



The Effect of Sharia Supervisory Board Size and the Health Ratio of Bank Sharia to Profitability

Prisyliya Putri^{1*}, Iwan Fakhruddin², Suryo Budi Santos³, Nur Isna Inayati⁴
Universitas Muhammadiyah Purwokerto

Corresponding Author: Prisyliya Putri prisylia@gmail.com

ARTICLE INFO

Keywords: Ssb Size, Car, Fdr, Npf, Bopo

Received : 09, April

Revised : 12, May

Accepted: 22, June

©2023 Putri, Fakhruddin, Santos, Inayati: This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

The purpose of this study to analyze the effect of the SSB size and financial performance on profitability as measured using Return On Assets (ROA) in Islamic public banking in Indonesia for the 2017-2021 period and prove the hypothesis. Quantitative descriptive research method using secondary data obtained from the official financial reports of each Islamic Commercial Bank. Purposive Sampling was used in this study, so that the number of samples was 11 Islamic Commercial Banks. The statistical test results show that the DPS, CAR, NPF and BOPO variables each have a negative effect on ROA. While the FDR variable has no effect on ROA.

INTRODUCTION

The rapid development of Islamic banking has made Islamic financial institutions have strength in the economic recovery that occurs in Indonesia (Predesyah, 2020). The important role of a bank in a country's economy is for financial intermediary (Rizal & Humaidi, 2021). The existence of banks with sharia principles encourages competition between conventional and sharia banks, it also demands bank to improve their performance (Trisela & Pristiana, 2021). Majority muslim society, makes existence of sharia banks is certainly driven by the people who understand interest is usury which is prohibited by religion (Pasi, 2017). In Law No. 21 of 2008 is a consideration for the increase in the development of sharia banks, because it can be a clearer operational basis for sharia banks (Yuliana & Listari, 2021). Islamic banks use a profit-sharing system that relatively maintains its performance from the deposit rate which has an impact on operating expenses that are lower than conventional banks. Usury prohibition or interest is a comparison between sharia tires and conventional banks (Karo-Karo, 2022). In Law No. 8 of 2008, banks are required to maintain the level of bank health, because bank health is one of the indicators in bank performance that can be used as a measure for supervisory authorities in determining strategies prepared on the bank supervision process (Indriyani, 2019).

The research used SSB, CAR, FDR, NPF, and BOPO measures as independent variables and used ROA as a dependent variable. The covid-19 outbreak affected the stability of the financial performance ratio in Islamic banks, finance minister Sri Mulyani stated that there was a decline in financial assets and profitability as well as the risk of slowing and even negative growth of sharia banks (CNN Indonesia, 2020). Is with the decline in profitability in line with the theory of the relationship between profitability and financial ratios, this is a phenomenon in this study. The following is data on the movement of financial performance ratios in Islamic Commercial Banks from 2017 to 2021 as follows:

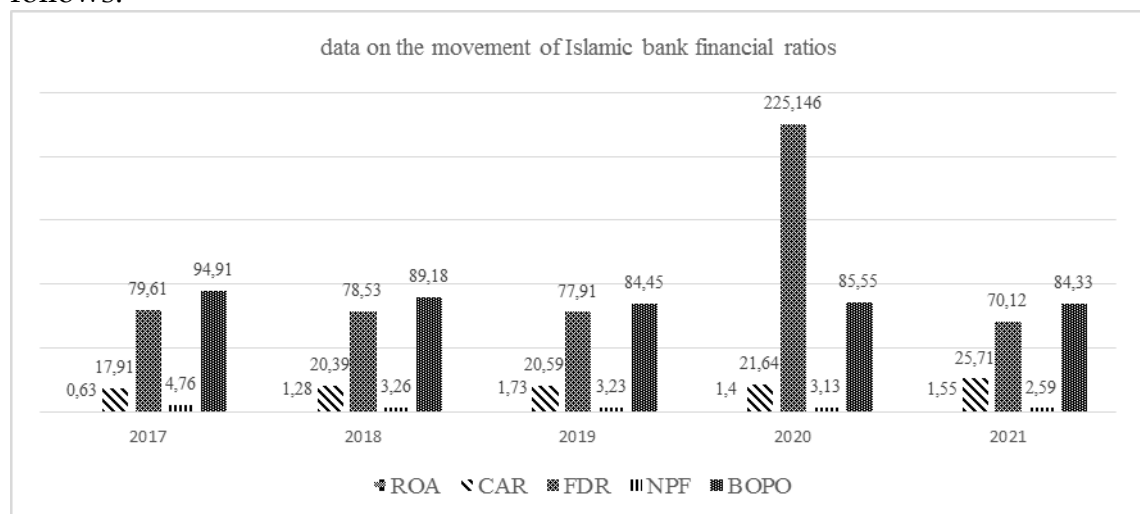


Figure 1. Ovement Data (Source Processed From OJK, 2022)

Chart 1 above illustrates that there is a financial ratios that under goes changes and there is deviations with the theory of the relationship of the ratio of SSB, FDR, NPF, and BOPO to ROA. The ROA phenomenon fell in 2019-2020 from 1.73% to 1.40% or down 0.33%, with CAR and FDR not experiencing a deterrent different with the theory that says CAR and FDR have a positive effect on financial performance. The phenomenon concluded that not every empirical financial ratio in Islamic Commercial Banks is consistent with the theory.

In the policies and rules set by Islamic banks in ensuring that all activities have supervision so that activities can run according to add a standards, SSB has a role of supervision of operating activities at banks in accordance with the provisions of sharia principles. SSB in its operations must make reports in the form of periodic statements for guarantees that sharia banks supervised by SSB are in accordance with the rules or not, these statements are stated in the report book of the bank concerned Azizah & Erinosa (2020). Research that links the role of SSB with ROA in Islamic banking includes research from Deswanto (2020), Shabrina et al. (2021), and Rahmatika (2017) that size of SSB members has a positive effect on ROA. Research by Eksandy (2018), Agustina (2020), Magdalena et al (2018) and Intia & Azizah (2021) stated that SSB size had no effect on ROA, while in the research Nurmalia & Ardana (2020), Nugroho (2020) and Afiska et al. (2021) SSB size negatively affects ROA.

