CURRENT ADVANCED RESEARCH ON SHARIA FINANCE AND ECONOMIC WORLDWIDE
(CASHFLOW)
VOLUME 1 ISSUE 4 (2022)

IMPACT OF OPERATIONAL COSTS OF OPERATIONAL INCOME (BOPO), CAPITAL CAPABILITY RATIO AND MUSYARAKAH FINANCING ON THE PROFITABILITY OF SHARIA COMMERCIAL BANKS 2016-2021

Anis Kuraeni[1*], Fil Isnaeni[2]

[1,2]Accounting Study Program, Universitas Pamulang

E-mail: [1)] aniskuraeni@gmail.com, [2)] dosen01086@unpam.ac.id

Abstract

This research seeks to reveal the relationship between operating costs of operating income, the ratio of capital adequacy and musyarakah financing to the profitability of Islamic/Sharia commercial banks. The independent variables used in this study are operating income operating costs (BOPO), Capital Adequacy Ratio (CAR), Musyarakah Financing and the dependent variables used in this study are the profitability value of Islamic commercial banks. The method used in this study is a quantitative method where the data is in the form of a report officially published by the Financial Services Authority (OJK). From the results of the processing data, it was discovered that there was a relationship and contribution of independent variables to dependent variables, this was seen from the Coefficient of Determination Test with a value of 66%, hence operating costs of operating income, capital adequacy ratio and musyarakah financing on profitability is seen from the results of the T test and F test where both have a value of < 0.05, which means that the variables BOPO, Capital Adequacy and Musyarakah Financing simultaneously or separately have the same results, namely inter-mediated and related.

Keywords: *Capital Adequacy, Musyarakah Financing, Operational Costs of Operating Income*

1. INTRODUCTION

In the year 2020, the COVID-19 virus first showed signs of spreading throughout Indonesia. Coronavirus disease 2019 or corona 19 is a severe lung infection first identified in China in 2019. The rapid spread is also unavoidable in Indonesia, and the impact of the rapid spread of this virus is a substantial alteration in the entire order of community life. Islamic banking is no different from the rest of the banking industry. Banking based on Islamic law and sharia is known as Islamic banking. Whereas Islamic banking is a relatively new phenomenon, particularly in Muslim-majority nations, this is changing (Utami & Hasmanto, 2014).

Numerous non-paying debtors had a negative impact on the banking industry (Nihayah & Rifqi, 2021). The significant and rapid spread of the virus has prompted the government to enact policies restricting people's activities and movements (Hadiwardoyo, 2020). In this way, community productivity decreases, which has repercussions for the community's economic sector. The finance minister Sri Mulyani Indrawati disclosed that on March 23, 2021, the rupiah reached its lowest value since the 1998 Asian financial crisis. This was due to the public's panicked response to the pandemic.

Banks must find ways to maintain the efficiency of their financial management so that they can continue to generate profits despite the uncertainty of the current economic climate. One of them is by maintaining public trust in raising funds to the bank to channel it to other funding, because if there is no public trust in the bank, the public's assessment of the bank's non-current assets will be poor. Thus, affecting the bank's profits negatively.

Profitability is used as an indicator of the health of the bank in this analysis. Profitability being the bank's capacity to generate profits effectively and efficiently (Hertati, 2021). It can be assumed that a bank has operated effectively and efficiently, and that it is possible for the bank to expand and maintain its business in a sustainable manner if the bank's profitability is high (Ningsih et al., 2021).

The operating income operating expense ratio indicator (hereinafter referred to as BOPO) is another factor for evaluating the efficiency of a bank's condition. BOPO is one of the factors that contribute to the profitability of a bank. BOPO is the ratio of operating expenses to operating income (Suryadi et al., 2020). The lower the value of the BOPO indicator, the more efficient a bank's management is at controlling operational expenses.

In addition to BOPO, capital is crucial to the operation and survival of a business and a bank. Where capital sufficiency can be described as a bank's capital reserves in times of crisis: (Mauliza & Daud, 2016). The CAR ratio is an indicator of adequate capitalization (Capital Adequacy Ratio). CAR is a ratio that considers the extent to which a bank's assets include risks like credit, securities, and other claims (Haeril & Albar, 2021). The higher the CAR ratio, the more efficient a bank is deemed to be in utilizing its capital, thereby ensuring that the bank's profits continue to rise.

