Analysis of the Influence of Financial Ratio to Profitability of Sharia Commercial Bank

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Abstract

This research aims to find out and analyze the influence of Financing to Deposit Ratio (FDR), Non-Performing Financing (NPF), Capital Adequacy Ratio (CAR), and Operating Expense of Operating Income (OEOI) on Profitability in Sharia Commercial Banks in Indonesian in the period 2011-2020. This type of research is explanatory research and uses a quantitative approach. The population and sample of this study is the Indonesian Sharia Commercial Bank registered with the Financial Services Authority for the period 2011-2020, as many as 14 companies with saturated sampling techniques. The study used multiple regression analysis methods, classical assumption tests, and F and t hypothesis tests. The results of hypothesis testing showed that the four variables significantly influenced the profitability of Sharia commercial banks. Partially, the results of the hypothesis test showed that the variables Financing to Deposit Ratio and Non-Performing Financing had a negative and insignificant Influence on the Profitability of Sharia Commercial Banks, the Capital Adequacy Ratio had a positive and insignificant Influence on the Probability of Sharia Commercial Banks, and Operating Expenses of Operating Income negatively and significantly on the Profitability of Sharia Commercial Banks. This study supports the results of Wahyudi & Kartikasari (2021), Ningsih & Dewi (2020), Aprilia & Soebroto (2020), and Yusuf (2017) and this study does not support the results of Devi (2021), Dewi (2020), and Marginingsih (2018).

Keywords: *FDR; NPF; CAR; OEOI; Profitability*

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1. Introduction

As an intermediation institution, Sharia Commercial Bank supports national development to improve equality, economic growth, and national stability towards improving public welfare (UU RI No. 10 of 1998). This role must be accompanied by optimal performance. To measure the performance of a bank, the profitability ratio, where Return on Asset (ROA) is a proxy that can be used to measure a bank's good or bad performance.

ROA is used to measure the extent of a bank's ability to make a profit. The higher ROA indicates that the bank is getting high profits. Conversely, the lower the ROA indicates that the bank is getting a low profit. The high or low ROA or its influence can be caused by several other ratios, including financing to deposit ratio (FDR), which shows how well liquidity a bank; non-performing financing (NPF), which shows how well the bank overcoming problematic financing, capital adequacy ratio (CAR) which shows how well the bank manages its capital, and Operating Expenses of Operating Income (OEOI) which shows how well the bank's efficiency of the resources used.

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According to Sharia Banking Statistics (2021), the ratio of ROA, FDR, NPF, CAR, and OEOI Sharia Commercial Bank for 2011-2020 is presented in Table 1 attached. Table 1 above shows that ROA, FDR, NPF, CAR, and OEOI experienced various fluctuations in 2011-2020. In 2020, the emergence of the COVID-19 pandemic had an extraordinary impact on Indonesia, not only on health and humanitarian aspects but also on social and economic aspects, including the banking industry. This becomes an important point to analyze its Influence on the performance of Sharia Commercial Banks. ROA rate in 2020 amounted to 1.40, FDR in 2020 amounted to 76.36, NPF in 2020 amounted to 3.12, CAR in 2020 amounted to 21.64, and OEOI in 2020 amounted to 85.55. This shows that ROA, FDR, NPF, and CAR are still in healthy condition by the provisions of Bank Indonesian (BI) regulations. At the same time, OEOI shows fairly healthy condition by the provisions of BI regulations.

Research related to financial ratios and their influence on the profitability of Sharia and conventional banking in Indonesia has been widely conducted by several researchers—first, the influence of the ratio of FDR to ROA. Research conducted by Devi (2021), Memunah and Yanti (2020), Dewi (2020), Nuryanto, Salam, Sari & Suleman (2020), Marginingsih (2018), and Yusuf (2017) found that FDR had a significant influence on ROA Sharia Commercial Banks in Indonesia. However, in Aprilia & Soebroto (2020), Rundupadang, Mangantar & Rate (2018), Rahmat & Komariah (2017), and Antika & Nelli (2020) found that FDR had no significant influence on ROA Sharia Commercial Banks in Indonesia.

Second, the influence of NPF to ROA ratio. Devi (2021), Badzlina, Amyulianthy & Munira (2020), Memunah and Yanti (2020), Susilowati (2020), Ananda (2020), Dewi (2020), Ningsih & Dewi (2020), Nuryanto et.al (2020), Marginingsih (2018) and Yusuf (2017) researched and found that NPF had a significant influence on ROA Sharia Commercial Banks in Indonesian. But in the research Wahyudi & Kartikasari (2021), Raharjo, Anita, & Dewi (2020), Antika & Nelli (2020), found that NPF has no influence on ROA Sharia Commercial Banks in Indonesia.

