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Profitability Analysis of Sharia Commercial Banks in Indonesia

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Abstract

Islamic banking needs to maintain its maximum performance. Banking performance as a whole can be seen through the value of profitability. It is important to know because the banking condition in the future can be seen and predicted through its financial performance. Therefore, this study aims to analyze the profitability of Islamic commercial banks in Indonesia. This study uses quantitative methods with panel data regression estimates during the 2015Q1-2020Q4 period at 5 Islamic Commercial Banks in Indonesia, namely BRI Syariah Bank, BNI Syariah Bank, BCA Syariah Bank, Mega Syariah Bank, and BTPN Syariah Bank at 5 Syariah Commercial Banks. in the period 2010-2019. The variables used are ROA, CAR, NPF, FDR and BOPO. Stages of panel data to select the best model required several tests, namely the Chow test, Housman test and LM test. Next, it is necessary to test the classical assumptions in the form of heteroscedasticity test, multicollinearity test and autocorrelation test. The results showed that simultaneously the independent variables CAR, NPF, FDR and BOPO had a significant effect on profitability (ROA). Partially, the CAR and NPF has insignificant effect on profitability (ROA). Then, the FDR variable partially has a positive and significant effect on profitability (ROA). The BOPO variable has a negative and significant effect on profitability (ROA).

Keywords: *BOPO, CAR, FDR, NPF, Profitability,*

Introduction

The role of the banking industry is currently very important for economic development because it is a place where funds are invested in the form of deposits, time deposits or as a place to obtain and form credit. Banks that are well managed can provide benefits that will increase profitability. In order to know the performance of a bank, one of the indicators is profitability. If the bank is able to increase profitability then this can show a good bank financial performance. And conversely, if the profitability is low, then the bank's performance is less than optimal in generating profits. To measure a level of profitability, one of the indicators is ROA.

Return On Assets (ROA) is used to measure a company's effectiveness in generating profits by utilizing its assets so that ROA is very important for a bank. Some of the main sources used as a marker or basis for evaluation of a bank's financial performance are the bank's financial statements. Financial ratios can be used to analyze financial statements that will be used as a basis for evaluating the level of bank performance. One of the tools that can be used to measure the success of management in creating profits or profits from the bank's business operations can be seen from the earning or profitability aspect. In the banking industry, the dimension of profitability generally uses a variety of measurement tools, one of which is Return on Assets (ROA).

Bank profitability is determined by factors that can be controlled by management and factors beyond management's control. Factors that can be controlled by management are factors that describe the policies and decisions of the bank's own management, such as fundraising, management, capital, liquidity management, and payment management. Based on these problems, interested in conducting research on the effect of Capital Adequacy Ratio (CAR), Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR) and Operational Income Operating Costs (BOPO) on the profitability of Indonesian Islamic Commercial Banks, especially the 2015Q1-2020Q4 period.

Methodology

Data Type

In this study using quantitative data. Quantitative data is data related to numbers or numbers, obtained from measurements or from qualitative data which is converted into quantitative data. Sugiyono (2010) states that quantitative data is a type of data that may or may be measured and calculated directly, as well as in the form of information and explanations in the form of numbers or numbers. As well as panel data which is a combination of two data, namely time series and cross section which are able to collect more data so as to produce a greater degree of freedom. In this study, the data taken were profitability or Return on Assets (ROA), Capital Adequacy Ratio (CAR), Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), and Operational Income Operating Costs (BOPO).

Data source

The type of data used in this research is secondary data obtained through a literature study from several related sources. Sources of data used in the process of analyzing this research were obtained through several documents issued by the Central Statistics Agency (BPS), Bank Indonesia (BI), and the Financial Services Authority (OJK). The data is in the form of cross-sectional and longitudinal data or time series with the 2015-2020 period in quarterly form.

Data analysis technique

In this study the data analysis method used is panel data. Panel data is a combination of time series data and cross section data. For Basuki (2009) the use of panel data in an observation has some advantages. First, panel data which is a combination of two time series data and a cross section which can provide more data so that it can create a greater degree of freedom. Second, combining data from time series and cross section information can overcome problems that arise when there are omitted-variable problems.

