

BANKING FINANCIAL PERFORMANCE BEFORE AND AFTER IMPLEMENTATION OF ARCHITECTURE BANKING INDONESIA (API) ON NON-BANK FOREIGN EXCHANGE

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ABSTRACT

The banking industry is the banking industry that is capital intensive. That is, industries that are managing public funds with all kinds of risks. Thus, banks would have to have the capacity and capability sufficient to cover losses arising from risks that arise. For that, the bank capital as a buffer from the risks faced by banks should be strengthened and improved in line with the amount of risk faced each bank. Research Methodology use secondary data that the bank's financial statements in the form of Balance Sheet, Statements of Income and Calculation of Minimum Capital Liabilities Provision (CAR) at the 10th National Commercial Bank Non foreign exchange has done API implementation in December 2007. To assess the bank's performance is to use the CAR, ROA, BOPO, ROE and LDR. These five variables are compared to the 1 year prior to the implementation of the API in 2005 and 1 year after implementation of the API in 2007, technical analysis using SPSS for windows, the research hypothesis testing with different test t (t-test). The results of t test analysis showed that there is no significant influence on the performance differences for the national private commercial bank non-foreign exchange before and after the API.

KEYWORDS

Bank's performance, implementation of the API

1. INTRODUCTION

The banking industry is an industry that is capital intensive, very different to the other industries that are skill intensive as Information Technology (IT) or industry which is labor intensive such as factories. The banking industry is capital intensive which is a logical thing because banks have to manage public funds with all kinds of risks. Thus, banks would have to have the capacity and capability sufficient to cover losses arising from risks that arise. For that, the bank capital as a buffer from the risks faced by banks should be strengthened and improved in line with the amount of risk faced each bank.

In 1997, when the monetary crisis, the worst year for the national banking system. Almost paralyzed the banking sector and its impact spread to various sectors of national life today. One reason is because the banks paying less attention to potential risks, while capital and reserves position of most banks actually minimal. As a result, there was a national banking crisis, the excess liquidity from the original change to liquidity shortage. Price to be paid in the end very expensive. The government forced banks to bear the critical through Bank Indonesia Liquidity Supporting (BLBI) to the value reached 600 trillion. Help is finally to be borne also by the community.

Bank Indonesia, as the national banking supervisory authorities, are required to maintain the stability of national banking. For that, on January 9, 2004 Bank Indonesia announced a national banking blueprint called Indonesian Banking Architecture is expected to develop a sound banking system, strong and efficient.

Criteria issued by Bank Indonesia as stipulated in the Indonesian Banking Architecture for a bank to bank anchors (anchor banks) are 1) capital adequacy ratio (CAR) of at least 12% with a minimum core capital ratio of 6%, 2) Ratios Return On Assets (ROA) at least 1.5%, 3) Growth in real credit by at least 22% Loan to Deposit Ratio (LDR) at least 50% and the ratio of non performing loans (NPLs) below 5%, 4) is a public company or plan to soon become a public company and 5) Having the ability to consolidator. (Agus Sugiarto, 2004) Ratio BOPO for the national banking industry has reached 91.5% which is more efficient than banks that have a small capital.

Hypothesis testing results show the performance of the national private commercial banks of foreign exchange is not significantly different before and after the Indonesian Banking Architecture. Although there are some ratios that differ significantly before and after the Indonesian Banking Architecture or done better after the Indonesian Banking Architecture. This can happen because the implementation of Indonesian Banking Architecture takes a long time, 2 years after the Indonesian Banking Architecture not affect the bank's

performance. Performance of the national private commercial banks of foreign exchange is not significantly different for the ratio between the years 2003 to 2005, seen from the ROE, ROA, and LDR BOPO. But for the CAR ratio test results showed no difference between the years 2003 to 2005. (Ayu Angraini,2006).

Based on the above background, the author takes a topic to be writing theses is "BANKING FINANCIAL PERFORMANCE AFTER BEFORE THE IMPLEMENTATION OF ARCHITECTURE BANKING INDONESIA (API) ON NON-BANK FOREIGN EXCHANGE" to assess whether the policies that have been made by Bank Indonesia through the API can provide positive outcomes for creation of a healthy banking system, strong and efficient or otherwise, does not give any results.

