



## Comparison of *Income Statement Approach* and *Shari'ate Value Added Statement Approach* in Assessing the Financial Performance of Islamic Banks in Indonesia

<sup>1</sup>Agus Faisal

<sup>1</sup>Faculty of Islamic Economics and Business  
 State Islamic University Sunan Kalijaga Yogyakarta-Indonesia  
 (Corresponding Author: [agus.faisal28@yahoo.com](mailto:agus.faisal28@yahoo.com))

**Abstract :** The purpose of this study is to comparison in financia performance of Islamic banks in Indonesia by using the Income Statement (IS) approach and Shari'ate Value Added Statement (SVAS) approach. The type of research is quantitative, sample using a purposive sampling technique with the criteria of Islamic banks in Indonesia the which presents a financial annual report the period 2008-2012. Financial ratios used consisted of Return On Asset (ROA), Return on Equity (ROE), the ratio between the total net income by total productive assets (LBAP), Net profite Margin (NPM), and Operating Expense to Operation Income (OEOI), Analysis tool used to prove the hypothesis of this study is an independent sample t-test and Mann Whitney U. The result Showed that the average financial ratios (ROA, ROE, LBAP, NPM and OEOI) there are differences singnificant between the model of IS and SVAS. Differences in the ratio of financial performance is due to the differences in the design of the presentation and disclosures relating to profit and added value. Income Statement "IS" looked at income as profit, whereas the Shari'ate Value Added Statement "SVAS" looked at income as an added value.

**Keywords:** Financial Performance, Income Statement, Shari'ate Value Added Statement.

### Introduction

Islam see religion as a way of life governing every activity of life including Islamic economy that includes about Islamic banking. Islamic bank or sharia bank is a financial institution which engages provide financing and other services in payment traffic and circulation of money that operation adapted to the principles of Islamic law (Muhammad, 2011).

On the financial reporting process of sharia financial institutions that hold the rights of Islam should be reported financial objectives in the broader accountable, So accountability is not only in the world, but far to the fore penetrate the limit of life is as a form of accountability servant to the khalik soon. As the word of Allah SWT QS. An-Nisaa '(4):58:

إن الله يأمركم أن تؤدوا الأمانت إلى أهلها

Above verse can be interpreted in the context of sharia accounting. Allah SWT commanded his servants to always be running to their owners, Namely for user information (stakeholders) and in this regard is to fulfill the right to obtain information from the financial statements.

The development of this time, users of the financial report (customers, employees, government, community and management) faced in a condition where the financial report of sharia banks are perceived to not be able to perform analysis of the financial performance of sharia banks in a timely manner. This shows that the financial report of sharia banks as

contained in the PSAK No.101 2007 and has been updated to PSAK No.101 (revised 2014). If reviewed thoroughly PSAK 101(revised 2014) sharia accounting own aims to set up the presentation and disclosure of financial statements for general purpose (general purpose financial statements). But PSAK 101(revised 2014) sharia accounting not fully in accordance with the characteristics of sharia banks because only contains a number of elements of the financial report as elements in a conventional bank financial report, plus with some reports, such as the report of revenue and reconciliation for the results of the report the source and use of funds the Zakat Infaq and Shodaqoh and the Report Qardhul Hasan. (Sri Nurhayati-Wasilah, 2014).

Moreover, in the Framework for the Preparation and Presentation of Financial Statements Islamic Bank stated that the financial accounting purposes of Islamic banks is the provision of financial information plus information about related to the Islamic principles which are characteristic of Islamic banks. If examined in more depth, it can be concluded that the objective of financial statements of Islamic banks is still oriented to the interests of *direct stakeholders*. This objective is the same as the accounting purposes contained in the financial statements on a conventional bank. Meanwhile, if given the Islamic bank is a business unit that is based on Islamic law, then you should use a financial accounting is accounting in accordance with Islamic principles.

Sharia accounting is not only limited to providing information related to the economic decision-making, but also as expressed by experts on sharia accounting, that the purpose of sharia accounting is muamalah, amar ma'ruf nahi mungkar, justice truth, social beneficiaries, partnership, delete usury, and encourage charity. The destination is very important in order to meet the responsibility of the bank to *direct stakeholders* and *indirect stakeholders*. Analysis of the financial performance of Islamic banks has been more based on the income statement. This causes the analysis results have not shown the right results for the income statement is a report addressing the interests of *direct stakeholders* (owners of capital), the form of the achievement of maximum profit. Through the report the added value, the ability of Islamic banks in generating profitability is calculated by taking into account the contribution of other parties such as employees, communities, governments, and the environment. So the profit gained in its distribution is not limited only to the *direct stakeholders*, but also to *indirect stakeholders* (Wahyudi, 2005).

Baydoun and Willett (2000), sharia accounting experts to develop financial report with proposals *Islamic Corporate Report* (ICR's). ICR is comprised of the balance sheet based on the present value, cash flow statement, and report value added as an effort to fulfill the accountability of the financial statements of Islamic banks. Report their added value has changed mainstream accounting purposes of *decision making* shifted to social responsibility.

If you understood the deeper it turns version ICR's financial statements are also not final, still leaves some substantial problems. One of them is the report added value. Mulawarman saw added value report forms that have been there still remains a problem on the substance of zakat. Zakat is still laid out as part of the distribution element. In fact, when referring to the true meaning and substance, zakat is the substance of the report value added. Based on this, zakat should have three main functions, namely a center, basic cleansing (*Tazkiyah*), creation of added value, and also become part distributed. Mulawarman then perform reconstruction technology in the form of sharia accounting integralistik *Shari'ate Value Added Statement* (Mulawarman, Dedi, Triyuwono and Ludigdo, 2007).

Mulawarman explained that the formation process, and the distribution of added value not only with respect to halal issues but must also be Thoyib (both lawful and Thoyib more with respect to the product) and riba-free (rather with a contract or agreement). Formation, process, and value-added distribution of sharia (economic, mental, and spiritual) must meet the principles of lawful, Thoyib, and free of usury.

This study compares the financial performance of Islamic banks using the approach of income (*Income Statement Approach*) and value-added approach sharia (*Shari'ate Value Added Statement Approach*) to determine the differences between the two approaches. This is important because there is still a problem (*research gap*) among experts sharia accounting related to the determination of financial statements truly accordance with sharia. The object of research itself is Islamic Banks. At least this Islamic Banks bias used as a benchmark in reading performance of Islamic banking in Indonesia. Data obtained from the published financial statements of Bank Indonesia. The years of research is 2008-2012 by consideration of the use of the latest annual financial statements (*up date*) in order to portray the condition of the current performance of Islamic banking. In those years also the year that the world financial crisis (*global financial*) that effect many financial institutions are experiencing an unhealthy condition.