The existence of a positive trend in Islamic banking has become quite established, particularly in countries with a majority Muslim population and in terms of financial indicators. The profitability of a bank will be affected if a financing issued by the bank runs smoothly, and vice versa (Damayanti & Suartini, 2021). One of the financing products offered by Islamic banks is *musyarakah* financing. *Musyarakah* financing is the investment of funds from two or more fund owners, which are then channeled to sharia-compliant businesses, with the distribution of profits in accordance with the ratio established at the outset of the contract, and the distribution of losses in accordance with the fund distribution agreement.

The contribution of capital between the customer and the bank, as well as the distribution of losses based on the proportion of each invested capital, distinguishes *musyarakah* financing from other sharia financing products.

Based on these considerations, this study focuses on the influence of Operational Costs on Operating Income, Capital Adequacy, and *Musyarakah* Financing on the profitability of banks.

The objective of this study was to determine the impact of operating costs on operating income, capital adequacy ratios, and *Musyarakah* financing on the profitability of banks. This study employs multiple linear regression analysis to determine the statistical nature of the relationship between independent variables and the dependent variable.

Readers can find information from research conducted by the authors as further reference material. In this study, it is hoped that the readers can find out the relationship between the independent variables of the research and the variables of the research conducted. That way, this research can further be an additional reference from related fields.

2. LITERATURE REVIEW

2.1. Profitability

Profitability is a company's ability to earn a profit in relation to its sales, total assets, and management capital. If a bank is profitable, its stakeholders, including creditors and investors, will observe the extent to which it is able to generate profits from sales and investments (Sukma et al., 2019).

To measure the level of profitability of a bank can use several ratios such as ROA (Return On Assets) which is a profit measurement based on all assets owned by the company, ROE (Return On Equity) is able to measure the effectiveness of management based on the returns generated from sales and investment , EPS (Earning Per Share) can provide an overview of the company's ability to generate net profit in each share, and NPM (Net Profit Margin) can be used to measure how much net profit can be obtained from the company's sales (Herlini et al., 2021). In this study, the measurement of profitability using the Return On Equity (ROE) indicator.

2.2. Operating Expenses Operating Income

BOPO is a comparison value between Operating Costs and Operating Income, where it can be assumed that the better the bank's management manages, the smaller the value of BOPO will be (Suryadi et al., 2020). BOPO is a ratio that is often used as an indicator for assessing the efficiency of bank management, because the financial performance of a bank will depend on the number of operational costs incurred by the bank to obtain operational income.

The formula used to find the value of Operating Costs Operating Income is:

BOPO: $$\frac{Operating\ costs}{Operating\ Income} \text{ x } 100\%$$

2.3. Capital Adequacy Ratio

Capital is an important factor for a company in the context of business development and to accommodate the risks that may occur. The bank's own capital is the amount of cash deposited by the owner and other sources of funds originating from within the bank itself which consists of core capital and supplementary capital (Mauliza & Daud, 2016). With strong capital, it will be reflected that the bank is able to run its bank operations and guarantee non-performing assets.

Adequacy of capital is an important factor for banks in the context of business development and accommodate the risk of loss. CAR is the ratio between capital and risk weighted assets. To calculate the capital adequacy (CAR) can be found using the formula:

CAR: $$\frac{Capital}{Total\ RWA} \text{ x } 100\%$$

2.4. *Musyarakah* Financing

Financing is the provision of money or bills based on the approval of a bank or other parties who are obligated to return the money or bills after a specified time with agreed compensation or profit sharing (Permata et al., 2014). Working capital financing and investments in the form of mudharabah and *musyarakah* financing implement a profit

sharing system. *Musyarakah* is an agreement between a bank and a client to co-finance a business by sharing profits and risks in accordance with the terms of the agreement.

2.5. Theoretical Framework and Hypothesis Development

2.5.1. The Influence of BOPO, Capital Adequacy and Musyarakah Financing on Profitability of Islamic Commercial Banks

According to research conducted by Aulia & Anwar (2021), who conducted a study titled "*Pengaruh Biaya Operasional Pendapatan Operasional, Net Operating Margin, Dana Pihak Ketiga dan Capital Adequacy Ratio terhadap Profitabilitas Bank Syariah*" the BOPO has a significant and negative effect, meaning that a bank is considered efficient if it can reduce operating costs and increase operating income.

Based on research Nurfajri (2019) who conducted a study titled "*Pengaruh Murabahah, Musyarakah dan Ijarah terhadap Profitabilitas Bank Umum Syariah di Indonesia*" by obtaining results in the form of *Musyarakah* financing which has a negative and significant effect on profitability due to the lack of optimal capital financing in Islamic commercial banks which are distributed in the form of *musyarakah* which causes the value of profitability to decrease.

