shows the ratio of bank capital to risk-weighted assets. The higher the CAR ratio indicates that the bank is getting better capital, this indicates that the performance of the Islamic banking is getting better. Thus it will further increase the attractiveness of the company to investors, which will also have an impact on the profitability of the Islamic banking companies in the capital market will increase.

The research results of Marsel, Pongoh (2013), examine the analysis of financial statements to assess the financial performance of PT. BumiResourcs TBK. The results of the study show (1) Based on the overall liquidity ratio the condition of the company is in good condition, even though during the period from 2009-2011 it fluctuated. (2) Based on the solvency ratio of the company in a solvable position, because the company's capital is sufficient to guarantee the debt given by creditors. (3) based on the overall profitability ratio the company is in a good position.

While the Maikel Ch. Ottay and Stanly W. Alexander (2015), examine financial statement analysis to assess financial performance at PT BPR Citra Dumoga Manado. The results obtained from the study are: (1) BPR Citra Dumago's financial performance has increased in terms of current asset value, total assets, total loans and the number of third party funds has increased from 2009-2011. (2) For profitability ratios it is necessary to have internal policies so that the Bank is able to use loans and finance its business activities, as well as the bank's ability to increase the profits of its business.

The research Shawwal Harianto's (2017), this shows that only the level of operational efficiency (BOPO) and the level of problematic financing (NPF) that affect the level of profitability in sharia people's financing banks. While the other two variables, namely the FDR ratio and CAR ratio, have no effect on the level of profitability. This result implies that Islamic finance banks must increase efficiency and reduce problem financing.

Methodology

This study uses descriptive quantitative methods using BI website data (http://www.bi.go.id/id/Default.aspx) and the Financial Services Authority (OJK) http://www.ojk.go.id/id / Default.aspx. The data used is based on financial reports at the end of 2012 until 2016. The population of this study is 7 Sharia People Financing Banks in West Sumatra. But the samples were 5 (five) BPRS namely PT. BPRS Al Makmur, PT. BPRS IV AngkekCandung, PT. BPR CarnaKiatAndalas, PT. BPRS Haji Miskin and PT. BPRS GajahtonggaKotopiliang.

The data analysis method used in this study is to use a valid SRB health assessment, namely Bank Indonesia Decree No.9 / 17 / PBI / 2007 dated 4 December 2007. Health assessment of BPRS from CAR, FDR, NPF, ROA and BOPO, except management aspects not examined. The BPRS health assessment is based on quantitative related data in the form of numbers contained in the bank's financial statements.

To determine the assessment of the financial performance of the BPRS in this research using financial ratios as follows;

a. CAR (Capital Adiquacy Ratio).

*CAR*by formula;

$$\boxed{\text{CAR} = \frac{\text{Bank of Capital}}{\text{ATMR}} \times 100\% = \ldots\ldots\%}$$

The rules BI/OJK ;Sehat≥8%

The CAR ratio is regulated by Bank Indonesia Regulation (PBI) with number 8/22 / PBI / 2006 concerning Minimum Capital Requirements for Rural Banks Based on Sharia Principles, CAR ratio or ratio of the ratio of bank capital to RWA above 8%.

b. Financing to Deposit Ratio (FDR)

The Financing to Deposit Ratio (FDR) ratio is a ratio to measure the composition of the amount of financing given to the amount of public funds and own capital. This ratio is usually used by banks to measure the level of productivity in channeling financing or credit to debtors, the higher the bank's FDR ratio the more aggressive, the financing turnover, or conversely the smaller the FDR ratio the more unproductive assets owned by the bank or small financing turnover at the bank.