### Development of Hypotheses

The hypothesis is logically expected relationship between two or more variables are expressed in the form of a statement that can be tested. Hypotheses can also be expressed as a theoretical answer to the formula research problem, not the answer empirically (Sugiyono, 2010). This study aimed to compare the financial performance of Islamic Banks using the *Income Statement Approach* and *Shari'ate Value Added Statement Approach*

#### **Differences Ratio Return on Assets (ROA)**

ROA ratio is the ratio between net profit and total assets. ROA become a benchmark for bank management capabilities in gain (profit) as a whole. The higher the ROA of a bank, the higher the level of profit achieved by the bank. This is an indication the better the position and performance of the bank in terms of asset utilization.

The income statement approach looked at the *income*, as profit while the *Shari'ate Value Added Statement Approach* view *income* as an added value created by the company and then distributed. Endah Isnaini research results (2010), Nadya Chaerunnisa (2011) and Muhammad Fauzi (2012), showed that when viewed from ROA profitability rate of Islamic banking showed a significant difference between the *Income Statement Approach* and *Value Added Approach*. So the hypothesis proposed in this study are:

**Ha1: There are significant differences in ROA ratio Islamic Banks when analyzed with the *Income Statement Approach* and the *Shari'ate Value Added Statement Approach*.**

#### **Differences Ratio Return on Equity (ROE)**

ROE ratio is the ratio between profit for the year by the total capital. This ratio is used as a benchmark to determine the ability of banks to make profits and overall operational efficiency as seen from the use of its own capital. The higher the ROE the higher the profits from the company that banking profitability is getting better.

The income statement approach looked at *income* as profit, while the value-added approach sharia view *income* as an added value created the company and then distributed. Research conducted Isnaini Endah (2010), Ana Damayanti (2012), and Muchamad Fauzi (2012), showed that when viewed from the ROE ratio is a significant difference between the *Income Statement Approach* and *Value Added Approach*. So the hypothesis proposed in this study are:

**Ha2: There are significant differences in the ROE Islamic Banks when analyzed with the *Income Statement Approach* and the *Shari'ate Value Added Statement Approach*.**

### ***Differences Ratio Comparison of Total Net Income to Total Assets (LBAP)***

Profit represents the excess of revenue over expenses during the accounting period. The added value is not the same as profit. Earnings show earnings for shareholders while the value-added measure increased wealth for all *stakeholders*. While earning assets investment of bank funds both in rupiah and *foreign currency*, in the form of loans, securities, interbank placements, investments, commitments and contingencies in administrative account transactions.

The ratio of total net income by total assets is used to determine the ability of banks to manage the funds invested in the total assets. *Income Statement* looked at income as profit, while the *Shari'ate Value Added Statement* view income as an added value created by the company and then distributed. So the hypothesis is:

**Ha3: There are significant differences in the LBAP Islamic Banks when analyzed with the *Income Statement* Approach and the *Shari'ate Value Added Statement* Approach.**

### ***Differences Ratio Net Profit Margin (NPM)***

NPM ratio is used to measure the bank's ability to generate net income before taxes (*net income*) from the point of *operating its income*. The higher the ratio of a bank NPM, it shows the results increasingly baik. Sebaliknya if the result of the lower NPM ratio, then show the results getting worse. *Value added* is not the same as profit. Earnings show earnings for shareholders while the value-added measure increased wealth for all stakeholders.

*Income Statement* approach looked at income as profit, while the *Shari'ate Value Added Statement Approach* view income as an added value created the company and then distributed. The study ever conducted Isnaini Endah (2010), and Muchamad Fauzi (2012), shows that when seen from the ratio of NPM there are significant differences between the *Income Statement Approach* and *Value Added Approach*. So the hypothesis proposed in this study are:

**Ha4: There are significant differences in the NPM Islamic Banks when analyzed with the *Income Statement* Approach and the *Shari'ate Value Added Statement* Approach.**

### ***Differences Ratio Operating Expense to Operating Income (OEOI)***

Ratio *Operating Expense to Operating Income* (OEOI) is the ratio of operating expenses to operating income or commonly known as ROA, which implies a comparison between the ratio of total operating expenses to total operating income. This ratio is used to measure the efficiency and ability of banks to carry out operations. The smaller the OEOI the more efficient banks in conducting its operational activities, this is because the cost is less than the revenue received. *Shari'ate Value Added Statement* does not consider the results to third parties and employees' salaries as an expense Islamic bank, but both as a form of value-added distribution. So the hypothesis proposed in this study are:

**Ha5: There are significant differences in the OEOI Islamic Banks when analyzed with the *Income Statement* Approach and the *Shari'ate Value Added Statement* Approach.**

## **Research Methodology**

### ***Research Type***

This is a field research (*field research*), the data used in the form of financial statements in the form of quantitative. The nature of this penelitian is descriptive analytic comparative, ie decrypt and compare the financial performance of Islamic Banks in Indonesia by using the *Income Statement* and *Shari'ate Value Added Statement* in assessing financial ratios for later were statistically analyzed using different test.

### ***Population and Sample***

The population in this study is the annual financial statements of Islamic Banks in Indonesia consisting of balance sheet, income statement, statement of quality assets and notes to

the financial statements. The sample in this study were selected based method, *on purposive sampling* the sample is a sample of companies that meet specific criteria in accordance with the intent of research (Mudrajat, 2003). These samples were selected based on the following criteria:

1. Islamic commercial Bank (BUS) in Indonesia are registered and active as Islamic banks in 2008-2012 in a row and never come out (delisting);
2. Islamic banks (BUS) which offers a complex transaction services both inside and outside the country (*Foreign Exchange*).
3. Islamic banks (BUS) which provides annual financial report data consistently over the period 2008-2012.

**Data**

This research using quantitative data measured by scale number (*numeric*). The quantitative data in the form of secondary data and pooling data. Source of data derived from the annual financial statements published by Bank Indonesia "[www.bi.go.id](http://www.bi.go.id)", the website each Islamic banks and supplemented by data derived from sources that support this research.

**Research Variable**

Financial ratio analysis is an activity that is carried out to obtain a financial developments and the company's financial position. Financial ratio analysis is useful as an internal analysis for company management to determine the financial results have been achieved in order to plan the future, and also for external analysis is highly dependent on the interests of each party, for example for creditors and investors to determine policies on lending and investment a company. The variables used were several ratios that show the banking profitability is *Return on Assets (ROA)*, *Return on Equity (ROE)*, a ratio of total net income by total assets (LBAP), *Net profite Margin (NPM)*, and *Operating Expense to Operation Income (OEOI)*.