1.1. Problem

Based on the description of the problem background above, the writer can formulate some problems, among others:

1. How the financial performance of the National Private Banks Non-Foreign Exchange (Foreign Exchange Non BUSN) before the implementation of the API?
2. How the financial performance of the National Private Banks Non-Foreign Exchange (Foreign Exchange Non BUSN) after the implementation of the API?
3. Is there a significant difference between the level of financial performance of the National Private Banks Non-Foreign Exchange (Foreign Exchange Non-BUSN) before the implementation of the API and after implementation of the API?

1.2. Limitation of Problem

In writing this thesis, the authors restrict the problem to a comparison between the performance level of the National Commercial Bank Non-Foreign exchange per January 2006 before the implementation of the API and after the implementation of the API.

Period financial reports were collected for 2 years, ie 1 year before the implementation of the API in the year 2005 and 1 year after the implementation of the API in 2007. Due to many factors that affect the performance of a bank, the authors use a ratio - the ratio as follows:

- a) Bank's liquidity is measured by using the formula Loan to Deposit Ratio (LDR).
- b) Bank profitability is measured by using the formula of the ratio of operational costs (BOPO), Return on Assets (ROA) and Return on Equity (ROE).
- c) Bank solvency is measured by using the formula Capital Adequacy Ratio (CAR).

1.3. Research Objectives

The purpose of the writing of this thesis is:

1. To determine the financial performance of Non-Foreign exchange BUSN before implementation of the API.
2. To determine the financial performance of Non-foreign exchange after BUSN API implementation.
3. To see if there are significant differences between the financial performance of the Non-Foreign exchange BUSN before and after implementation of the API implementation.

Research Methodology

Object of Research

In this study, the population is data on the company's financial statements prior to 1 year of implementation of the API in 2005 and 1 year after the implementation of the API in 2007. While the study sample was 10 National Private Banks Non-Foreign Exchange has done API implementation in January 2006.

Data / Variable

The data will be taken by the author is Financial Reports Publication of National Private Banks Non-Foreign Exchange 2005 and 2007 period contained in the Financial Report of Bank Indonesia. Include:

- a. Balance
- b. Income Statement
- c. Calculation of Minimum Capital Liabilities Provision (CAR)

2. BODY OF PAPER

2.1. Definition of Bank

Bank is a business entity which collects funds from the public in the form of savings and channel them to the community in the form of credit and or other forms in order to improve the standard of living much. (RI Law number 10 year 1998 on 10 November 1998 on the banks). Basically the bank is an intermediary body between the excess funds sector, with a lack of funds sector. Banks receive funds from the savings that such excess funds in the form of savings, current accounts or deposits) and distribute to the parties that require funding (in the form of loans).

In general, the primary function of banks is to raise funds from the community and channeled it back to the community for various purposes or as a financial intermediary. More specifically can the bank functions as an agent of the trust (in trust banking activities), agent of development (to smooth production activities, distribution and consumption), agent of services (the various services offered by banks). (Triandaru, Banks and Other Financial Institutions, 6: 2000).

2.2. Types of Banks

Types of Kashmir according to the bank (2003: 20 - 31), namely:

1. Types of banks under the laws
Based on basic banking law number 7 in 1992 and confirmed again with out RI Law number 10 year 1998 will consist of banking type:
 - a. Banks
 - b. Rural Banks (BPR)
2. Types of banks by ownership:
 - a. State-owned banks.
 - b. National private banks.
 - c. Foreign-owned banks.
 - d. Bank's mix.
3. Types of banks based on the status :
 - a. Foreign banks
 - b. Non-foreign exchange banks
4. Types of banks under way to determine the price:
 - a. Banks are based on conventional principles.
 - b. Banks are based on sharia principles.

2.3. Indonesian Banking Architecture

According to Bank Indonesia (2004) Indonesian Banking Architecture (API) is a basic framework of Indonesia's banking system is comprehensive and provides direction, shape, and structure of the banking industry for the period five to ten years ahead.

The direction of industrial development policy in the future of banking is defined in the API based on the vision of achieving a healthy banking system, strong and efficient to create a stable financial systems in order to help drive national economic growth.

2.4. Six Pillars API

In order to facilitate the achievement of the vision of the API as described above, then set some goals to be achieved, namely:

1. Creating the structure of healthy domestic banking sector capable of meeting the needs of society and encourage the development of a sustainable national economy.
2. Creating a system of bank regulation and supervision is effective and based on international standards.
3. Creating a strong banking industry and has a high competitiveness and resilient in the face of risk.
4. Creating good corporate governance in order to strengthen the internal condition of the national banking system.
5. Realizing the complete infrastructure for supporting the creation of a healthy banking industry.
6. Realizing the empowerment and protection of consumer banking services.