Implementation or application of panel data analysis can be tried in several fields of science, for example in the fields of economics, business, and so on. We can study the attitude or behavior of many companies in a certain period of time through the analysis of company performance. Regression analysis using panel data can overcome the limitations of data availability that are often experienced by researchers in carrying out analyzes of data with a limited number of objects. By carrying out panel data analysis, we can study a group of subjects if we want to think in terms of the time dimension or data size. Choosing the right estimation method to use is especially important in panel data analysis (Sriyana, 2014). Panel data is a combination of cross section data and time series data, so the regression equation uses the eviews 9 tool as follows:

$$ROA_{it} = \alpha + \beta_1 CAR_{it} + \beta_2 NPF_{it} + \beta_3 FDR_{it} + \beta_4 BOPO_{it} + e_{it}$$

Where :

ROA_{it} = *Return on Assets* (ROA)
α = Constant
$\beta_1\ \beta_2\ \beta_3\ \beta_4$ = Regression Coefficient
CAR_{it} = *Capital Adequacy Ratio*
NPF_{it} = *Non Performing Financing*
FDR_{it} = *Financing To Deposit Ratio*
BOPO = Operating Expenses Operating Income
e_{it} = *Error Term*

Before analyzing the resulting regression model, it is necessary to select the best model between the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM) using the Chow and Hausman tests. Furthermore, it is necessary to test the classical assumptions, namely multicollinearity and heteroscedasticity tests (Basuki, 2009).

Result and Discussion

Regression Model Testing

In testing the model in panel data regression, it can be done using three method approaches, including the Common Effect Model, Fixed Effect Model and Random Effect Models. Then the test results are as follows:

Common Effects Model Approach

CEM is a model that mixes or combines time series data and cross sections after which it is regressed in the OLS (Ordinary Least Square) model. CEM reports that the state of an object at one time to another is the same. The results of the common effect model regression in this study can be seen in Table 1.

Fixed Effects Model Approach

The Fixed Effects Model approach is a method that assumes that the regression coefficient (slope) remains constant between companies and over time. In this model approach, it does not observe or pay attention to the time dimension or individual dimension. Then the results of the Fixed Effect Model regression in this study are as shown in Table 2.

Random Effects Model Approach

The Random Effects Model is a model that will estimate panel data where the constraints or disturbance variables may or may not be related to each other over time and between individuals. Then the results of the Random Effect Model regression from this study are as shown in Table 3.

Table 1. ***Common Effect Model Result***

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	23.33383	1.641693	14.21327	0.0000
CAR	-0.013814	0.014044	-0.983642	0.3274
NPF	0.077328	0.035654	2.168822	0.0322
FDR	0.107931	0.013557	7.961307	0.0000
BOPO	-0.345375	0.012233	-28.23301	0.0000
R-squared	0.906529	Mean dependent var		2.786167
Adjusted R-squared	0.903278	S.D. dependent var		3.706540
S.E. of regression	1.152741	Akaike info criterion		3.162936
Sum squared resid	152.8133	Schwarz criterion		3.279081
Log likelihood	-184.7761	Hannan-Quinn criter.		3.210103
F-statistic	278.8320	Durbin-Watson stat		0.399587
Prob(F-statistic)	0.000000			

Table 2. ***Fixed Effect Model Result***

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	22.08295	1.445857	15.27325	0.0000
CAR	-0.018228	0.011845	-1.538817	0.1267
NPF	0.019750	0.023334	0.846426	0.3991
FDR	0.045046	0.010534	4.276186	0.0000
BOPO	-0.264053	0.012490	-21.14075	0.0000
R-squared	0.968204	Mean dependent var		2.786167
Adjusted R-squared	0.965912	S.D. dependent var		3.706540
S.E. of regression	0.684332	Akaike info criterion		2.151291
Sum squared resid	51.98244	Schwarz criterion		2.360353

Table 3. ***Random Effect Model Test***

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	23.33383	0.974602	23.94192	0.0000
CAR	-0.013814	0.008337	-1.656921	0.1003
NPF	0.077328	0.021167	3.653328	0.0004
FDR	0.107931	0.008048	13.41063	0.0000
BOPO	-0.345375	0.007262	-47.55782	0.0000
R-squared	0.906529	Mean dependent var		2.786167
Adjusted R-squared	0.903278	S.D. dependent var		3.706540
S.E. of regression	1.152741	Akaike info criterion		152.8133
Sum squared resid	278.8320	Schwarz criterion		0.399587
Log likelihood	0.000000	Hannan-Quinn criter.		2.786167
F-statistic	0.906529	Durbin-Watson stat		3.706540
Prob(F-statistic)	0.903278			