Third, the influence of the CAR to ROA ratio. Research conducted by Aprilia & Soebroto (2020), Badzlina et.al (2020), Dewi (2020), Marginingsih (2018), Yusuf (2017) found that CAR has a significant influence on ROA. But in Devi research (2021), Wahyudi & Kartikasari (2021), Ermiati, Amanah, Agustini, Putri, & Harahap (2020), Raharjo et.al (2020), Ananda (2020), Ningsih & Dewi (2020), Nuryanto et.al (2020), Antika & Nelli (2020), found that CAR had no influence on ROA Sharia Commercial Banks in Indonesia.

Finally, the influence of OEOI on ROA. Wahyudi & Kartikasari (2021), Ningsih & Dewi (2020), Raharjo et.al (2020), Aprilia & Soebroto (2020), Yusuf (2017), researched and found that OEOI had a significant positive influence on ROA. But in Devi study (2021), found that OEOI had no significant influence on ROA.

Based on the phenomenon and inconsistency of the results of the study, it is necessary for studies to reanalyze the influence of financial ratios on the performance of banking companies. The purpose of this study is to find out the Influence of financial ratios to the profitability of Sharia Commercial Banks in Indonesia.

2. Methods

This research is included in the explanatory research type that aims to explain the position of the variables studied and the influence between one variable and another (Sugiono, 2017). The method used in this research is a quantitative research method.

2.1. Model Development

2.1.1. Influence of FDR, NPF, CAR, and OEOI on ROA of Sharia Commercial Banks

The profitability ratio is a ratio that assesses the ability of banks to make a profit. This ratio also measures the level of influence of a bank's management. Using this ratio indicates the bank's efficiency (Kasmir, 2012).

ROA is one of the ratios for measuring profitability. ROA measures the bank's management campaign in obtaining overall profits. The greater the ROA of a bank, the greater the level of profit achieved by the bank and the better the position of the bank in terms of asset use (Dendawijaya, 2001). Based on research previously conducted by Rundupadang et. al (2018), Nuryanto et. al (2020), dan Marginingsih (2018)) which explained the existence of financing to deposit ratio, nonperforming financing, capital adequacy ratio, and operating expenses of operating income together significantly affect the return on assets of Sharia commercial banks.

H1: Financing to Deposit Ratio, Non-Performing Financing, Capital Adequacy Ratio, and Operating Expenses of Operating Income jointly affect the Return on Assets of Sharia Commercial Banks.

2.1.2. Influence of FDR on ROA

FDR is a ratio to measure how far the bank's ability to pay all public funds as well as its capital by relying on credit that has been distributed to the community (Rivai, 2007) and based on Marginingsih's research (2018) stated that FDR had a significant positive influence on ROA Sharia Commercial Banks in Indonesian period 2012-2014. These results are supported by Yusuf's research (2017), which states that FDR significantly positively influences ROA Sharia Commercial Banks in Indonesia. Thus, the higher this ratio reflects that Sharia Commercial Bank is more Influenceive in channeling its financing and assuming that this ratio is within the limits of Bank Indonesia.

H2: Financing to Deposit Ratio positively influences The Return on Assets of Sharia Commercial Banks.

2.1.3. Influence of NPF on ROA

NPF is a financial ratio that shows the financing risks banks face due to the distribution of funds and investment of bank funds in different portfolios (Sukarno & Syaichu, 2006). Based on Ananda's research (2020) stated that NPF has a significant negative influence on the ROA of Sharia Commercial Bank in Indonesia. This is supported by Susilowati's research (2020), which states that NPF has a negative and significant Influence on the ROA on Sharia Commercial Bank in Indonesia. This shows that the greater NPF decreases profitability because banks cannot finance other productive activities.

H3: Non-performing financing negatively affects the Return on Assets of Sharia Commercial Banks.

2.1.4. Influence of CAR on ROA

CAR is the ratio used to show how far all bank assets that contain risk (credit, participation, securities, bills to other banks) are also financed by funds derived from their own capital owned by the bank, that they are obtained from sources of funds outside the bank such as public funds, loans or debts and others (Dendawijaya, 2009). According to Mahmudah and

Ririh (2016) if the Sharia Commercial Bank has a high CAR can increase ROA. The statement was supported by research conducted by Yusuf (2017) and Marginingsih (2018), stating that CAR positively influenced ROA on Sharia Commercial Banks in Indonesia.