The six objectives are poured into the API six interrelated pillars each other to support achievement of the vision API.

2.4.1. Stage - API Implementation Phase

According to Bank Indonesia (2004) in the Dendawijaya Lukman, Management of Banking .(2005:286) Implementation of the API program implemented in stages and begins in 2004 with the following details:
Strengthening Program Structure of National Banking

No	Activity (Pillar I)	Period of Implementation
1	Strengthening Bank capital a) Increasing the minimum capital requirement for commercial banks (including BPD) to Rp 100 billion b) Maintain capital requirements Rp 3 trillion for the establishment of new banks until January 2011	2004 – 2010 2004 – 2010
2	Strengthening the competitiveness of BPR a) Promote linkage programs between commercial banks with BPR b) Make the opening of branch offices BPR c) Facilitating the establishment of common service facilities for the BPR	2004 2004 2004-2005
3	Improve access to credit a) Facilitate the establishment of credit guarantee scheme . b) Encourage the credit for a particular business sector	2004-2006 2004- 2006

Quality Improvement Program Settings Banking

No	Activity (Pillar II)	Period of Implementation
1	Formalizing the process of syndication in making banking policy a) Involving third parties in any banking policy b) Establish an expert panel of banking c) Facilitating the establishment of research institutions in the banking and central regions	2004 2004 2004-2005
2	Implementation in stages 25 Basel Core Principles for Effective Banking Supervision.	2004 - 2013

Improvement Program Oversight Functions

No	Activity (Pillar III)	Period of Implementation
1	Improving coordination among regulatory agencies a) To coordinate and work together on a regular basis	2004
2	To consolidate the banking sector at Bank Indonesia a) Consolidating the functions of supervision and examination b) Reorganization of the banking sector at Bank Indonesia c) Establish enforcement team d) Establish a special team of specialist inspectors	2004-2005 2004-2005 2004-2005 2004-2005
3	Improving competence bank examiner a) Conducting a bank examiner certification b) Conducting an attachment in the examiner's oversight agency	2004-2005 2004-2005
4	Develop a risk-based supervisory system a) Design-based risk model for supervisory	2004 -2005
5	Improving the effectiveness of enforcement a) revising the criminal investigation process banking b) Increase transparency and enforcement oversight c) Establish an internal ombudsman to issue oversight d) d) Increase the legal protection for bank supervisors	2004-2005 2004-2005 2004-2005 2004

Quality Improvement Program Management and Banking Operations

No	Activity (Pillar IV)	Period of Implementation
1	Improving good corporate governance a) Establish minimum standards for the GCG b) To encourage the banks to go public	2004-2005 2004-2005
2	Improving the quality of banking risk management a) Require the risk manager certification	2005
3	Increasing the bank's operational capabilities a) To encourage banks to conduct user sharing of operational facilities to reduce costs b) Facilitating educational needs in order to increase the bank's operational	2004-2005 2004-2005

Banking Infrastructure Development Program

No	Activity (Pillar V)	Period of Implementation
1	Developing a credit bureau a) Conducting credit bureau initiative	2004 - 2005
2	Optimizing the use of credit rating agencies a. Conditioning rating for the bonds by publishing the bank	2004- 2005

Investor Protection Improvement Program

No	Activity (Pillar VI)	Period of Implementation
1	Establishing a standard mechanism for customer complaints a) Establish minimum requirements for a consumer complaint mechanism.	2004 - 2005
2	Establish an independent mediation agency a) Facilitate the establishment of Banking mediation.	2004 - 2005
3	Develop product information transparency a) Facilitate the minimum standards of transparency establishing product information bank.	2004 -2006
4	Promoting education for consumers a) Encouraging banks to educate consumers about financial products	2004

Bank Indonesia has provided policy direction for the consolidation of banking in general through the establishment of criteria for good performance of the Bank (BKB) and the Bank Anchor (Anchor Bank). Within the framework of banking consolidation, BKB is a group of banks that for 3 (three) years and meet certain criteria will be evaluated by Bank Indonesia on a regular basis. BKB criteria are as follows:

- a. Has a larger core capital of Rp100 billion;
- b. Has a health level with Camels criteria are categorized as healthy (at least 2 ratings composite) with relatively good management factor;
- c. Has a duty ratio of the minimum capital endowment (CAR) of 10%; and
- d. Have good governance (governance) with a good rating.

