

ANALYZING THE PERFORMANCE OF INDONESIAN ISLAMIC RURAL BANKS: DOES BANK SIZE MATTER?

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ABSTRACT

This paper aims to analyze the effect of bank size on performance of Indonesian Islamic rural banks. To achieve this objective, this study analyzes quarterly panel data of financial report from Indonesian Islamic rural banks from Q12011 to Q42016 with total 3,222 observations. Performance, as the dependent variable in this study, is measured by return on assets. Bank size, as the independent variable in this study, is measured by natural logarithm of total assets. In addition, this study also uses financing ratio, capital ratio, nonperforming financing, GDP growth rate and inflation rate as control variables. The result shows that the size has a positive and significant effect on performance in small banks. By examining the effect of bank size on performance of Indonesian Islamic rural banks, this study is expected to fill the gap in literature of Islamic financial institutions in Indonesia, especially the Islamic rural banks.

Keywords: Islamic rural bank, bank performance, bank size, panel data.

INTRODUCTION

Islamic bank is one of the most important financial institutions in the economy. It functions as a financial intermediary between parties who have funds and parties who need funds by using sharia principles. Islamic banking in Indonesia consists of sharia commercial banks, sharia business units and Islamic rural banks. However, there are other classifications which state that the Islamic rural bank is one of the three categories of Islamic microfinance institutions in Indonesia besides the Micro Finance Division in Islamic Banks and Baitul Maal wat Tamwil (Obaidullah, 2008; Obaidullah & Khan, 2008). Therefore, Islamic rural bank can also be an example of fully commercialized microfinance institution.

Indonesia is a country with the greatest diversity of conventional and Islamic microfinance. Islamic finance in Indonesia, the largest Muslim country, has developed since around 1990, especially in response to the political demands of Islamic scholars and organizations. The first Islamic cooperative was established in 1990, followed by Islamic rural bank in 1991 and the first sharia commercial bank in 1992 (Seibel, 2008). Islamic rural banks have experienced a rapid growth. Starting with the first four Islamic rural banks in

1992, the number of Islamic rural banks continued to grow to 167 Indonesian Islamic rural banks in June 2018 (Riwajanti, 2013; OJK, 2018).

At the end of 2016, Indonesian Islamic banking consisting of sharia commercial banks, sharia business units, and Islamic rural banks recorded growth in assets. Islamic banking industry grew significantly at 20.28 percent. The total assets in the national Islamic banking industry in 2016 reached IDR 365.6 trillion (OJK, 2016b). The growth of Islamic rural banks can also be seen from the aggregate total assets of Islamic rural banks. The total assets of Islamic rural banks increase every year in line with the increase in the number of Islamic rural banks (see Figure 1). However, in terms of performance, which is represented by aggregate return on assets, the performance of Islamic rural banks fluctuates and tends to decline (see Figure 2). It indicates that most of Indonesian Islamic rural banks still suffer losses and have poor performance (OJK, 2016c).