According to Pravasanti (2018), the health of banks can be reflected when there is a decline and improvement in their financial statements, in order to reduce financial risks, a maximum and appropriate financial statement analysis is carried out. Such as in measuring the amount of capital liabilities calculated using the CAR ratio, and measuring the adequacy of bank capital to support assets that exist or pose risks, for example, credit provided by the bank. How many previous studies have linked CAR with ROA in Islamic banking, including research from Moorcy et al. (2020), Wibisono & Wahyuni (2017) and Setya et al. (2021) CAR has a positive effect on ROA. Research by Devi (2021), Nanda et al. (2019) and Gunawan et al. (2020) CAR has no effect on ROA, while in the research of Tulung (2018), Pinasti (2018) and Almunawwaroh & Marlina (2018) CAR negatively affects ROA.

According to Moorcy et al. (2020) the increasing FDR ratio is a feature of the development of sharia banks. Used to measure the liquidity of banks, FDR can demonstrate bank's ability for manage total assets owned by the bank in meeting financing requirements. The increase and fall of FDR in banks can certainly affect the profitability of banks. Previous research that linked FDR to ROA include the research of Devi (2021), Moorcy et al. (2020) and Almunawwaroh & Marlina (2018) FDR have positively affects ROA, the research Ristia (2018), Fadhilah & Suprayogi (2020) and Pertiwi & Suryaningsih (2018) FDR has no effect on ROA, while in the research of Wibisono & Wahyuni (2017), Pravasanti (2018), and Gunawan et al. (2020) FDR negatively affects ROA.

The NPF ratio is used to compare the level of non-current risk to the funding disbursed by Pravasanti Bank (2018). Several previous research studies linking NPF with ROA in Islamic banking Yundi & Sudarsono (2018), Hanafia & Karim (2020) and Ayu Kinanti & Purwohandoko (2017) showed NPF has a positive effect on ROA. Research from Pravasanti (2018), Gunawan et al. (2020) and Fadhilah & Suprayogi (2020) NPF has no influence on ROA, while research from Wibisono & Wahyuni (2017), Moorcy et al. (2020) and Adiputra (2017) NPF has an effect negative to ROA.

The BOPO ratio is used to measure the level of efficiency and ability of a bank in running its business Moorcy et al. (2020). Previous research that associates BOPO with ROA in Islamic banking includes research from Yundi & Sudarsono (2018), Nanda et al. (2019) and Suwarno & Muthohar (2018) BOPO has a positive effect on ROA. Rembet & Baramuli (2020), Muhammad Alfian (2021), and Mohammad Yusuf & Reza Nurul Ichsan (2021) stated that BOPO has no effect on ROA, while research from Anindiyansyah et al. (2020), Wibisono & Wahyuni (2017) and Setya et al. (2021) BOPO negatively affects ROA.

This research is a development of the research of Gunawan et al. (2020) The development of this study is to use the 2017-2021 period, and provide a wider scope, namely all sharia commercial banks in Indonesia, in contrast reference research which is only in the Bukopin Islamic bank. Previous research adding one variable, namely the Sharia Supervisory Board (SSB) which is measured by the size of members at the end of each year period, the number of SSB can show the ability of a bank to improve performance in increasing its profitability value by being proxied through ROA profitability. SSB is a differentiator between conventional banks and Islamic banks where SSB has an important job for supervising the activities of the bank to comply with sharia principles. The Sharia Supervisory Board is directly proportional the development of sharia banks, because the more there are, the better and more organized the supervision of the company's performance, and the management of the bank will be in accordance with sharia principles (Intia & Azizah, 2021).

Based on the above background and referring to previous researchers are interested to researching the "The Effect of Sharia Supervisory Board Size and The Health Ratio of Bank Sharia to Profitability". The purpose of this research is carried out because there are still many differences from the results of research in the previous year on financial performance in Islamic banks, in addition to adding references to the development of the performance of Islamic banks which are currently starting to develop rapidly with the growth of assets, operational networks and market share of Islamic banking that continues to increase with new programs that attract public interest in using Islamic banking services and can also compete with conventional banking existing at the moment.

THEORETICAL REVIEW

Sharia Enterprise Theory

The theory believes that God as the main source of trust, where he is the absolute and sole owner. The resources owned by stakeholders are in principle only entrustments that contain the responsibility of using them in the purpose and manner set by Allah (Triyuwono, 2001). This is stated in QS. Al-Baqarah verse 254 which discusses lending or infringing property in the way of Allah with the intention of good loans and sincere intentions, then undoubtedly Allah multiplies the reply so that we are encouraged to infaq (Shakhrun et al. 2019).

Stewardship Theory

This theory describes situations where managers are not motivated by individual goals but by key outcomes for the benefit of the organization (Donaldson & Davis, 1991). Steward theory related to the funds obtained and then distributed by sharia banking financing products related to the ROA value, banks entrust their customers as stewards and manage funds that should be able to accommodate the interests of banks and customers based on service on behaviors that can cooperate in the organization (Ayu Kinanti & Purwohandoko, 2017).

The effect of Sharia Supervisory Board on Return On Assets.

SSB is part of Good Corporate Governance, there is a sharia enterprise theory principle states that stakeholders as caliphs are given trust in order to manage all resources and be able to distribute them to all creature in advance of the earth fairly (Rostiani & Sukanta, 2019). The size of SSB is the number of sharia supervisors at the end of the year on annual period of shariah banks. The larger the size of the SSB, the higher the supervision carried out so that it can have an impact on the Islamic banking business in improving its performance (Herawati et al. 2019). Several previous studies have linked the size of SSB to have a positive effect on ROA, including Rahmatika (2017), Shabrina et al. (2021) and Deswanto (2020) based on the explanation above, the hypothesis states as follows:

H₁ : SSB positively affects ROA.

The effect of Capital Ratio Adequacy Ratio on Return On Assets

Profitability will increase when the CAR ratio in a company is high, the higher the CAR ratio will have a positive impact on profitability because banks can expand credit more freely and banks will also gain the trust of the public due to additional capital (Nadiroh & Suprihhadi, 2018). Sharia enterprise theory includes God, man, and nature. In this theory also includes people of direct and indirect interest (Prasaja, 2020). CAR has a positive effect on ROA has been proven in the research of Moorcy et al. (2020) and Nadiroh & Suprihhadi (2018). Based on the explanation above, the following hypothesis is states as follows:

H₂ : CAR positively affects ROA.