Model Selection Test

The next step is to test the selection of the test model must be carried out before continuing the panel data regression analysis stage. The model selection test aims to be able to determine the most appropriate regression model for the data to be processed as well as in this study. The results of the panel data regression model selection test are as follows:

Chow test

The Chow test is a test conducted to determine the most appropriate or appropriate model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM). In this test to determine the most appropriate model, it can be seen from the comparison of the probability values. If the probability value is <0.05 then the model selected or to be used is the Fixed Effect Model. And conversely if the probability value is > 0.05 then the model chosen or to be used is the Common Effect Model. The hypothesis in this Chow test is:

H0 : choose to use the Common Effect Model

Ha : choose to use the Fixed Effect Model

The regression results from the Chow test are as follows:

Table 4. Chow Test Result

Effects Test	Statistic	d.f	Prob.
Cross-section F	53.826946	(4,111)	0.0000
Cross-section Chi-square	129.397303	4	0.0000

Based on the results of the Chow test above, it can be seen that the probability value of Cross Section F is 0.0000 <0.05, then H0 is rejected and Ha is accepted, so based on the test results the selected model is the Fixed Effect Model.

Hausman test

The Hausman test is a test conducted to select or determine the most appropriate or appropriate model between the Fixed Effect Model (FEM) and the Random Effect Model (REM). In this test to determine the most suitable model can be known through a comparison between the chi-square and significant probability values. If the probability value of chi-square <0.05 then the selected model is the Fixed Effect Model. And conversely if the probability value of chi-square > 0.05 then the selected model is the Random Effect Model. The hypothesis in this Hausman test is:

H0 : choosing to use the Random Effect Model

Ha : choose to use the Fixed Effect Model

The regression results from the Hausman test are as follows:

Table 5. Hausman Test Result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	215.307785	4	0.0000

Based on the results of the Hausman test above, it can be seen that the chi-square probability value is 0.0000 <0.05, then H0 is rejected and Ha is accepted. So it can be seen that based on the test results, the selected model is the Fixed Effect Model.

Hypothesis Testing Results

Statistical F Test

In this F statistical test aims to determine the effect of all the independent variables statistically together on the dependent variable. This test is carried out by observing the significance value of F at the 0.05 level. If the significance value of F > level 0.05 then H0 is accepted and H1 is rejected, which means that the independent variables simultaneously have no significant effect on the dependent variable. And vice versa if the significance value of F <0.05 level then H1 is accepted and H0 is rejected which means that the independent variables simultaneously affect the dependent variable. The results of the F statistical test in this study are as follows:

Table 8. F Statistic Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	22.08295	1.445857	15.27325	0.0000
CAR	-0.018228	0.011845	-1.538817	0.1267
NPF	0.019750	0.023334	0.846426	0.3991
FDR	0.045046	0.010534	4.276186	0.0000
BOPO	-0.264053	0.012490	-21.14075	0.0000
R-squared	0.968204	Mean dependent var		2.786167
Adjusted R-squared	0.965912	S.D. dependent var		3.706540
S.E. of regression	0.684332	Akaike info criterion		2.151291
Sum squared resid	51.98244	Schwarz criterion		2.360353
Log likelihood	-120.0775	Hannan-Quinn criter.		2.236192
F-statistic	422.5007	Durbin-Watson stat		0.470706
Prob(F-statistic)	0.000000			

From the results of the F test of this study it can be seen that the F-statistic value is 422.5007 with a probability value of 0.0000, which means that the probability value is less than 0.05 (0.0000 <0.05). So it can be concluded that H1 is accepted and H0 is rejected so that simultaneously the CAR, NPF, FDR, and BOPO variables affect the profitability variable (ROA).

Partial Test (T Test)

The T test is a test used to see or show partially the influence of the independent variables (CAR, NPF, FDR, BOPO) on the dependent variable, namely ROA. If t count > t table then H0 is rejected, so it can be concluded that the independent variables affect the dependent variable. And conversely if t count <t table then H0 is accepted, so it can be concluded that the independent variable has no effect on the dependent variable.