**Research Variable**

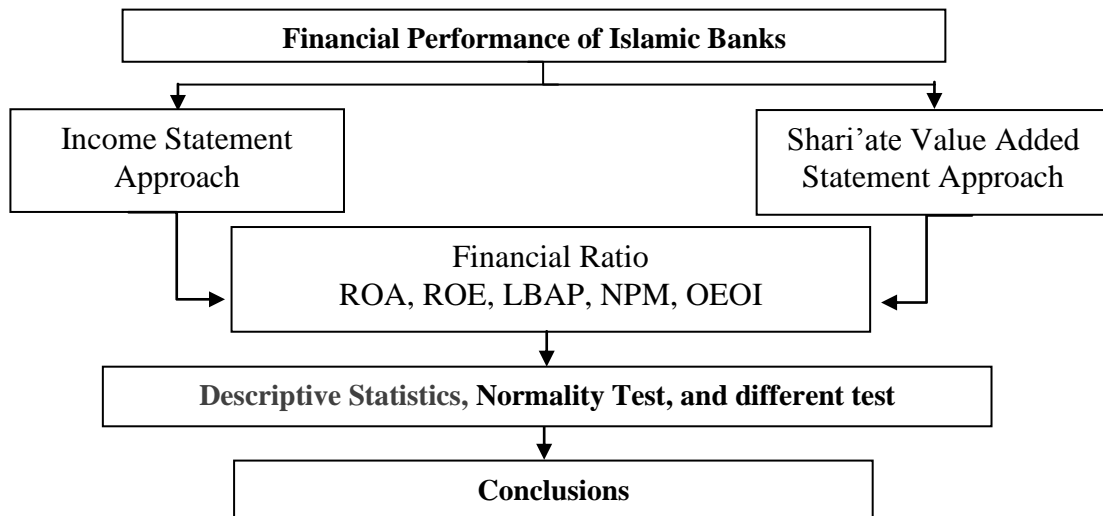
| Ratio | Variabel  | Formula  |   |
|-------|---|--|---|
|       |   | IS   | SVAS  |
| ROA   | <i>Return On Asset</i>                                      | $\frac{\text{Income Before Taxes}}{\text{Average Total Assets}}$ | $\frac{\text{Value Added Net}}{\text{Average total assets}}$  |
| ROE   | <i>Return On Equity</i>                                     | $\frac{\text{Profit After Taxes}}{\text{Average Total Capital}}$ | $\frac{\text{Value Added Net}}{\text{Average Total Capital}}$ |
| LBAP  | Comparison between total net income to total earning assets | $\frac{\text{Total net income}}{\text{Total Assets}}$            | $\frac{\text{Value Added Net}}{\text{Total Assets}}$          |
| NPM   | <i>Net Profite Margin</i>                                   | $\frac{\text{Net profit}}{\text{Total income}}$                  | $\frac{\text{Value Added Net}}{\text{Total Assets}}$          |
| OEOI  | <i>Operating Expense to Operation Income</i>                | $\frac{\text{Operating costs}}{\text{Operating income}}$         | $\frac{\text{Operating Expense}}{\text{Operating income}}$    |

### Analysis method

The analysis method in this study using descriptive statistics as a picture or a description of a data seen from the average (*mean*), standard deviation, variance, maximum, minimum, sum, range, and more, and then test the normality of the data which aims to determine whether the variables used has a normal distribution or not. To detect the normality of the data which can be done by looking at the normal graph PP Plot, or through the *Kolmogorov-Smirnov test* (KS), and the final analysis of different test through parametric test (*independent sample T-test*) for normal distributed data and test different non-parametric (*Mann whitney U*) for the data were not normally distributed. As a reference authors portray the framework undertaken in this study in Table I

**Table I**

### Framework



## Result and Discussion

### Descriptive Statistics

Descriptive statistics in this study provides a description or a description of a data views of variance, minimum, maximum, standard deviation and average value (*mean*) of each ratio representing both of descriptive statistics *Income Statement* approach and the descriptive statistics *Shari'ate Value Added Statement* approach are presented in table II and III

|      | N  | Minimum | Maximum | Mean    | Std. Deviation |
|------|----|---------|---------|---------|----------------|
| ROA  | 15 | .40     | 3.02    | 1.5960  | .65915         |
| ROE  | 15 | 10.19   | 63.58   | 37.3747 | 16.37882       |
| LBAP | 15 | .15     | 1.93    | 1.0507  | .60539         |
| NPM  | 15 | 2.87    | 14.20   | 9.9727  | 3.45060        |
| OEOI | 15 | 67.55   | 91.61   | 79.8980 | 7.60778        |

Source: Secondary data processed

**Table III**  
**Statistik Deskriptif Shari'ate Value Added Statement Approach**

|      | N  | Minimum | Maximum | Mean     | Std. Deviation |
|------|----|---------|---------|----------|----------------|
| ROA  | 15 | 5.49    | 11.86   | 7.7780   | 1.82273        |
| ROE  | 15 | 149.03  | 352.58  | 236.9140 | 62.90843       |
| LBAP | 15 | 2.06    | 9.65    | 6.4440   | 2.88241        |
| NPM  | 15 | 44.30   | 73.86   | 62.8220  | 7.52842        |
| OEOI | 15 | 24.62   | 44.65   | 34.4873  | 5.66499        |

Source: Secondary data processed

### Normality Test Data

Researchers tested the normality of the data by using the test *non-parametric One Sample Kolmogorov-Smirnov*, this is done to test whether the data sample used had a normal distribution or not. If the *p-value* and Sig (2-tailed) is greater than 0.05 then the data were normally distributed variables. Meanwhile, if the *p-value* and Sig (2-tailed) is less than 0.05, the data are not normally distributed variables. Results for normality test data in this study can be seen in Table IV below:

**Table IV**  
**Results Normality Test Variables (Kolmogorov-Smirnov test)**

|                           | ROA                 | ROE                 | LBAP          | NPM           | OEOI                |
|---------------------------|---------------------|---------------------|---------------|---------------|---------------------|
| N                         | 30                  | 30                  | 30            | 30            | 30                  |
| <i>Kolmogorov-Smirnov</i> | 1,182               | 1,348               | 1,486         | 1,590         | 1,140               |
| Significant               | 0122                | 0053                | 0024          | 0013          | 0149                |
| Conclusions               | normal distribution | Normal distribution | is not normal | is not normal | normal distribution |

Source: Secondary data processed

Based on testing normality using *Kolmogorov-Smirnov test* as shown in table IV above show that the variable *Return on Assets* (ROA), *Return on Equity* (ROE), *Operating Expense to Operating Income* (OEOI) has a value of the *Kolmogorov-Smirnov* with a *p-value* and Sig (2-tailed) is greater than 0.05, it can be said that the data were normally distributed variables. Sedangkan two variables that significant value is less than 0.05, or 5% of variable LBAP and NPM. This means  $H_0$  rejected, which means the data is not normally distributed residuals. Abnormalities of both variables is due to the three Islamic banks in 2008-2012 has unstable fluctuations in the data means data residual unfulfilled.

