



---

**Article history:**

Received: 2017-10-19

Revised: 2017-11-12

Accepted: 2018-02-16

---

**Hendrik Tri Oktaviansyah, Ahmad Roziq, Agung Budi Sulistiyo**

Department of Master of Accounting Faculty of Economics and Business Universitas Jember Jalan Kalimantan No. 37, Kampus Tegalboto, Jember, 68121

✉ Corresponding Author:

**Hendrik Tri Oktaviansyah:**

Tel.+ 62 331 330-224;

Fax. +62 331 333-147

E-mail: [hendrik.tri1990@gmail.com](mailto:hendrik.tri1990@gmail.com)

**Hendrik Tri Oktaviansyah (Indonesia), Ahmad Roziq (Indonesia), Agung Budi Sulistiyo (Indonesia)**

## **ANGELS Rating System for Islamic Banking Industry in Indonesia**

### **Abstract**

This study aims to analyze the bank soundness assessment using ANGELS approach in an Islamic bank. This research is qualitative research. This research uses a non-interactive qualitative approach that is analysis research that conducts an assessment based on document analysis and provides interpretation of a concept. The data used are primary data and secondary data. Primary data is done by using structured interviews using prepared questionnaires. Secondary data from this research are sharia financial report year 2016 in the form of ROA, ROE, CAR, NPF, LDR, and MR. The results of this study indicate that the soundness assessment of Islamic bank using ANGELS has a score of 86.79 so it is said to be soundness. The concept of ANGELS which consists of Amanah Management, Non-Economic Wealth, Give Out, Earning, Capital and Asset, Liquidity and Sensitivity to Market and Economy Wealth in practice need to be revised is indicators Amanah Management of accountability to God and accountability to nature because in practice these indicators are contrary to the concept practiced in the field. Revision of accountability to God and accountability to nature is changed into ihsan and tablig.

**Keywords:** ANGELS, Bank Soundness, Islamic Bank

**JEL Classification:** G21; G24

**Citation:** Oktaviansyah, H. T., Roziq, A., & Sulistiyo, A. B. 2018. ANGELS rating system for Islamic banking industry in Indonesia. *Jurnal Keuangan dan Perbankan*, 22(1), 170-180. <https://doi.org/10.26905/jkdp.v22i1.1563>

### **Abstrak**

*Penelitian ini bertujuan untuk menganalisis penilaian kesehatan bank dengan menggunakan pendekatan ANGELS di bank syariah. Penelitian ini merupakan penelitian kualitatif. Penelitian ini menggunakan pendekatan kualitatif yang non-interaktif yaitu penelitian analisis yang mengadakan pengkajian berdasarkan analisis dokumen serta memberikan interpretasi terhadap suatu konsep. Data yang digunakan adalah data primer dan data sekunder. Data primer dilakukan dengan menggunakan wawancara terstruktur dengan menggunakan daftar pertanyaan yang telah disiapkan sebelumnya. Data sekunder dari penelitian ini adalah laporan keuangan bank syariah tahun 2016 berupa ROA, ROE, CAR, NPF, dan LDR serta MR. Hasil Penelitian ini menunjukkan bahwa penilaian kesehatan Bank Syariah dengan menggunakan ANGELS memiliki skor sebesar 86,79 sehingga dikatakan sehat. Konsep ANGELS yang terdiri dari Amanah Management, Non-Economic Wealth, Give Out, Earning, Capital and Asset, Liquidity and Sensitivity to Market serta Economy Wealth) dalam praktek perlu dilakukan revisi yaitu pada indikator amanah manajemen yang terdiri dari akuntabilitas terhadap Tuhan serta akuntabilitas terhadap alam dikarenakan dalam prakteknya indikator tersebut bertentangan dengan konsep yang dipraktekkan di lapangan. Revisi dari akuntabilitas terhadap Tuhan dan akuntabilitas terhadap alam diubah menjadi ihsan dan tablig.*

**Kata Kunci:** ANGELS, Tingkat Kesehatan Bank, Islamic Bank

## ANGELS Rating System for Islamic Banking Industry in Indonesia

*Hendrik Tri Oktaviansyah, Ahmad Roziq, Agung Budi Sulistiyo*

Banking is sub-system in the economy of a country has a large enough role. Even in the life of modern society everyday most of the society does not escape the use of services, especially in the sharia banking sector whose goal is to improve the Indonesian economic (Ariani, 2008). The role of sharia banks as collectors of funds from the community also as a form of savings that bring the impact of economic improvement and equity of public welfare (Alamsyah, 2015; Indriastuti & Ifada, 2015; Mandasari, 2015).