As a result of some of these studies, researchers are interested in investigating profitability. This study focuses on the profitability (ROE) influencing factors of BOPO, CAR, and *Musyarakah* financing. Thus, the hypothesis becomes the following:

H1: It is suspected that the Operational Cost of Operating Income (BOPO), Capital Adequacy Ratio (CAR) and *Musyarakah* Financing have a simultaneous effect on Profitability.

2.5.2. The Effect of BOPO on the Profitability of Islamic Commercial Banks

Based on research conducted Rosita & Simamora (2020) with the title "*Pengaruh NPL dan BOPO terhadap ROE pada PT. Bank Rakya Indonesia periode 2011-2018*" it was concluded that BOPO had a significant negative effect on ROE which became the ratio for calculating profitability, this means that if the BOPO increases, the ROE obtained decreases or an increase in bank operating costs that is not followed by an increase in operating income will result in reduced net income so that it will reduce ROE. Based on the descriptions of some of the studies above, the hypotheses are as follows:

H2: Allegedly BOPO Partially Affects Profitability

2.5.3. Effect of Capital Adequacy on Profitability of Islamic Commercial Banks

CAR is an indicator for calculating capital adequacy, which is a reflection of the state of capital in a bank (Hendrawati, 2018). Capital is funds provided by the owner (Ilyas, 2018) where capital is traditionally thought of as representing the interests of the owners in a company. So, the greater the capital (CAR) of a company, the greater the profit opportunities that will be generated by the bank. These things are then supported by several previous studies.

Based on research conducted Hendrawati (2020) with the title "*Pengaruh Capital Adequacy Ratio (CAR), Quick Ratio, Rasio Biaya Operasional terhadap Pendapatan Operasional (BOPO) terhadap Return On Equity (ROE) pada Bank Konvensional di Indonesia periode 2010 – 2014*" with the results that CAR has a negative and significant

influence against ROE. Based on the descriptions of some of the studies above, the hypotheses are as follows:

H3: Allegedly Capital Adequacy Partially Affects Profitability

2.5.4. The Effect of *Musyarakah* Financing on the Profitability of Islamic Commercial Banks

Musyarakah financing is a type of financing that utilizes a profit-sharing scheme (*syrkah*), in which the bank uses the funds as investment capital for the customer's business, and then the bank and the customer share the operating results with an agreed-upon value over a specified time period.

Conclusion: *musyarakah* is an agreement between a bank and a client to jointly finance a business by sharing profits and risks in accordance with the terms of the agreement.

According to research conducted by Putra & Hasanah (2018), titled "*Pengaruh Pembiayaan Mudharabah, Musyarakah, Murabahah dan Ijarah terhadap Profitabilitas 4 Bank Umum Syariah 2013-2016*" *musyarakah* financing has a significant negative impact on the level of profitability. Based on the description provided by several studies, the following hypothesis can be drawn:

H4: Allegedly *Musyarakah* Financing Partly Affects Profitability

3. RESEARCH METHOD

3.1. Data collection technique

In this study, quantitative data and information collection methods were employed. Where data collection relies on library and documentation techniques, the primary source of information is official monthly report data issued by the Financial Services Authority between 2016 and 2021.

In his book, Nazir (2014) explains that "*Studi Perpustakaan adalah Berupa Teknik Mengumpulkan Data dari Pelaksanaan Studi Membaca dan Mengamati Literature, Buku dan Laporan yang Sesuai dengan Kasus Analisis*" According to Arikunto (2006), documentation is the process of searching for information in notes, newspapers, books, agendas, and transcripts.

This research is also conducted by reviewing books, notes, existing reports, literature, and previous research journals, as well as studying and evaluating the proposed research title. This method is used to gain an understanding of the fundamental knowledge, theoretical foundation, and concepts that are most frequently employed when conducting research on the observed problem.

3.2. Analysis technique

In this observation, the method of analysis is multiple linear regression analysis. Multiple linear regression is an equation that can be used when more than one independent variable is available. This analysis aims to provide a comprehensive description of the relationship between the independent variable (free) and the dependent variable (bound) for all partial and complete changes. Before conducting multiple linear tests, however, the method requires classical assumption tests in order to obtain the best and most accurate results. This study also employs the Time Series data type, which utilizes a large amount of

data for the years 2016-2021 from Financial Services Authority-officially processed reports (hereinafter referred to as OJK).