### Hypothesis Testing

#### 1. Analysis Ratios *Return on Assets* (ROA)

Based on the results of different test (*Independent Sample T-Test*) ratio *Return on Assets* (ROA) by using the *Income Statement* (IS) approach and the *Shari'ate Value Added Statement* (SVAS) approach, as which appears in appendix. in the first part of SPSS output looks average ratios *Return on Assets* (ROA) in the *Income Statement* approach with index "IS" is 1.5960 while the *Shari'ate Value Added Statement* by the index "SVAS" for 7.7780. In absolute terms it is

clear that the average ROA between IS and SVAS different, but to see whether this difference is statistically true then it must be seen also output the second part that is *independent samplet-test*.

In the second part of SPSS output seen that F calculated *levene test* of 7.331 to 0.011 for probabilitas probability of less than 0.05 ( $0.011 < 0.05$ ), it can be inferred both variants between IS and SVAS different, for take into these results can also be viewed analysis different *test-t-test*. From the SPSS output seen that the value of t on *equal variances assumed* is -12 353 to 0,050 significance probability  $< 0.05$ , Ha1 accepted. So it can be concluded that the ratio of ROA on *Income Statement* (IS) approach and the *Shari'ate Value Added Statement* (SVAS) approach differ significantly.

## **2. Analysis Ratios Return on Equity (ROE)**

Result different test (*Independent Sample T-Test*) ratio of *Return on Equity* (ROE) by using the *Income Statement* (IS) approach and the *Shari'ate Value Added Statement* (SVAS) approach as to which is attached in appendix. the results of the first SPSS output looks average ratios *Return on Equity* (ROE) in the *Income Statement* approach with index "IS" was 37.3747, while on *Shari'ate Value Added Statement* by the index "SVAS" at 236.9140. In absolute terms it was obvious that the average ROA between IS and SVAS different, but to see whether this difference is statistically true then it must be seen also the second part SPSS output that has been processed is *independent samplet-test*.

In the second part of SPSS output seen that F calculated *levene test* of 15,901 with 0,000 for probabilitas probability of less than 0.05 ( $0.000 < 0.05$ ), it can be inferred both variants between IS and SVAS different. When viewed assuming *equal variances assumed* value of t on *equal variances assumed* the significance probability is -11.888 0.000  $< 0.05$ , Ha2 accepted. So we can conclude that the ROE on *Income Statement* (IS) approach and the *Shari'ate Value Added Statement* (SVAS) approach differ significantly.

## **3. Ratio Analysis net income to earning assets (LBAP)**

Differential test ratio of net income to earning assets (LBAP) using the test. *Mann-Whitney U* The results of this test as enclosed in appendix. The first output is obtained from SPSS seen that from a total of 30 observations which comprises 15 indices "IS" *Income Statement* approach and 15 indices "SVAS" *Shari'ate Value Added Statement* gained an average ratio net income to earning assets (LBAP) in the *income Statement* approach with index "IS" is 8.00 while the *Shari'ate Value Added Statement* by the index "SVAS" amounted to 23.00. In absolute terms it was obvious that the average LBAP between IS and SVAS different, but to see whether this difference is statistically true then it must be seen also output the second part, namely *MannWhitney U*.

In the second part of SPSS output seen that the ratio of net profit to assets productive (LBAP) value *Mann whitney U* of 0.000 to the value Exact Sig. [2 \* (1-tailed Sig.)] Of 0.000, because the value Exact Sig. [2 \* (1-tailed Sig.)] 0,000 less than 0.025 ( $0.000 < 0.025$ ) it can be concluded both variants between ISA and SVAS different. H0 rejected and accepted HA3. So it can be concluded that the ratio of LBAP on *Income Statement* (IS) approach and the *Shari'ate Value Added Statement* (SVAS) approach differ significantly.

## **4. Ratio Analysis Net Profit Margin (NPM)**

Differential test ratio *Net Profit Margin* (NPM) using the test. *Mann-Whitney U* The results of this test as enclosed in appendix. if the results of the first part of the SPSS output that shows 30 observations NPM ratio of Islamic Banks looks average Ratios *Net Profit Margin* (NPM) in the *Income Statement* approach with index "IS" is 8.00 whereas in *Shari'ate Value Added Statement* by the index "SVAS" amounted to 23.00. In absolute terms it was obvious that the average NPM between IS and SVAS different, but to see whether this difference is statistically true then it must be seen also output the second part, namely *MannWhitney U*.



The second part shows that the SPSS output from table Test Statistic obtained Rate information for *Net Profit Margin* (NPM) value *Mann whitney U* of 0.000 to the value Exact Sig. [2 \* (1-tailed Sig.)] Of 0.000, because the value Exact Sig. [2 \* (1-tailed Sig.)] 0,000 less than 0.025 (0.000 < 0.025) it can be concluded both variants between IS and SVAS different.  $H_0$  rejected and accepted  $H_a$ . So it can be concluded that the ratio of NPM in the *Income Statement* (IS) approach and the *Shari'ate Value Added Statement* (SVAS) approach differ significantly.

##### 5. Ratio Analysis Operating Expense to Operating Income (OEOI)

Comparison of ratio *Operating Expense to Operating Income* (OEOI) by using the *Income Statement* (IS) and the *Shari'ate Value Added Statement* (SVAS) in this study using a different test (*Independent Sample T-Test*). as annexed to appendix, number 5 *Independent Sample T-Test* OEOI ratio. The table is based on the average rate seen *Operating Expense to Operating Income* (OEOI) in the *Income Statement* approach with index "IS" was 79.8980, while on *Shari'ate Value Added Statement* by the index "SVAS" amounted to 34.4873. In absolute terms it was obvious that the average OEOI between IS and SVAS different, but to see whether this difference is statistically true then it must be seen also output the second part looked at the next table that is *independent samplet-test*.