The banks that meet the above criteria could potentially become an anchor bank if it meets the criteria:

- a. Have the capacity to grow and develop well, supported by strong capital and stable and has the ability to absorb risk and support business activities. This is reflected in the minimum CAR of 12% and core capital ratio (Tier 1) a minimum of 6%;
- b. Have the ability to grow continuously reflected by the good profitability. This is reflected in the ratio Return on Assets (ROA) of at least 1.5%;
- c. Role in supporting the banking intermediary function in order to promote national economic development is reflected in the growth of credit expansion in accordance with the precautionary principle. This is reflected in the growth of real credit expansion is a minimum 22% per year or 50% minimum LDR and non-performing loan ratio below 5% (net);
- d. Has become a public company or has plans to become a public company in the near future;
- e. Have the ability and capacity to become a permanent consolidator meet the criteria as BKB.

With the above strategy, in ten to fifteen years for capital improvement program for commercial banks as a whole is expected to create a banking structure that is more optimal, namely the presence of:

- a. 2 to 3 banks that have the potential to become an international bank with the capacity and ability to operate in the international area and have capital above 50 trillion;
- b. 3 to 5 national banks that have business scope is very broad and operates nationally and has a capital of Rp 10 trillion to 50 trillion;
- c. 30 to 50 banks whose business activities focus on specific business segments in accordance with the capabilities and competence of each bank. The banks have a capital of Rp 100 billion to Rp 10 trillion;
- d. Rural Bank (BPR) and banks with limited business activities that have capital of less than Rp 100 billion.

2.4.2. Performance Bank

Performance is a reflection of the company's ability to manage and allocate resources. The purpose of the performance of performance appraisal is essential to motivate employees to achieve organizational goals and standards of behavior in fulfill predetermined to produce action and results are expected standards of behavior. This can be a management policy or a formal plan set forth in the budget money.

2.4.3. Measured Performance

According to the IAI (IAI, 1996) Performance of the company can be measured by analyzing and evaluating financial statements. Information financial position and financial performance in the past often used as a basis

for predicting the financial position and performance in the future and other things that immediately attract the attention of the user likes dividend payments, wages, price movements of securities and the company's ability to meet its commitments when due. According to Lukman Dendawijaya (2003: 116-124) financial ratios are used as performance benchmarks of a bank is as follows:

1. Liquidity Ratio Analysis, consist of:
 - Cash Ratio
 - Loan to Deposit Ratio (LDR)
2. Profitability ratio analysis, consist of:
 - Return on Assets (ROA)
 - Return on Equity (ROE)
 - Operating Cost Ratio (BOPO)
3. Solvency ratio analysis, consist of:
 - Capital Adequacy Ratio (CAR)

2.5. Research Method

2.5.1. Object of Research

In this study, the population is data on the company's financial statements prior to 1 year of implementation of the API in 2005 and 1 year after the implementation of the API that is in 2007. For the sample in this study were 10 National Private Banks Foreign Exchange Non-implementation of the API has been conducting visits of capital acquired on December 31, between 80 billion to 100 billion.

2.5.2. Data / Variables

The data will be used by the authors for this study is a Financial Statement of National Private Banks Non-Foreign Exchange sent to Bank Indonesia. Period financial statements were collected for 2 years, the years 2005 and 2007, in the form of balance sheets, statements of income and calculation capital adequacy ratio (CAR).

2.5.3. Data Collection Method

The method used in this study a qualitative and quantitative analysis of the data - secondary data obtained from various sources. The data used in this research will come from secondary data available to the public such as data on the Internet.

In this study authors to obtain data in the form of a bank's financial statements from Bank Indonesia through www.bi.go.id site other than through the site, the author did the literature study to strengthen and support this writing, the elaborate theories needed in the discussion. Done by reading and studying books, literature, journals, and writings relating to the matter to be investigated.

2.5.4. Hypothesis

Because the analysis tools used in data processing is a test of hypotheses with comparative analysis of average difference between the two - the average there must be a hypothesis which is the first step in hypothesis testing. The hypothesis formulated in this study are:

- Ho = No difference in bank performance before and after the API
 Ha = There is a difference of banks before and after the API

2.5.5. Analysis Method

The method of analysis used in this study are:

1. Descriptive statistics, the field of statistics studying ways of collecting, compiling, and presentation of data from a study. In this descriptive analysis, the author presents the total value (sum), the average (mean), the lowest value (minimum), and the highest value (maximum) for both types of banks from each of the studied variables.
2. Inferential Statistic is a field of statistical science studying ways drawing a conclusion from a given population based on some data (sample). In this writing the author using parametric statistics as part of inferential statistics, the use of parametric statistics should be accompanied by requirements that must be met, such as the distribution of the sample data should be normal, two-sample t test in pairs (paired) function to test the two samples are paired, whether the average have different or not. Sample pairs (paired sample) is a sample with the same subject but have a different treatment. This test compares the ratios of the period before the 2005 API and ratios of the period after the implementation of the API 2007.

