

ANALYSIS OF THE INFLUENCE OF PROFIT SHARING, IJARAH AND NPF FINANCING ON THE PROFITABILITY OF SHARIA BUSINESS UNITS IN INDONESIA

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Abstract

Indonesian statistical data shows significant developments in the Islamic banking sector. This is evidenced by the increase in the number of 20 Islamic Commercial Banks (BUS) with an average asset of 478,831 billion and 13 Islamic Business Units (UUS) with an average asset of 255,943 billion. The purpose of this study was to determine the effect of profit sharing, ijarah funding and NPF on profitability (ROA) in Indonesian Islamic Business (UUS). Profit sharing and ijarah financing is a form of bank business to generate profits in accordance with sharia principles. NPF is bad credit that arises when bank funds are channeled, but can affect bank income. The data source for this research is secondary data in the form of UUS (Maybank Indonesia) financial reports for the 2017-2022 period using a quarterly model. The research method used is a quantitative approach using linear regression analysis techniques. The results of this study indicate that simultaneously profit-sharing financing, ijarah and NPF have a positive effect on ROA. Partial test results, profit sharing and ijarah financing have a significant effect on ROA, while NPF has no significant effect on ROA.

Keywords: Profit Sharing Financing (*Mudharabah and Musyarakah*), Lease Financing (*Ijarah*), Return On Assets (*ROA*), Non Performing Financing (*NPF*)

Abstrak

Data statistik Indonesia menunjukkan perkembangan yang signifikan di sektor perbankan syariah. Hal ini dibuktikan dari peningkatan jumlah 20 Bank Umum Syariah (BUS) dengan rata-rata aset 478.831 Miliar dan 13 Unit Usaha Syariah (UUS) dengan rata-rata aset 255.943 Miliar. Tujuan dari penelitian ini adalah untuk mengetahui pengaruh bagi hasil, pendanaan ijarah dan NPF terhadap profitabilitas (ROA) pada Usaha Syariah (UUS) Indonesia. Pembiayaan bagi hasil dan ijarah merupakan bentuk usaha bank untuk menghasilkan keuntungan sesuai dengan prinsip syariah. NPF adalah kredit macet yang timbul pada saat dana bank disalurkan, namun dapat mempengaruhi pendapatan bank. Sumber data penelitian ini adalah data sekunder berupa laporan keuangan UUS (Maybank Indonesia) periode 2017-2022 dengan menggunakan model triwulanan. Metode penelitian yang digunakan adalah pendekatan kuantitatif dengan

menggunakan teknik analisis regresi linier. Hasil penelitian ini menunjukkan bahwa secara simultan pembiayaan bagi hasil, ijarah dan NPF berpengaruh positif pada ROA. Hasil pengujian secara partial, pembiayaan bagi hasil dan ijarah memiliki pengaruh signifikan terhadap ROA, sedangkan NPF tidak memiliki pengaruh yang signifikan terhadap ROA.

Kata Kunci: *Pembiayaan Bagi Hasil (Mudharabah dan Musyarakah), Pembiayaan Sewa (Ijarah), Return On Assets (ROA), Non Performing Financing (NPF)*

Introduction

The role of banking in a country's economy is very strategic. Banks as financial intermediary institutions play a role in collecting public funds in the distribution and collection of funds so that significant economic activity occurs and economic growth occurs in the community. In addition to these functions, banks also have a role in maintaining a country's monetary stability. Banks have an important thing in the business world, namely trust. Furthermore, the context of this belief relates to how the public entrusts savings and investment funds to banks as a function of banking service activities. The problem of trust in banking is very closely related because the slightest unhealthy banking problem, people will flock to withdraw funds from the bank so that it will give bad conditions to the bank (Kasmir, 2017).

The potential for the majority of Indonesian society to be Muslim encourages banks to accommodate and innovate banking products and systems within them. This enriches the repertoire of expanding the banking market itself. In general, Islamic banking is a concept that offers bank products that comply with Islamic law. There are several fundamental differences between Islamic and traditional banks such as legal aspects, organizational structure, business being financed and work environment. The existence of Islamic banking answers the horrors of conventional concepts with elements of usury. This element is contrary to Islamic law. The sharia concept focuses on interest-free banking products in the form of profit sharing, commonly known as profit sharing (Kasmir, 2017; Fadhila, 2015)

Islamic banks as financial intermediary institutions benefit through profit sharing. In the profit sharing there is a *ratio*. *The ratio* is an important factor in determining the production sharing agreement. *Nisbah* is a comparison of profit and loss between the agreements of two parties. The comparative aspect is an aspect of mutual agreement that occurs in a transaction which is seen through the determination of many things related to

profit sharing, required business data, individual installment options, sustainable performance, and dividends. In determining the ratio, it must be in accordance with the standard amount of income for large, medium or small entrepreneurs so that the determination of the ratio does not conflict with the provisions of Article I number 8 "article 12 paragraph (2) of Law No. 10 of 1998 concerning amendments to Law no. 7 of 1992 concerning Banking.