In the second part of SPSS output seen that F calculated *levene test* of 2.291 to 0.141 for probability greater than 0.05 (0.141 > 0.05), it can be concluded between the ISA and the two variants of the same SVAS. Thus different test analysis using a t-test assuming should be *equal variances assumed*. Based on SPSS output seen that the value of t on *equal variances assumed* 18.542 with significance probability is 0.000, significance value less than 0.05 (0.000 < 0.05), the  $H_0$  accepted. So it can be concluded that the ratio OEOI on *Income Statement* (IS) approach and the *Shari'ate Value Added Statement* (SVAS) approach differ significantly.

#### Interpretation of Results

The results of this study show the assessment of financial performance as measured by financial ratios including *Return On Asset* (ROA), *Return on Equity* (ROE), and the ratio of total net income by total assets, *net profit margin* (NPM) or *net Operating Margin* (NOM) and *Operating Expense to Operating Income* (OEOI), from most of the ratios used as performance indicators there is a difference between the *Income Statement* approach and *Shari'ate Value Added Statement* approach of Financial performance Assessment in Islamic Banking in Indonesia.

Viewed from previous studies with some of the same variables as an indication of the financial performance of Islamic banking but there are different results. The results of this study do not correspond to some studies that have been done some previous researchers. Isnaini Endah (2010) compare the financial performance of Islamic banks using the *Income Statement* approach and *Value Added* approach at Bank Muamalat Indonesia (BMI) Semarang branch. Obtain the result that financial ratios (ROA, ROE, ratio of net income to earning assets, and NPM) there are significant differences between the *Income Statement* approach and *Value Added* approach, in contrast to BOPO ratio. But when viewed as a whole the level of profitability showed a significant difference between the *Income Statement* approach and *Value Added* approach.

The results of this study also have in common with research conducted by Nadya and Herrera (2011). They compared the financial performance of *Income Statement* approach with *Shari'ate Value Added Statement* (SVAS) at PT. Bank Syariah Mandiri period January 2006 to November 2009. As an indication of the performance of this study using three financial ratios, namely ROA, ROE, and LBAP. The results showed significant differences in financial

performance. Bank Syariah Mandiri between the Income Statement and SVAS. In conclusion, the approach SVAS generate performance ratio that is greater than the Income Statement.

The results of this study also have similarities and differences with Ana Damayanti (2012) research conducted at PT. Bank Muamalat Indonesia Branch Tasikmalaya. Results showed that there was no significant difference between the financial performance of Islamic banks with the income approach and Shariah value-added, Of the four ratios used only ROE and REO that have significant differences, while ROA and NPM does not have the level of significant difference.

In addition this study also have similarities and differences with the governor Muchamad (2012) research conducted in Islamic banks in Indonesia. the results of this study financial performance represented by ROA, ROE, ratio of net income to earning assets, and NPM in 2003-2010 showed the *Income Statement* approach and *Value Added* approach there are significant differences. while the ROA ratio does not occur a significant difference.

Interpretation and discussion of the effect of each variable is as follows:

**1. Assessment of Financial Performance on Return on Assets (ROA) using Income Statement Approach and the Shari'ate Value Added Statement Approach.**

*Return on Assets* (ROA) is the result of a comparison between net income by total assets. ROA an indication of the ability of the company management in gain (profit) as a whole. The high value of ROA bank, indicating the higher the level of profits the bank. This bodes better the position and performance of the bank in terms of assets utilization.

Based on the test results that have been carried out, the analysis of the first hypothesis (Ha1) states that there are significant differences between the *Income Statement* approach and *Shari'ate Value Added Statement* approach of Islamic Banks in Indonesia when seen from ROA period of 2008 until 2012. this is evidenced by the average difference between the IS and SVAS, not only was the level of significance ROA under 0.05 or 5% value that is equal to  $0.011 < 0.05$  so accept Ha1. Also based on the descriptive analysis of ROA during the study period from both approaches, quantitative *Income Statement* approach ROA ratio has a value less than the model *Shari'ate Value Added Statement* approach. ROA is one ratio is often used to measure the ability of the bank's management to make a profit overall. So that the high value of ROA indicates that banks have sufficient high level profit in utilizing assets owned.

**2. Rate Financial Performance on Return On Equity (ROE) using Income Statement Approach and the Shari'ate Value Added Statement Approach.**

*Return on Equity* (ROE) is the ratio between profit for the year by the total capital. This ratio is used as a benchmark to determine the ability of banks to make profits and overall operational efficiency as seen from the use of its own capital. The higher the ROE is an indication the higher the profits from the company that banking profitability is getting better.

The analysis of the second hypothesis (Ha2) states that there are significant differences in the ratio between the ROE *Income Statement* approach and *Shari'ate Value Added Statement* approach Islamic Banks in 2008 to 2012 for a significance level of less than 0.05 ROE is equal  $0.000 < 0.05$ , Ha2 accepted. At the ROE ratio between models *Income Statement* and the *Shari'ate Value Added Statement* differ significantly. Also based on the descriptive analysis of ROE over the study period, of the two approaches is quantitatively *Shari'ate Value Added Statement* approach has a higher ROE although there is a difference compared to the *Income Statement* approach ROE ratio is an important indicator for shareholders and potential investors to measure the ability of banks to earn net income associated with the payment of dividends, so the higher the ROE, the higher the profits from the company so that the profitability of the bank, the better.

### 3. Rate Financial Performance at a ratio of total net income by total assets (LBAP) using *Income Statement Approach* and the *Shari'ate Value Added Statement Approach*.

Profit represents the excess of revenue over expenses during the accounting period. The added value is not the same as profit. Earnings show earnings for shareholders while the value-added measure increased wealth for all *stakeholders*. While the quality of earning assets is the investment of bank funds both in rupiah or foreign currency in the form of loans, securities, interbank placements, investments, commitments and contingencies in administrative account transactions. Asset quality assessed by business prospects, financial condition with an emphasis on cash flow of the debtor, and the ability to pay.

Analysis on the Third hypothesis (Ha3) states that there are significant differences between the *Income Statement* approach and *Shari'ate Value Added Statement* approach Islamic Banks in Indonesia when seen from the ratio of LBAP the period 2008 to 2012. This is evidenced by the difference in price -rata between the IS and SVAS, not only was the test *Mannwhitney U* was done the result is that the value of Exact Sig. [2 \* (1-tailed Sig.)] LBAP under 0.05 or 5% value is equal to 0.000 < 0.05 to reject H0. Also based on the descriptive analysis of LBAP during the study period from both approaches, quantitative *Income Statement* approach has LBAP value ratio which is less than the models *Shari'ate Value Added Statement* approach. LBAP ratio is one ratio is often used to measure the ability of the bank's management to take advantage of total earning assets owned. The high value of LBAP indicates that banks have keuantungan level high enough in exploiting the total assets owned.