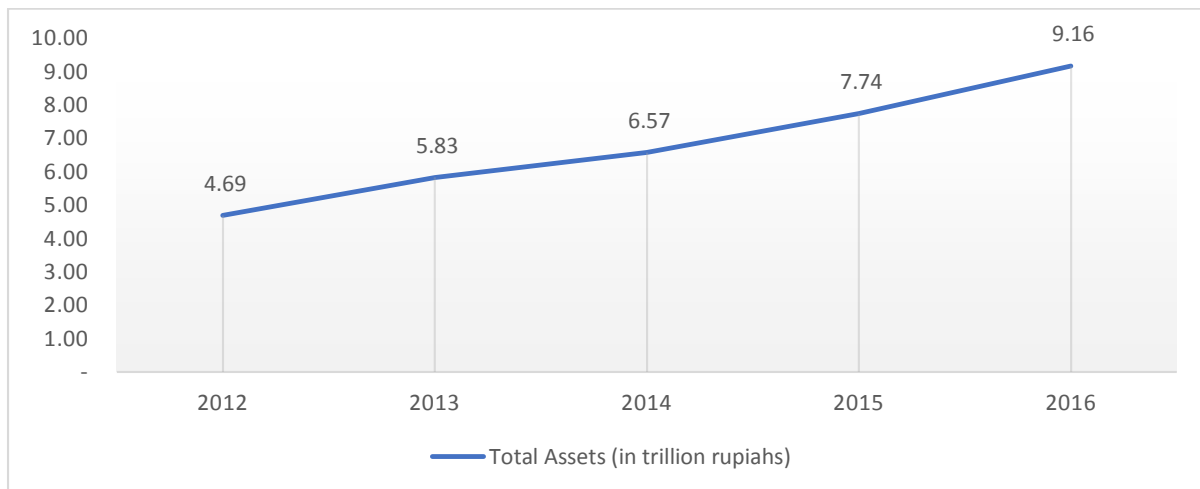


Figure 1: The Growth of Assets of Islamic Rural Banks

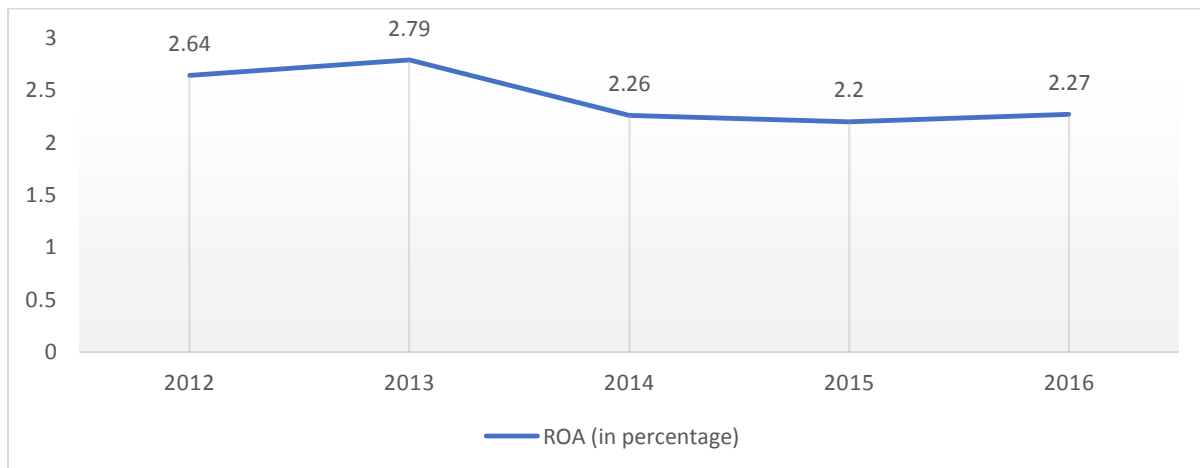


Figure 2: Performance of Islamic Rural Banks

Islamic rural banks also have poor performance reflected in low return on assets. Of the total 1,797 conventional and Islamic rural banks, most (68 percent) have limited capital (under 6 billion rupiahs). The limitation of capital can lead to various obstacles that can exacerbate corporate governance and lead to the failure to achieve economies of scale which results in poor performance of conventional and Islamic rural banks (OJK, 2016a).

One of the factors affecting performance is the size of the company. Previous studies (e.g., Al-Kayed, Zain, & Duasa, 2014; Gatsi, 2012; Pratomo & Ismail, 2007; Rajha & Alshehat, 2014; Siddik, Kabiraj, & Joghee, 2016) included firm size as one of determining variables and control variables used when analyzing bank performance. Because of the rapid growth of Indonesian Islamic rural banks, the government as a policy maker have to create a good environment for the growth of this institution. Therefore, this study will analyze the effect of bank size on the performance of Indonesian Islamic rural banks during 2011-2016.

This research contributes in several ways. First, this study is one of the first studies that examines the effect of bank size on performance of Indonesian Islamic rural banks by using panel data with total 3,222 observations from 157 Islamic rural banks spread across 23 provinces in Indonesia over the period 2011-2016. Panel data can provide more information, better variability, reduce the relationship between independent variables, provide more degrees of freedom, and be more efficient. It can detect and measure effects that cannot be done by time-series data and cross section. It also allows researchers to study more complex behavioral models and can minimize bias. In short, panel data can enrich empirical analysis in ways that are not possible if only using cross-section or time series data (Gujarati, 2004). In Addition, research using Islamic rural banks' samples in Indonesia is still limited (Riwajanti, 2013). Previous studies only provide a descriptive description of the background, development, and possible challenges that will be faced by the Islamic rural banks going forward (Karim, Tarazi, & Reille, 2008; Seibel, 2008). This research is expected to fill the gap and contribute to the literature on Islamic rural banks.