The Sharia Business Unit (UUS) is a business that is a part of banking by applying the principles of Islamic law as the basis for its rules. Basically, UUS is only a work unit found in conventional banks. This provision is contained in Article 5 paragraph 9 (*Undang-Undang Republik Indonesia Nomor 21 Tahun 2008 Tentang Perbankan Syariah*, n.d.) which reads "Conventional Commercial Banks that will conduct business based on sharia principles are required to open UUS at the head office with the permission of Bank Indonesia".

The procedure for establishing UUS in conventional banks consists of several stages that must be carried out by conventional banks, including (Ria, 2013):

1. Opening of the Deed of Establishment of the sharia system at the Notary.
2. Application for permission in the approval of sharia principles to the Board of Directors of Bank Indonesia.
3. Ratification of the Deed of Establishment of the sharia system by the Minister of Law and Human Rights.
4. Registration in the register of companies.
5. Announcement in additional state news.
6. Application for a business license to carry out Sharia system business activities (UUS)

The following is the development of Islamic Commercial Banks (BUS) and Islamic Business Units (UUS) in Indonesia as of December 2022:

Table 1. List of Islamic Commercial Banks (BUS) and Sharia Business Units (UUS) in Indonesia as of December 2022

No.	Sharia Business Unit (UUS)	No.	Sharia Commercial Bank (BUS)
1.	PT. Sharia Aceh Bank	1.	PT Bank Danamon Indonesia

2.	PT BPD Riau Kepri Syariah	2.	PT Bank Permata, Tbk
3.	PT BPD Nusa Tenggara Barat Syariah	3.	PT Bank Maybank Indonesia
4.	PT. Bank Muamalat Indonesia	4.	PT Bank CIMB Niaga
5.	PT. Bank Victoria Syariah	5.	PT Bank OCBC NISP
6.	PT. Bank Jabar Banten Syariah	6.	PT BPD DKI
7.	PT. Indonesian Sharia Bank	7.	PT BPD Special Region of Yogyakarta
8.	PT. Mega Syariah Bank	8.	PT BPD Central Java
9.	PT. Bank Panin Dubai Syariah	9.	PT BPD East Java
10	PT. Bukopin Sharia Bank	10	PT BPD Jambi
11.	PT. Syariah BCA	11.	PT BPD North Sumatra
12.	PT. Sharia National Pension Savings Bank	12.	PT BPD Nagari
13.	PT. Islamic Aladin Bank	13.	PT BPD South Sumatra and Bangka Belitung
		14.	PT BPD South Kalimantan
		15.	PT BPD West Kalimantan
		16.	PT BPD East Kalimantan
		17.	PT BPD South Sulawesi and West Sulawesi
		18.	PT Bank Sinarmas
		19.	PT State Savings Bank (Persero)
		20.	PT Bank Jago

Source: (Statistik, 2022)

Based on Sharia Banking Statistics in Indonesia as of December 2022, Islamic banking has experienced an increase as evidenced by the presence of 20 BUS with an average asset of 478,831 billion and 13 UUS with an average asset of 255,943 billion. The establishment of UUS is a mandatory requirement for conventional banks in order to make it a Sharia Commercial Bank (BUS). The process of establishing a BUS in a UUS

requires assets of at least 50% of the total parent assets, so it is necessary to separate the UUS into a BUS in a Conventional Bank. This concept is called *Spin Off* which simply means the separation of UUS from a conventional bank into a BUS. *Spin Off* can be done by establishing a new BUS or transferring UUS rights and obligations to an existing BUS. Capital paid up to BUS is at least 500 billion and must be increased to 1 trillion no later than after the BUS permit is granted (Kuncoro & Yulianto, 2018).

One of the most important things in measuring the growth of a bank in the future is the financial report. Financial statements are the basic fundamentals for investors in providing funds to banks. Good financial reports show that the condition, performance and management of the bank are handled professionally. Financial statements can be used as an evaluation material for investors as a basis for decision making. One of the things that can be observed in a bank's ability is *Return On Assets* (ROA) as a ratio in generating profits or profitability through managing bank assets. The level of asset management can be said to be the bank's return on investment. This means that the money or capital issued can be measured in the form of profits obtained from managing these assets (Hanafi & Halim, 2016).