2.6. Result of Research

2.6.1. Performance of National Banks

In order to create the future of the banking industry more healthy and stable Bank Indonesia consider it necessary to examine again the existence of national banking structures today. Importance of a healthy banking structure has been the focus of attention in the Indonesian Banking Architecture (API). A healthy banking structure is the core of all banking issues for the banking industry merits will be largely determined by whether or not good banking structure in addition to the monitoring and effective regulation.

Until December 2006 the total bank listed on the Bank Indonesia amounting to 130 banks. 5 Bank of Persero, 35 BUSN Foreign Exchange, Foreign Exchange 36 Non BUSN, 26 BPD, 17 Bank Mixed, and 11 foreign banks. For further discussion will examine the author only national private commercial bank non-foreign exchange. The writing is aimed to examine whether there are differences in the performance of the national private commercial bank foreign exchange before and after the Indonesian Banking Architecture, using the ratio of the banking performance of CAR, LDR, BOPO, ROA and ROE. Data processing in this writing program conducted with the help of Microsoft Office Excel 2003 and SPSS 14.0 for windows to facilitate the author in doing calculations and data analysis.

To facilitate the processing and data analysis of the first author gives an overview of financial performance and descriptive statistics of national private banks include foreign exchange CAR, ROA, BOPO,, ROE, and LDR in Table 2.1 below.

Table 2.1. The ratio of non BUSN Performance Foreign Exchange in 2005 and 2007 (in percentages)

Indicators	Minimum	Maximum	Mean
CAR			
2005	10	34	18
2007	11	66	23
ROA			
2005	-6	6	1
2007	-1	3	2
BOPO			
2005	35	266	100
2007	74	193	96
ROE			
2005	-24	61	17
2007	-46	15	6
LDR			
2005	30	92	78
2007	16	94	70

Source: Data processed

Capital Adequacy Ratio (CAR)

The average CAR for the bank in 2005 was 18% with the lowest CAR is 10% owned by PT. Bank Internasional Eksekutif and the highest CAR of 34% owned by PT Bank Kesejahteraan Ekonomi. The average

CAR of 2007 is 23% with the lowest CAR is 11% owned by PT Bank Internasional Eksekutif and the highest CAR of 66% owned by PT. Bank Perserikatan Indonesia.

Return on Assets (ROA)

The average ROA in 2005 was 1% with the lowest ROA of -6% owned by PT. Bank Perserikatan Indonesia and the highest ROA of 6% is owned by PT Bank Kesejahteraan Ekonomi. The average ROA in 2007 was 2% with the lowest ROA of 1% owned by PT. Bank Perserikatan Indonesia, dan highest ROA of 3% owned by PT Bank Kesejahteraan Ekonomi, PT Bank Jasa Jakarta and PT Bank Dipo Internasional.

Operating Expenses to Operating Income (BOPO)

BOPO average for the year 2005 the bank was 100% with BOPO lowest is 35% owned by PT Bank Kesejahteraan Ekonomi and the highest for 266% owned by PT. Bank Perserikatan Indonesia. BOPO average in 2007 was 96% with the lowest BOPO for 74% owned by PT Bank Jasa Jakarta.

Return on Equity (ROE)

The average ROE for 2005 was 17% with the lowest ROE of -24% owned by PT. Bank Perserikatan Indonesia and the highest ROE of 61% owned by PT. Eksekutif Internasional Indonesia. The average ROE for 2007 was 6% with the lowest ROE of -46% owned by PT. Bank Perserikatan Indonesia and the highest ROE is 15% owned by PT Bank Victoria International Tbk.

Loan to Deposit Ratio (LDR)

LDR average in 2005 was 78% with LDR lowest of 30% owned by PT. Bank Perserikatan Indonesia and the highest LDR for 92% owned by PT. Bank Akita. LDR average in 2007 was 70% with LDR lowest rate of 16% owned by PT. Bank Perserikatan Indonesia and the highest LDR for 94% owned by PT. Bank Kesejahteraan Ekonomi.

The following authors will discuss the bank's performance by using the method of paired analysis Two-Sample T Test. To see whether there are differences in bank performance before and after API with ratio.