### 4. Financial Performance Assessment at the *Net Profit Margin (NPM)* using *Income Statement Approach* and the *Shari'ate Value Added Statement Approach*.

*Net Interest Margin (NIM)* or *Net Profit Margin (NPM)* is a ratio that indicates the ability of the bank's management in managing its productive assets to generate earnings. NPM shows a picture of a bank's efficiency in generating profits. This ratio is used to measure the bank's ability to generate net income before taxes (*net income*) from the point of operating incomenya. The higher the ratio of a bank NPM, it shows better results. Conversely, if the result of the lower NPM ratio, then show the results getting worse.

Islamic banks do not know their system of interest, but with a system margin, profit sharing and for loss (*profitand loss*sharing). Islamic banks applying the patterns of buying and selling and profit-sharing, the NIM / NPM is measured by the mark-up earned the bank the profit sharing rate to be paid. The main principle of Islamic banks are Islamic banks should be able to provide profit sharing to depositors at least equal to or greater than the prevailing interest rates in the conventional banks to be able to attract to the outcome of the debtor is lower than the current interest in conventional banks.

Based on the results of test *Mann Whitney U* At NPM ratio seems clear that the method *Income Statement* approach and model of *Shari'ate Value Added Statement* approach Islamic Banks in 2008 to 2012 there are significant differences. This is evidenced by a significance level of less than 0.05 NPM is equal to 0.000 < 0.05, Ha4 accepted. Also based on the descriptive analysis of NPM during the study period, from these two models quantitatively *Shari'ate Value Added Statement* approach has a higher ratio of NPM although there is a difference compared to the *Income Statement* approach. NPM ratio is an important indicator in measuring the bank's ability to obtain a net profit associated with the main activity of banks that distribute funds to customers in need, so the higher the NPM be an indication that the higher the profits from the company so that the profitability of the bank, the better.

### 5. Financial Performance Assessment on Operating Expense to Operating Income (OEOI) using Income Statement Approach and the Shari'ate Value Added Statement Approach.

The ratio of *Operating Expense to Operating Income* (OEOI) is the ratio of operating expenses to operating income or commonly known as ROA, which implies a comparison between the ratio of total operating expenses to total operating income. This ratio is used to measure the efficiency and ability of banks to carry out operations. The smaller the OEOI the more efficient banks in conducting its operational activities, this is because the cost is less than the revenue received.

The analysis of the fifth hypothesis states that there are significant differences in the ratio between the OEOI *Income Statement* approach and *Shari'ate Value Added Statement* approach on Islamic Banks in 2008 until 2012. This is evidenced by OEOI significance level of less than 0.05 is equal to  $0.000 < 0.05$ , then  $H_0$  is rejected, which means also  $H_a$  accepted. based on the analysis Descriptive against OEOI rate during the study period, from both approaches, quantitative *Shari'ate Value Added Statement* approach has OEOI ratio lower than the *Income Statement* approach.

The results showed that by using a value-added approach known to the acquisition of sharia Islamic Banks added value of the period 2008 to 2012 was higher than net income for the approach of income. Differences such great value is due to the differences in the concept of ownership and concepts used in accounting theory. As explained by Triyuwono that the two main currents of thought in accounting sharia has arrived at diametrically thinking among *the Shari'ah Enterprise Theory* (SET) and *Entity Theory* (ET), where the calculation of the Income Statement using ET while using SET Added Value report.

SET as revealed by Triyuwono have accountability wider coverage compared to ET. Accountability in question is the accountability to God, man, and nature. The consequences of the SET as the basis of the development of accounting theory sharia is the recognition of *income* in the form of added value and not more *income* in terms of profits, as used in ET.

Interest income statement seem more emphasis on the interests of the owners of capital, it is evident in the construction of the income statement. In the construction of the income statement can be seen that items such as the right of third parties in the results, ZIS, a tax which is a party that has indirectly contributed to the profit, an item which is treated as an expense that serves to reduce earnings. In addition there is one more item that employee as the party that directly has contributed greatly to the achievement of profit is also treated as an expense of the company. So called profit in this concept, is the nominal value of revenue after deducting the expenses as mentioned above.

Unlike the *Shari'ate Value Added Statement*, which uses the concept of SET. The concept of value-added sharia have a great concern to the *stakeholders*, wider namely God, man, and nature. Concern is realized by the willingness of management to distribute added value to all parties involved in the acquisition of value-added, namely the government (through taxes), employees (through salary), the owners of capital (through dividends), donation shadaqah, funds are reinvested, and the environment around.

Profit in the concept of added value is the total income, whether derived from operating income, non-operating income and revaluation. This shows that the concept of added value very concerned about the value of justice. Where all parties are entitled to feel any added value generated, irrespective of whether it comes from a major operation or not. Not so with the concept of profit and loss, in which a third party is only entitled to the income from main operations, income other than it was not entitled.

Differences in the application of the theory used in the income approach and the approach of looking at value-added sharia *income* cause the results of analysis of financial performance (ROA, ROE, LBAP, NPM, and OEOI) showed significantly different results.

## Conclusions and Recommendations

### Conclusion

Based on the results of data processing and analysis of the *independent sample* T-test, and *Mann Whitney U*, it can be concluded as follows:

1. The financial performance of Islamic Banks in Indonesia between the model of the *Income Statement Approach* and *Shari'ate Value Added Statement Approach*, if views of each financial ratio is used, then the ratio of ROA, ROE, LBAP, NPM, and OEOI there is a significant *difference*.
2. ROA, ROE, LBAP, and NPM with the *Income Statement Approach* tend to be lower than with the and *Shari'ate Value Added Statement Approach*.. while the value of OEOI *Income Statement Approach* tends to be higher than with the dan *Shari'ate Value Added Statement Approach*.
3. In Overall there are differences in the performance of Islamic Banks in Indonesia between models *Income Statement Approach* and *Shari'ate Value Added Statement Approach*, This is due to differences in construction and accounting concepts underlying both approaches. SVAS more emphasis on the principle of fairness in distributing the added value to the owners of capital, employees, customers, and government.