4. RESULT AND DISCUSSION

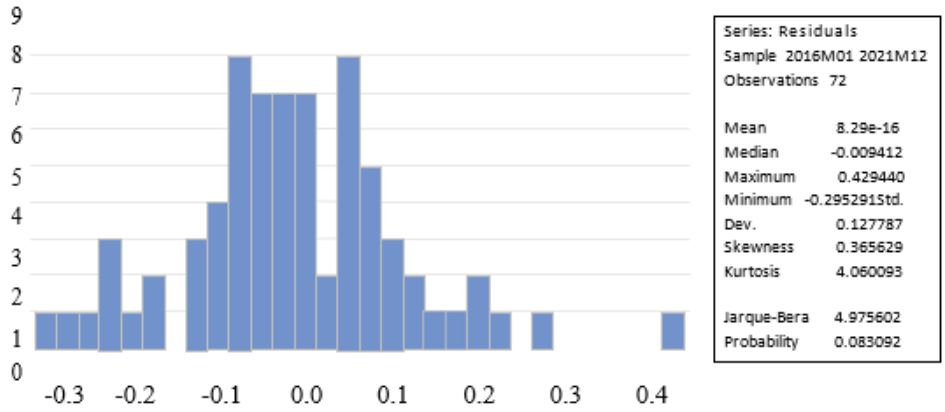
4.1. Research result

Data analysis In this study, linear analysis of data testing techniques serves to test whether or not there is a relationship between variables X and Y, namely variable (X) the relationship between Operational Costs of Operational Income, Capital Adequacy Ratios and *Musyarakah* Financing. to the variable (Y) Bank Profitability. But before doing the linearity test, the classical assumption test is done first as a condition to get the best results (Ghozali, 2013).

4.1.1. Classic assumption test

Used as a condition for doing a linear test to get maximum data results.

1) Normality test is used to test whether the regression model, the independent variable and the dependent variable choose a normal relationship or vice versa. Data can be said to be normal or normally distributed if the significance is more than 5% or 0.05. Hypothesis:
   H1 : Residual is not normally distributed
   H0 : Residual is normally distributed



Source: processed data, 2022

Figure 1 Normality Test Results

From the data above, it is known that the probability value = 0.083092 > 0.05. it can be concluded that the data from the study is normally distributed, because the probability value is greater than 5%. So it can be concluded that H1 is rejected or H0 is accepted, which means that the residuals are normally distributed.

2) Multicollinearity test, is a test that aims to determine whether there is a correlation between the independent variables in the regression model. The way to find out whether or not there is a multicollinearity test deviation is to pay attention to the Contered VIF value if the value is below the number 10 then the data can be declared not to have multicollinearity problems.

Table 1 Multicollinearity Test Results

Variance Inflation Factors
Date: 04/19/22
Time: 12:00
Sample: 2016M01 2021M12
Included observations: 72

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.017635	1789.210	NA
X1	0.024753	1904,656	1.080653
X2	0.011601	60,52479	1.378971
X3	7.51E-15	13.33911	1.291509

Source: processed data, 2022

From table 1 it can be seen that all independent variables are not affected by multicollinearity problems. This can be seen from the value of VIF < 10. For BOPO (X1), it has a tolerance value of VIF of 1.081. The Capital Adequacy Value Variable (X2) has a VIF value of 1.379. And the *Musyarakah* Financing Variable (X3) has a VIF value of 1.291.

3) Heteroscedasticity test, aims to test whether in a regression model there is discomfort variance from the residuals in one other observation. If different variants are obtained, then it is stated as a heeroscedasticity problem. The causes of herescedasticity are: the occurrence of input errors in the value of the dependent variable on several independent variables, so that different independent variables have the same dependent variable component.

Hypothesis:

H0 : there is no heteroscedasticity symptom in the regression model

H1 : there is a heteroscedasticity symptom in the regression model

The decision taken is if the prob on obs* Rsquare is more than 5%, then hypothesis 0 is accepted. And if the value is less than 5%

So :

Table 2 Heteroscedasticity Test Results

Heteroskedasticity Test: ARCH

F-statistics	1.242541	Prob. F(1.69)	0.2688
Obs*R-squared	1.255940	Prob. Chi-Square(1)	0.2624

Test Equation:
Dependent Variable: RESID^2 Method: Least Squares
Date: 04/19/22 Time: 12:06
Sample (adjusted): 2016M02 2021M12
Included observations: 71 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.000592	0.000173	3.422654	0.0010
RESID^2(-1)	0.134903	0.121023	1.114693	0.2688
R-squared	0.017689	Mean dependent var		0.000679
Adjusted R-squared	0.003453	SD dependent var		0.001304
SE of regression	0.001301	Akaike info criterion		-10.42319
Sum squared resid	0.000117	Schwarz criterion		-10.35945