The effect of Financing to Deposit Ratio on Return On Assets

The increase in third-party funds will cause the financing to be higher, it can generate profits and increase the company's profitability. (Devi, 2021). The FDR ratio can reflect a bank ability to service short-term debt and pay deposit and fulfill credit requests in a timely manner (Pravasanti, 2018). Stewardship theory on financing products, Islamic banks as principals entrust fund management to customers as trustees who ideally can consider all common interests (Setiawati et al. 2017). FDR has a positive impact on ROA as evidenced in the research of Devi (2021), Moorcy et al. (2020), and Nadiroh & Suprihadi (2018). Based on the above, the hypothesis states as follows:

H₃: FDR positively affects ROA.

The effect of Non Performing Financing Ratio on Return On Assets

The more NPF levels in banks can reduce profitability because the funds channeled to financing, and other productive assets will become a loss burden and not generate income. The implication between NPF and ROA, the high NPF illustrates the bank's inability to evaluate before disbursing financing to debtors (Moorcy et al. 2020). In stewardship theory, banks as servants are in charge of managing and channeling funds from customers through financing. Banks get these funds from savings, current accounts, and deposit from the public from the funds distributed will certainly affect profitability (Amajida & Muthaher, 2020). NPF negatively affects ROA has been proven in the research of Yundi & Sudarsono (2018), Pravasanti (2018), and Moorcy et al. (2020). Based on the above, the hypothesis states as follows:

H₄: NPF negatively affects ROA.

The effect BOPO to Return On Assets

The lower BOPO ratio shows how bank's efficiency of all operational activities. Operating efficiency is calculated by comparing total operating costs with its total operating income. BOPO is a ratio to measure management's ability to control its operational costs (Khamisah et al. 2020). The low BOPO value describes that the bank is already efficient in incurring the operational costs of the bank concerned, which has an impact on the possibility of problem getting smaller (Dini & Manda, 2020). Each increase in BOPO profit before tax is reduced which can have an impact on the decrease in ROA (Wibisono & Wahyuni, 2017). Stewardship theory that managers are not focused on motivations personal rather on the interests of organization. Then in all fund management activities are carried out with a mandate and uphold a sense of responsibility in their management (Choirudin & Praptoyo, 2017). BOPO negatively affects ROA as evidenced in the study, Wibisono & Wahyuni (2017), Setya et al. (2021), and Anindiyansyah et al. (2020). Based on the description above, the hypothesis states as follows:

H₅: BOPO negatively affects ROA.

METHODOLOGY

Types of research and data

The type of research used is quantitative research. The data used in this study is secondary data contained in the annual report obtained on the Financial Services Authority website or the company's official website.

Population and Sample

The population in this study is all Sharia Commercial Banks registered with the Financial Services Authority. The sample used in this study is Islamic commercial banks registered with the Financial Services Authority for the 2017-2021 period. The sample determination procedure uses the purposive sampling method or with predetermined criteria. The sampling criteria in this study were as follows:

1. Sharia commercial banks that publish annual financial statements for the 2017-2021 period both on the Financial Services Authority website and on the company's official website.
2. Sharia commercial banks that have complete data related to the variables needed in the research on the annual financial statements for the 2017-2021 period.

Definition of Variable Operational

Dependent Variable

Return On Assets

The high ROA value indicates the high profitability of a bank which will reflect that a bank's financial performance is getting better. ROA is used to analyze the profitability of a company (Wahyuni et al. 2018). ROA is used to measure the ability of management to manage funds invested in assets that can generate profits in obtaining net profit (Zulkarnaen, 2018).

$$ROA = \frac{\text{net profit after tax}}{\text{total assets}} \times 100\%$$

Independent Variable

Sharia Supervisory Board (SSB)

SSB has the obligation to supervise the operational activities of Islamic banks to continue to run in accordance with the principles of Islamic rules (Ilyas, 2020). SSB provides advice to the board of directors and oversees bank's operational. In 2009, Bank Indonesia stipulated that the number of SSB members should be at least two people and a maximum of 50% (fifty percent) of members of the board of directors (Shabrina, 2021).

$$SSB \text{ size} = \sum \text{Shariah supervisory Board.}$$

Capital Adequacy Ratio (CAR)

The higher CAR ratio can reflect state of the bank is good. CAR is used to measure the capital adequacy of banks while increasing potentially risky assets (Munir, 2018) CAR follows the principle that any investment that is at risk it

must comparable to investment, because the high value of CAR has a good impact on its capital position (Pravasanti, 2018).

$$\text{CAR} = \frac{\text{capital}}{\text{risk weighted assets}} \times 100\%$$

Financing to Deposit Ratio (FDR)

Higher FDR ratio figures indicate that the bank is illiquid, FDR is a measure of the bank's liquidity to meet its short-term obligations and pay off its depositors (Pravasanti, 2018). FDR was determined by comparing the amount of funds provided and public funds raised which included current accounts, time deposits, and savings (Fadhilah & Suprayogi, 2020).

$$\text{FDR} = \frac{\text{total of financing}}{\text{thrid parties financing}} \times 100\%$$

Non Performing Financing (NPF)

The higher NPF ratio indicates low bank performance because it can be concluded that there is a lot of problematic financing (Kuswahariani et al. 2020). NPF is used in measuring the credit that has been given and can confirm the management skills of the problem credit manage (Syakhrun et al. 2019).

$$\text{NPF} = \frac{\text{total of bad financing}}{\text{total of financing}} \times 100\%$$

Operating Expenses per Operating Income (BOPO)

In sharia banks, BOPO feeds the efficiency ratio when it assesses the expertise of managers in managing and managing operational costs. The low BOPO level can be concluded that the bank is in good condition and performance (Khamisah et al. 2020). BOPO is calculated by the total amount of interest expense and total other operating expenses divided by the total amount of interest income and total other operating income (Nanda et al. 2019).

$$\text{BOPO} = \frac{\text{operational expenss}}{\text{operating income}} \times 100$$

Method of Data Analysis

The data analysis method used in this study is a multiple linear regression analysis model. A multiple linear regression analysis model is a relationship between two or more variables. Free variables ($X_1, X_2, X_3, \dots, X_n$) with the bound variable (Y). The tests used are classical assumption tests (normality test, multicholinerity test, heteroskedasticity test, and autocorrelation test), determination coefficient test, F test and T test.