Table 2.2 Comparison of CAR ratio in 2005 to 2007

Samples paired Statistics					
Pair 1		Mean	N	Std. Deviation	Std. Error Mean
	BEFORE	17.60	10	6670	2109
	AFTER	22.60	10	15,792	4994

Paired Samples Correlations				
Pair 1		N	Correlation	Sig.
	BEFORE & AFTER	10	-.97	.791

Paired Samples Test									
Pair 1		Paired Differences			95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df	Sig. (2-tailed)
	BEFORE- AFTER	-5.00	17,726	5,606	-17,68	7.68	-.892	9	.396

Based on the above data, it can be seen that the average ratio of CAR in 2005 before the API is for 17.60 and in 2007 after the API for the magnitude relationship -22.60 (Correlation) is of -0.975, the probability is obtained for 0.396.

Analysis

The mean difference between before and after the API is for -5.00. This shows the determination to implement the API BI big enough. Thus, obtained an average difference of 5.00.

Hypothesis:

Ho = The average of the population are identical (no significant difference between the average ratio of CAR's population in 2005 to 2007)

Ha = The average of the population are not identical (there is a significant difference between the average ratio of CAR's population in 2002 to 2005)

Decision: With the above observations, shows that the probability (sig. 2 tailed) is 0.396. Since $0.396 > 0.05$ then the Ho accepted that means that the average two populations are identical (no significant difference between the average ratio of CAR's population in 2005 to 2007).

Table 2.3 Comparison of ROA ratio in 2005 to 2007

Samples paired Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	BEFORE	1.00	10	3559	1125
	AFTER	1.50	10	1,269	.401

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	BEFORE & AFTER	10	.861	.001

Paired Samples Test

		Paired Differences			95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df	Sig. (2-tailed)
Pair 1	BEFORE- AFTER	-.50	2.550	.806	-2.32	1.32	-.620	9.	.551

Based on the above data, it can be seen that the average ROA ratios in 2005 before the API is 1.00 and the year of 2007 after the API for the size of the relationship 1.50 (Correlation) is of 0.861, the probability is obtained for 0.551.

Analysis

The mean difference between before and after the API is for -0.50. This shows the determination to implement the API of BI in the value enhancement of profitability through 0:50

Hypothesis:

Ho = The average of the population are identical (no significant difference between the average ratio of the population ROA year 2005 to 2007)

Ha = The average of the population are not identical (there is a significant difference between the average ratio of the population ROA year 2002 to 2005)

Decision: With the above observations, shows that the probability (sig. 2 tailed) is 0.551. Since $0.551 > 0.05$ then the Ho accepted that means that the average two populations are identical (no significant difference between the population average ROA ratios in 2005 with the year 2007).

Table 2.4 Comparison of BOPO ratio in 2005 to 2007

Samples paired Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	BEFORE	99.90	10	61,558	19,466
	AFTER	95.90	10	35,025	11,076

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	BEFORE & AFTER	10	.972	.000

Paired Samples Test

		Paired Differences			95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df	Sig. (2-tailed)
Pair 1	BEFORE- AFTER	4.00	28,702	9,076	-16.53	24.53	.441	9	.670

Based on the above data, it can be seen that the average ratio in 2005 before BOPO API is for 99.90 and in 2007 after the API of 95.90 with a magnitude relation (Correlation) is of 0.975, the probability is obtained for 0.670.

Analysis

The mean difference between before and after the API is for 4.00. This shows the determination to implement the API of BI in Rentability assess the value decreased by 4.00.

Hypothesis:

Ho = The average of the population are identical (no significant difference between the average ratio of the population BOPO year 2005 to 2007).

Ha = The average of the population are not identical (there is a significant difference between the average ratio of the population BOPO year 2005 to 2007)

Decision: With the above observations, shows that the probability (sig. 2 tailed) is 0.670. Since $0.670 > 0.05$ then the Ho accepted that means that the average two populations are identical (no significant difference between the average ratio of the population BOPO year 2005 to 2007).

Table 2.5 Comparison of ROE ratio in 2005 to 2007

Samples paired Statistics					
Pair 1		Mean	N	Std. Deviation	Std. Error Mean
	BEFORE	17.30	10	21,003	6642
	AFTER	6.30	10	18,613	5886

Paired Samples Correlations				
Pair 1		N	Correlation	Sig.
	BEFORE & AFTER	10	.640	.046

Paired Samples Test									
Pair 1	BEFORE- AFTER	Paired Differences			95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df	Sig. (2-tailed)
		11.00	16,957	5,362	-1.13	23.13	2,051	9	0.070

Based on the above data, it can be seen that the ratio of average ROE in 2005 before the API is for 17.30 and in 2007 after the API for the size of the relationship 6.30 (Correlation) is of 0.640, the probability is obtained for 0.070 .