Islamic bank is a banking with Islamic law as a source of economic improvement and funding for development of society that avoids usury and is intended to mobilize to build the economy in Indonesia in a fair and equitable (Asad, 2011; Ariani, 2008; Nengsih, 2015). Islamic banking has been in full attention to Indonesian banks that are believed to bring *maslahat* that will give effect to economic growth and more useful in corresponding with the needs of society (Raharjo, 2011; Sukardi, 2012; Alamsyah, 2015).

Islamic bank which is a bank that operates not relying on interest and usury so that need for measurement of bank soundness level for the performance of Islamic banks improved and achieved in purpose of an organization and capable to control the dynamics of growth and development of sharia banking (Ariani, 2008). There some several methods that can be used to assess and analyze the soundness of sharia banking by using CAMELS, RGEC, and ANGELS (Nimalathanan, 2008; Triyuwono, 2011; Mandasari, 2015).

CAMELS as a Islamic bank rating system has been established in accordance with PBI No.6/10/PBI/2004. CAMELS factors consist of Capital, Assets Quality, Management, Earnings, Liquidity and Sensitivity to Market Risk. CAMELS it self developed in Indonesia long enough so appear new theories to perfect the factor of CAMELS as a rating of the soundness of Sharia Bank (Nimalathanan, 2008).

RGEC as a rating system for Islamic bank soundness specified in PBI No.13/1/PBI/2011.

RGEC factors consist of risk profile, good corporate governance, earnings and capital. According to Dzeawuni & Tanko (2008), CAMELS and RGEC methods are unable to describe the overall performance of the bank so that the CAMELS and RGEC methods are less comprehensive. It is hoped that with new theories and thinking there is an appropriate method of soundness assessment of sharia bank which is better able to describe the overall performance of sharia bank (Mandasari, 2015).

ANGELS as a new concept in the Islamic bank rating system is expected to be more comprehensive than CAMELS and RGEC method. The hope of sharia banking in Indonesia using ANGELS method as the assessment of soundness level can be able to provide progress and growth in doing business (Salleh, 2015). And can ensure the achievement of the goal of Islamic banks as a banking with Islamic principles.

The level of soundness in Islamic banking is usually there are problems that are faced with the quality performance of Islamic banks. The problem factors on the quality of Islamic banking performance starting from the bank's soundness and financial performance must be considered.

The problems that have been described above need to be addressed by using measurement with ANGELS approach as one of the alternative performance appraisal system in sharia banking. Measurement by concept principle Triyuwono, (2011) using ANGELS approach as the concept of construction of performance measurement of sharia bank based on Islamic ethics that function as an assessment to the performance in achieving the goals of an organization. The concept of ANGELS consists of Amanah management, Non-Economic wealth, Give Out, Earnings, Capital and Asset, Liquidity and sensitivity to market and economics wealth (Triyuwono, 2011; Indriastuti & Ifada, 2015; Niswatin et al., 2014).

ANGELS as a measurement of performance in Islamic banking will provide benefits that aims to formulate the assessment system of Islamic Bank

soundness level in accordance with Islamic bank (Indriastuti & Ifada, 2015). This scoring system includes values, processes, outcomes and stakeholders (Triyuwono, 2011). The value referred to here is the value of sharia ethics. The value here based on the construction of a sharia bank rating system and provides processes, and good results as philosophical objectives at the sharia bank. With the measurement with ANGELS approach as a scoring system in Islamic banking then sharia bank will not lose its identity in doing business (Triyuwono, 2011; Indriastuti & Ifada, 2015).

Measurements using ANGELS approach will be expected to provide an assessment of the soundness of sharia banks to improve the soundness of sharia banks. The rating system using ANGELS is very dynamic and conditional. The sharia bank soundness rating system has a standard of weight, process, results and stakeholders. The standard is assessed for each factor of ANGELS which certifies that the sharia bank with the tool is said to be soundnessy.

Assessment of the soundness of the Islamic bank using ANGELS has been empirically verified by several researchers in various approaches in the country of Indonesia. Some researchers use the ANGELS approach as an assessment of the soundness of sharia banks in order to be able to give a beneficial impact on the soundness of Islamic banks to be more improved.

Triyuwono (2011) examines ANGELS as a rating system for the soundness of sharia banks. The results show that the ratings contained in ANGELS are very dynamic and conditional. With this system, the assessment system will serve as a diagnostic tool as well as a treatment. Even Triyuwono (2011) also proves that ideally the bank soundness system using ANGELS has a standard of weight for process, outcomes and stakeholders. Standard value for each factor of ANGELS indicating that sharia bank with such tool can be declared soundnessy.