Rasio*FDR*by formula;

$$\boxed{\text{FDR} = \frac{\text{Amount of Financing}}{\text{Third Party Funds + Core Capital}} \times 100\% = \ldots\%}$$

The rules BI/OJK ;Sehat<100%

The FDR ratio is said to be healthy according to BI and OJK if the ratio of total funding to Third Party Funds or public funds along with core capital is below 100%.

c. Non Performing Financing (NPF)

According to Suresh and Bardastani (2016), asset quality is an important parameter to study the level of financial strength, the purpose of measuring asset quality is to ensure the composition of Non Performing Assets (NPA) or NPF as a percentage of total assets.To measure the NPF ratio according to Bank Indonesia using the formula;

$$NPF = \frac{\text{Non Performing Assets}}{\text{total assets}} \text{ X } 100\% = \ldots\ldots\%$$

The rules BI/OJK :Sehat< 5%

Whereas to measure Net NPF is:

$$NPF = \frac{\text{Non performing Assets - PPAP}}{\text{Total financing}} \text{ X } 100\% = ..\%$$

According to Bank Indonesia and the Financial Services Authority the NPF ratio is said to be healthy if it is small or below 5%. According to Widyanigrum and Septiarini (2015), NPF based on Bank Indonesia circular letter Number 9/29 / DPbs dated December 7, 2007, Non Performing Financing (NPF) was calculated by comparing the amount of troubled financing with the total financing held by the bank.

d. Return On Asset (ROA)

One of the tools to measure banking performance which is also commonly used by banks is Return On Assets (ROA). ROA, which is how much the ability of banks to increase profits by using productive assets owned in a certain period of time.

According to Almazari (2013), to measure the profitability of banks, bank regulators and analysis use Return On Assets (ROA) which is used to assess industry performance and predict market structure trends as inputs. ROA is the ratio of net income to total assets, ROA measures the profits generated from assets and reflects how well bank management uses investment resources that actually generate profits.

Whereas According to Kasmir (2012), ROA is a ratio that shows the return (return) on the amount of assets used in the company. ROA is also a measure of management effectiveness in managing its investment, this means the extent to which BPRS management uses productive assets in the form of financing / credit from total assets owned so as to provide profit or profit.To measure the ROA ratio which is the ratio of profit after tax or net income to the assets of Kasmir (2012), as below:

$$ROA = \frac{\text{Profit after tax}}{\text{Total Asset}} \text{ X } 100\% = \ldots\ldots\%$$

While the method used in this research is the Regulation of the SRB Health Level namely PBI No.9 / 17 / PBI / 2007 dated December 4, 2007 concerning BPRS Health Assessment ROA ratio is the ratio between pre-tax profit to total assets. The ROA ratio according to Bank Indonesia is as follows;

$$ROA = \frac{\text{Pre tax profit}}{\text{Total Asset}} \text{ X } 100\% = \ldots\ldots\%$$

The rules BI/OJK ;Sehat>1,22%

The Return On Assets (ROA) is higher then the results of the ratio are getting better, healthy Retun On Assets (ROA) according to BI is above 1.22%. Based on the opinions of experts and Bank Indonesia, as a reference this study uses the ROA ratio set by Bank Indonesia, namely the ROA ratio of pre-tax profit to total assets. This method is also used by Riyadi

(2006), where ROA is a profitability ratio that shows a comparison between earnings (profit before tax) and total assets of the bank, this ratio shows the level of efficiency of asset management carried out by the bank concerned.

A. Operational Income Operating Costs (BOPO)

The BOPO ratio is used by banks to measure the level of efficiency in operating between operating costs and operating income. The BOPO ratio produced by BPRS is getting smaller and more efficient. According to Taswan (2010), BOPO is a comparison of operational costs against bank operating income. While Soedarto (2007), revealed, BOPO is the ratio of operating costs in the last 12 months to operating income in the same period. Efficiency aspect or BOPO, illustrates the ability of BPRS to increase efficiency to gain profits. According to (Kartikasari: 2014), BOPO (Operational Cost of Operational Income, is a comparison between operating costs and operating income. The operational cost ratio is used to measure the level of efficiency and ability of banks to carry out their operations.

According to (Litriani, 2016), the ratio of operating costs to operating income (BOPO) is often called the efficiency ratio, which is used to measure the ability of bank management in controlling operational costs against operating income. The lower the BOPO ratio, the more efficient the bank is, or conversely the higher the BOPO ratio, the more inefficient the bank is.