The novelty in this research is integrating three crucial aspects in the Islamic finance industry. First, profit-sharing financing is one of the main principles in the Islamic financial system, in which capital owners and entrepreneurs share risks and profits based on a fair agreement. Second, *ijarah*, or finance lease, is a very important financing method in the Islamic finance industry, in which Islamic business units lease productive assets to clients by charging a fixed rental fee and receiving periodic payments. Third, non-performing financing (NPF) is a ratio that measures the quality of assets or financing portfolios that experience payment problems or bad loans. The integration of these three elements provides a holistic and in-depth approach in analyzing how profit-sharing, *ijarah*, and NPF financing impact the profitability of Islamic business units in Indonesia during the 2017 to 2022 research period.

Apart from that, the novelty element of this article also lies in the application of a case study on Maybank Indonesia, one of the leading banks in Indonesia which focuses on sharia-based financial services. By using Maybank Indonesia as a research subject, this article provides relevant and actual insights into the situation of the Islamic financial

market in Indonesia over a fairly long research period, namely five years. Through this case study approach, researchers can analyze in depth the data and financial performance of Maybank Indonesia, and identify the extent to which profit-sharing, ijarah and NPF financing affect the profitability of the sharia business unit at this bank. The results of this research are expected to provide valuable input for the Islamic finance industry in Indonesia, stakeholders, and policy makers in optimizing performance and risk management in Islamic banks.

Literature Review

Profitability is measured through a sales and investment approach. Profitability is the ability of a company to generate profit or profits through managing sales, total assets and capital. The profitability analysis presents the investor base as a benchmark for long-term investments. Maintaining high profitability is the main goal for every bank. The higher the rate of return (*Return*), the more efficient the bank's performance.

Return on Assets (ROA) is a measure of profitability that describes asset management in generating profits. (Hanafi & Halim, 2016)(Kasmir, 2015) The way to calculate the value of ROA is to compare total assets with net income. The higher the ROA value, the greater the profit that can be obtained, and the better the asset management. ROA functions as an analysis tool for the efficiency of using a company's total assets for sales needs (Subramanyam & Wild, 2010) (Houston, 2013)

The following are measurement criteria based on Bank Indonesia Regulations on the profitability ratio of *Return On Assets* (ROA):

Table 2. ROA Measurement Criteria

Criteria	Mark
$ROA > 1.5\%$	Very healthy
$1.25\% < ROA \leq 1.5\%$	Healthy
$0.5\% < ROA \leq 1.25\%$	Healthy Enough
$0\% < ROA \leq 0.5\%$	Unwell
$ROA \leq 0\%$	Not healthy

Source: *Bank Rating Codification* (Hanafi & Halim, 2016)

In making the management of maximum results, managing the distribution of funds is important in the operations and objectives of the banking function. Financing banking products are one of the basic foundations for profit. Profit-sharing financing is a basic principle of Islamic banking and one way for banks to be able to benefit from their customers (Kasmir, 2017)

Profit sharing has a ratio or arrangement determined by the financier and the financier. In this context, banks are called capital providers and customers are called capital borrowers. *The ratio* is a milestone in the performance of Islamic banks. *Musyarakah* and *mudharabah ratios are very different*. In *musyarakah*, both banks and customers have the same profit and loss potential. Whereas *the mudharabah* ratio tends to be 60% or 40%, depending on the agreement between the bank and the customer, so that if a loss occurs, the bank as the capital owner is fully responsible. *Mudharabah* and *musyarakah* financing are representatives of profit sharing finance in Islamic banks. In the end, to reduce cost obligations and not avoid sharia principles, profit sharing allocation rules are regulated by Article 12 paragraph (2) of Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking.

Islamic banks also offer other financial products. *Ijarah* financing is rent. According to grammatical conventions, “*ijarah*” means buying and selling in the context of leasing. *Ijarah* by definition is the use or utilization of an item for a certain period of time. The *ijarah* contract has three elements: consent qabul, parties to the transaction and the agreed object.

The high value of ROA cannot be separated from the relationship between financing and channeling of banking funds. The bank as a receiving and channeling institution has the function of regulating these two things in order to generate the maximum profit. In the context of bank financing, the precautionary principle must be applied to reduce the risk of non-performing financing. Problematic financing will be a problem in assessing the soundness of a bank. Non Performing Financing (NPF) is a ratio that measures a bank's ability to manage problem loans. NPF is the ratio of bad loans to total bank financing. Elements in the NPF are non-performing loans made by customers. The number of non-performing loans will greatly disrupt the company's profits. The NPF ratio has a maximum tolerance limit set by Bank Indonesia of 5%. If the NPF value

exceeds 5%, this indicates that the bank is not professional in managing credit so that it will generate smaller profits or a decreased ROA value. The formula and criteria for calculating NPF are as follows:

$$NPF = \frac{\text{Non Financing}}{\text{Total Financing}} \times 100\%$$

Table 3. NPF Measurement Criteria

Peringkat	Nilai NPF	Predikat
1	$NPF < 2\%$	Sangat Baik
2	$2\% \leq NPF < 5\%$	Baik
3	$5\% \leq NPF < 8\%$	Cukup Baik
4	$8\% \leq NPF < 12\%$	Kurang Baik
5	$NPF \geq 12\%$	Tidak Baik