Indriastuti & Ifada (2015) examines the analysis of performance measurement system of sharia

banking. The study uses ANGELS approach as an assessment of the soundness of Islamic bank. The results of this study explain that the system of measurement and assessment of Islamic banking performance using ANGELS approach (Amanah management, Non-economic wealth, Give out, Earnings, capital and assets, Liquidity and sensitivity market, and Socio-economic wealth can be used as an instrument level assessment system soundness of Islamic bank as well as strategic instruments to develop sharia banking.

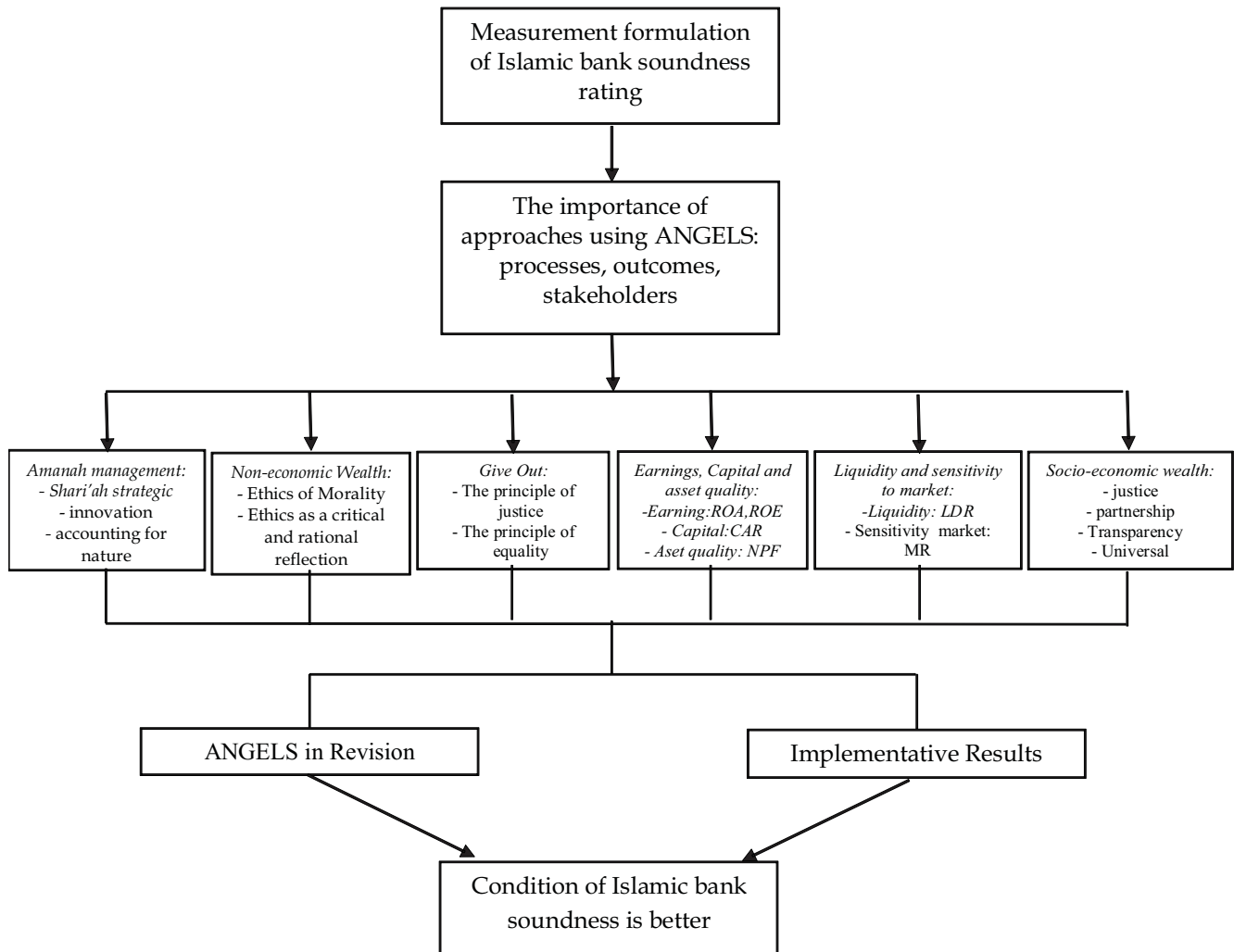
Different findings by Niswatin et al. (2014), concerning the basic concept of performance appraisal against Islamic bank. The result of the research is that ANGELS presents the performance evaluation of Islamic banks based on Islamic values. The dimension of Islamic values is worship, muamalah, amanah and ihsan. The concept of Islamic banking performance in accordance with Islamic syariah consisting of worship, muamalah, amanah and ihsan is used for the achievement of objectives of Islamic banks in creating luck (falah) for all stakeholders both life in the world and in hereafter later in accordance with Islamic Shari'a.