Second, previous studies have examined the effect of firm size on performance, both in banks (e.g., Al-Kayed, Zain, & Duasa, 2014; Gatsi, 2012; Pratomo & Ismail, 2007; Rajha & Alshehat, 2014; Siddik, Kabiraj, & Joghee, 2016) and microfinance institutions (e.g., Kipesha, 2013; Kyereboah- Coleman, 2007). However, previous studies still show mixed results. This study fills the gap by examining the effect of firm size on the performance of Indonesian Islamic rural banks. Moreover, this study is also expected to provide insight for the government as a policy maker and for owners regarding the influence of bank size on performance so as to enable them to improve performance control and monitoring based on the bank size.

The next section of this article contains literature review. This section will be followed by research methods and discussion of the results. This paper ends with a conclusion that synthesizes the main findings and highlights some of the implications of the findings and directions of future research.

LITERATURE REVIEW

Performance is a function of various internal and external factors from the company's operations. One of the important factors is the firm size, which shows the number of available resources owned by the company. Firm size has been shown to have an impact on performance because of the gains and losses faced by companies with a certain level of growth (Kipesha, 2013).

Previous studies examining the impact of bank size on performance still show mixed results. Sufian and Noor (2012) found that size has positive impact on profitability of Indian banks. Kipesha (2013) examined the impact of firm size on performance using panel data from 30 microfinance institutions in Tanzania. The result shows that size has a positive impact on performance of microfinance institutions. Rajha and Alshehat (2014) also found that the firm size has a positive and significant effect on profitability of Islamic banks in Jordan. This result shows that the greater the size of the bank, the more banks can achieve

profitability. Zouari and Taktak (2014), Meero (2015), Petria, Capraru, and Ihnatov (2015), Siddik et al., (2016) and Bitar, Madiès, and Taramasco (2017) also found that bank size has positive impact on performance. This finding is important for banks because it shows that large banks will have better performance because of economical scale arguments.

However, Pasiouras and Kosmidou (2007), Pratomo and Ismail (2007), Gatsi (2012), Al-Kayed et al., (2014), Ashraf, Hassan, and Hippler III (2014), Mokni and Rachdi (2014) and Al-Gasaymeh (2016) found that size has negative impact on performance. The negative coefficient indicates that in both cases, larger (smaller) banks tend to earn lower (higher) profits and provides support to the studies that found either economies of scale and scope for smaller banks or diseconomies for larger financial institutions. Their results concluded that banks should direct their attention in a more efficient cost control rather than following policies such as consolidation that would further increase their size.

On the other hand, Warninda (2014) found that bank size has no significant effect on Islamic rural bank profitability in the short run but has significant negative effect in the long run. This result means that bank size has a great negative influence on Islamic rural bank profitability in the long run. The greater the growth of total assets will further decrease profitability. Kagecha (2014) investigated the impact of bank size on commercial bank performance in Kenya using panel data for the period 2007-2014. By using generalized method of moment (GMM) estimation technique, he found that size does not matter in determining bank profitability for the case of commercial banks in Kenya. This implies that although scale economies are important for profitability, local markets in Kenya do not always allow such scale economies to translate to higher profitability. Anarfo (2015) examined the impact of firm size on ROA, ROE, and net interest margin (NIM) using panel data from 37 countries in the Sub Africa. He also found that the firm size did not significantly affect ROA and ROE, but was statistically significant in determining NIM. In addition, Caporale, Lodh, and Nandy (2017) also found that size did not appear to play a role.

DATA AND METHODS

Data

The population in this study includes 166 Indonesian Islamic rural banks. The analysis is carried out using unbalanced quarterly panel data during 2011-2016. The sample criteria used are Islamic rural banks that provide financial statements in 2011-2016 and have financial reports of at least two years (eight quarters). The samples that met the criteria in this study are 157 Islamic rural banks from 23 provinces with a total of 3,222 observations. The accounting data for each Islamic rural bank is obtained from financial statements available on the Financial Services Authority (OJK) website. Although not audited, the financial statements are generally prepared and presented in accordance with the financial reporting standards.

Research Model

To analyze the effect of size on performance of Indonesian Islamic rural banks, this study uses panel data regression with the basic panel data regression model formulated as follows.

$$Y_{it} = \alpha + \beta X_{it} + \varepsilon_{it} \quad (1)$$

Where Y_{it} is the dependent variable of Islamic rural bank i at time t , α is a constant, β is the coefficient of each variable, X_{it} is the independent variable of Islamic rural bank i at time t , t shows the time period ($t = 1, 2, \dots, T$), and i shows cross section ($i = 1, 2, \dots, N$), ε_{it} is error term.