H4: Capital Adequacy Ratio positively affects Return on Assets of Sharia Commercial Bank.

2.1.5. Influence of OEOI on ROA

OEOI is the ratio of operational expenses and operating income. The lower the level of the OEOI ratio, the better the management performance of the bank because it is more efficient and uses existing resources in the company (Slamet, 2010). Based on Memunah and Yanti's research (2020) it was stated that OEOI has a significant negative influence on ROA in Sharia Commercial Banks in Indonesia. This is supported by Aprilia and Soebroto's research (2020), which confirms that OEOI negatively affects ROA in Maybank in Indonesia.

H5: Operating Expenses of Operating Income negatively affect the Return on Assets of Sharia Commercial Banks.

2.2. Data Collection

The data type used in this study is a secondary type of data. Secondary data is a source that does not directly provide data to researchers but through other people or documents (Sugiyono, 2017).

Procedures used in data retrieval use documentation. Documentation seeks data on matters or variables through notes, transcripts, books, newspapers, magazines, meeting minutes, inscriptions, lengger, and agendas (Arikunto, 2014). The data sources used in the study were obtained from financial statements, historical data accessed from the Financial Services Authority (www.ojk.go.id), Bank Indonesia (www.bi.go.id) related companies, and the internet.
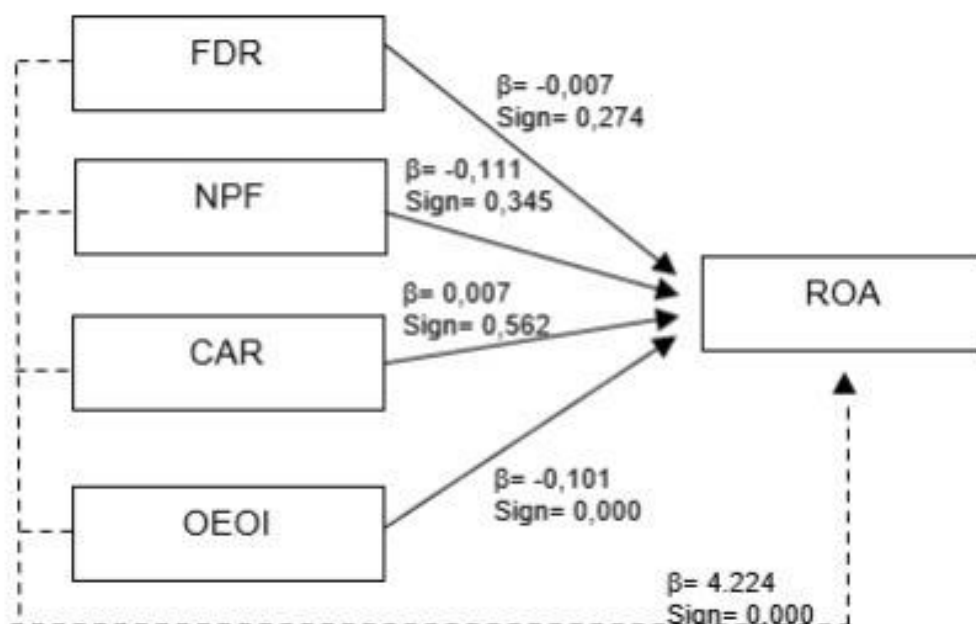

Figure 1. Framework of Thought

2.3. Analysis Methods

The data analysis technique used in this study is multiple linear regression analysis using the SPSS Statistics 25 application. According to Gozali (2018), Regression analysis measures the strength of the relationship between two or more variables also showing the direction of the relationship between dependent and independent variables.

Based on hypothesis development, the conceptual framework of this study is attached to Figure 1.

2.4. Variable Operationalization

The operational definition of variables in this study is described in Table 1 attached.