This study aims to analyze the bank's soundness assessment using ANGELS approach in sharia bank. As long as there is no problem to the soundness of banks derived from capital, asset quality, management, earnings, and sensitivity to market risk. The mentioned problem is expected to be solved by measuring the soundness of sharia bank by using ANGELS approach as an alternative to the assessment of the soundness of sharia banking in order to improve the future and ensure the achievement of the objectives of sharia bank.

The conceptual framework starts from theoretical studies and is supported by previous research. The foundation of theory and previous research, explained about the approach of ANGELS as a soundness assessment of Islamic bank based on Islamic ethics with Islamic index.

## ANGELS Rating System for Islamic Banking Industry in Indonesia

*Hendrik Tri Oktaviansyah, Ahmad Roziq, Agung Budi Sulistiyo*



**Figure 1.** Conceptual Research Framework

## METHODS

This type of research is a type of qualitative research conducted by researchers who are oriented to the phenomenon and are natural. Qualitative research is usually done in the field with the aim of providing the findings of research conducted. Qualitative research is also conducted in certain settings that exist in real life (natural) with the intent to investigate and understand the phenomenon of what happened, why happened and how it happened (Chariri, 2009).

The unit of analysis is the source of information about the variables that are processed in the data analysis (McMillan & Schumacher, 2011). The unit of analysis can be individual, group, object or organization. The unit of analysis in this study is Bank Syariah Mandiri as a banking with Islamic syariat principles. The location and location of this research it self takes the object of Bank Syariah.

The type of this research is qualitative research that is data in the form of descriptive explanation of an object that is obtained both oral and

written from the results of interviews and documentation in a object research McMillan & Schumacher, (2011). Starting from the history of the company, organizational structure and so forth in connection with the subject of research problems. This study uses primary data sources and secondary data.

Data collection technique in this research is by using survey method. Survey method is the primary data collection method by interview (interview) with the management of syariah banking and secondary data through documentation in the form of financial statements of 2016.

## Data Analysis

### Amanah Management

Amanah management is the first factor of ANGELS concrete form of application of sharia ethics in banking business. The application of sharia ethics here can not be interpreted narrowly in the sense that sharia banks issue products in accordance with sharia such as *mudharabah*, *musyarakah*, *murabahah*, *bai'bi tsaman ajil*. But more fundamental is the application of sharia in the form of strategic management system sharia.

Assessment of this management mandate can be measured using several variables including (Triyuwono, 2011): sharia strategic management system, innovation, accountability to God, accountability to stakeholders, and accountability to nature.

Amanah management is a very important and fundamental part of this assessment system model. The success of sharia banking is highly dependent on best management practices. Amanah management can be process management that is an important part that provides a result. In the management model the mandate of management needs to get great attention (Ahmed et al., 2011).

### Non-economic Wealth

Non-economic wealth is the second factor of ANGELS that needs to be calculated as one part

that can be left to assess the soundness of Islamic bank. This factor appear and should exist in the model as a consequence of making syariah ethics as the basis of value from sharia banking. Non-economic wealth is measured by using 2 (two) variables (Indriastuti & Ifada, 2015): ethics of morality and ethics as a critical and rational reflection

### Give Out

Give out is the third factor of ANGELS this factor is closely related to the welfare distribution that has been created by the Islamic bank. This is because the basic value of the model in sharia banks is not paying attention to the distribution of welfare other than the share holders. In contrast, sharia ethics gives considerable attention to the welfare distribution aspect. Sharia ethics does not require that wealth (welfare) only circulate in certain classes only. Give out is measured using 3 (three) variables (Indriastuti & Ifada, 2015): principle of justice, the principle of equality, and principle of tranquility

### Earning, Capital, and Asset quality

Earning, capital, and asset quality is the fourth factor of ANGELS this factor is the result factor that is the result in the form of material welfare. Although the term is the same as the term in CAM-ELS. Earning, capital, and asset quality is measured using earning using ROA, ROE, capital using CAR while asset quality using NPF. Earning as a tool to analyze or measure the level of business efficiency and profitability achieved by the bank concerned. The ratio used in this research is ROA and ROE (Hamed, Ahmad, 2012).

$$ROA = \frac{EBIT}{\text{Total Assets}} \times 100\%$$

$$ROE = \frac{EAT}{\text{Total Equity}} \times 100\%$$

Capital as an assessment used to measure the obligation of minimum capital provision of banks