T table is obtained from the calculation of df = n-k and $\alpha/2$ or if the probability value is <0.05 then the results are significant, meaning that there is an influence of the independent variable on the dependent variable. The results of the statistical t test in this study are as follows:

Table 9. Parsial T Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	22.08295	1.445857	15.27325	0.0000
CAR	-0.018228	0.011845	-1.538817	0.1267
NPF	0.019750	0.023334	0.846426	0.3991
FDR	0.045046	0.010534	4.276186	0.0000
BOPO	-0.264053	0.012490	-21.14075	0.0000
R-squared	0.968204	Mean dependent var		2.786167
Adjusted R-squared	0.965912	S.D. dependent var		3.706540
S.E. of regression	0.684332	Akaike info criterion		2.151291
Sum squared resid	51.98244	Schwarz criterion		2.360353
Log likelihood	-120.0775	Hannan-Quinn criter.		2.236192
F-statistic	422.5007	Durbin-Watson stat		0.470706
Prob(F-statistic)	0.000000			

Based on the table above, it can be explained that effect of Capital Adequacy Ratio (CAR) on profitability (ROA). It can be seen that based on the panel data test results above, it can be seen that the CAR variable has a t-statistic value of -1.538817 and a significance value indicates 0.1267 > 0.05. From the results obtained, it can be concluded that the CAR variable partially has a negative and not significant effect on profitability (ROA). So these results state that H1 is rejected, which means that the CAR variable has a positive and significant effect on probability (ROA) is not proven.

Effect of Non Performing Financing (NPF) on profitability (ROA). From the panel data test results above, it can be seen that the NPF variable has a t-statistic value of 0.846426 and a significance value of 0.3991 > 0.05. From the results obtained, it can be concluded that the NPF variable partially has a positive and insignificant effect on probability (ROA). So these results state that H2 is rejected, which means that the NPF variable has a negative and significant effect on probability (ROA) is not proven.

Effect of Financing to Deposit Ratio (FDR) on profitability (ROA). From the panel data test results above, it can be seen that the FDR variable has a t-statistic value of 4.276186 and a significance value of 0.0000 <0.05. From the results obtained, it can be concluded that the FDR variable partially has a positive and significant effect on probability (ROA). So these results

state that H3 is accepted, which means that the FDR variable has a positive and significant effect on probability (ROA) is proven.

Effect of Operational Income Operating Costs (BOPO) on profitability (ROA). From the results of the panel data test above, it can be seen that the BOPO variable has a t-statistic value of -21.14075 and a significance value indicates 0.0000 <0.05. From the results obtained, it can be concluded that the BOPO variable partially has a negative and significant effect on probability (ROA). So these results state that H4 is accepted, which means that the BOPO variable has a negative and significant effect on probability (ROA).

Determination Coefficient Test (Adjusted R2)

The coefficient of determination is one of the statistical values used to measure how far the research model used can link the independent variables (in this study CAR, NPF, FDR, and BOPO) with the dependent variable (ROA) to estimate the regression equation. In this study the results of the coefficient of determination test are as follows:

Table 10. Determination Coefficient Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	22.08295	1.445857	15.27325	0.0000
CAR	-0.018228	0.011845	-1.538817	0.1267
NPF	0.019750	0.023334	0.846426	0.3991
FDR	0.045046	0.010534	4.276186	0.0000
BOPO	-0.264053	0.012490	-21.14075	0.0000
R-squared	0.968204	Mean dependent var		2.786167
Adjusted R-squared	0.965912	S.D. dependent var		3.706540
S.E. of regression	0.684332	Akaike info criterion		2.151291
Sum squared resid	51.98244	Schwarz criterion		2.360353
Log likelihood	-120.0775	Hannan-Quinn criter.		2.236192
F-statistic	422.5007	Durbin-Watson stat		0.470706
Prob(F-statistic)	0.000000			

Based on the test results of the coefficient of determination above, it can be seen that the Adjusted R-Square value is 0.9659. This indicates that the independent variables (CAR, NPF, FDR, and BOPO) are able to explain or influence the dependent variable (ROA) of 96.95%. While the remaining 3.05% is influenced by other variables or factors that are not included in the model.

Then, it can be interpreted from the results of the regression of the CAR, NPF, FDR, and BOPO variables (independent variables) on the ROA variable (the dependent variable) in Islamic Commercial Banks in Indonesia from 2015 quarter 1 to 2020 quarter 4, using the panel data method in the form of a Fixed Effect Model as follows:

Effect of Capital Adequacy Ratio (CAR) on profitability (ROA)

Based on the results of the study, it shows that the CAR variable has a negative coefficient value of -0.018228, so that if there is a one-unit increase in CAR, it will reduce profitability by -0.018228. Then the results of the t test have shown the results that partially the CAR variable has a negative and not significant effect, with this in mind, H1 which states that

CAR has a positive and significant effect on profitability is rejected. Because the results of testing this research get a CAR with a t-Statistic value of -1.538817 and a probability value that is greater than the significance level (0.1267 > 0.05).