Table 1. Operational Definition

Variable	Definition	Scale	Measurement
Profitability (Y)	Is a ratio to assess a company's ability to make a profit or profit in a given period (Kasmir, 2012).	Ratio	ROA = profit before tax : Total assets x 100%
FDR (X_1)	It is a ratio to measure the composition of the amount of financing provided compared to the amount of community funds and capital used (Kasmir,2012).	Ratio	FDR = Amount of credit given : Total capital + Total third party funds x 100%
NPF (X_2)	It is a financial ratio that indicates the financing risks that banks face due to the distribution of funds, and investments of bank funds in different portfolios (Sukarno et al., 2006).	Ratio	NPF = Financing (Less smooth, Doubtful, Jammed) : Total financing x 100%
CAR (X_3)	Is adequacy of capital that shows the bank's ability to maintain sufficient capital (Kuncoro et al., 2011).	Ratio	CAR = Modal : Assets Weighted By Risk x 100%
OEOI (X_4)	The ratio of operating expenses of operating income is formulated as a comparison or operating expenses to operating income in the same period (Hasibuan, 2017).	Ratio	OEOI = Operating Expenses: Operating Income x 100%

Source: Previous research journals

Tabel 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FDR	140	46.08	196.73	89.4752	16.09805
NPF	140	.00	5.63	1.9220	1.50265
CAR	140	11.10	86.91	21.4768	10.37296
BOPO	140	47.60	217.40	89.5684	16.99528
ROA	140	-10.77	13.58	1.5046	2.72565
Valid N (listwise)	140				

3. Result

3.1. Respondents

The population in this study was the entire Sharia Commercial Bank registered with the Financial Services Authority. Sampling in this study used saturated sampling methods or censuses, meaning that all population members were used as a sample of fourteen Sharia Commercial Banks.

3.2. Analysis

3.2.1. Descriptive Statistics

The descriptive statistical results of this study are described in Table 2 attached. Table 3 attached shows that the mean value of the variable FDR is obtained by 89,4752%, and the standard deviation is obtained by 16,09805%. This shows that the results of the distribution of FDR variable data can be categorized well. The minimum FDR value of 46,08% came from Victoria Sharia Bank in 2011. At the same time, the maximum FDR value of 196,73% came from Bukopin Sharia Bank in 2020.

The mean value of the NPF variable was obtained by 1,9220% and the standard deviation was obtained by 1,50265%. This shows that the results of npf variable data distribution can be categorized quite well. A minimum NPF value of 0,00% was derived from the Central Asia Sharia Bank for 2011-2013. In comparison, the maximum NPF value of 5,63% came from Jabar Banten Sharia Bank in 2014.

The mean value of the CAR variable was obtained at 21,4768%, and the standard deviation was obtained at 10,37296%. This shows that CAR variable data distribution results can be categorized quite well. The minimum CAR value of 11,10% came from Bukopin Sharia Bank in 2013. In comparison, the maximum CAR value of 86,91% came from the Sharia National Pension Savings Bank in 2013.

The OEOI variable's mean value was 89,5684%, and the standard deviation was obtained at 16,99528%. This shows that the results of the distribution of OEOI variable data can be categorized well. The minimum OEOI value of 47,60% came from Panin Sharia Bank in the period 2012. The maximum OEOI value of 217,40% came from Panin Sharia Bank in the period 2017.

The mean value of the ROA variable was obtained at 1,5046% and the standard deviation was obtained at 2,72565%. This shows that the results of the distribution of ROA variable data

can be categorized as less good. The minimum ROA value of (-10,77%) comes from Panin Sharia Bank for 2017. In contrast, the maximum ROA value of 13,58% came from the Sharia National Pension Savings Bank in 2019.

3.2.2. Multiple Regression Analysis

The results of the analysis using multiple regressions are attached in Table 4. Table 4 can be explained multiple regression equations as follows:

$$Y = 2{,}462 + 0{,}001\ X_1 - 0{,}956\ X_2 + 0{,}039\ X_3 + 0{,}000\ X_4$$

Information:

Y	= Profitability of Sharia Commercial Bank
X_1	= Financing to Deposit Ratio
X_2	= Non Performing Financing
X_3	= Capital Adequacy Ratio
X_4	= Operating Expenses of Operating Income

3.2.3. Classic Assumption Test

3.2.3.1. Multicolonierity test

Table 3. Multicollinearity Test Results with Correlation Matrix Values

	Model		BOPO	FDR	CAR	NPF
1	**Correlations**	**BOPO**	1.000	.063	-.051	-.599
		FDR	.063	1.000	-.298	-.161
		CAR	-.051	-.298	1.000	.364
		NPF	-.599	-.161	.364	1.000
	Covariances	**BOPO**	.000	5.730E-6	-7.781E-6	-.001
		FDR	5.730E-6	7.849E-5	-3.948E-5	.000
		CAR	-7.781E-6	-3.948E-5	.000	.001
		NPF	-.001	.000	.001	.015