### Suggestions

As a suggestion for future research are expected to reinforce the theory used so it is easier to arrange hipoteses, but it is also the selection of variables that can reflect the financial performance of Islamic banking, the addition of the sample and use the latest data (Up date).

## References

- Kementrian Agama RI, *Al-Qur'anulkarim, Al Qur'an dan Terjemahnya Dilengkapi dengan Kajian Usul Fiqih dan Intisari Ayat*, Bandung: PT SYGMA EXAMEDIA ARKANLEEMA, 2011.
- Anshori, Abdul Ghofur., *Payung Hukum Perbankan Syariah di Indonesia (UU di Bidang Perbankan, Fatwa DSN-MUI, dan Peraturan Bank Indonesia)*, Yogyakarta: UII Press, 2007.
- Rahmawan, Ivan., *Kamus Istilah Akuntansi Syariah*, Yogyakarta: Pilar Media, 2005.
- Rifqi, Muhammad., *Akuntansi Keuangan Syariah Konsep dan Implementasi PSAK Syariah*, Yogyakarta: P3EI Press, 2008.
- Sudarsono, Heri , *Bank dan Lembaga Keuangan Syariah Deskripsi dan Ilustrasi*, Yogyakarta: Ekonisia, 2008
- Syafi'i Antonio, Muhammad, *Bank Syariah Dari Teori ke Praktik*, Jakarta: Gema Insani Press, 2001
- Tim Penyusun, *Pedoman Akuntansi Perbankan syariah Indonesia*, Jakarta: Ikatan Akuntansi Indonesia, 2003.
- Triuwono, Iwan dan Moh. As'udi, *Akuntansi Syari'ah Memformulasikan Konsep Laba dalam Konteks Metafora Zakat*, Jakarta: Salemba Empat, 2001.
- Triuwono, Iwan, *Perspektif, Metodologi, dan Teori Akuntansi Syariah*, Jakarta: RajaGrafindo Persada, 2006
- Eithzal Rivai, dkk., *Bank and Financial Institution management*, ed. I, Jakarta: Rajawali Pers, 2007.
- Kuncoro, Mudrajad dan Suhardjono., *Manajemen Perbankan: Teori dan Aplikasi*, Yogyakarta: BPFE, 2007.
- Masyud, Ali., *Manajemen Risiko Strategi Perbankan dan Dunia Usaha Menghadapi Tantangan Globalisasi Bisnis*, Jakarta: PT Raja Grafindo Persada, 2006.
- Muhammad, *Manajemen Bank Syariah, Edisi Revisi Kedua*, Yogyakarta: UPP STIM YKPN, 2011.
- Muhammad, *Metodologi Penelitian Ekonomi Islam Pendekatan Kuantitatif*, Jakarta: PT RajaGrafindo Persada, 2008.
- Rivai, Veithzal dan Arviyan Arifin., *Islamic Banking: sebuah teori, konsep, dan aplikasi*, Jakarta: Bumi Aksara, 2010.
- Ana Damayanti, "Analisis Perbandingan Kinerja Keuangan Bank Syariah dengan Metode Income Statement Approach dan Value added Approach dan Pengaruhnya terhadap Pertumbuhan Bank, (Studi Kasus pada Bank Muamalat Indoneisa Cabang Tasikmalaya)", *Jurnal Jurusan Akuntansi Fakultas Ekonomi Universitas Siliwangi* (2012).

- Bahtiar, Usman ., “Analisis Rasio Keuangan Dalam Memprediksi Perubahan Laba Pada Bank-bank di Indonesia,” *Media Riset Bisnis dan Manajemen*, Vol.3. No.1. April 2003. pp. 59-74.
- Bernstein, Sinta Sundarini dan Sisilia Mitha Alloy. “ Pengguna Rasio Keuangan dalam Memprediksi Laba Pada Masa Yang Akan Datang (Studi Kasus di Perusahaan Perbankan yang Terdaftar di Bursa Efek Jakarta),” *Jurnal Akuntansi dan Keuangan*, Vol. XVI, No 3, Desember 2005.
- Bernstein, Sinta Sundarini dan Sisilia Mitha Alloy. “ Pengguna Rasio Keuangan dalam Memprediksi Laba Pada Masa Yang Akan Datang (Studi Kasus di Perusahaan Perbankan yang Terdaftar di Bursa Efek Jakarta),” *Jurnal Akuntansi dan Keuangan*, Vol. XVI, No 3, Desember 2005.
- Isnaini Endah Damastuti, “Analisis Perbandingan Kinerja Keuangan Bank Syariah dengan Menggunakan *Income Statement Approach* dan *Value Added Approach* (Studi Kasus Bank Muamalat Indonesia Cabang Semarang),” *skripsi*, Universitas Diponegoro Semarang (2010).
- Maya Meisyaroh, “Laporan Nilai Tambah Syariah Dalam Upaya Peningkatan Akuntabilitas Pada Laporan Keuangan Syariah,” *skripsi*, Universitas Pendidikan Indonesia Bandung (2011).
- Muchamad Fauzi,”Analisis Perbandingan Kinerja Keuangan Bank Syariah dengan Menggunakan *Income Statement Approach* dan *Value Added Aproach*”, *Jurnal Fokus Ekonomi*, STIE Pelita Nusantara Semarang, Vol. 7 No. 2 Desember 2012.
- Mulawarman,dkk, ” Rekontruksi Teknologi Integralistik Akuntansi Syari’ah: *Shari’ate Value Added Statement*” *Jurnal Akuntansi dan Keuangan Indonesia*, Vol.4, No. 1, hal. 1-24, Juni 2007.
- Nadya Chaerunnisa dan Herry Susanto, “Analisis Perbandingan Kinerja Keuangan antara Pendekatan Laporan Laba Rugi dengan *Shari’ate Value Added Statement* (SVAS) pada PT. Bank Syariah Mandiri” *Jurnal Proceeding PESAT* (Psikologi, Ekonomi, Sastra, Arsitektur & Sipil) Universitas Gunadarma, Vol. 4 Oktober 2011.
- R.A. Vidia Gati, “Analisis Penerapan *Shariate Enterprise Theory* dan Laporan Nilai Tambah Shariah sebagai Pengganti Laporan Laba Rugi untuk Menilai Kinerja Perusahaan (Studi Kasus Bank Jatim Syariah Surabaya),” *tesis*, Institut Agama Islam Negeri Sunan Ampel Surabaya (2010).
- Ghozali, Imam., *Aplikasi Analisis Multivariate Dengan Program SPSS IBM SPSS 19*, Semarang: Penerbit UNDIP, 2011.
- Ghozali, Imam., *Ekonometrika Teori, Konsep, dan Aplikasi dengan SPSS 17*. Semarang: UNDIP, . 2009.
- Hadi, Syamsul., *Metodologi Penelitian Kuantitatif untuk Akuntansi dan Keuangan*, Yogyakarta: EKONISIA, 2006.
- Mudrajad Kuncoro., *Metode Riset untuk Bisnis dan Ekonom*, Jakarta: Penerbit Erlangga, 2003.