## ANGELS Rating System for Islamic Banking Industry in Indonesia

Hendrik Tri Oktaviansyah, Ahmad Roziq, Agung Budi Sulistiyo

to meet its long-term liabilities and the ability of banks to fulfill liabilities in case of liquidation. The ratio used in this study using CAR (Ahmad, 2012).

$$CAR = \frac{\text{Bank Capital}}{\text{Total ATMR}} \times 100\%$$

Quality assets are considered an important element because the most common bank failures are caused by poor NPF (Sujarwo, 2015).

$$NPF = \frac{\text{Bad financing}}{\text{Total financing}} \times 100\%$$

### Liquidity and Sensitivity To Market

Liquidity and sensitivity to market is a factor of five ANGELS. This factor is also included in the field factor in terms of material wellbeing. Liquidity is an important aspect for sharia banking. Low liquidity will affect public confidence in the bank. Sensitivity to market is also a very important part of this section shows the dynamism of banks in responding to market changes around.

Liquidity and sensitivity to market is measured using liquidity using LDR while sensitivity to market. Liquidity is used to fulfill obligations or debts that must be paid immediately with a smooth loot. The ratio used in this study using LDR.

$$DR = \frac{\text{Loan}}{\text{Deposit}} \times 100\%$$

Sensitivity to market is used to describe the ability of sharia banks to cover the cost of profit sharing between customers (ratio) and the sharia banking that must be spent on revenue generated revenue. The ratio used to measure the sensitivity to market can use (MR).

$$\text{Market Risk (MR)}: \frac{\text{Excess capital}}{\text{Potential loss of exchange rate}} \times 100\%$$

### Socio-Economic Wealth

Socio-economic wealth is the sixth factor of ANGELS. This factor is included in the factor of social outcomes. Therefore, socio-economic wealth becomes the sixth factor in the rating system of Islamic banking.

Socio-economic wealth is measured using 4 (four) variables (Indriastuti & Ifada, 2015): justice, partnership, transparency, and universal.

## RESULTS

The indicator value of ANGELS shows the soundness rating of the bank in according with the standard set by the bank of Indonesia. Therefore, after performing financial performance and non-financial performance at Bank Syariah, Bank Syariah Soundness Rating will be evaluated using ANGELS method. This is entered to determine whether the Sharia Bank is said to be soundnessy, soundnessy enough, unsoundnessy or unsoundnessy.

According to SEBI (No.13/1/PBI/2011) bank soundness issues can be categorized as follows in Table 1.

**Table 1.** Criteria of Islamic Bank Soundness Level

Category	Score
Very soundnessy	90 up to 100
Soundnessy	81 up to 90
Simply Soundnessy	66 up to 80
Unsoundnessy	51 up to 65
Not soundnessy	≤ 50

By looking at the description above, it will be calculated weights using ANGELS method for the period 2016 which can be seen as Table 2.

Based on the overall total score obtained from Islamic Bank Mandiri with ANGELS analysis in measuring the performance of sharia bank described in Table 1 explains that the soundness rating of Islamic banks in say soundnessy with the overall score

of 86.79. With these categories in the coming periods need to maintain the already soundness aspects and improve other aspects that have not been optimal so that for the future can be categorized very soundness. good score is on the soundness assessment of Islamic Bank Mandiri using ANGELS approach obtained from indicators of the ANGELS it self starting from the indicator Amanah management achieve score 23.3, Non-economic wealth reached the score of 8.57, Give out reached the score of 8.9, Earning, Capital and asset quality achieved a score of 26.91, Liquidity and sensitivity to market achieved a score of 9.9 and Socio-economic wealth of 9.21.

ANGELS in measuring the performance of Islamic Bank Mandiri by using the concept (Triyuwono, 2011) has been done in Islamic Bank Mandiri that in practice the bank soundness assessment using ANGELS approach contrary to the concept being practiced in the field such as in the management mandate consists of indicators of accountability to nature as well as accountability to God.

## DISCUSSION

### Use of Amanah Management in Islamic Bank

Amanah management is basically a treatment of sharia ethics in the daily banking practices. According to (Triyuwono, 2011) the mandate of management here is the substance of sharia ethics as consist of sharia strategic management system, Innovation, Accountability to God, Accountability to stakeholders, accountability to nature. From the indicator that has been described, it is necessary to do revision relating to management trust indicator that is Accountability to God replaced with Ihsan. This was disclosed by Mr. Purwardi as Operation Manager as follows:

“Accountability to God can not be applied in BSM because in practice done in BSM Accountability to God is difficult to measure, it also refers to mainstream accounting. Accountability is only manifested in a formal form of financial statements and the company’s annual report of accountability can