a. Dependent Variable: ROA

Table 4. Multicollinearity Test Results with VIF and Tolerance Values

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.426	1.167		2.079	.040		
FDR	.001	.012	.009	.118	.906	.892	1.121
NPF	-.956	.139	-.527	-6.868	.000	.819	1.221
CAR	.039	.023	.150	1.716	.088	.633	1.579
BOPO	.000	.000	-.110	-1.378	.171	.758	1.319

a. Dependent Variable: ROA

Multicolonierity test analysis results are attached in table 3 and Table 4. Table 3 shows the correlation between independent variables. Table 3 shows the correlation between independent variables. OEOI variables show the highest correlation results with NPF variables, where the correlation rate is -0,599 or about 59,9%. While other variables, the correlation value is smaller. Since the correlation is still below 95%, it can be concluded that there is no multicollinearity in the regression model.

Table 4 shows that there is no independent variable (FDR, NPF, CAR & OEOI) that has a tolerance value of less than 0,10, which means there is no correlation between independent variables. The same thing happens with VIF values showing that no independent variable (FDR, NPF, CAR & OEOI) has a VIF value of more than 10. So it can be concluded that there is no multicollinearity between independent variables in the regression model.

3.2.3.2. *Heteroskedasticity test*

Heteroskedasticity test results are attached in Figure 2. Based on Figure 2, it is seen that the dots spread randomly and spread both above and below the number 0 (zero) on the Y axis. It can be concluded that there is no heteroskedasticity in regression models, so regression models are worth using to predict the influence of independent variables (FDR, NPF, CAR, and OEOI) on dependent variables, namely ROA.
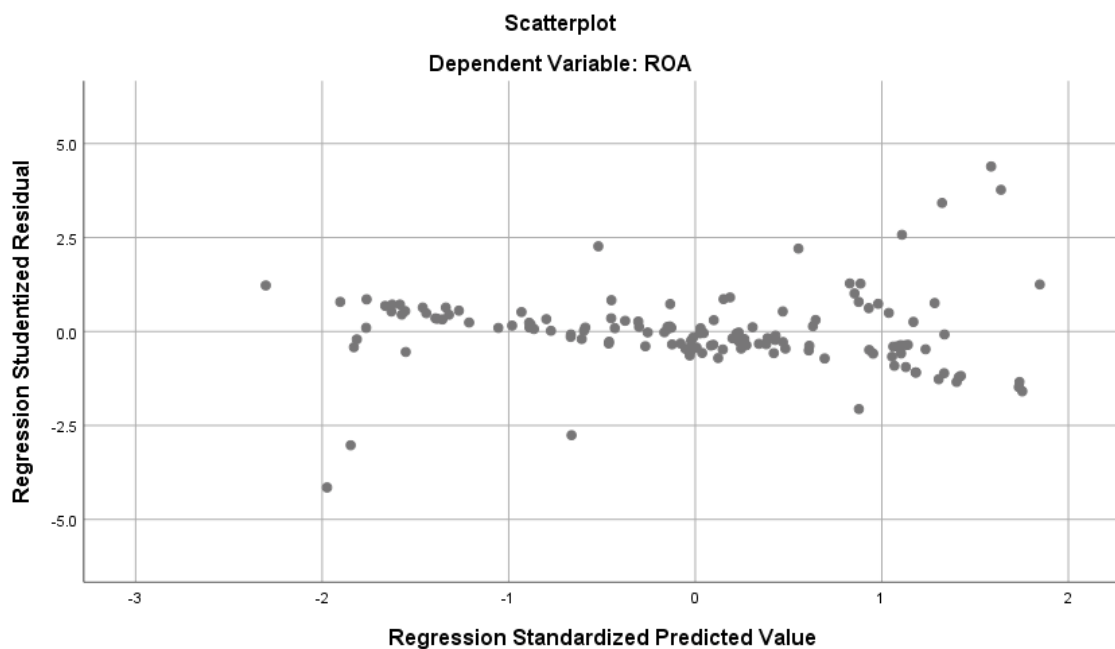

Figure 2. Heteroskedasticity Test Results

Table 5. Autocorrelation Test Results after Cochrane-Orcutt

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.811a	.657	.647	1.19493	1.935

a. Predictors: (Constant), Lag_X4, Lag_X1, Lag_X3, Lag_X2

b. Dependent Variable: Lag_Y

3.2.3.3. Autocorrelation test

Autocorrelation test results are attached in Table 5. According to table 5, dubin-watson's value is 0.888. The DL score on the Durbin-Watson table is 1.6656. While the DU value on the Durbin-Watson table is 1.7830. The criteria taken in this study were 0<d<dl with a result of 0<0.888<1.6656. So the model proposed in the study showed positive autocorrelation.