Multiple linear analysis is known using the formula:

$$\text{ROA} = \alpha + \beta_1 \text{SSB} + \beta_2 \text{CAR} + \beta_3 \text{FDR} + \beta_4 \text{NPF} + \beta_5 \text{BOPO} + \varepsilon$$

Description:

ROA = Estimation of dependent variable ROA

α = Constant of the regression equation

β_1 = DPS independent variable coefficient

- β_2 = CAR independent variable coefficient
- β_3 = FDR independent variable coefficient
- β_4 = NPF independent variable coefficient
- β_5 = Coefficient of independent variable BOPO
- ε = Residual or Prediction Error

RESULTS

Data Analysis

Table 1. Descriptive Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	55	-10,70	13,60	1,5582	3,86825
DPS	55	2,00	4,00	2,3091	,50452
CAR	55	11,51	58,27	25,1956	9,87068
FDR	55	38,33	196,73	86,2027	19,63599
NPF	55	,01	22,04	2,5218	3,37167
BOPO	55	58,07	217,40	95,5973	30,16032
Valid N (list wise)	55				

Table 2. Descriptive statistical test results (source processed from spss 25)

The results of the descriptive statistic test on table 2, using 55 data samples during the 2017-2021 period that have been studied, it is known that the lowest ROA value is -10.70 and the highest value is 13.60 and the average value is 1.5582 or 1.6% which can be interpreted as the ROA value in Islamic banking quite good, because in Bank Indonesia regulation No. 13/1/PBI/2011, that a good ROA is more than 1.5% (Rohmiati et al. 2019).

SSB has the lowest value of 2 people and the highest value of 4 people and the average value of 2 people can be interpreted that the average number of SSB members has met the provisions of OJK regulation No. 30/POJK.05/2014 concerning good corporate governance for finance companies, that the size of SSB members consists of one sharia expert as chairman assisted by one or more persons as members (Shabrina, 2021).

CAR has the lowest value of 11.51 and the highest value of 58.27 with an average value of 25.1956 or 25% which can be interpreted to mean that the average value of CAR in Islamic banking is considered quite good because it exceeds 8%, the Bank for International Settlement requires all banks in Indonesia to provide a minimum of 8% of the capital to risk weighted assets CAR (Almunawwaroh & Marlina, 2018).

FDR has the lowest value of 38.33 and the highest value of 196.73 with an average value of 86.2027 or 86% which means that FDR's average value in Islamic banking is considered ideal because according to the Indonesian Islamic

Banking Association that FDR's ideal value is 80%-90%. While the FDR tolerance limit is around 100% (Anggraini & Mawardi, 2020).

NPF has the lowest value of 0.01 and the highest value of 22.04 with an average value of 2.7646 or 2.8% which means that the average NPF value in Islamic banking is considered good. Bank Indonesia found that a good NPF of less than 5% high NPF value can affect reduced profitability (Almunawwaroh & Marlina, 2018).

Operating Expenses have the lowest value of 58.07 and the highest value of 217.40 with an average value of 95.5973 or 96% which means that the average value of BOPO in Islamic banking is considered bad, BOPO as a ratio that reflects the efficiency of operational costs in banks, and in the provisions of Bank Indonesia regulation No. 13/1/PBI/2011, that a good BOPO ratio standard ranges from 80% (Rohmiati et al. 2019).

Test Classical Assumptions

Table. 2 Normality Test

Test Statistic	,079
Asymp. Sig. (2-tailed)	,200 ^{c,d}

Table 3. Normality test results (source processed from spss 25)

From table 3 of the normality test above, it shows that out of 55 samples in the descriptive statistical test, 46 samples remain. All variables are distributed in a mixed manner because the asymptotic significance value of 0.200 is more than 0.05.

Table 3. Multicollinearity Test

Type	Collinearity Statistics	
	Tolerance	VIFs
1 (Constant)		
SSB	,940	1,064
CAR	,806	1,241
FDR	,891	1,122
NPF	,314	3,187
BOPO	,324	3,090

a. Dependent Variable: ROA

Table 4. Multicollinearity test results (source processed from spss 25)

Table 4 of the multicollinearity test above shows the Tolerance values of the DPS, CAR, FDR, NPF and BOPO variables showing more than > 0.10 and the VIF variables SSB, CAR, FDR, NPF and BOPO showing less than < 10 . Then the variables SSB, CAR, FDR, NPF and BOPO are free from the symptoms of multicollinearity.

Table 4. Heteroskedasity Test

Type	Coefficients ^a			
	Unstandardized Coefficients	Standardized Coefficients	T	Sig.

		B	Std. Error	Beta		
1	(Constant)	-20,691	30,744		-,673	,505
		2,608	2,643	,158	,987	,330
	LNSSB	2,285	2,070	,201	1,104	,276
	LNCAR	1,276	2,746	,080	,465	,645
	LNFD	,069	,379	,039	,181	,858
	LNNPF	,197	5,908	,007	,033	,974
	LNBOPO					

a. Dependent Variable: LNU2

Table 4 of the Heteroskedasity test above is known in the regression model not to occur heteroscreditas due to Sig. variable SSB against ROA of $0.330 > 0.05$, Sig. Variable CAR against ROA $0.276 > 0.05$, Sig. Variable FDR against ROA $0.645 > 0.05$, Sig. Variable NPF against ROA $0.858 > 0.05$, and Sig. BOPO variable against ROA $0.974 > 0.05$.

Table 5. Autocorrelation Test

Model Summary ^b					
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,987 ^a	,974	,970	,21915	1,832

Table 6. Autocorrelation test results (source processed from spss 25)

Table 5 of the autocorrelation test above can be seen that there are no autocorrelation symptoms because Dw is located between ($dU < Dw < 4-dU$) or $1.7748 < 1.832 < 2.2252$.