Likelihood logs	372.0231	Hannan-Quinn Criter.	-10.39784
F-statistics	1.242541	Durbin-Watson stat	1.969715
Prob(F-statistic)	0.268849		

Source: Processed by the author

In table 2 it is known that from Obs*R-square on prob. Chi-square, more than 0.05, which is 0.2624. It can be concluded that H0 is accepted and H1 is rejected, meaning that there is no heteroscedasticity problem. So, it can be concluded that there is no heteroscedasticity problem in this regression data model.

4) Autocorrelation test, part of the statistical analysis carried out aims to determine whether there is a correlation of variables in the regression model, whether there is user error in period t with errors in period T-1.

Hypothesis:

H0 : there is no autocorrelation symptom in the regression model

H : there is a autocorrelation symptom in the regression model

The decision taken is if the prob on obs*Rsquare is more than 5%, then Hypothesis 0 is accepted. And if the value is less than 5%, then Hypothesis1 is accepted. The results of the autocorrelation test are described in the following table:

Table 3 Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:
Null hypothesis: No serial correlation at up to 2 lags

F-statistics	2.770016	Prob. F(2.65)	0.7001
Obs*R-squared	5.576156	Prob. Chi-Square(2)	0.0615

Test Equation:
Dependent Variable: RESID
Method: Least Squares
Date: 04/19/22
Time: 16:49
Sample: 2016M02 2021M12
Included observations: 71
Presample missing value lagged residuals set to zero.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.004915	0.070164	0.070047	0.9444
NX1	0.025015	0.160457	0.155901	0.8766
NX2	-0.170910	0.155315	-1.100404	0.2752
NX3	4.88E-08	1.41E-07	0.345725	0.7307
RESID(-1)	0.076434	0.124077	0.616022	0.5400
RESID(-2)	0.314563	0.136213	2.309354	0.0241
R-squared	0.078537	Mean dependent var		1.13E-17
Adjusted R-squared	0.007656	SD dependent var		0.021916
SE of regression	0.021832	Akaike info criterion		-4.730175
Sum squared resid	0.030981	Schwarz criterion		-4.538963
Likelihood logs	173.9212	Hannan-Quinn Criter.		-4.654136
F-statistics	1.108006	Durbin-Watson stat		1.990667
Prob(F-statistic)	0.364867			

Source: Processed by the author

In the table above, it is known that the P Value is Chi-square, more than 0.05, which is 0.0615. So it can be concluded that H0 is accepted and H1 is rejected, meaning that there is no autocorrelation problem. So it can be concluded that there is no autocorrelation problem in this regression data model.

4.1.2. Research descriptive statistics

From the data that has been obtained, descriptive statistics explain to describe the variables studied. The following is a descriptive analysis of research variables that have been processed using E-views 12 and their explanations.

Table 4 Descriptive Statistical Test Results

	Y	X1	X2	X3
Mean	0.191083	0.870611	0.224167	125783.2
Median	0.178500	0.868000	0.209000	129098.0
Maximum	0.303000	0.923000	0.333000	187485.0
Minimum	0.114000	0.815000	0.180000	56638.00
Std. Dev.	0.044421	0.020889	0.034469	41472.29
Skewness	1.300609	0.119085	1.617030	-0.112906
Kurtosis	3.860056	2.872457	5.033653	1.577405
Jarque-Bera	22,51809	0.218977	43.78467	6.224306
Probability	0.000013	0.896293	0.000000	0.044505
Sum	13.75800	62.68400	16.14000	9056388.
Sum Sq. Dev.	0.140101	0.030981	0.084354	1.22E+11
Observations	72	72	72	72

Source: Processed by the author

From table 4 it is known that the minimum or lowest value on X1 is 0.815000 where the value is in the January 2019 sample, the highest or maximum value is 0.923000 where the value is in the October 2020 sample and the average obtained is 0.870611. it means that the data from the X1 variable generally lies at 0.870611 with a standard deviation of 0.020889 which means that there is an average deviation, the deviation is not more than 0.020889 or -0.020889.

Furthermore, on the variable X2 it is known that the lowest value obtained is 0.180000 where the value is in the December 2019 sample, the highest value reaches 0.333000 where the value is found in the November 2020 sample and the average is 0.224167 meaning that the data from the X2 variable generally lies at 0.224167. The standard deviation of the X2 variable is 0.034469, meaning that if there is an average deviation, the deviation is not more than 0.034469 or -0.034469.