Because in this study there is autocorrelation, treatment is carried out using the Cochrane-Orcutt method. The Cochrane-Orcutt method is one of the methods that can be used to increase the value of Durbin-Watson. This method uses residual estimation values $\hat{\mu}$ to obtain ρ (Rho) value information and perform transformations of all variables (Ghozali, 2018). After that, perform regression analysis again using the data. The result of the variable transformation is attached to Table 8.

Based on Table 5, after making improvements it is known that the Dubin-Watson value is 1,935. The DL score on the Durbin-Watson table is 1.6656 and the DU value on the Durbin-Watson table is 1.7830. The criteria taken in this study were du<d<4–du with results of 1.7830<1,935<2,217. So the regression model does not have a positive autocorrelation.

Multiple regression equations which have performed Cochrane-Orcutt on all variables, both independent and dependent variables. Table 9 can be explained multiple regression equations as follows:

$$Y = 4,224 - 0,007 X_1 - 0,111 X_2 + 0,007 X_3 - 0,101 X_4$$

Information:

Y	= Profitability of Sharia Commercial Bank
X_1	= Financing to Deposit Ratio
X_2	= Non Performing Financing
X_3	= Capital Adequacy Ratio
X_4	= Operating Expenses of Operating Income

3.2.4. Hypothesis Test

3.2.4.1. Coefficient of determination (R^2)

Based on the result test explaining, the coefficient of determination (R^2) is 0,657 or 65,7%. This means that independent variables, namely FDR, NPF, CAR, and OEOI, together affect the dependent variables, namely ROA Of Sharia Commercial Bank by 65,7%. The rest (100% - 65,7% = 34,3%) are affected by other variables outside the model.

Table 6. Results of Test Analysis F

ANOVA[a]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	366.878	4	91.719	64.236	.000[b]
	Residual	191.333	134	1.428		
	Total	558.210	138			

a. Dependent Variable: Lag_Y

b. Predictors: (Constant), Lag_X4, Lag_X1, Lag_X3, Lag_X2

3.2.4.2. F Test

The attached table of 6 shows a significance value of $0.000 < 0.05$ and an F_{count} value of 64,236 $> F_{table}$ 2.44. This means that the variables FDR (X_1), NPF (X_2), CAR (X_3), and OEOI (X_4) together have a significant influence on the ROA of Sharia Commercial Banks, so **H0 is rejected** and hypothesis one **(H1) is accepted.**

3.2.4.3. t Test

3.2.4.4. Influence of FDR (X_1) on ROA (Y)

Based on table 7 shows the regression coefficient value of 0,007 with a negative direction, the significance value of $0,274 > 0.05$, and the count value of $-1,098 <$ of the t_{table} value of -1,97769. This means that the variable FDR has a negative and insignificant Influence on ROA. Thus, H_0 is accepted, and hypothesis two (H_2) is rejected.

3.2.4.5. Influence of NPF (X_2) on ROA (Y)

Based on table 7 shows the regression coefficient value of 0,111 with a negative direction, the significance value of $0,345 > 0,05$, and the t_{count} value of $-0,947 <$ of the t_{table} value of -1,97769. This means that the NPF variable has a negative and insignificant Influence on ROA. Thus, H_0 is accepted, and hypothesis three (H_3) is rejected.

3.2.4.6. Influence of CAR (X_3) on ROA (Y)

Based on table 7 shows the regression coefficient value of 0,007 with a positive direction, the significance value of $0,562 > 0,05$, and the count value of $0,581 <$ of the t_{table} value of 1,97769. This means the CAR variable has a positive and insignificant Influence on ROA. Thus H_0 is accepted, and hypothesis four (H_4) is rejected.

3.2.4.7. Influence of OEOI (X_4) on ROA (Y)

Based on table 7 shows the regression coefficient value of 0,101 with a negative direction, the significance value of $0,000 < 0,05$, and the count value of $-13,687 >$ of the t_{table} value of -1,97769. This means that the OEOI variable negatively and significantly influences ROA. Thus, H_0 is rejected, and hypothesis five (H_5) is accepted.