Table 6. Multiple Linear Analysis Coefficients^a

Type		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	11,363	,595		19,100	,000
		-,146	,069	-,058	-2,127	,040
	SSB	-,019	,005	-,102	-3,496	,001
	CAR	,002	,002	,038	1,350	,185
	FDR	-,080	,018	-,209	-4,466	,000
	NPF	-,107	,006	-,850	-	,000
	BOPO				18,430	

a. Dependent Variable: ROA

Based on the results of the regression calculation in tabel 7, the equation is obtained as follows:

$$\text{ROA} = 11,363 - 0.146 \text{ SSB} - 0.019 \text{ CAR} + 0.002 \text{ FDR} - 0.080 \text{ NPF} - 0.107 \text{ BOPO}$$

Hypothesis Test

Table 7. Coefficient of Determination Test (R^2)

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,986 ^a	,972	,969	,23756

a. Predictors: (Constant), BOPO, SSB, FDR, CAR, NPF

table 7 of the coefficient of determination test above is known to be an Adjusted R Square value of 0.969 which means that 969% of the dependent variable return on asset can be explained by the five independent variables SSB, CAR, FDR, NPF and BOPO. While the rest (100% - 969% = 31%) is explained for other reasons outside the model. The standard error estimated value is .23756 with an R Square value of .972.

Table 8. Test F (Simultaneous)

ANOVA ^a						
Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	79,685	5	15,937	282,40	,000 ^b
	Residual	2,257	40	,056	9	
	Total	81,943	45			

Judging from table 8, the calculated F value of 282,409 and the F table of 2.45 is obtained, it is concluded that $F_{\text{count}} > F_{\text{table}}$ or $282.409 > 2.45$, so H_0 is rejected. Signification of 0.000 is less than 0.05 or $0.000 < 0.05$ then H_0 is rejected. Simultaneously, the variables SSB, CAR, FDR, NPF and BOPO have a significant effect on ROA.

Table 9. T-test (Partial)

Coefficients ^a						
Type		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	11,363	,595		19,100	,000
	SSB	-,146	,069	-,058	-2,127	,040
	CAR	-,019	,005	-,102	-3,496	,001
	FDR	,002	,002	,038	1,350	,185
	NPF	-,080	,018	-,209	-4,466	,000
	BOPO	-,107	,006	-,850	-18,430	,000

a. Dependent Variable: ROA

In table 9 above, known that the SSB calculated t value smaller than the t table, $-2.127 < 2.021$. The significance value is $0.040 < 0.05$ with a B value of -0.146

then H_0 is rejected t count CAR is smaller than t count which is $-3.496 < 2.021$. Sig $0.001 < 0.05$ with a value of $B -0.019$ then H_0 is rejected. FDR calculated t value is smaller than t 's, which is $1,350 < 2,021$. Sig value is $0.185 > 0.005$ then H_0 is accepted. t count NPF is smaller than t table which is $-4.466 < 2.021$. N significant values $0.000 < 0.05$ with a value of $B -0.080$ so H_0 is rejected. The value of t calculated BOPO smaller t table $-18.430 < 2.021$. A significant value of $0.000 < 0.05$ with a value of $B -0.107$ then H_0 is rejected.

It is concluded that partially variables SSB, CAR, NPF and BOPO have a negative and significant effect on ROA, while the FDR variable partially has no effect on ROA.

DISCUSSION

Variable SSB negatively affects the variable ROA. SSB is negative, the hypothesis is positive then H_1 is rejected. This is contrary to the Sharia Enterprise theory that God is the sole owner and the resources that exist in the stakeholders are the mandate of trust from God followed by the responsibility therein to use with the purpose set by the trustee. The application of sharia enterprise can make financial performance good because banks keep their operational activities based on sharia principles (Syakhrun et al. 2019). This result shows that the more SSB members in Islamic banks, the more profitability will decrease. In descriptive statistical research, it shows that the average number of SSB members exceeding two in each Islamic bank causes a decrease in profitability, due to the large number of SSB in OJK regulation No. 30/POJK.05/2014 concerning good corporate governance for finance companies, that the number of SSB members consists of one sharia expert as chairman with the help of by one or more persons as members. The results of this study support the research Nurmalia & Ardana (2020) and Afiska et al. (2021) with DPS results negatively affecting profitability (ROA).

Variable CAR has a negative effect on the variable ROA, CAR is negative while the hypothesis is positive then H_2 is rejected. This is contrary to sharia theory as a leader given trust the mandate to manage resources and distribute them fairly to all beings (Triyuwono, 2001) High CAR In the period 2017-2021 did not lead to increased profitability. Judging from the empirical conditions in Islamic banks that have been studied, Islamic banks have an average CAR value of 23.2% with regulations on bank Indonesia which stipulate the value of CAR must above 8% which spurs banks to always run on gap CAR owned consistently in accordance with applicable regulatory provisions and less optimize existing funds (Almunawwaroh & Marlina, 2018). Result of this research supports the research Pinasti (2018) and Almunawwaroh & Marlina (2018) with negative CAR results on profitability (ROA).

The FDR variable has no effect on the ROA variable while the proposed of the FDR variable has a positive effect on ROA then H_3 is rejected. This result is contrary to the stewardship theory developed in Islamic bank financing products as the principal entrusts fund management to customers as trustees who ideally can consider all common interests (Setiawati et al. 2017). The FDR ratio describes the ability of banks to meet financing requests using their total

assets, so a high FDR value can affect the acquisition of increasing profitability. The results of FDR's study have no effect on ROA tending to be reversed (Ristia, 2018). The results of FDR's research have not had any influence on ROA also found in studies Fadhilah & Suprayogi (2020) and Pertiwi & Suryaningsih (2018) which states FDR has no effect on ROA.

The NPF variable negatively affects the ROA variable, while the proposed hypothesis is NPF has a negative influence on ROA then H_4 is accepted. These results are supported by the steward's theory that management is not motivated by individual goals but rather by the results of individual interests. The high level of NPF value can affect the decline in profitability. The possibility of the debtor failing to fulfill obligations to the bank at maturity is a factor of the high NPF in the bank, because the NPF ratio is used to find out non-performing financing, one of which is bad debts. The high ratio NPF can also lead to larger reserves, causing capital to decrease. The results of this study support the research Yundi & Sudarsono (2018).

The BOPO variable negatively affects the ROA variable, and the hypothesis proposed by BOPO has a negative influence on ROA then H_5 is accepted. The results of this study are supported by the stewardship theory that managers are not focused on individual motivations but rather on the interests of the organization. So in all fund management activities are carried out with a mandate and uphold a sense of responsibility in their management. The use of costs must be considered and the use must be more efficient, because if the BOPO ratio increases but has a negative influence, it is usually caused by high costs and low income in interest income from investment (Setya et al. 2021). The results of this study support the research Wibisono & Wahyuni (2017) and Anindiyansyah et al. (2020) with negative BOPO results on profitability (ROA).