Furthermore, on the variable X3 it is known that the lowest value obtained is 56638.00 where the value is in the sample in January 2016, the highest value reaches 187485.0 where the value is found in the sample in December 2021 and the average is 125783.2, meaning that the data from the X3 variable generally lies in 125783.2. The standard deviation of the X3 variable is 41472.29 which means that if there is an average deviation, the deviation is not more than 41472.29 or -41472.29.

Then the Y variable has the lowest value of 0.114000 where the value is in the sample

in November 2018, the highest value is 0.303000 where the value is in the sample in September 2020 with an average value of 0.191083 meaning that the data from the Y variable generally lies at 0.191083 and standard deviation value of 0.044421 means if there is an average deviation, the deviation is not more than 0.044421 or -0.044421.

4.1.3. Hypothesis Testing

In this observation using multiple linear regression analysis, this is used to determine the effect between the dependent variable and the independent variable as a whole and respectively.

Table 5 Hypothesis Test Results

Dependent Variable: Y
Method: Least Squares
Date: 04/19/22
Time: 11:43 S
sample: 2016M01 2021M12
Included observations: 72

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.608500	0.132796	4.582234	0.0000
X1	-0.745705	0.157331	-4.739729	0.0000
X2	0.904757	0.107707	8.400166	0.0000
X3	2.30E-07	8.66E-08	2.660027	0.0097
R-squared	0.655567	Mean dependent var		0.191083
Adjusted R-squared	0.640372	SD dependent var		0.044421
SE of regression	0.026639	Akaike info criterion		-4.358922
Sum squared resid	0.048256	Schwarz criterion		-4.232441
Likelihood logs	160.9212	Hannan-Quinn Criter.		-4.308570
F-statistics	43.14200	Durbin-Watson stat		1.011733
Prob(F-statistic)	0.000000			

Source: Processed by the author

1) The F test is a statistical test to determine the effect of all independent variables simultaneously (together/total) on the dependent variable. In the E-views data above, the F-test can be seen by paying attention to the prob (f-statistics) or also called the p-value in the bottom column. F test hypothesis, as follows:
   H0 : not significant
   H1 : significant α = 0.05 (in general)

If p-value > α, then H0 is accepted and H1 is rejected If p-value < α, then H0 is rejected and H1 is accepted

In Table 5 it is known that the prob (f-statistic) or p-value is 0.000000 < 0.05, so Hypothesis0 is rejected and Hypothesis1 is accepted. That is, X1 BOPO, X2 Capital Adequacy and X3 *Musyarakah* Financing have a significant effect simultaneously on Y Profitability.

2) T test is a statistical test to determine the effect of independent variables

separately/individually (partial) on the dependent variable. The T-test on E-views can be seen by paying attention to the t-statistics and prob in the column at the right end. From the table above, it can be seen that:

a) X variable data analysis1 (BOPO):
   p-value < α, (0.0000 > 0.05) then, Hypothesis0 is rejected and Hypothesis1 is accepted. That is, the variable X1 (BOPO) has a significant effect on profitability.
b) X2 variable data analysis (Capital Adequacy):
   p-value > α, (0.0000 < 0.05) then Hypothesis1 is accepted and Hypothesis0 is rejected. This means that the variable X2 (Capital Adequacy) has a significant effect on profitability.
c) X . variable data analysis3 (*Musyarakah* Financing):
   p-value > α, (0.0097 < 0.05) then Hypothesis1 is accepted and Hypothesis0 is rejected. This means that the X3 variable (*Musyarakah* Financing) has a significant effect on profitability.

4.1.3. Test the coefficient of determination (R2)

This test is conducted to find out how much influence the independent variable has on the dependent variable. To find out the coefficient of determination test (R2) in the E-views table, consider R-squared (R2).

In Table 5 it is known (R2) of 0.66 means that the variation of all independent variables can affect the dependent variable by 66%. and the remaining 34% is influenced by other variables outside of this observation.