Tabel 7. Multiple Regression Analysis Test Results

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	2.426	1.167		2.079	.040
	FDR	.001	.012	.009	.118	.906
	NPF	-.956	.139	-.527	-6.868	.000
	CAR	.039	.023	.150	1.716	.088
	BOPO	.000	.000	-.110	-1.378	.171

Coefficients^a

a. Dependent Variable: ROA

4. Discussion

4.1. Influence of FDR, NPF, CAR, & OEOI on ROA of Sharia Commercial Banks

The test results showed that independent variables, namely FDR, NPF, CAR, and OEOI, together had a significant influence on dependent variables, the ROA Of Sharia Commercial Bank in the period 2011-2020.   Based on the mean value of the ROA Of Sharia Commercial Bank of 1.5%. This means that the profitability of Sharia Commercial Bank is still in good health by the provisions stipulated by Bank Indonesian Regulation No.9/1/PBI/2007, which is in the range of 1.25% - 1.5%. This shows that the ability of Sharia Commercial Banks to obtain profits or profits is quite good, but must continue to be evaluated and improved. Based on empirical findings from several developments in the ratio of Sharia Commercial Banks in 2011-2020, ROA is still low or not optimal.

Based on the study's results, many factors can affect bus profitability apart from the Financing to Deposit Ratio, Non-Performing Financing, Capital Adequacy Ratio, and Operating Income Expense. Suppose you look at the influence of independent variables on profitability from the result of the coefficient of determination, which is 65.7%. In that case, This means that other independent variables still explain their Influence on profitability. Many factors affect the profitability of Sharia Commercial Banks in addition to those studied by researchers such as bank size, net operating margin, quality of productive assets, inflation, interest rates, exchange rates, and others.

The results of this study showed alignment with previous research conducted by Rundupadang et. al (2018), Nuryanto et. al (2020), and Marginingsih (2018) which explained the significant influence together on the Profitability of Sharia Commercial Banks.

4.2. The Influence of FDR on ROA of Sharia Commercial Banks

The test results showed FDR had a negative and insignificant Influence on the ROA of Sharia Commercial Bank. This result can be caused because it is more focused on managing a healthy level of liquidity compared to financing distribution that contains a lot of risks. This shows that Sharia Commercial Banks tend to lead to the use of conservative strategies, namely strategies to maintain a state in a healthy condition. Thus resulting in Sharia Commercial Bank has not been optimal in getting profits based on the distribution channeled compared to the available capital.

The focus of Sharia Commercial Bank on liquidity levels is in line with the mean value of FDR of 89.47%. This means that FDR Bank Umum Syariah is still in a fairly healthy condition, by the provisions in Bank Indonesia Regulation No.9/1/PBI/2007 FDR at the rate of 85% - 100% indicates a fairly healthy condition. The condition of FDR Syariah Commercial Bank is relatively healthy, showing that the bank's management is good enough to manage its liquidity level.

If the FDR value of Sharia Commercial Bank is ≥ 120%, indicating unhealthy or inadequate, it is likely to affect profitability. The higher value of the FDR ratio indicates that the liquidity risk management process is inadequate in identifying, measuring, monitoring, and controlling liquidity risk. This is by the terror stated by Dendawijaya (2009), the higher the FDR ratio indicates low bank liquidity because bank funds are more widely used to provide financing than invested in cash so it is expected that with high financing, the profits obtained are also high.

The results of this study showed alignment with previous research conducted by Aprilia & Soebroto (2020), Rundupadang et al. (2018), and on research conducted by Antika & Nelli (2020), which explained that FDR had no significant influence on the ROA of Sharia Commercial Bank. The results of this study are inversely proportional to the results of research conducted by Devi (2021), Memunah and Yanti (2020), Dewi (2020), Nuryanto et.al (2020), Marginingsih (2018), and Yusuf (2017) found that FDR had a significant influence on the ROA of Sharia Commercial Bank in Indonesia.

4.3. The Influence of NPF on ROA of Sharia Commercial Banks

The test results showed that NPF had a negative and insignificant Influence on the ROA of Sharia Commercial Bank. This result can be caused because Sharia Commercial Banks do not only rely on financing to earn profits. Sources of income from Sharia Commercial Bank include services provided to its customers, such as through profit-sharing systems, money collection, collection of securities, letters of credit, debit cards, cash transactions, and other services (Section 19 of the Law of the Republic of Indonesia No. 21 of 2008).