Bank Indonesia, *Outlook Perbankan Syariah Indonesia 2013* Jakarta: Bank Indonesia, 2012.

Direktorat Perbankan Syariah, *Outlook Perbankan Syariah Indonesia 2011*, Jakarta: Bank Indonesia, 2010.

Direktorat Perbankan Syariah, *Laporan Perkembangan Perbankan Syariah 2010*, Jakarta: Bank Indonesia, 2010.

Direktur Perbankan Syariah, *Statistik Perbankan Syariah Oktober 2011*, Jakarta: Bank Indonesia, 2011.

Direktorat Perbankan Syariah, *Outlook Perbankan Syariah Tahun 2013*, Jakarta: Bank Indonesia, 2013.

[www.bi.go.id](http://www.bi.go.id)



**Appendix**

**Different Test**

**1. Independent Sample T-Test Rasio ROA**

**Group Statistics**

| Model  | N  | Mean   | Std. Deviation | Std. Error Mean |
|--------|----|--------|----------------|-----------------|
| ROA IS | 15 | 1.5960 | .65915         | .17019          |
| SVAS   | 15 | 7.7780 | 1.82273        | .47063          |

**Independent Samples Test**

|     | Levene's Test for Equality of Variances |       | t-test for Equality of Means |         |                 |                 |                       |   |          |          |
|-----|---|-------|------------------------------|---------|-----------------|-----------------|-----------------------|---|----------|----------|
|     |   |       |                              |         |                 |                 |                       | 95% Confidence Interval of the Difference |          |          |
|     | F                                       | Sig.  | t                            | df      | Sig. (2-tailed) | Mean Difference | Std. Error Difference | Lower                                     | Upper    |          |
| ROA | Equal variances assumed                 | 7.331 | .011                         | -12.353 | 28              | .000            | -6.18200              | .50045                                    | -7.20713 | -5.15687 |
|     | Equal variances not assumed             |       |                              | -12.353 | 17.600          | .000            | -6.18200              | .50045                                    | -7.23513 | -5.12887 |

## 2. Independent Sample T-Test Rasio ROE

**Group Statistics**

| Model  | N  | Mean     | Std. Deviation | Std. Error Mean |
|--------|----|----------|----------------|-----------------|
| ROE IS | 15 | 37.3747  | 16.37882       | 4.22899         |
| SVAS   | 15 | 236.9140 | 62.90843       | 16.24289        |

**Independent Samples Test**

|     | Levene's Test for Equality of Variances | t-test for Equality of Means |      |         |        |                 |                 |                       |   |            |
|-----|---|------------------------------|------|---------|--------|-----------------|-----------------|-----------------------|---|------------|
|     |   |                              |      |         |        |                 |                 |                       | 95% Confidence Interval of the Difference |            |
|     |   | F                            | Sig. | t       | df     | Sig. (2-tailed) | Mean Difference | Std. Error Difference | Lower                                     | Upper      |
| ROE | Equal variances assumed                 | 15.901                       | .000 | -11.888 | 28     | .000            | -199.53933      | 16.78439              | -233.92060                                | -165.15807 |
|     | Equal variances not assumed             |                              |      | -11.888 | 15.889 | .000            | -199.53933      | 16.78439              | -235.14080                                | -163.93787 |

**3. Mann-Whitney Test Rasio LBAP**

**Ranks**

| Model   | N  | Mean Rank | Sum of Ranks |
|---------|----|-----------|--------------|
| LBAP IS | 15 | 8.00      | 120.00       |
| SVAS    | 15 | 23.00     | 345.00       |
| Total   | 30 |           |              |

**Test Statistics<sup>b</sup>**

|                                | LBAP              |
|--------------------------------|-------------------|
| Mann-Whitney U                 | .000              |
| Wilcoxon W                     | 120.000           |
| Z                              | -4.667            |
| Asymp. Sig. (2-tailed)         | .000              |
| Exact Sig. [2*(1-tailed Sig.)] | .000 <sup>a</sup> |

a. Not corrected for ties.

b. Grouping Variable: Model

**4. Mann-Whitney Test Rasio NPM**

**Ranks**

| Model  | N  | Mean Rank | Sum of Ranks |
|--------|----|-----------|--------------|
| NPM IS | 15 | 8.00      | 120.00       |
| SVAS   | 15 | 23.00     | 345.00       |
| Total  | 30 |           |              |

**Test Statistics<sup>b</sup>**

|                                | NPM               |
|--------------------------------|-------------------|
| Mann-Whitney U                 | .000              |
| Wilcoxon W                     | 120.000           |
| Z                              | -4.666            |
| Asymp. Sig. (2-tailed)         | .000              |
| Exact Sig. [2*(1-tailed Sig.)] | .000 <sup>a</sup> |

a. Not corrected for ties.

b. Grouping Variable: Model

### 5. Independent Sample T-Test Rasio OEI

**Group Statistics**

| Model   | N  | Mean    | Std. Deviation | Std. Error Mean |
|---------|----|---------|----------------|-----------------|
| OEOI IS | 15 | 79.8980 | 7.60778        | 1.96432         |
| SVAS    | 15 | 34.4873 | 5.66499        | 1.46269         |

**Independent Samples Test**

|      | Levene's Test for Equality of Variances |       | t-test for Equality of Means |        |                 |                 |                       |   |          |          |
|------|---|-------|------------------------------|--------|-----------------|-----------------|-----------------------|---|----------|----------|
|      |   |       |                              |        |                 |                 |                       | 95% Confidence Interval of the Difference |          |          |
|      | F                                       | Sig.  | t                            | df     | Sig. (2-tailed) | Mean Difference | Std. Error Difference | Lower                                     | Upper    |          |
| OEOI | Equal variances assumed                 | 2.291 | .141                         | 18.542 | 28              | .000            | 45.41067              | 2.44909                                   | 40.39394 | 50.42740 |
|      | Equal variances not assumed             |       |                              | 18.542 | 25.875          | .000            | 45.41067              | 2.44909                                   | 40.37531 | 50.44603 |