The BOPO ratio is said to be healthy if it is in the position of 92% -93.52%, more or above 93.52%, the BPRS is said to be unhealthy. Meanwhile, according to Bank Indonesia SRB, it is said that the BOPO ratio is healthy below 93.52%. To determine the BOPO ratio are:

$$\boxed{BOPO = \frac{\text{operational costs}}{\text{Operational income}} \text{ X } 100\% = \ldots\ldots\%}$$

The rules BI/OJK ;Sehat< 93,52%

To determine the current BPRS health assessment, Bank Indonesia Decree No.9 / 17 / PBI /2007 dated December 4, 2007. Health assessment of BPRS from CAR, FDR, NPF, ROA and BOPO, except those not examined by management aspects. The results of the BPRS financial performance with assessments and criteria as shown in appendix 1.

Empirical Results and Discussion

Findings using the CAR ratio of 5 (five) years with a "Very Healthy" assessment with the criteria of ≥12%, where the CAR ratio from 2012 to 2016 was 13.64%, 14.12%, 14.12% respectively. , 14.68% and 14.81%. The CAR ratio averages 14.27% with an assessment of "Very Healthy". The results of this study are in line with the research according to Daniswara's study, (2016), found that the higher the CAR ratio the healthier the bank or vice versa, the CAR ratio is set by the Financial Services Authority (OJK) and Bank Indonesia (BI) above 8%.

Furthermore, the research results from the assessment of FDR ratios over the past 5 (five) years fluctuated, and the highest FDR ratio in 2014 was 78.83% with the assessment of "Healthy" being in the criteria> 75%-%85%. The lowest FDR ratio in 2015 was 68.60% with a rating of "Very Healthy" at the criterion of ≤75% and the FDR ratio in 2016 of 75.24% with the assessment of "Healthy" being in the criteria> 75%-%85%. The BPRS West Sumatra FDR ratio averaged 75.67% with a "Healthy" rating.

The results of the study according to Wibisono (2017) study, the higher the FDR, the higher the company's profit (with the assumption that the bank is able to channel loans effectively, so the number of bad loans will be small). In conditions where FDR has fluctuated down, it means that at that time the bank did not carry out the intermediation function properly, with high growth in third party funds from financing growth.

The research of the highest NPF ratio, BPRS West Sumatra in 2015 was 11.52%, the assessment of "Unhealthy" was in the position of the criteria> 8% -≤12%, the lowest NPF ratio in 2012 was 3.68% with a "Healthy" rating in the position of the criteria> 2% -5%. The average NPF ratio of BPRS West Sumatra is 7.83% with a rating of "Fairly Healthy" in the position> 5% -8%. This research is in the view of Syamsurizal (2016), NPF shows the ability of bank management in managing troubled financing provided by banks. So that the higher the NPF ratio, the worse is the quality of bank financing, which increases the number of problematic financing, the greater the likelihood of a bank in problematic conditions. The fluctuating NPF with the tendency of NPF to increase is a failure of management to manage financing properly.

Furthermore, the results of the ROA Ratio, during the last 5 (five) years, the highest ROA in 2012 was 1.98% with a rating of "Very Healthy", in the position of criteria ≥1.5%, the lowest ROA of 2015 was 0.97% with the rating of "Fairly Healthy", it is in the position of the criteria> 0.5% -1.25%. BPRS West Sumatra's ROA ratio averages 1.34% with a "Healthy" rating, which is in the criteria of> 1.25% -1.5%. While research according to Ana. T.L (2017), ROA is a measurement of the ability of bank management to obtain overall profits. If the ROA of a bank gets bigger, the greater the level of profit achieved by the bank and the better the position of the bank in terms of asset security. Based on the provisions of the Financial Services Authority and Bank Indonesia, a good standard of ROA is ≥1.5%, the greater the ROA, the better the company's performance, because the return is getting bigger. In fluctuating conditions, ROA tends to decrease, meaning that the ability of banks to obtain profits decreases.

Furthermore, the results of the study, when viewed from the BOPO Ratio assessment for the last 5 (five) years, fluctuated, the lowest BOPO ratio in 2012 was 90.15% with the "Very Healthy" rating at the position of criteria of 93.92%. The highest BOPO ratio in 2015 was 94.11% with a rating of "Healthy" at the criteria position of ≥93.52% - <94.72%. BPRSO BOPO West Sumatra ratio averaged 92.43% with a rating of "Very Healthy", at the position of criteria ≤93.52%.