CONCLUSIONS AND RECOMMENDATIONS

1. The amount of SSB partially negatively and significantly affects the ROA of Islamic Commercial Banks in Indonesia.
2. CAR partially negatively affects and significantly affects ROA in Islamic Commercial Banks in Indonesia.
3. FDR has no effect on the ROA of Islamic Commercial Banks in Indonesia.
4. NPF partially negatively and significantly affects the ROA of Islamic Commercial Banks in Indonesia.
5. BOPO partially negatively and significantly affects the ROA of Islamic Commercial Banks in Indonesia.

FURTHER STUDY

The results of the t test show empirically that the FDR variable has no effect on ROA, which means that this study has not been able to fulfill the proposed hypothesis, so suggestions for further research are expected to re-examine the linkage of the FDR variable to ROA.

ACKNOWLEDGMENT

Complite this research as a sign of gratitude who support this research

REFERENCES

- Adiputra, F. (2017). Effect of CAR, NPF, FDR and BOPO on Profitability (ROA and ROE) in Commercial Banks. In *Journal of Chemical Information and Modeling* (Vol. 53, Issue 9).
- Afiska, L., Handayani, D. F., & Serly, V. (2021). Effect of Sharia Supervisory Board (DPS) Characteristics on the Financial Performance of Sharia Commercial Banks Registered with the Indonesian Financial Services Authority (OJK). *Journal of Accounting Exploration*, 3(4), 784–798. <https://doi.org/10.24036/jea.v3i4.429>
- Agustina, S. (2020). The Effect of Sharia Compliance and Islamic Corporate Governance on Financial Performance Fraud as an Intervening Variable. *Salatiga State Islamic Institute*, 16, 29–50.
- Ahmadi, N., & Rahmani, B. (2017). *Analysis of the Effect of Capital Adequacy Ratio (CAR) and Financing to Deposit Ratio (FDR) on Return On Asset (ROA) and Return On Equity (ROE) on Islamic Commercial Bank Companies in Indonesia*.
- Almunawwaroh, M., & Marlina, R. (2018). *THE EFFECT OF CAR, NPF AND FDR ON THE PROFITABILITY OF ISLAMIC BANKS IN INDONESIA*. 2(1), 1–18.
- Amajida, S., & Muthaher, O. (2020). The Effect of DPK, Mudharabah, Musyarakah and NPF on the Profitability (ROA) of Islamic Commercial Banks. *Unissula Journal*, 5(2), 107–117. <http://lppm.unissula.com/jurnal.unissula.ac.id/index.php/kimue/article/view/10050>
- Anggraini, D., & Mawardi, I. (2020). Analysis of Factors Affecting the Profitability of Islamic Commercial Banks in Indonesia. *Journal of Theoretical and Applied Islamic Economics*, 6(8), 1607. <https://doi.org/10.20473/vol6iss20198pp1607-1619>
- Anindiyansyah, G., Sudiyatno, B., Puspitasari, E., & Susilawati, Y. (2020). The Effect of CAR, NPL, BOPO, and LDR on ROA with NIM as an Intervening Variable (Study on Banks That Go Public on the Indonesia Stock Exchange for the 2015-2018 Period). *Proceedings SENDIU 2020*, 560–567.
- Ayu Kinanti, R., & Purwohandoko, P. (2017). Influence of Third-Party Funds, Car, Npf and Fdr Towards the Return on Assets of Islamic Banks in Indonesia. *JEMA: Scientific Journal of Accounting and Management*, 14(02), 135. <https://doi.org/10.31106/jema.v14i02.524>
- Azizah, J., & Erinos. (2020). Influence of the Board of Commissioners, Audit Committee, and Sharia Supervisory Board on Sharia Banking

- Performance. *Journal of Accounting Exploration*, 2(1), 2554–2569. <https://doi.org/10.24036/jea.v2i1.229>
- Choirudin, A., & Praptoyo, S. (2017). *ANALYSIS OF FACTORS AFFECTING THE FINANCING OF MUDHARABAH PROFIT SHARING IN ISLAMIC BANKS*. 6(7).
- CNN Indonesia. (2020). *Sri Mulyani Estimates Sharia Bank Performance Minus due to Corona*. *Www.Cnnindonesia.Com*. <https://www.cnnindonesia.com/ekonomi/20200723165152-78-528247/sri-mulyani-taksir-kinerja-bank-syariah-minus-karena-corona>
- Deswanto, E. (2020). *Analysis of the Influence of the Audit Committee and Sharia Supervisory Board on the Financial Performance of Islamic Banks (Empirical Study on Islamic Banks in Indonesia and Malaysia 2014-2018)*. *Thesis of Diponegoro University Semarang*, 117.
- Devi, H. P. (2021). *Effect of Bank Health Ratio (CAR, NPF, FDR, BOPO) ON Return On Assets in Islamic Commercial Banks in Indonesia*. *Owner*, 5(1), 1–11. <https://doi.org/10.33395/owner.v5i1.312>
- Dini, N., & Manda, G. S. (2020). *Effect of Car, Npl, Nim, Bopo, Ldr and Sbi Interest Rates on Roa Bank Bumh for the period 2009-2018*. *E-Journal of Economics and Business Udayana University*, 9, 899. <https://doi.org/10.24843/eeb.2020.v09.i09.p05>
- Donaldson, L., & Davis, J. H. (1991). *Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns Related papers CEO Dualit y: A Review and Research Agenda Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns*. *Australian Journal of Management*, 16(1), 49–64.
- Eksandy, A. (2018). *The Effect of Good Corporate Governance on Financial Performance in Indonesian Shari'a Banking*. *Journal of Accounting: Scientific Study of Accounting (JAK)*, 5(1), 1. <https://doi.org/10.30656/jak.v5i1.498>
- Fadhilah, A. R., & Suprayogi, N. (2020). *The influence of Fdr, NPF and BOPO on islamic banking roa in Indonesia*. *Journal of Theoretical and Applied Islamic Economics*, 6(12), 2369. <https://doi.org/10.20473/vol6iss201912pp2369-2380>
- Gunawan, I., Purnamasari, E. D., & Setiawan, B. (2020). *The effect of CAR, NPF, FDR, and BOPO on Profitability (ROA) at Bank Syariah Bukopin for the 2012-2018 period*. *Journal of Marketing HR Management, and Finance*, 01(01), 19–36.