**Table 2.** Results of Islamic Bank Performance Evaluation Using ANGELS

Year	Assessment	Work Indicators	Value Ratio	Soundness Level	Ratio Value Result	Maximum Ratio Value	Value Ratio	Weight	Value ANGELS
2016	Amanah Management	Questionnaire	93.1	Very soundnessy	93.1%		93.1	25%	23.3
		Questionnaire	85.7	Soundnessy	85.7%		85.7	10%	8.57
	Non-economic Wealth	Questionnaire	89	Soundnessy	89%	100%	89	10%	8.9
			1.85	Very soundnessy	124.3%		1.85	5%	5
	Give Out Earning,	ROA	11.6	Very soundnessy	774.3%		11.6	5%	5
		ROE	12.68	Soundnessy	12.68%		12.68	15%	12.68
	Capital and Aset quality	CAR	4.23	Simply Soundnessy	4.23%		4.23	8%	4.23
		NPF	71.22	Very soundnessy	71.22%		71.22	7%	5.7
	Liquidity	LDR	4.2	Soundnessy	4.2%		4.2	5%	4.2
	Sensitivity To Market	MR	92.1	Very soundnessy	92.1%		92.1	10%	9.21
Socio-Economic Wealth	Questionnaire								
<b>Amount</b>									<b>86.79</b>

not be used as accountability to God. So for accountability of God can not be applied in BSM, accountability to God should be replaced by Ihsan. “

Ihsan was chosen as a revision of accountability towards God because Ihsan if practiced in BSM has the purpose of ordering and advocating good deeds to fellow human beings. In order for human charity can provide as well as lift the added value and raised the degree of human beings both in individuals and groups. So if implemented in BSM Ihsan can provide good deeds between employees to customers as well as mutual respect for fellow bank employees at BSM and give spirit of worship and do because of the blessings of God. So that will provide a harmonious relationship between the employee's scope with BSM customers are able to provide comfort in BSM. Thus BSM will be known by the community this will provide more benefits to stakeholders.

Accountability to nature also needs to be revised because it can not be applied in BSM needs to be replaced with tablig. It is also expressed by Mr. Purwardi as Operation Manager as follows:

“Accountability to Nature is also not applicable in BSM in practice because accountability to nature is difficult to measure accountable as identical with financial reporting of natural enterprises can not be compared with financial reporting. So it is better to change with Islamic laws identical to the reporting and accountability that is by using Tablig.”

Tablig was chosen as a revision of accountability to nature because tablig itself was used as reporting and accountability. In its business practices at BSM everything must be transparently reported to avoid any irregularities, fraud and mistakes in running a business in BSM. Looking at the explanations that have been described above for the management mandate to be: sharia strategic management system, innovation, accountability to stakeholders, ihsan, and tablig.

### **Use of Non-economic Wealth in Islamic Bank**

Non-economic wealth here closely related to material welfare because non-economic wealth indicator consists of ethics of morality and ethics of critical and rational reflection. Such indicators can be applied in practice at BSM. This was disclosed by Mr. Purwardi as Operation Manager as follows:

“The ethics of morality and ethics of critical and rational reflection can be applied in BSM this is in line with the principle of BSM is to maintain the norms of religion and ethics and not violate the principles of sharia in doing business in BSM.”

Looking at the explanations that have been described above, for non-economic wealth indicator there is no change that is ethics of morality and ethics of critical and rational reflection (Table 3).

### **Use Give Out In Islamic Bank**

Give out here is closely related to the welfare distribution that has been successfully created by sharia banks. Give out should be able to distribute the well-being that it has created which is an indicator of having good organs to support its soundness level. Indicator Give out consists of principles of justice, principle of equality, principle of tranquility. Such indicators can be applied in practice at BSM. This was disclosed by Mr. Purwardi as Operation Manager as follows:

“The principle of equity, the principle of equality, the principle of tranquility can be applied in BSM this is in accordance with the principle of BSM implements profit sharing for the profit set between the bank and customers as well as equal benefits between the Bank and customers as well as products of sharia bank following the principle of muamalah principle free from usury.”

Looking at the explanations that have been described above then for the indicator give out: the principle of justice, principle of equality, and principle of tranquility (Table 3).



### **Use of Earning, Capital and Asset Quality in Islamic Bank**

Earning, capital, and asset quality here is closely related to the result factor that results in the form of material welfare. Earning, capital, and asset quality here is the same term as CAMELS. Earning is measured using ROA and ROE, capital uses CAR while quality assets uses NPF. It was disclosed by Dhany Brian Accounting as follows:

“Earning, capital and asset quality here the same term with the existing term on CAMELS then there is no change so it can be applied in BSM.”