4.1.4. Linear regression test

The linear regression test on the E-views data seen from Table 4.5 can be found by paying attention to the variable and coefficient columns and can be arranged using the regression equation below:

Y (Profitability) = α + β1 (BOPO) + β2 (Capital Adequacy) + β3 (*Musyarakah*) Then: Y = 0.608500 – 0.745705 + 0.904757 + 2.30307

From these equations it can be concluded that:

α = 0.608500, meaning that if the BOPO, CAR and *Musyarakah* are 0, then the ROE (Profitability) of 0.608500 has a significant effect (in table c prob of 0.00000 < 0.05).
β1 = -0.745705. This means that assuming a fixed BOPO, every 1% increase in BOPO will decrease profitability by 74%.
β2 = 0.904757. This means that assuming a fixed CAR, every 1% increase in Profitability will increase Profitability by 91%.
β3 = 2.30307. it means that with the assumption that *Musyarakah* is fixed, then every 1% increase in *Musyarakah* will increase Profitability by 230%.

*positive sign on β1, β2 and β3 show that in this study BOPO, CAR and *Musyarakah* have a positive effect on profitability and are significant at : 5%.

4.2. Discussion

1) The impact of the operational costs of operating income on profitability The final result of this observation shows that there is a significant influence on the profitability of the Bank. This can be seen from the T test value which is significantly less than the constant value α = 0.05. The value of T is significantly smaller than α which means that the operational cost of operating income has a significant impact on profitability.
2) Effect of Capital Adequacy Ratio on Profitability The final result of this observation shows that there is a significant influence on the profitability of the Bank. This can be seen from the T test value which is significantly less than the constant value α = 0.05. The T value is significantly smaller than α which means that the value of capital adequacy has a significant impact on profitability.
3) The Effect of *Musyarakah* Financing on Profitability The final result of this observation shows that there is a significant influence on the profitability of the Bank. This can be seen from the value of the T test which is significantly less than the value of the constant α = 0.05. The T value is significantly smaller than α which means that *Musyarakah* has a significant impact on profitability.

5. CONCLUSION

5.1. Conclusion

In this observation, the multiple linear regression method explained significantly the relationship between the variables involved in the study. After the observation process through this method, it is found that the profitability of Islamic commercial banks is influenced by the operational costs of operating income, capital adequacy ratios and *musyarakah* financing. Meanwhile, BOPO is a benchmark indicator for assessing bank profitability, Capital as a form of bank resilience to generate assets and smooth *Musyarakah* financing in the midst of a situation of uncertainty due to changes in community structure due to the pandemic.

Partially, the Operational Cost of Operating Income also has a negative impact on the Bank's Profitability, meaning that if the BOPO increases then the ROE obtained decreases or an increase in the bank's operating costs that is not followed by an increase in operating income will result in reduced net profit so that it will reduce ROE (Rosita & Simamora, 2020). The Capital Adequacy variable also has a significant impact on the profitability variable. This means that the disclosure of the value of capital adequacy is accompanied by the defense of a stable profitability value. Furthermore, the *Musyarakah* Financing variable also has a significant impact which means that the increase in *Musyarakah* financing provided by the bank has an impact on the bank's profitability. Simultaneously, the Operational Cost of Operating Income, Capital Adequacy Ratio and *Musyarakah* Financing also obtained significant positive results, as seen from the T test value which was less than 5%.

5.2. Suggestion

Based on this research, the suggestions obtained are as follows:

1) For Islamic Commercial Banks to always pay attention to financial performance factors as well as internal and external factors of the company in determining the company's ROE. Companies need to provide accurate, actual and accountable information to make it easier for elements who have an interest.
2) For further research, it is expected to further refine this research and expand the sample studied in order to obtain more varied results and can describe anything that can affect the company's profitability.

REFERENCES

Arikunto, S. (2006). Prosedur suatu pendekatan praktik. *Jakarta: Rineka Cipta*.

Aulia, R., & Anwar, S. (2021). Pengaruh Biaya Operasional dan Pendapatan Operasional, Net Operating Margin, Dana Pihak Ketiga dan Capital Adequacy Ratio terhadap Profitabilitas Bank Syariah. *Bukhori: Kajian Ekonomi Dan Keuangan Islam*, *1*(1), 21–38.

Damayanti, E., & Suartini, S. (2021). Pengaruh Pembiayaan Mudharabah dan Pembiayaan Musyarakah Terhadap Profitabilitas Bank Umum Syariah di Indonesia. *Jurnal Ilmiah Ekonomi Islam*, *7*(1), 250–255.

Ghozali, I. (2013). Aplikasi Analisis Multivariat dengan Program IBM SPSS. Edisi 7. *Semarang: Penerbit Universitas Diponegoro.*

Hadiwardoyo, W. (2020). Kerugian Ekonomi Nasional Akibat Pandemi Covid-19. *Baskara: Journal of Business and Entrepreneurship*, *2*(2), 83–92.