In this study, large or high CAR at Islamic Commercial Banks in Indonesia in the 2015Q1-2020Q4 period did not result in increased profitability. When viewed from the empirical conditions of the research object, it can be seen that the majority of Islamic banks have a CAR that exceeds 8%. This could result from the management attitude of Islamic banks operating in the 2015Q1-2020Q4 period which did not optimize existing or available funds.

If the capital adequacy continues to be high or large, the stronger the condition or condition of the bank and the better the bank's performance in generating profits. However, a very high or large CAR indicates a conservative bank condition due to not using all of its potential capital. The results of this study indicate that the size of the bank's capital adequacy (CAR) is not certain to cause the size of the bank's profit. Banks that have large capital but cannot use their capital effectively to create profits, capital also cannot have a significant effect on bank profitability. With the existence of Islamic banks' efforts to protect bank capital adequacy, that way banks do not easily issue their funds for funding because this can increase or increase risk.

In theory that discusses the relationship between CAR and profitability, CAR or a ratio that proxies capital adequacy is very important in the banking business, a bank that has a good level of adequacy shows indicators as a healthy bank. The purpose of this CAR calculation is to find out how far the bank's ability to cover or bear losses if the bank suffers a loss with capital that must be owned or must comply with the minimum capital requirement standard of 8% (Muhamad, 2015). This research can be said to be inconsistent with existing theory because a company may only use a large part of its capital to cover operational losses such as construction breakdowns and others.

The results of this study also support the results of research conducted by Muhamad Fachri & Mahfudz (2021) which stated that based on the results of the t test it showed that the CAR variable had no significant negative effect on the ROA variable. The results in this study are also in line with the results of research from Aninda & Diansyah (2019) which shows that the CAR variable has a negative and insignificant effect on ROA. of its capital to cover its operations such as non-performing financing so that it is less able to increase profits. The results of this study also support Azmy's research (2018) that the capital adequacy variable proxied by CAR does not have a significant effect and moves in a negative direction on ROA.

However, the results of this study contradict the results of the research of Priska Trias Agustin and Ari Darmawan (2018), Alfianda & Widianto (2020), Yusuf (2017) which states that CAR has a positive and partial significance effect on the profitability of Islamic banks.

Effect of Non-Performing Financing (NPF) on profitability (ROA)

Based on the results of the study, it shows that the NPF variable has a positive coefficient value of 0.019750, so that if there is a one-unit increase in NPF, it will increase profitability by 0.019750. From the results of the t test, it has shown that partially the NPF variable has a positive and insignificant effect, with this in mind, H2 which states that NPF has a negative and insignificant effect on profitability is rejected. Because the results of testing this research get a NPF with a t-Statistic value of 0.846426 and a probability value that is greater than the level of significance (0.3991 > 0.05).

The theory previously described states that the greater or higher the NPF, the greater or higher the problem financing borne by the bank so that it can reduce the level of profitability as measured by ROA. So that the direction of the relationship between NPF and ROA is negative. The results of this study have a relationship that contradicts this theory. The results of this study show that a large NPF does not depreciate the ROA of Islamic

Commercial Banks, this is because the Reserve for Receivable Losses or the value of Allowance for Earning Assets (PPAP) can still overcome the problematic financing by covering it from the cost of allowance for losses. Where any financing provided by the bank, the bank will form a reserve for loss of productive assets, because there may be a risk of loss that arises as a result of not being able to receive the financing provided.

A large or high NPF does not mean that the customer really is unable to return financing funds to the bank, but is caused by the strict regulations of Bank Indonesia in classifying non-performing loans or financing which causes debtors who were previously in the current category to become substandard. Not only earning income from disbursed financing, the bank also earns income from other sources besides profit-sharing disbursed financing, such as fee-based income, so this income can support an increase in ROA.

The results of this study are also in line with Yusuf (2017) which states that NPF has a positive effect on profitability (ROA) in Islamic commercial banks. The results of this study also support the research of Suwarno & Muthohar (2018) which states that partially the NPF variable has a non-significant positive effect on ROA which states that a greater NPF condition in one period does not directly result in a decrease in profit in the same period, this is due to by the influence of the significance of NPF on ROA which is related to determining the level of congestion financing provided by a bank.