Looking at the explanations that have been described above for the indicators earning, capital, and asset quality no changes similar to those in CAMELS still need some significant modifications, earning is measured using ROA and ROE, capital uses CAR while quality assets uses NPF (Table 3).

### **Use of Liquidity and Sensitivity to Market in Islamic Bank**

Liquidity and sensitivity to market is included in the field factor in terms of material welfare. Liquidity is an important aspect for sharia banking because low liquidity will affect public trust to bank. Sensitivity to market is also a very important part of this section shows the dynamism of the bank in response to changes in existing markets around it. Liquidity and sensitivity to market the same term with the existing term on CAMELS. Liquidity is measured using LDR while sensitivity to market is measured using MR. It was disclosed by Dhany Brian Accounting as follows:

“Liquidity and sensitivity to market here the same term with the existing term on CAMELS then there is no change so it can be applied in BSM..”

Looking at the explanations that have been described above for liquidity and sensitivity to market indicator no changes similar to those in CAMELS still need some significant modifications,

liquidity uses LDR and sensitivity to market using MR (Table 3).

### **Use of Socio-Economic Wealth in Islamic Bank**

Socio-economic wealth is included in the outcome factor especially at the level of material welfare. The welfare of the material herein is not merely economic but social in character. The Socio-economic indicator consists of justice, partnership, transparency, and universal. Such indicators can be applied in practice at BSM. This was disclosed by Mr. Purwardi as Operation Manager as follows:

“Justice, partnership, transparency, and universal can be applied in BSM this has something to do with what is practiced in BSM that in the implementation of profit and risk between the bank and the customer is done fairly. BSM partnerships with customers as well as investors and users aligned with business partners who work together in mutual benefit. BSM also conducts transparency related to services provided to customers and universal which means BSM does not discriminate its customers according to tribe, race, religion and class “.

Looking at the explanation non-economic wealth indicator there is no change that is: justice, partnership, transparency, and universal (Table 3).

In accordance Triyuwono (2011), the concept of ANGELS which consists of Amanah management, Non-Economic wealth, Give out, Earnings, capital, and asset, Liquidity and, Sensitivity to market and economics wealth needs to be done revision is on indicator amanah management because in practice contrary to the concept practiced. As explained above that the indicators of trust management there is accountability to God and accountability to nature. Looking to the inappropriateness in practice in the field then the indicator needs to be changed to ihsan and tablig. But it can be realized that some of the other infrastructure has supported such as Non-Economic wealth, Give out, Earnings, capital and asset, Liquidity and Sensitivity to market and economics wealth.

## ANGELS Rating System for Islamic Banking Industry in Indonesia

*Hendrik Tri Oktaviansyah, Ahmad Roziq, Agung Budi Sulistiyo*

**Table 3.** ANGELS: Structure of the Soundness Rating System Model Islamic Bank

Grades	Process, Results and Stakeholders	Factor	Information	Work Indicators	integrity
Sharia Ethics	Process	Amanah management	Shari'ah Strategic management system. Innovation. Ihsan Accountability against Stakeholders. Tablig.	Questionnaire	25%
	Results	Non-Economic Wealth	Ethics of Morality. Ethical reflection is critical and rational. Principle of Justice.	Questionnaire	10%
	Stakeholders	Give out	The Principle of Equality. Principle of Peace. Similar to the one on CAMELS but	Questionnaire	10%
	Results	Earning, capital and assets quality	needs some significant modifications.	ROA ROE CAR NPF	25%
	Results	Liquidity & Sensitivity to market	Similar to CAMELS with modifications.	LDR MR	20%
	Result	Socio-economic wealth	Justice, Partnership Transparency, Universal	Questionnaire	10%
<b>Amount</b>					<b>100%</b>

## CONCLUSIONS AND SUGGESTIONS

### Conclusion

Islamic bank performance when measured using ANGELS approach consisting of 6 indicators of management trust, non-economic wealth, give out, earning, capital and asset quality, liquidity and sensitivity to market, socio-economic wealth reached a total score of 86.79 which then it can be concluded that the Islamic Bank soundness rating in 2016 is categorized as a Islamic bank with good soundness. The concept of ANGELS needs to be revised ie in the Amanah management indicators because in practice contradictory with the concept being practiced. As mentioned above, the indicators of management mandate are accountability to God and accountability to nature. The inaccuracy practiced in the field then the indicator needs to be

changed to ihsan and tablig. But it can be realized that some of the other infrastructure has supported such as non-economic wealth, give out, earnings, capital and asset, liquidity and sensitivity to market and economics wealth. Not only that the concept of ANGELS needs to be weighted just like the one on CAMELS to measure the soundness of the bank good or bad.