Haeril, H., & Albar, A. (2021). Analisis Pengaruh Risiko, CAR, BOPO dan LDR Terhadap ROE pada Perusahaan Perbankan yang Terdaftar di Bursa Efek di Indonesia. *Economics and Digital Business Review*, *2*(1), 36–60.

Hendrawati, H. (2020). Pengaruh Capital Adequacy Ratio (CAR), Quick Ratio, Rasio Biaya Operasional Terhadap Pendapatan Operasional (BOPO) Terhadap Return On Equity (ROE) Pada Bank Konvensional Di Indonesia Periode 2010 - 2014. *JURNAL MANAJEMEN FE-UB*, *6*(2), 138–161.

Herlini, M. A., Suhendro, S., & Wijayanti, A. (2021). Pengaruh Rasio Profitabilitas Terhadap Harga Saham (Pada Perusahaan Jasa Konstruksi Bangunan Yang Terdaftar Di Bei Tahun 2013-2019). *Jurnal Investasi*, *7*(1), 44–51.

Hertati, L. (2021). Promosi Penjualan, Audit Manajemen, dan Peran Audit Program terhadap Penerimaan Kas Era Covid-19. *Economics and Digital Business Review*, *2*(1), 61–86.

Ilyas, R. (2018). Manajemen Permodalan Bank Syariah. *BISNIS: Jurnal Bisnis Dan Manajemen Islam*, *5*(2), 323–338.

Mauliza, D., & Daud, R. M. (2016). pengaruh kecukupan modal dan kompetisi terhadap profitabilitas bank syariah di Indonesia. *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi*, *1*(1), 13–19.

Nazir, M. (2014). Metode Penelitian [Research Methods]. *Bogor: Ghalia Indonesia*.

Nihayah, A. Z., & Rifqi, L. H. (2021). Pandemi Covid-19 Implikasi Bagi Pembiayaan Bank Syariah Di Indonesia. *Jurnal Ekonomika Vol*, *10*(1), 164–181.

Ningsih, S. R. N., Purwohedi, U., & Mardi. (2021). Factors Affecting Solvency In Insurance

Companies In Indonesia 2015–2019 Period. *MARGINAL : Journal Of Management, Accounting, General Finance And International Economic Issues*, *1*(1), 34–46.

Nurfajri, F. (2019). Pengaruh Murabahah, Musyarakah, Mudharabah, dan Ijarah terhadap Profitabilitas Bank Umum Syariah di Indonesia. *Monex: Journal of Accounting Research*, *8*(2).

Permata, R. I. D., Yaningwati, F., & Zahroh, Z. A. (2014). Analisis pengaruh pembiayaan mudharabah dan musyarakah terhadap tingkat profitabilitas (return on equity)(Studi pada bank umum syariah yang terdaftar di Bank Indonesia periode 2009-2012). *Jurnal Administrasi Bisnis*, *12*(1).

Putra, P., & Hasanah, M. (2018). Pengaruh pembiayaan mudharabah, musyarakah, murabahah, dan ijarah terhadap profitabilitas 4 bank umum syariah periode 2013-2016. *Jurnal Organisasi Dan Manajemen*, *14*(2), 140–150.

Rosita, D., & Simamora, S. C. (2020). Pengaruh NPL dan BOPO terhadap ROE pada PT. Bank Syariah, Tbk Periode 2011-2018. *Jurnal Ilmiah M-Progress*, *10*(1).

Sukma, S., Mulyatini, N., & Herlina, E. (2019). Pengaruh Rasio Likuiditas dan Profitabilitas terhadap Nilai Perusahaan (Suatu Studi pada PT.Telkom Indonesia, Tbk yang terdaftar di Bursa efek Indonesia Periode 2007-2017). *Business Management and Entrepreneurship Journal*, *1*(2), 1–24.

Suryadi, N., Mayliza, R., & Ritonga, I. (2020). Pengaruh Inflasi, Biaya Operasional Terhadap Pendapatan Operasional (Bopo), Dan Pangsa Pasar Terhadap Profitabilitas Bank Umum Syariah Di Indonesia Priode 2012-2018. *Jurnal Tabarru': Islamic Banking and Finance*, *3*(1), 1–10.

Utami, T., & Hasmanto, B. (2014). Analisis Penerapan Pernyataan Standar Akuntansi Syariah Terhadap Piutang Murabahah (Studi Kasus Pada Bank Syariah Mandiri Cabang Ciputat). *Jurnal Ilmiah Akuntansi Universitas Pamulang*, *2*(3), 275–290.