The results of this study contradict the research results obtained by Pravasanti (2018) which states that the NPF variable has a significant negative effect on ROA, this indicates that the greater the NPF, the lower the profitability. And contrary to the results of research from Gunawan et al. (2020) which also states that Non Performing Financing (NPF) has a negative and significant impact on profitability.

Effect of Financing to Deposit Ratio (FDR) on profitability (ROA)

Based on the results of the study, the FDR variable has a positive coefficient value of 0.045046, so that if there is a one-unit increase in FDR, it will increase profitability by 0.045046. From the results of the t test in this study, it has shown that partially the FDR variable has a positive and significant effect, with this in mind, H3 which states that FDR has a positive and significant effect on profitability is accepted. Because the results of testing this research get an FDR with a t-Statistic value of 4.276186 and a probability value that is smaller than the significance level (0.000 <0.05).

The financing to deposit ratio (FDR) is the ratio used to measure the level of liquidity by comparing the financing distributed with the total funds collected or collected from the public in order to fulfill their short-term obligations. The large amount of financing disbursed will ensure the level of profit that will be obtained by the bank. If the bank is unable to channel financing optimally while the funds collected by the bank from the public are large, it means that it can cause losses to the bank. Bank Indonesia sets the standard used for the FDR ratio of 80% to 110%. If the ratio of the number of FDR of a bank is below 80%, it means that it can be concluded that the bank can only disburse that amount of all the funds that have been collected.

The test results in this study show that FDR has a positive and significant effect on ROA. This matter shows that Islamic Commercial Banks can carry out their performance as intermediary institutions well. Sharia Commercial Banks are considered to be able to distribute financing to the public optimally so that depositors trust Islamic Commercial Banks to be able to manage the funds they have. The greater the level of public confidence in Islamic Commercial Banks, the greater the amount of funds obtained from depositors. The acquisition of these funds can affect the level of ROA at Bank Universal Syariah. The greater or higher the FDR, the profit of a company has the possibility to increase or increase provided that the bank is able to distribute its credit to the maximum, so that it can be concluded that the

Financing to Deposit Ratio (FDR) increases, the profit obtained by the bank also increases, assuming that the bank is able to distribute maximum or optimal financing.

The results of this study support the research results of Ramadhani (2018), Agustin & Darmawan (2018), Yusuf (2017) which state that FDR has a positive (significant) effect on profitability (ROA) in Islamic Commercial Banks in Indonesia. Thus, the higher this ratio reflects that Islamic Commercial Banks are more effective in channeling their financing. Assuming that this ratio is within the limits set by Bank Indonesia.

However, the results of this study are not in line with Aninda & Diansyah (2019) which state that the FDR variable has a negative and insignificant effect on ROA in Islamic commercial banks. The results of this study are also not in line with the results of research by Jenny Risky Caesar & Isbanah (2020) which states that the FDR variable has no effect on ROA, these results indicate that the bank's ability to pay its debts is not optimal, causing customers not to trust banks to invest.

Effect of Operational Income Operating Costs (BOPO) on Profitability (ROA)

Based on the results of the study, the BOPO variable has a negative coefficient value of -0.264053, so that if there is a one-unit increase in BOPO, it will reduce profitability by -0.264053. From the results of the t test in this study, it has shown that partially the BOPO variable has a negative and significant effect, with this in mind, H4 which states that BOPO has a negative and significant effect on profitability is accepted. Because the results of testing this research get BOPO with a t-Statistic value of 21.14075 and a probability value that is smaller than the significance level (0.000 <0.05).

The results of this study are in accordance with the hypothesis. In theory, operational costs are important in carrying out the operations of a bank because carrying out bank activities is closely related to the costs incurred to generate or generate profits. Dendawijaya (2005) argues, any increase in operational costs can have an impact on reduced profit before tax which in conclusion can lower the profit or profitability (ROA) of the bank concerned. BOPO has a negative relationship to ROA, thus showing that if BOPO increases, it means that efficiency decreases, thus the Return On Assets (ROA) obtained by the bank will decrease. This is due to the level of efficiency of the bank in carrying out its operations affecting the income generated by the bank. If operational activities are carried out effectively (in this case the value of the BOPO ratio is low), then the income generated by the bank will increase. The negative relationship between BOPO and ROA means that the higher the BOPO level, the lower the ROA level of a bank. The low level of BOPO shows good bank management skills, in meeting operational costs by generating maximum profit. So that the impact on ROA is better.