Analysis

The mean difference between before and after the API is for 11.00. This shows the determination to implement the API of BI in profitability value decreased by 11.00.

Hypothesis:

Ho = The average of the population are identical (no significant difference between the population average ROE ratio of 2005 to 2007).

Ha = The average of the population are not identical (there is a significant difference between the population average ROE ratio of 2002 to 2005).

Decision: With the above observations, shows that the probability (sig. 2 tailed) is 0.070. Since $0.070 > 0.05$ then the Ho accepted that means that the average two populations are identical (no significant difference between the population average ROE ratio of 2005 to 2007).

Table 2.5 Comparison of LDR ratio in 2005 to 2007

Samples paired Statistics					
Pair 1		Mean	N	Std. Deviation	Std. Error Mean
	BEFORE	78.00	10	33,592	10,623
	AFTER		10		

Paired Samples Correlations				
Pair 1		N	Correlation	Sig.
	BEFORE & AFTER	10	.823	.003

Paired Samples Test									
Pair 1	BEFORE- AFTER	Paired Differences			95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df	Sig. (2-tailed)
		840	19,614	6,203	-5.63	22.43	1,354	9	.209

Based on the above data, it can be seen that the average ratio of LDR in 2005 before the API is for 78.00 and in 2007 after the API of 69.60 with a magnitude relation (Correlation) is of 0.823, the probability is obtained for 0.209 .

Analysis

The mean difference between before and after the API is for 8.40. This shows the determination to implement the API of BI in liquidity value decreased by 8.40

Hypothesis:

Ho = The average of the population are identical (no significant difference between the average LDR population in 2005 to 2007).

Ha = The average of the population are not identical (there is a significant difference between the average LDR population in 2002 to 2005)

Decision: With the above observations, shows that the probability (sig. 2 tailed) is 0.209. Since $0.209 > 0.05$ then the Ho accepted that means that the average two populations are identical (no significant difference between the average ROE ratio of the population in 2005 and 2007).

From the above study, it can be in the analysis that the National banking performance can be assessed by calculated ratio. Ratio used by the research are as follows:

a. LDR

The Bank's ability to repay the withdrawal of funds by depositors with credit control is given as a source of liquidity has decreased in the year 2007 prior to the API when compared with previous years, 2005 in the amount of 8.40%. This indicates that the ability of Non-Foreign exchange BUSN in liquidity is higher. For the probability, be in the analysis that the implementation of the API before and afterwards, there was no significant difference.

b. ROA

Management capability of banks in profit (profit) in the year 2007 decreased by 11% to 6.30%. This shows that the level of profit achieved by the bank is declining and the use of its assets were less good. For the probability, be in the analysis that the implementation of the API before and afterwards, there was no significant difference.

c. ROE

The ability of banks in profit associated with pay dividends for shareholders and prospective investors decreased by 5%. This means, the ability to earn profits in the bank is getting better. Meanwhile, judging from the value of probability, stated that there was no significant difference between the population average ROE ratio of 2005 to 2007.

d. BOPO

Level of efficiency and the ability of banks in conducting its operations is a decrease of 4%. Can be said that the bank is less efficient in conducting its operations. For the probability, be in the analysis that the implementation of the API before and afterwards, there was no significant difference.

e. CAR

Banks to measure the performance of their capital adequacy in supporting risky assets increased significantly in the amount of 5%. This indicates that the average foreign exchange Non BUSN can manage their capital adequacy in supporting risky assets even. Meanwhile, judging from the value of probability, stated that there was no significant difference between the average ratio of CAR's population in 2005 to 2007.

The lack of significant difference between before and after implementation of the API can be connected to the pillars in 6 stages API Implementation. Include:

Pillar I. Banking Structure Strengthening Program

Policies to strengthen the banking structure is an integral part of the program has been implemented in the API. This policy includes measures to strengthen the capital structure of commercial banks, and step increase in the role of public banks, BPR and Islamic banking (linkage programs).