Meanwhile, according to Rosiana (2017), operational costs against operating income (BOPO) are ratios that indicate the level of efficiency of the bank's operational performance. The higher the level of the BOPO ratio means the worse the performance of the bank's management, because banks are less efficient in using existing resources in the company. BOPO which tends to fluctuate down, means that banks cannot increase efficiency. The empirical findings can be summarized in table 3 as follows:

Table3.Ratio and Rating of Bank Soundness
BPRS West Sumatra Year Period 2012- 2016 (%)

Ratio	Year					Average
	2012	2013	2014	2015	2016	
CAR	14,14	14.12	14,12	14.68	14.81	14.27
FDR	78.15	77.51	78.83	68.60	75.24	75.67
NPF	3.68	5.42	8.56	11.52	9.99	7.83
ROA	1.98	1.25	1.13	0.97	1.37	1.34
BOPO	90.15%	91.68	93.51	94.11	92.69	92.43
Assessment						
CAR	Very healthy	Very healthy	Very healthy	Very healthy	Very healthy	Very healthy
FDR	Healthy	Healthy	Healthy	Very healthy	Healthy	Healthy
NPF	Healthy	unwell	unwell	unwell	unwell	Healthy enough
ROA	Very healthy	Healthy	CukupSehat	CukupSehat	Healthy	Healthy
BOPO	Very healthy	Very healthy	Very healthy	Healthy	Very healthy	Very healthy

Source: processed based on the publication's report OJK

Conclusion and Recommendation

The financial performance of BPRS West Sumatra for 5 (five), from 2012 to 2016 which is measured by financial ratios, based on the above analysis can be summarized as follows;

1. CAR ratio, capital of BPRS West Sumatra with CAR ratio on average with a "Very Healthy" assessment.
2. FDR ratio, BPRS West Sumatra financing distribution with an FDR ratio on average with a "Healthy" rating.
3. NPF ratio, level of smooth financing or Collectibility of BPRS West Sumatra with the ratio of NPF on an average "Fairly Healthy".
4. ROA ratio, profitability or profitability of BPRS West Sumatra with an average ratio with a "Healthy" rating.
5. BOPO ratio, from the operational costs and operating income of BPRS West Sumatra with an average ratio with a "Very Healthy" rating.

Recommendation

1. Healthy Collectibility or problematic financing to reduce NPF to <5% according to the rules, by increasing billing and renewing credit agreements.
   For those who will come in financing distribution, they must pay attention to:
      a. Economic sectors to be financed.
      b. Analyze the correct financing.
      c. Human resources who have the ability in the field of marketing.
2. Increasing minimum core capital according to the rules of the Financial Services Authority above Rp.6,000,000,000 (six billion rupiah), BPRS West Sumatra has no core capital fulfilled. Fulfillment of minimum core capital no later than December 31, 2020 must be fulfilled according to the rules.
3. Avoiding the distribution of funding to the plantation and agriculture sectors, because the sector is long-term and not a BPRS business for now.

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Appendix 1.

Criteria for Assessing the Soundness of BPRS

No	Ratio	Criteria	Assessment
1	CAR	≥ 12%	Very healthy
		≥ 9% to < 12%	Healthy
		≥ 8% to< 9%	Healthy enough
		> 6% to< 8%	Unwell
		≤ 6%	Not healthy
2	FDR	≤ 75%	Very healthy
		> 75% to≤ 85%	Healthy
		> 85% to≤ 100%	Healthy enough
		> 100% to≤ 120%	Unwell
		> 120%	Not healthy
3	NPF	≤ 2%	Very healthy
		> 2% to≤ 5%	Healthy
		> 5% to≤ 8%	Healthy enough
		> 8% to≤ 12%	Unwell
		> 12%	Not healthy
4	ROA	> = 1,5%	Very healthy
		> 1,25% to≤ 1,5%	Healthy
		> 0,5% to≤ 1,25%	Healthy enough
		> 0% to≤ 0,5%	Unwell
		≤ 0%	Not healthy
5	BOPO	≤93,52%	Very healthy
		>93,52% to≤94,72%	Healthy
		>94,72% to≤95,92%	Healthy enough
		>95,92% to≤97%	Unwell
		>97%	Not healthy

Source : SE BI No.9/29/DPbs t 07 December 2007