- Hanafia, F., & Karim, A. (2020). CAR, BOPO, NPF, FDR, NOM, and DPK Analysis of Profitability (ROA) at Shari'a Banks in Indonesia. *Target : Journal of Business Management*, 2(1), 36-46.
<https://doi.org/10.30812/target.v2i1.697>
- Herawati, Rawi, & Destina, R. (2019). The Effect of ROA and the Size of the Sharia Supervisory Board on Islamic Social Reporting in Islamic Commercial Banks. *Journal of Accounting*, 14(1), 1-12.
<http://jurnal.unsillac.id./index.php/jak>
- Ilyas, R. (2020). Sharia Accounting as an Information System. *JAS (Journal of Sharia Accounting)*, 4(2), 209-221. <https://doi.org/10.46367/jas.v4i2.254>
- Indriyani, I. (2019). *Rgeg Approach Bank Health Level Analysis*. 5(3).
- Intia, L. C., & Azizah, S. N. (2021). Influence of the Board of Directors, Independent Board of Commissioners, and Sharia Supervisory Board on the Financial Performance of Islamic Banking in Indonesia. *Journal of Financial Research and Accounting*, 7(2), 46-59.
<https://doi.org/10.25134/jrka.v7i2.4860>
- Karo-Karo, M. A. (2022). Impact of Bank Health Ratio on Financial Performance of Islamic Commercial Banks for the 2015-2019 Period. *Scientific Journal of Islamic Religious Education Students*, 2(1), 1-15. <http://jurnalmahasiswa.umsu.ac.id/index.php/jimpai/article/view/1118>
- Khamisah, N., Nani, D. A., & Ashsifa, I. (2020). Effect of Non-Performing Loan (NPL), BOPO and Company Size on Return On Assets (ROA) of Banking Companies Listed on the Indonesia Stock Exchange (IDX). *International Journal Of Business*, 3(2), 18-23. <https://ejurnal.teknokrat.ac.id/index.php/technobiz/article/view/836>
- Kuswahariani, W., Siregar, H., & Syarifuddin, F. (2020). Analysis of non-performing financing (NPF) in general and micro segments in three national Islamic banks in Indonesia. *Journal of Business and Management Applications*, 6(1), 26-36. <https://doi.org/10.17358/jabm.6.1.26>
- Magdalena, S., Yuningsih, I., & Lahaya, I. A. (2018). The Effect of Firm Size and Good Corporate Governance and Corporate Social Responsibility on Financial Performance in Islamic Commercial Banks in Indonesia. *Equilibrium: Journal of Islamic Economics*, 5(2), 221.
<https://doi.org/10.21043/equilibrium.v5i2.2772>
- Mohammad Yusuf, & Reza Nurul Ichsan. (2021). Analysis of Banking Performance in The Aftermath of The Merger of Bank Syariah Indonesia in

- Covid 19. *International Journal of Science, Technology & Management*, 2(2), 472–478. <https://doi.org/10.46729/ijstm.v2i2.182>
- Moorcy, N. H., Sukimin, & Juwari. (2020). Effect of FDR, BOPO, NPF, and CAR on ROA in PT. Bank Syariah Mandiri for the period 2012-2019. *Journal of Geoeconomics*, 11(1), 74–89. <http://jurnal.fem.uniba-bpn.ac.id/index.php/geoekonomi>
- Muhammad Alfian, A. P. (2021). The effect of CAR, BOPO, NPL and LDR on ROA in PT. Bank Rakyat Indonesia (Persero) TBK. *Journal of Economics and Business*, 23(2), 299–307.
- Munir, M. (2018). Analysis of the Effect of CAR, NPF, FDR and Inflation on the Profitability of Islamic Banking in Indonesia. *Ihtifaz: Journal of Islamic Economics, Finance, and Banking*, 1(1), 89. <https://doi.org/10.12928/ijiefb.v1i1.285>
- Nadiroh, S. M., & Suprihhadi, H. (2018). *The effect of the bank's health ratio on profitability in Islamic commercial banks in Indonesia*. 1–19.
- Nanda, A. S., Hasan, A. F., & Aristyanto, E. (2019). The Effect of CAR and BOPO Against ROA in Islamic Banks in 2011-2018 (*The Effect of CAR and BOPO Against ROA in Islamic Banking in 2011-2018*). 3(1), 19–32. <https://doi.org/10.21070/perisai.v3i1.2160>
- Nugroho, A. (2020). Study of the effectiveness of sharia supervisory boards on the profitability and financing risks of Islamic banks | Nugroho | *Proceedings of National Conference on Accounting & Finance*. 2(2010), 60–68. <https://doi.org/10.20885/ncaf.vol2.art6>
- Nurmalia, G., & Ardana, Y. (2020). Analysis of Zakat Reporting, ICSR, Sharia Supervisory Board and Leverage in Disclosing the Performance of Islamic Commercial Banks in Indonesia. *Horizons: Journal of Islamic Studies*, 14(2), 113–122. <https://doi.org/10.31603/cakrawala.v14i2.3093>
- Pasi, I. R. (2017). The influence of knowledge and attitudes towards public behavior in Islamic banks. *Al-Qasd Journal*, 1(2), 199. <http://e-journal.potensi-utama.ac.id/ojs/index.php/AL-QASD/article/view/509/779>
- Pertiwi, A. D., & Suryaningsih, S. A. (2018). Effect of Murabahah Financing and Financing To Deposit Ratio (FDR) on Profitability in BNI Syariah. *Journal of Islamic Economics*, 1(2), 172–182.
- Pinasti, W. F. (2018). *the Effect of Car, Bopo, Npl, Nim and Ldr To Bank Profitability*. VII(1). www.idx.co.id.

