

CHAPTER ONE

INTRODUCTION

A. BACKGROUND OF STUDY

The development of Islamic finance in Indonesia began with establishment of PT BPRS Berkah Amal Sejahtera in Bandung on 1991. Furthermore PT Indonesian Muamalat Bank as the first commercial bank that operates based on Islamic principles. However, the development of Islamic economics is also followed with the development of Islamic Financial Institutions outside the banking structure as Baitul Maal wa Tamwil.¹

Baitul Mal wa Tamwil (BMT) is a simple model of Islamic financial institutions which funding of distribution process is done in a simple, inexpensive, fast with a small community and based on Islamic principles.² As for some financial products and services offered by BMT similar to those in the Islamic rural banks. Not only in terms of products but also in terms of the target market, both BMT and BPRS organizations strive to serve small and medium enterprises.

But behind the growth of BMT in Indonesia, not a few BMT that went bankrupt. Among the causes of bankrupt is the inability of BMT to overcome

¹ Toto Tohir, *Eksistensi BMT sebagai Lembaga Keuangan Syariah di Indonesia*. (Published In Hukum pro Justitia Journal. No. 4. Year XXII October 2004) Law Faculty of Bandung Islamic University. p. 2

² Tyas D Hascaryni, Asfi Manzilati & Nurman S Fadjar, *Metafora Risk and Return*. (published in Journal of Indonesian Applied Economics. Vol 5. No 1. May 2011). Business & Economic Faculty of Brawijaya University. p. 94.

the weakness operational and also the lack of regulation and supervision. For example is BMT Madani in Yogyakarta due to improper finance and bad credit sector. It makes all members of BMT to withdraw all funds, or rush. And the second is BMT Maskumambang in East Java, caused by factor analysis and financing procedures are not fulfilled.³

To keep the condition of BMT from the failure, BMT needs a strategy that be able to keep the health condition of BMT as practiced to BPRS by Indonesian Bank. The regulation is to prevent a crisis like that has happened in 1997 is a weak banking system.⁴

Among supervisory rating system used are CAMEL, CAMELS, BOPEC, CAEL, PATROL, ORAP, BAKIS, RATE and others. But CAEL (Capital, Assets, Earning, and Liquidity) and Management Factors is a new tool to analyze of financial statements used by Bank of Indonesia to substitute CAMEL systems.⁵

Factor which will assessed equal to the CAMEL method they are Capital, Asset, Management, Earning and Liquidity. But it divided into two factors, CAEL as a finance factors and Management factors as the second. The reason for the separation was due to the financial factor is only able to

³ Minako Sakai & Kacung Marijan, *Mendayagunakan Pembiayaan Mikro Islam*. (Australian: Crawford School of Economics Government, 2008), p. 1.

⁴ Mudrajad Kuncoro & Suhardjono, *Manajemen Perbankan Teori dan Aplikasi First Edition*. (Yogyakarta: BPFE, 2002), p. 29.

⁵ Appendix, Circular No. appears logical. 9/17/DPbs, 2007. www.bi.go.id/web/id/Peraturan/Perbankan/se_092907.htm. Accessed on 20 February 2012. At 10.20 AM.

describe the financial condition but management factor acts as a leading indicator of the success of the bank and is able to influence the financial factors. .⁶

One of BMT that has a very significant growth in asset is BMT Gontor that is reaching 400 percent for the first in three years. As a business unit in Darussalam Gontor Islamic Boarding School, BMT managed and operated by human resource that educated from non-professional practitioners in financial institutions. They are university students, teachers and lectures who have activities outside of financial institutions. But they were able to record net income of Rp 500 million in only three years.

After operating 3 years from establishing (October 2009), will does BMT Gontor still keep the health condition? So from this question the researcher tries to reveal condition of BMT Gontor which measured by CAEL and Management factor in October until December 2012.

B. PROBLEM FORMULATION

Based on the background above, the problems which will be researched are limited into two questions below:

1. What are the capital, asset, earning, liquidity and management ratio of BMT La Tansa Gontor as it is measured by CAEL and Management Factors?

⁶ Appendix, Ask & Question of Regulation of Indonesian Bank No. 9/17/PBI/2007 www.bi.go.id about FAQ of BPRS Assessment. Accessed on 7 July 2013 at 6:32 PM.

2. What is the analysis of financial statement of BMT La Tansa Gontor as it is measured by CAEL and Management Factors?

C. PURPOSE OF STUDY

In line with the problems above the purposes of this study are:

1. To know the capital, asset, earning, liquidity and management ratio of BMT La Tansa Gontor as it is measured by CAEL and Management Factors.
2. To elaborate the analysis of financial statement of BMT La Tansa Gontor if measured by CAEL and Management Factors.

D. SIGNIFICANCE OF STUDY

The significance of this study is divided into theoretical and practical.

1. Theoretical significance:
 - a. To contribute the study of microfinance management, especially the financial statement of BMT.
 - b. To give more references in Islamic Economic concerning financial statement of BMT.
2. Practical significance:
 - a. To brief guidance for BMT, especially in financial performance.

- b. To evaluate the BMT performance particularly the condition of financial institutions non bank, BMT La Tansa Gontor.
- c. To be one of sources in analysis of financial statement by CAEL and Management Factor.

E. SYSTEM OF STUDY

This research is divided into five chapters, they are:

Chapter one gives introduction to research. With outlining this research, those are the background of study, problem formulation, purpose of study, significance of study, and system of study.

Chapter two will discuss about literature review, financial statement analysis, understanding CAEL and Management Factors, and understanding of Baitul Maal wa Tamwil .

Chapter three, this chapter the researcher provides a design of research that will describe of plan on how to carry out this research, then focus to a framework of ideas, population and sample, technique of collecting data, and technique of data analysis that is a tool to assess financial statement of *La Tansa BMT Gontor*.

Chapter four, this chapter contains descriptions of the *La Tansa BMT Gontor* from its general description, corporate identity of *La Tansa BMT Gontor*, vision, mission and purpose *La Tansa BMT Gontor*, the foundation of work in *La Tansa BMT Gontor* , the structure of organization, job

description, kinds of product in *La Tansa* BMT Gontor and data presentation of CAEL and Management Factors method.

Finally in chapter five of this research is closing, the researcher will give a little bit a conclusion and suggestion in based on the result of research.