### Suggestions

Sharia banks are advised to use the ANGELS approach in measuring its performance to assess its soundness. This research conducted using ANGELS as a sharia bank soundness assessment needs to be done research for better research results and can be accepted by Bank Indonesia and the Financial Services Authority as a soundness assessment in Islamic banking.

## REFERENCES

- Ahmad, R. (2012). Analisis kinerja keuangan dengan menggunakan CAMELS di Bank Rakyat Indonesia dan Bank BRI Syariah di Indonesia tahun 2009 – 2012. *Jurnal Accounting and Management. eprints.dinus.ac.id/8665/1/jurnal\_13021.pdf*
- Ahmed, M., Ahmed, Z., Ahmed, I., & Nawaz, M. (2011). Comparative significance of the four perspectives of balanced scorecard. *Interdisciplinary Journal of Contemporary Research in Business*, 3, 981–993.
- Alamsyah, S. (2015). Perkembangan dan prospek perbankan syariah Indonesia: tantangan dalam menyongsong MEA 2015. *Working Paper. www.bi.go.id/*
- Ariani, D. (2008). Persepsi masyarakat umum terhadap bank syariah di Medan. *Tesis. Fakultas Ekonomi Universitas Sumatera Utara Medan.*
- Asad. (2011). Peningkatan peranan perbankan syariah untuk pembiayaan usaha pertanian. *Jurnal Miqot*, (34), 113–127.
- Bank Indonesia, Surat Edaran Bank Indonesia No: 6/23/DPNP tahun 2004. *Perihal Sistem Penilaian Tingkat Kesehatan Bank Umum.* <https://www.bi.go.id/id/arsip..> Perbankan 2004.
- Bank Indonesia, Peraturan Bank Indonesia Nomor: 13/ 1/ PBI / 2011 tanggal 5 Januari 2011. *Perihal Tata Cara Penilaian Tingkat Kesehatan Bank Umum.* [www.bi.go.id/](http://www.bi.go.id/) Peraturan / Perbankan Diakses pada tanggal: 5 januari 2011.
- Chariri, A. (2009). Landasan filsafat dan metode penelitian kualitatif. *Working Paper.* Paper Disajikan pada tanggal 1 Agustus 2009. <https://www.researchgate.net>
- Dzeawuni, W. A., & Tanko, M. (2008). *CAMELS and banks performance evaluation: The way forward.* Available at SSRN: <https://ssrn.com/abstract=1150968> or <http://dx.doi.org/10.2139/ssrn.1150968>
- Indriastuti & Ifada. (2015). Analisis sistem pengukuran kinerja perbankan syariah. *Jurnal Akuntansi dan Perbankan.* 2(1), 309–319.
- Mandasari, J. (2015). Analisis kinerja keuangan dengan metode RGEC pada bank umum syariah periode 2012-2015. *Jurnal Administrasi Bisnis*, 3(2), 363–374.
- McMillan & Schumacher, (2011). Research in education. *a conceptual introduction. International Journal New York: Longman*, 3(7), 150-161.
- Nengsih, N. (2015). Peran perbankan syariah dalam mengimplementasikan keuangan inklusif di Indonesia. *Etikonomi*, 14 (2), 221–240. <https://doi.org/10.15408/etk.v14i2.2272>.
- Nimalathasan. A. (2008). A comparative study of financial performance of banking sector in Bangladesh – An application of CAMELS rating system. *International Journal University Of Bucharest. Economic and Administrative Series*, 7(2), 141–152.
- Niswatin, Triyuwono, I., Nurkholis., & Kamayanti, A. (2014). Islamic values Islamic bank underlying performance assessment. *Research Journal of Finance and Accounting*, 5(24) 331-340.
- Salleh, D. (2015). Legal framework for Islamic banking and finance in Nigeria. *Electroni Journal of Islamic and Middle Eastern Law*, 1, 1-14.
- Sujarwo, A. A. (2018). The impact of Indonesia's banks performance towards banks ' stock price (Listed in Indonesia Stock Exchange from 2011–2013) using CAMEL. *iBuss Management*, 3(2), 9-18.
- Sukardi, R. (2012). Tinjauan deskriptif sistem pembagian hasil bank syariah dengan bank konvensional (sebuah kajian konseptual). *Jurnal Eksis*, 6(1), 1343–1348.
- Triyuwono, I. (2011). ANGELS: Sistem penilaian tingkat kesehatan bank syariah. *Jurnal Akuntansi Multiparadigma Jamal*, 2(1), 1-21.