More specifically, the basic model of panel data regression for this study is formulated as follows.

$$FP_{it} = \alpha + \beta SIZE_{it} + \theta CONTROL_{it} + \varepsilon_{it} \quad (2)$$

Where FP_{it} is the financial performance of Islamic rural bank i at time t , α is a constant, β is the firm size coefficient, $SIZE_{it}$ is the size of the Islamic rural bank i at time t , θ is the coefficient of the control variables, $CONTROL_{it}$ is the bank specific characteristics, macroeconomic factors and other additional control variables of Islamic rural bank i at time t , ε_{it} is error term.

Performance, as the dependent variable in this study, is measured by return on assets. The higher the return on assets value indicates the better performance of Islamic rural banks. This study only uses performance measures based on accounting data and does not use market-based performance measures because all banks used in this study are not listed on the stock exchange. In addition, this study uses one of six indicators used to assess the performance of Islamic rural banks with performance indicator methods that are more appropriate to measure the performance of Islamic rural bank compared to using CAMEL which is more commonly applied in commercial banks (Buchori, Himawan, Setijawan, & Rohmah, 2003).

Bank size, as the independent variable in this study, is measured by the natural logarithm of total assets. The total value of assets is usually very large compared to other financial variables, for that the asset variable is refined to be the natural logarithm (\ln) of total assets, as used by previous studies (e.g., Kyereboah- Coleman, 2007; Pratomo & Ismail, 2007; Athanasoglou, Brissimis, & Delis, 2008; Yeh, 2011; Gatsi, 2012; Kipsha, 2013; Mokni and Rachdi, 2014; Rajha & Alshehat, 2014; Anarfo, 2015; Meero, 2015; Siddik et al., 2016, Rashid & Jabeen, 2016). The use of natural logarithm aims to reduce excess data fluctuations. By using natural logarithm, the value of billion and even trillion will be simplified, without changing the proportion and value of actual assets.

In addition, to isolate the effect of size on performance of Indonesian Islamic rural banks, a number of control variables are applied in this study. This study uses two sets of control variables commonly used, namely bank-specific characteristics (internal factors) and macroeconomic factors (external factors). The bank's specific characteristics consist of the ratio of total financing to total assets (FIN), the ratio of total equity to total assets (ETA) and the ratio of nonperforming financing (NPF) (Zarrouk, Ben Jedidia, & Moualhi, 2016). Macroeconomic factors consist of the growth rate of gross domestic product (GDP) and inflation rate (INF) (Pasiouras & Kosmidou, 2007; Gatsi, 2012; Anarfo, 2015; Petria et al., 2015; Al-Gasaymeh, 2016; Siddik et al., 2016; Zarrouk et al., 2016). We also include the number of banks, time fixed effect and province fixed effect in the model.

Based on the variables discussed, the model used to estimate the effect of firm size on the performance of Indonesian Islamic rural banks is formulated as follows.

$$ROA_{it} = \alpha + \beta SIZE_{it} + \theta_1 FIN_{it} + \theta_2 ETA_{it} + \theta_3 NPF_{it} + \theta_4 GDP_{it} + \theta_5 INF_{it} + \varepsilon_{it} \quad (3)$$

Where:

- ROA_{it} = ratio of net income divided by total assets;
- $SIZE_{it}$ = natural logarithm of total assets;
- FIN_{it} = the ratio of total financing divided by total assets;
- ETA_{it} = the ratio of total equity divided by total assets;
- NPF_{it} = the ratio of nonperforming financing;
- GDP_{it} = the rate of growth of gross domestic product;
- INF_{it} = inflation rate; and
- ε_{it} = error term

Regression analysis of static panel data in this study was conducted using within fixed effect model. The model can control the effects of unobserved time-invariant heterogeneity. We also compare the results by using random effect model. In addition, this study also uses clustering standard error in individual level as suggested by Cameron and Miller (2015).

RESULTS

Descriptive Statistics

Table I shows the mean of Islamic rural bank performance in terms of return on assets. The mean value of return on assets is 0.38 percent. The low mean value of return on assets indicates that most of Islamic rural banks operate in losses so as not to generate profits from their assets.