1. Strengthening the Capital Structure of Commercial Banks

Capital is the foundation that ensures the bank can operate in a healthy and one of the measures to determine the performance of a bank. Therefore, for the commercial banks which have a core capital over USD 100 billion, will be classified as a bank with good performance, as explained in Chapter II. From the results of research, found that 6 Non-Foreign Exchange BUSN above, has not met the Banks capital structure. However, after the implementation of the API, in the year 2007 there are 2 bank has been able to raise capital namely PT. Bank Dipo Internasional and PT. Union Bank of Indonesia. 4 Banks that have not been able to raise capital in the year 2007, namely PT. Bank Akita, PT. Executive Bank International, PT Bank Index Selindo, and PT. Bank UIB. This can be seen from Appendix 1 of the Financial Data Bank. This is related to the ratio value, the value of ROE. The higher the value of Roe, the higher the ability of banks to increase their capital.

2. Improving Access to Credit

One characteristic of a healthy bank can say is to look at Liquidity ratio. The higher the ratio, the lower the ability of liquidity. The ratio used in this study is LDR. When connected with pillars, the pillars of the API is a pillar I reflected on credit access. Viewed from the bank's financial ratios between 2005 and 2007, there was 1 bank is still not able to improve access to credit is PT.Bank United Indonesia. In 2005, the Bank is in a very low ratio, 16%. After the implementation of the API implemented, the Bank had not been able to hit the numbers > 50% despite an increase of 14%. However, the increase shows that the Bank of the United Indonesia is not yet able to improve access to good credit.

Pillars II. Quality Improvement Program Settings Banking

In improving the quality of banking regulation, foreign exchange 10 Non BUSN it can improve its quality. This can be seen from the value of its CAR ratio. In 2005, there was 1 bank that has not been able to increase its CAR is PT Bank Internasional Executive. However, after implementation of the API implemented, the bank is able to change the quality of its banking arrangements. By looking at the CAR value, can be said that the implementation of the Basel 25 Core Principles for Effective Banking Supervision in the year 2007 can be upgraded properly.

Pillars IV. Quality Improvement Program Management and Banking Operations.

The lack of significant difference between before and after implementation of the API can be associated also with increased quality management and banking operational. There are two ratios to assess the pillar IV, the ratio of ROA and BOPO. If viewed from its ROA values, can analysis that the ability of bank management in profit (profit) is still considered low. This can be seen in appendix 2 of the average ROA of diminishing despite implementation of the API has been implemented. Therefore, this affects the ability to increase the value management that operating profits increased can not.

Unlike the BOPO value. The ratio increased BOPO good. In 2005, the average BOPO obtained for 100%, after implementation of the API, the average can be applied to meet the standards in health of BI Bank of 96%. If the pillar that conduct IV, is clearly illustrated that the ability of management to manage the operational company, is good because the lower the operational use, the more efficient the bank's business. Thus, quality improvement management a good experience.

3. CONCLUSION

Based on the results of data analysis by using Two paired samples t-test showed that the performance of national private commercial banks foreign exchange, as measured by CAR, ROA, BOPO, ROE and LDR are:

1. Judging from the average value (Mean) obtained, showed a significant difference between the five ratio. The average value of the experiencing good growth performance is the ratio of CAR and ROE. Meanwhile, for the ROA ratio, and LDR BOPO not yet experienced a significant increase of the implementation of the API.
2. Viewed from the value of probability, obtained by the analysis that the performance of Non-Foreign exchange BUSN before implementation and after implementation of the API there is no significant difference. Whether viewed from the ratio of CAR, ROA, BOPO, ROE and LDR.
3. Bank Indonesia's policy influence in the Indonesian Banking Architecture issued in January 2004 that later be implemented in January 2006, was not large enough to affect the performance of the National Private Banks Foreign Exchange Non Non BUSN although 10 Foreign exchange is already implementing the API implementation with a capital of 80 billion to 100 billion on December 31, 2007.
4. If the above ratio values associated with the 6 pillars API Implementation Stages API, shows that there is no significant difference is also against the pillar 6.

From the research above, as for suggestions that can be given by the author in order to support the implementation of the API are as follows:

1. Indonesian Banking Architecture issued by Bank Indonesia's good enough for the banks implemented to Indonesia have increased in maintaining a healthy banking system, strong and efficient. For that, the author hopes that this API program can continue to be implemented properly.
2. Bank Indonesia as Central Bank of Indonesia, is expected to continue to monitor the development of the API implementation to all banks in Indonesia.
3. To all Banks in Indonesia, especially the Non-Foreign Exchange BUSN authors who have done the research, in order to assist the BI program to maintain stable financial systems and encourage the

development of national economy in order Indonesian banking experience system healthy, strong and efficient.

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