- Prasaja, M. (2020). Analysis of Financial and Macroeconomic Ratio Measurement to Profitability of Islamic Banks. *ANNUAL CONFERENCE ON IHTIFAZ: Islamic Economics, Finance, and Banking*, 249–265.
- Pravasanti, Y. A. (2018). The Effect of NPF and FDR on CAR and Its Impact on ROA on Islamic Banking in Indonesia. *Scientific Journal of Islamic Economics*, 4(03), 148. <https://doi.org/10.29040/jiei.v4i03.302>
- Predeisyah, R. (2020). The Effect of Promotion and Knowledge on People's Interest in Making Transactions in Islamic Banks (Case Study in Rahuning Village). *Al-Sharf: Journal of Islamic Economics*, 1(2), 113–122. <https://doi.org/10.56114/al-sharf.v1i2.65>
- Rahmatika, A. (2017). ANALYSIS OF THE INFLUENCE OF THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS, AUDIT COMMITTEE, SHARIA SUPERVISORY BOARD AND NON-PERFORMING FINANCING (NPF) ON THE PROFITABILITY OF ISLAMIC BANKING IN INDONESIA FOR THE 2012-2016 PERIOD. *Ekp*, 13(3), 1576–1580.
- Rembet, W. E. C., & Baramuli, D. N. (2020). Effect of Car, Npl, Nim, Bopo, Ldr on Return on Asset (Roa) (Study on Bei-listed National Private Commercial Banks). *EMBA Journal: Journal of Economic Research, Management, Business and Accounting*, 8(3), 342–352.
- Ristia, H. Y. (2018). *Factors Affecting the Profitability of Islamic Commercial Banks in Indonesia*. 18(2).
- Rizal, F., & Humaidi, M. (2021). Health Level Analysis of Islamic Banks in Indonesia 2015-2020. *Etihad: Journal of Islamic Banking and Finance*, 1(1), 12–22. <https://doi.org/10.21154/etihad.v1i1.2733>
- Rohmiati, E., Winarni, W., & Soebroto, N. W. (2019). Analysis of the Effect of Bopo, Npl, Nim, and Ldr on Profitability in Commercial Banks in Indonesia for the 2012-2017 Period. *Keunis*, 7(1), 34. <https://doi.org/10.32497/keunis.v7i1.1531>
- Rostiani, S. S., & Sukanta, T. A. (2019). INFLUENCE OF SHARIA SUPERVISORY BOARD, PROFITABILITY AND LEVERAGE ON ISLAMIC SOCIAL REPORTING (ISR) DISCLOSURE (Study on Sharia Commercial Banks in Indonesia Period 2012-2016). *Journal of Accounting, Business and Economics*, 4(2), 1225–1248. <https://doi.org/10.33197/jabe.vol4.iss2.2018.184>
- Setiawati, E., Rois, D. I. N., & Aini, I. N. (2017). THE EFFECT OF CAPITAL ADEQUACY, FINANCING RISK, OPERATIONAL EFFICIENCY AND

- LIQUIDITY ON PROFITABILITY (Study on Islamic Banks and Conventional Banks in Indonesia). *Indonesian Accounting and Finance Research*, 2(2), 109–120. <https://doi.org/10.23917/reaksi.v2i2.4886>
- Setya, M., Sari, P., Afriansyah, R., Icmed, D., Efek, B., & Population, I. (2021). The effect of car, ldr, nim, bopo on roa in the banking sector went public in bei 2016-2018 to Deposit Ratio), NIM (Net Interest Margin), BOPO (Operating Expenses). *Journal of Accounting and Finance*, 17(1), 118–126.
- Shabrina, A., Bima, C., Fakhrudin, I., & Wibowo, H. (2021). THE INFLUENCE OF INTELLECTUAL CAPITAL, ISLAMIC SOCIAL REPORTING, PUBLIC OWNERSHIP, THE SIZE OF THE SHARIA SUPERVISORY BOARD AND THE NUMBER OF MEETINGS OF THE SHARIA SUPERVISORY BOARD. 2(2), 92–110.
- Suwarno, R. C., & Muthohar, A. M. (2018). Analysis of the Effect of NPF, FDR, BOPO, CAR, and GCG on the Financial Performance of Islamic Commercial Banks in Indonesia for the 2013-2017 Period. *BUSINESS : Journal of Islamic Business and Management*, 6(1), 94. <https://doi.org/10.21043/bisnis.v6i1.3699>
- Shakhrun, M., Anwar, A., & Amin, A. (2019). The Effect of Car, Bopo, Npf and Fdr on Profitability in Islamic Commercial Banks in Indonesia. *Bongaya Journal for Research in Management (BJRM)*, 2(1), 1–10. <https://doi.org/10.37888/bjrm.v2i1.102>
- Trisela, I. P., & Pristiana, U. (2021). Comparative Analysis of The Financial Performance Of Islamic Banks With Conventional Banks Listed On The Indonesia Stock Exchange For The Period 2014 - 2018. *JEM17: Journal of Management Economics*, 5(2), 83–106. <https://doi.org/10.30996/jem17.v5i2.4610>
- Triyuwono, I. (2001). The metaphor of zakatdanshari'ah enterprise theory as a basic concept in shaping shari'ah accounting. *Jaai Volume*, 5(2), 131–145.
- Tulung, J. E. (2018). *The influence of CAR..... (Siwu, Pure, Tulung)* 325. 325–334.
- Wahyuni, N., Amin, A., Adequacy, C., & Ratio, C. A. (2018). *Analysis of Factors affecting the Financial Performance of Islamic Commercial Banks listed on the Indonesia Stock Exchange (IDX) (Period 2014-2016)*. 2(2), 62–73.
- Wibisono, M. Y., & Wahyuni, S. (2017). The Effect of CAR, NPF, BOPO, FDR, On Roa Mediated By NOM. *Journal of Business & Management*, 17(1), 41–62.
- Yuliana, I. R., & Listari, S. (2021). The effect of CAR, FDR, and BOPO on ROA in Islamic banks in Indonesia. *Scientific Journal of Unitary Accounting*, 9(2),

309–334. <https://doi.org/10.37641/jiakes.v9i2.870>

- Yundi, N. F., & Sudarsono, H. (2018). The Effect of Financial Performance on the Return on Assets (ROA) of Islamic Banks in Indonesia. *Al-Amwal : Journal of Shari'a Economics and Banking*, 10(1), 18.
<https://doi.org/10.24235/amwal.v10i1.2759>
- Zulkarnaen, Z. (2018). THE EFFECT OF DEBT TO ASSETS RATIO ON RETURN ON ASSETS IN INSURANCE COMPANIES LISTED ON THE IDX IN 2010-2015. *Encyclopedia of Finance*, April, 82–82.
https://doi.org/10.1007/0-387-26336-5_580