Table 1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
<i>Dependent Variables</i>					
Return on assets (ROA)	3222	0.384711	1.028411	-2.46025	1.922672
<i>Independent Variables</i>					
<i>ln</i> total assets (Size)	3222	16.72015	.9887051	14.99565	18.66075
<i>Control Variables</i>					
Financing ratio	3222	74.23047	10.17999	52.09935	89.33923
Capital ratio	3222	17.87022	10.85777	6.485128	46.62527
Nonperforming Financing	3222	10.97775	11.84942	0	96
GDP growth rate	3222	1.347124	3.286334	-9.471845	15.1407
Inflation rate	3222	1.272368	1.336933	-26.88372	7.442455

Regression Analysis

Table 2 shows that size has positive and significant effect on performance at 5 percent significance level by using fixed effect model and at 1 percent significance level by using random effect model. This positive coefficient indicates that the larger the Islamic rural banks, the better their performance. This result is in line with previous studies (e.g., Sufian & Noor 2012; Kipsha 2013; Rajha & Alshehat 2014; Zouari & Taktak 2014; Meero 2015; Petria, Capraru, & Ihnatov 2015; Siddik et al., 2016; Bitar, Madiès, & Taramasco 2017) which found that the size has positive impact on performance. This result is also in line with Ibrahim and Rizvi (2017) who found that larger Islamic banks are more stable. From the stability point of view, it suggests that Islamic banks need to be bigger.

For control variables, financing ratio has a positive and significant effect on performance at 1 percent significance level both in fixed effect and random effect model. This result indicates that Islamic rural bank has taken more financial stress by making excessive financing. This ratio measures the percentage of total assets the bank has invested in financing. The positive coefficient explains that the higher financing ratio, the better their performance because they can increase profit income. On the other hand, the nonperforming financing has a negative and significant effect on performance at 1 percent significance level. The higher the nonperforming financing, the bad performance because it exhibits the loss probability. Other variables do not statistically affect the performance of Indonesian Islamic rural banks.

Table 2: Size and Performance of Indonesian Islamic Rural Banks

Variables	Fixed Effect	Random Effect
	ROA	ROA
Size	0.204** (0.081)	0.208*** (0.057)
Financing ratio	0.010*** (0.004)	0.010*** (0.003)
Capital ratio	0.008 (0.006)	0.010* (0.005)
Nonperforming financing	-0.026*** (0.005)	-0.026*** (0.004)
GDP growth rate	0.007 (0.004)	0.007 (0.004)
Inflation rate	0.016* (0.009)	0.015* (0.009)
Constant	-3.789** (1.523)	-4.188*** (1.059)
Observations	3,222	3,222
R-squared	0.1001	0.0997
Number of Islamic rural banks	157	157
Control variables include number of banks, time fixed effect, and province fixed effect. Robust standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.10.		

We also divide the Islamic rural banks into four groups based on asset they have. This strategy will be good insight for policy strategy to control and monitor the Islamic rural banks based on the bank asset group. Our estimation result in Table 3 shows that the size has a positive and significant effect on performance at 1 percent significance level in 1st quartile and 2nd quartile for both fixed effect and random effect model. This result indicates that the size has a positive and significant effect on performance in small banks.

CONCLUSION

This paper aims to analyze the effect of size on performance of Indonesian Islamic rural banks during the period 2011-2016. The results show that size has positive and significant effect on performance of Indonesian Islamic rural banks. When the total assets are divided into four groups, the results also show that the size has a positive and significant effect on performance but only in small banks. This result is expected to give more insights for the government as a policy maker and for the owners regarding the effect of size on performance so as to improve control and monitoring on performance based on the size. This study only uses one variable as performance measures. Future research can consider other performance measures and can compare with sharia commercial banks or conventional rural banks.

Table 3: Size and Performance Based on Group Size

Variables	Fixed Effect				Random Effect			
	1 st quartile	2 nd quartile	3 rd quartile	4 th quartile	1 st quartile	2 nd quartile	3 rd quartile	4 th quartile
Size	0.856*** (0.266)	0.541*** (0.183)	-0.341** (0.158)	0.104 (0.097)	0.897*** (0.254)	0.360** (0.157)	-0.139 (0.146)	0.002 (0.072)
Financing ratio	0.017** (0.007)	-0.008 (0.006)	-0.004 (0.004)	-0.001 (0.005)	0.018*** (0.006)	-0.002 (0.004)	-0.001 (0.003)	-0.001 (0.004)
Capital ratio	0.015 (0.010)	0.036*** (0.010)	0.033** (0.014)	0.052*** (0.012)	0.014 (0.009)	0.020*** (0.005)	0.014*** (0.004)	0.031*** (0.006)
Nonperforming financing	-0.014** (0.007)	-0.034*** (0.007)	-0.034*** (0.008)	-0.051*** (0.011)	-0.015** (0.006)	-0.032*** (0.005)	-0.035*** (0.007)	-0.043*** (0.011)
GDP growth rate	0.014 (0.012)	0.010 (0.012)	-0.002 (0.006)	0.012* (0.006)	0.013 (0.012)	0.010 (0.012)	0.001 (0.006)	0.011* (0.006)
Inflation rate	0.024 (0.029)	0.003 (0.023)	0.009 (0.018)	0.014* (0.008)	0.021 (0.029)	0.004 (0.023)	0.015 (0.019)	0.015* (0.008)
Constant	-14.862*** (4.013)	-8.856*** (2.965)	6.619** (2.801)	-1.152 (1.859)	-16.173*** (3.817)	-6.372** (2.563)	3.167 (2.538)	0.727 (1.308)
Observations	806	805	806	805	806	805	806	805
R-squared	0.115	0.138	0.192	0.181	0.1133	0.1314	0.1815	0.1736
Number of Islamic rural banks	75	99	90	63	75	99	90	63
Control variables include number of banks, time fixed effect, and province fixed effect. Robust standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.10.								