In addition, based on empirical findings from the financial statements of several Sharia Commercial Banks in the period 2011-2020 showed a low NPF ratio level. This is in line with the mean value of the NPF showing 1.92%. That is, NPF Bank Umum Syariah is in a very healthy condition in accordance with the provisions of Bank Indonesia Regulation No.9/1/PBI/2007, where a very healthy NPF is at less than 2%. This shows the performance of Sharia Commercial Bank in overcoming problematic costs from its customers has been running optimally.

The results of this study showed alignment with previous research conducted by Yudiartini & Dharmadiaksa (2016), Raharjo et. al (2020) and on research conducted by Antika & Nelli (2020), which explained that NPF had no significant influence on the ROA of Islamic Commercial Bank. The results of this study are inversely proportional to the results of Devi (2021), Badzlina et.al (2020), Memunah and Yanti (2020), Susilowati (2020), Ananda (2020), Dewi (2020), Ningsih & Dewi (2020), Nuryanto et.al (2020), Marginingsih (2018) and Yusuf (2017) researched and found that NPF had a significant influence on ROA Sharia Commercial Bank in Indonesia.

4.4. The Influence of CAR on ROA of Sharia Commercial Banks

The test results showed CAR had a positive and insignificant Influence on the ROA of Sharia Commercial Bank. This result is because based on empirical findings from the development of CAR ratio in the period 2011-2020 at Sharia Commercial Bank shows quite large, but has not been optimized in resulting in profit results that show still low. Bank capital is still used to maintain liquidity and financing levels that contain risks such as credit, bills on other banks, and so on. This is in line with the mean value of CAR showing 21.47%. That is, CAR Bank Umum Syariah is in a very healthy state in accordance with Bank Indonesia Regulation No.9/1/PBI/2007 where a very healthy CAR is at a > rate of 12%.

The amount of capital of Sharia Commercial Bank and the ability of bank management in good management by the theory put forward by Kuncoro and Suhardjono (2011). Kuncoro and Suhardjono explained the ability of bank management to identify, measure, supervise, and control risks that arise that can affect the amount of bank capital.

The results of this study showed alignment with previous research conducted by Ningsih & Dewi (2020) and Devi (2021) and in research conducted by Ananda (2020), which explained

that cars had a positive and insignificant influence on the ROA Sharia Commercial Bank. The results of this study are inversely proportional to the results of research conducted by Aprilia & Soebroto (2020), Badzlina et.al (2020), Dewi (2020), Marginingsih (2018), Yusuf (2017) found that CAR had a significant influence on ROA.

4.5. The Influence of OEOI on the ROA of Sharia Commercial Banks

The test results showed that OEOI had a negative and significant Influence on the ROA of Sharia Commercial Bank. The direction of negative influence indicates the higher the value of OEOI, resulting in lower ROA value, or the smaller the OEOI level, the more efficient Sharia Commercial Bank in allocating operational costs and increasing operating income. This is in accordance with the concept of OEOI theory put forward by Frianto (2012). The smaller the OEOI ratio the more operational cost efficiency incurred by the bank concerned, so the possibility of a bank in a troubled condition is smaller. Low operating costs indicate high profit. High profitability reflects good profitability.

Based on the results of the mean value of OEOI shows 89.56%. That is, OEOI Bank Umum Syariah is in an unhealthy state by the provisions of Bank Indonesia Regulation No.9/1/PBI/2007, where OEOI, at a rate of more than 89%, is in an unhealthy state. This is a warning for Sharia Commercial Banks, so there is a need for evaluation and improvement of OEOI performance in the future.

The results of this study showed alignment with previous research conducted by Aprilia & Soebroto (2020), Wahyudi & Kartikasari (2021), and research conducted by Memunah & Yanti (2020), which explained OEOI negative and significant influence on Sharia banking ROA. The results of this study are inversely proportional to the results of Devi's research (2021), finding that OEOI has no significant influence on ROA.

5. Conclusion

☑ Financing to Deposit Ratio, Non-Performing Financing, Capital Adequacy Ratio, and Operating Expenses of Operating Income together have a significant Influence on the Return on Assets of Sharia Commercial Banks.

☑ Financing to Deposit Ratio has a negative and insignificant Influence on the Return on Assets of Sharia Commercial Banks.

☑ Non-performing financing has a negative and insignificant Influence on the Return on Assets of Sharia Commercial Banks.

☑ Capital Adequacy Ratio has a positive and insignificant Influence on the Return on Assets of Sharia Commercial Banks.

☑ Operating Income Expenses negatively and significantly affect the Return on Assets of Sharia Commercial Banks.

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