Achieving a high level of efficiency is the hope of all banks because with this the bank management has succeeded in optimizing resources including the proper use of costs to increase profits. Bank Indonesia explained that if the BOPO rate increases, ROA will decrease. This reflects the lack of ability of a bank to reduce operational costs and is less able to increase its operating income to cover large expenses and cause losses. The use of operational costs needs to pay attention to the maximum limit set by the regulator. If it exceeds the maximum BOPO limit that has been calculated, the bank will be categorized as inefficient in carrying out its operations.

Based on the results of this study, it supports the research results of Ramadhani (2018), Syachreza & Gusliana (2020) which states that BOPO has a negative and significant effect on profitability. The results show that the higher the BOPO, the profitability will decrease or vice versa if the BOPO is lower, the profitability will increase , because Islamic banks must manage bank operational activities efficiently by minimizing bank operational costs which greatly affect the bank's profit level (ROA). The results of this study are also in line with Miranda Pramitasari, M. Ridwan Basalamah and Aleria Irma Hatnety (2021) which states

that the BOPO variable has a negative and significant effect on profitability, the higher the percentage of ROA, it indicates a decrease in the financial performance of Islamic commercial banks in carrying out operational activities in a banks and vice versa, banks are required to maintain low operational costs and use them as efficiently as possible if they want to earn large incomes.

This study is not in line with Das et al. (2020) which states that BOPO has an effect on ROA in Islamic commercial banks.

Conclusion

Based on the results of the study it can be concluded that based on the results of the t test obtained the results of the Capital Adequacy Ratio (CAR) with a t-Statistic value of -1.538817 with a significance value of 0.1267 > 0.05 the CAR variable partially has a negative and not significant effect on profitability (ROA) at the Bank General Sharia in Indonesia in 2015Q1-2020Q4 thus showing that the size of a bank's capital adequacy does not necessarily affect the size of its profitability.

Based on the t test obtained the results of Non Performing Financing (NPF) with a t-Statistic value of 0.846426 with a significance value of 0.3991 > 0.05 the NPF variable partially has a positive and not significant effect on profitability (ROA) in Islamic Commercial Banks in Indonesia in 2015Q1-2020Q4 so it can be concluded that a high NPF ratio does not reduce profitability (ROA). This is because the BUS is still able to overcome the problematic financing by covering it from the cost of allowance for losses or by providing allowance for possible write-offs of earning assets from the financing that has been disbursed.

Based on the results of the t test obtained the results of the Financing to Deposit Ratio (FDR) with a t-Statistic value of 4.276186 with a significance value of 0.0000 <0.05 the NPF variable partially has a positive and significant effect on profitability (ROA). From these results it can be concluded that the higher the Financing to Deposit Ratio (FDR), the higher the ROA obtained.

Based on the results of the t test obtained the results of Operational Income Operating Costs (BOPO) with a t-Statistic value of -21.14075 and a significance value of 0.0000 <0.05 the BOPO variable partially has a negative and significant effect on profitability (ROA). From these results, it can be concluded that the higher the value of the BOPO ratio, the bank's performance and operations will decrease because of the large burden that must be paid compared to the income to be received, so this can reduce the level of profitability (ROA) in Islamic Commercial Banks.

Simultaneously the variables CAR, NPF, FDR, and BOPO have a significant effect on the profitability (ROA) of Islamic Commercial Banks in Indonesia in 2015Q1-2020Q4. Based on the results of this study, the Adjusted R2 value is 96.95%, while the remaining 3.05% is influenced by other variables or factors that are not included in the model.

In addition, recommendations for BUS can be given, namely: 1) BUS are expected to be able to further improve the performance of sharia banks so as to be able to compete with other conventional banks and so that people will have more confidence and trust in sharia commercial banks. 2) BUS are expected to always prioritize the principle of prudence both in financing and operational management in order to minimize the occurrence of problems that cause the profitability of Islamic banks to decrease. 3) Islamic Commercial Banks must continue to increase profitability in order to increase operational profit by utilizing the assets owned so that the profitability of Islamic banks is higher. 4) Islamic Commercial Banks are expected to increase efficiency efforts by reducing operational costs, increasing income from financing and commissions or fee-based income, improving declining asset quality, increasing productivity, and optimizing branch performance.

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