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APPENDIX

Sample Composition of Islamic Rural Banks

No.	Islamic Rural Bank's Name	Freq.	Percent	Cum.
1	PT BPRS Adeco	20	0.62	0.62
2	PT BPRS Al Barokah	21	0.65	1.27
3	PT BPRS Al Falah	18	0.56	1.83
4	PT BPRS Al Hijrah Amanah	23	0.71	2.55
5	PT BPRS Al Ihsan	23	0.71	3.26
6	PT BPRS Al Ma'soem Syariah	23	0.71	3.97
7	PT BPRS Al Mabzur	23	0.71	4.69
8	PT BPRS Al Mabzur Babadan	22	0.68	5.37
9	PT BPRS Al Makmur	21	0.65	6.02
10	PT BPRS Al Salaam Amal Salman	20	0.62	6.64
11	PT BPRS Al Wadi'ah	21	0.65	7.29
12	PT BPRS Al Washliyah	23	0.71	8.01
13	PT BPRS Al-Madinah Tasikmalaya	20	0.62	8.63
14	PT BPRS Al-Yaqin	20	0.62	9.25
15	PT BPRS Aman Syariah	8	0.25	9.50
16	PT BPRS Amanah Bangsa	20	0.62	10.12
17	PT BPRS Amanah Insan Cita	22	0.68	10.80
18	PT BPRS Amanah Insani	21	0.65	11.45
19	PT BPRS Amanah Rabbaniah	23	0.71	12.17
20	PT BPRS Amanah Sejahtera	23	0.71	12.88
21	PT BPRS Amanah Ummah	23	0.71	13.59
22	PT BPRS Ampek Angkek Candung	21	0.65	14.25
23	PT BPRS Annisa Mukti	20	0.62	14.87
24	PT BPRS Arta Leksana	23	0.71	15.58
25	PT BPRS Artha Amanah Ummat	22	0.68	16.26
26	PT BPRS Artha Fisabilillah	23	0.71	16.98
27	PT BPRS Artha Karimah Irsyadi	22	0.68	17.66
28	PT BPRS Artha Madani	21	0.65	18.31
29	PT BPRS Artha Mas Abadi	23	0.71	19.03
30	PT BPRS Artha Pamenang	22	0.68	19.71
31	PT BPRS Artha Surya Barokah	19	0.59	20.30
32	PT BPRS Asad Alif	21	0.65	20.95
33	PT BPRS Asri Madani Nusantara	19	0.59	21.54
34	PT BPRS Attaqwa	19	0.59	22.13
35	PT BPRS Bahari Berkesan	18	0.56	22.69
36	PT BPRS Baiturrahman	21	0.65	23.34
37	PT BPRS Baiturridha Pusaka	22	0.68	24.02
38	PT BPRS Bakti Artha Sejahtera Sampang	13	0.40	24.43
39	PT BPRS Baktimakmur Indah	22	0.68	25.11
40	PT BPRS Bandar Lampung	16	0.50	25.61

41	PT BPRS Bangka	21	0.65	26.26
42	PT BPRS Bangun Drajat Warga	19	0.59	26.85
43	PT BPRS Barakah Nawaitul Ikhlas	21	0.65	27.50
44	PT BPRS Barkah Gemadana	22	0.68	28.18
45	PT BPRS Barokah Dana Sejahtera	22	0.68	28.86
46	PT BPRS Berkah Dana Fadhillah	21	0.65	29.52
47	PT BPRS Berkah Ramadhan	21	0.65	30.17
48	PT BPRS Bhakti Haji	23	0.71	30.88
49	PT BPRS Bhakti Sumekar	22	0.68	31.56
50	PT BPRS Bina Amanah Satria	23	0.71	32.28
51	PT BPRS Bina Amwalul Hasanah	20	0.62	32.90
52	PT BPRS Bina Rahmah	19	0.59	33.49
53	PT BPRS Buana Mitra Perwira	21	0.65	34.14
54	PT BPRS Bumi Artha Sampang	23	0.71	34.85
55	PT BPRS Bumi Rinjani Batu	23	0.71	35.57
56	PT BPRS Bumi Rinjani Kepanjen	22	0.68	36.25
57	PT BPRS Bumi Rinjani Probolinggo	17	0.53	36.78
58	PT BPRS Cahaya Hidup	17	0.53	37.31
59	PT BPRS Carana Kiat Andalas	23	0.71	38.02
60	PT BPRS Cempaka Al Amin	23	0.71	38.73
61	PT BPRS Central Syariah Utama	20	0.62	39.35
62	PT BPRS Cilegon Mandiri	23	0.71	40.07
63	PT BPRS Daarut Tauhiid	22	0.68	40.75
64	PT BPRS Dana Amanah	23	0.71	41.46
65	PT BPRS Dana Hidayatullah	22	0.68	42.15
66	PT BPRS Dana Moneter	23	0.71	42.86
67	PT BPRS Dana Mulia	24	0.74	43.61
68	PT BPRS Danagung Syariah	19	0.59	44.20
69	PT BPRS Daya Artha Mentari	21	0.65	44.85
70	PT BPRS Dharma Kuwera	18	0.56	45.41
71	PT BPRS Dinar Ashri	23	0.71	46.12
72	PT BPRS Formes	21	0.65	46.77
73	PT BPRS Gajah Tongga Kota Piliang	18	0.56	47.33
74	PT BPRS Gala Mitra Abadi	20	0.62	47.95
75	PT BPRS Gebu Prima	21	0.65	48.60
76	PT BPRS Gotong Royong	12	0.37	48.98
77	PT BPRS Gowata	21	0.65	49.63
78	PT BPRS Gunung Slamet	22	0.68	50.31
79	PT BPRS Haji Miskin	23	0.71	51.02
80	PT BPRS Hareukat	23	0.71	51.74
81	PT BPRS Harta Insan Karimah	23	0.71	52.45
82	PT BPRS Harta Insan Karimah Bekasi	19	0.59	53.04
83	PT BPRS Harta Insan Karimah Cibitung	21	0.65	53.69
84	PT BPRS Harta Insan Karimah Makassar	14	0.43	54.13

85	PT BPRS Harta Insan Karimah Parahyangan	18	0.56	54.69
86	PT BPRS Harta Insan Karimah Surakarta	12	0.37	55.06
87	PT BPRS Hasanah	23	0.71	55.77
88	PT BPRS Hikmah Wakilah	21	0.65	56.42
89	PT BPRS Ibadurrahman	19	0.59	57.01
90	PT BPRS Ikhsanul Amal	23	0.71	57.73
91	PT BPRS Indo Timur	22	0.68	58.41
92	PT BPRS Insan Cita Artha Jaya	23	0.71	59.12
93	PT BPRS Insan Madani	19	0.59	59.71
94	PT BPRS Investama Mega Bakti	17	0.53	60.24
95	PT BPRS Jabal Nur	20	0.62	60.86
96	PT BPRS Jabal Tsur	22	0.68	61.55
97	PT BPRS Karya Mugi Sentosa	21	0.65	62.20
98	PT BPRS Khasanah Ummat	23	0.71	62.91
99	PT BPRS Kota Juang	23	0.71	63.63
100	PT BPRS Kota Mojokerto	17	0.53	64.15
101	PT BPRS Kotabumi	19	0.59	64.74
102	PT BPRS Lampung Timur	23	0.71	65.46
103	PT BPRS Lantabur Tebuireng	22	0.68	66.14
104	PT BPRS Madina Mandiri Sejahtera	21	0.65	66.79
105	PT BPRS Madinah	23	0.71	67.50
106	PT BPRS Mandiri Mitra Sukses	20	0.62	68.13
107	PT BPRS Margirizki Bahagia	20	0.62	68.75
108	PT BPRS Mentari	22	0.68	69.43
109	PT BPRS Mentari Pasaman Saiyo	13	0.40	69.83
110	PT BPRS Meru Sankara	23	0.71	70.55
111	PT BPRS Metro Madani	20	0.62	71.17
112	PT BPRS Mitra Agro Usaha	13	0.40	71.57
113	PT BPRS Mitra Amal Mulia	21	0.65	72.22
114	PT BPRS Mitra Amanah	12	0.37	72.59
115	PT BPRS Mitra Cahaya Indonesia	21	0.65	73.25
116	PT BPRS Mitra Harmoni Kota Bandung	20	0.62	73.87
117	PT BPRS Mitra Harmoni Kota Malang	21	0.65	74.52
118	PT BPRS Mitra Harmoni Kota Semarang	24	0.74	75.26
119	PT BPRS Mitra Harmoni Yogyakarta	22	0.68	75.95
120	PT BPRS Muamalah Cilegon	23	0.71	76.66
121	PT BPRS Muamalat Harkat	20	0.62	77.28
122	PT BPRS Mulia Berkah Abadi	22	0.68	77.96
123	PT BPRS Musyarakah Ummat Indonesia	22	0.68	78.65
124	PT BPRS Niaga Madani	19	0.59	79.24
125	PT BPRS Nurul Ikhwan	21	0.65	79.89
126	PT BPRS Oloan Ummah Sidempuan	19	0.59	80.48
127	PT BPRS PNM Binama	17	0.53	81.01
128	PT BPRS Patriot Bekasi	19	0.59	81.60

129	PT BPRS Patuh Beramal	23	0.71	82.31
130	PT BPRS Puduarta Insani	21	0.65	82.96
131	PT BPRS Rahma Syariah	21	0.65	83.61
132	PT BPRS Rahman Hijrah Agung	20	0.62	84.23
133	PT BPRS Rahmania Dana Sejahtera	21	0.65	84.89
134	PT BPRS Rajasa	17	0.53	85.41
135	PT BPRS Renggali	19	0.59	86.00
136	PT BPRS Rif'atul Ummah	19	0.59	86.59
137	PT BPRS Safir	15	0.47	87.06
138	PT BPRS Saka Dana Mulia	16	0.50	87.55
139	PT BPRS Sarana Prima Mandiri	22	0.68	88.24
140	PT BPRS Serambi Mekah	21	0.65	88.89
141	PT BPRS Sindanglaya Katonapan	17	0.53	89.42
142	PT BPRS Situbondo	22	0.68	90.10
143	PT BPRS Sukowati Sragen	22	0.68	90.78
144	PT BPRS Suriyah	23	0.71	91.50
145	PT BPRS Surya Sejati	22	0.68	92.18
146	PT BPRS Syariah Magetan	16	0.50	92.68
147	PT BPRS Syariat Fajar Sejahtera Bali	23	0.71	93.39
148	PT BPRS Syarikat Madani	21	0.65	94.04
149	PT BPRS Tanggamus	23	0.71	94.75
150	PT BPRS Tanmiya Artha	22	0.68	95.44
151	PT BPRS Tengku Chiek Dipante	20	0.62	96.06
152	PT BPRS Tulen Amanah	21	0.65	96.71
153	PT BPRS Ummu	23	0.71	97.42
154	PT BPRS Unawi Barokah	23	0.71	98.14
155	PT BPRS Vitka Central	17	0.53	98.67
156	PT BPRS Wakalumi	21	0.65	99.32
157	PT BPRS Way Kanan	22	0.68	100.00
	Total	3,222	100.00	

Sample Composition of Islamic Rural Banks Based on Province

No.	Province	Freq.	Percent	Cum.
1	Aceh	188	5.83	5.83
2	Bali	23	0.71	6.55
3	Bangka Belitung	21	0.65	7.20
4	Banten	174	5.40	12.60
5	Bengkulu	35	1.09	13.69
6	DI Yogyakarta	225	6.98	20.67
7	DKI Jakarta	23	0.71	21.38
8	Jawa Barat	561	17.41	38.80
9	Jawa Tengah	527	16.36	55.15
10	Jawa Timur	584	18.13	73.28

11	Kalimantan Selatan	22	0.68	73.96
12	Kalimantan Tengah	12	0.37	74.33
13	Kalimantan Timur	19	0.59	74.92
14	Kepulauan Riau	38	1.18	76.10
15	Lampung	161	5.00	81.10
16	Maluku Utara	18	0.56	81.66
17	Nusa Tenggara Barat	67	2.08	83.74
18	Riau	44	1.37	85.10
19	Sulawesi Barat	21	0.65	85.75
20	Sulawesi Selatan	138	4.28	90.04
21	Sumatera Barat	140	4.35	94.38
22	Sumatera Selatan	18	0.56	94.94
23	Sumatera Utara	163	5.06	100.00
	Total	3,222	100.00	