Source: *Bank Rating Codification* (Hanafi & Halim, 2016)

Research Methodology

This type of research uses descriptive quantitative research which aims to explain the role of one variable in relation to other variables (Sugiyono, 2014). The purpose of this study was to determine the relationship between profit sharing financing (*Mudharabah and Musyarakah*), leasing (*Ijarah*) and non performing financing (NPF) on ROA in Islamic Business Units (Maybank Indonesia). The data used in this study is based on quarterly time series data from 2017 to 2020. Time series data is data that is collected continuously over a certain period of time. In this study, the data collection method used is to access company financial reports issued by the Financial Services Authority (OJK).

According to Gujarati & Porter (2015) regression is a statistical analysis designed to measure how much the dependence between variables affects the independent variable. The following is a regression model for time series data:

$$ROA_t = \alpha + \beta_1 \text{BASIL}_t + \beta_2 \text{IJARAH}_t + \beta_3 \text{NPF}_t + ut$$

Where, ROA is a profitability indicator to measure corporate governance in generating profits through asset management, BASIL is a sharia bank financing in the form of channeling funds to customers in the form of profit sharing between capital managers and capital owners. IJARAH is a sharia bank product in the form of channeling

funds to customers through leasing agreements. NPF is an indicator that describes the soundness of a bank in channeling troubled funds.

Results And Discussion

1. Analysis Results

Based on the results of multiple regression analysis in the classical assumption test and hypothesis testing, the following results are obtained:

Table 3. Regression Analysis Results

Variable le	Coefficient	std. Error	t-Statistics	Prob.
LNBASIL _ X1	-3.751904	0.638069	-5.880095	0.0000
LNIJARAH _ X2	1.289100	0.610504	2.111536	0.0475
NPF_X3	-0.433697	0.497848	-0.871144	0.3940
C	49.34157	18.57779	2.655944	0.0152
R-squared = 0.864134				
F Statistics = 42.40143				
Prob (F Statistic) = 0 .000 0				
Dependent Variable: ROA				

Source: Eviews Processed Results

In the table above, the multiple linear regression equation is obtained from the *unstandardized beta coefficients* as follows:

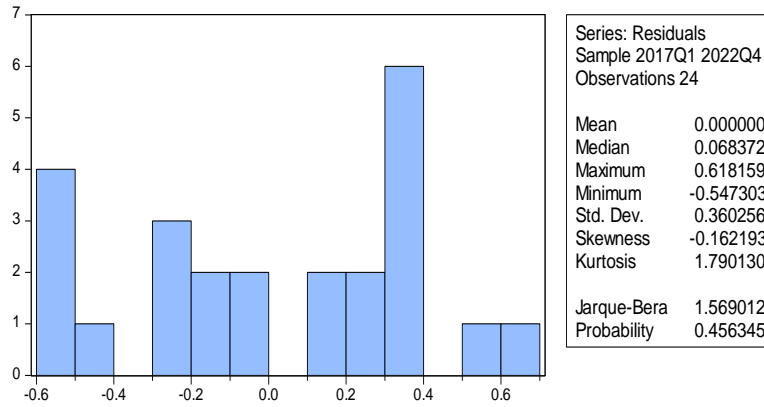
$$ROA = 49.34157 - 3.751904 \text{ Basil} + 1.289100 \text{ Ijarah} - 0.433697 \text{ NPF} + e$$

2. Classical Assumption Test

Before testing the regression model, the assumptions tested on the regression model are carried out so that the data can be analyzed and represent the results of the analysis in an unbiased and efficient manner. The model in the classical assumption test must fulfill the basic assumption requirements of residual normality and there are no symptoms of autocorrelation, multicollinearity and heteroscedasticity.

1. Normality Test

Figure 1. Jarque Bera Normality Graph



Source: Eviews Processed Results

Based on the data above, it can be concluded that the *probability value of Jarque* is 0.456 is greater than 0.05, so the residual data is normally distributed.

2. Heteroscedasticity Test

Table 4. Heteroscedasticity Test

Heteroskedasticity Test: White			
F-statistics	1.539707	Prob. F(9,14)	0.2262
Obs*R-squared	11.93856	Prob. Chi-Square(9)	0.2168
Scaled explained SS	3.275351	Prob. Chi-Square(9)	0.9524

Source: Eviews Processed Results

Based on the results of the heteroscedasticity test using the white method, the *prob. chi square* of 0.2168 > 0.05. So it can be concluded that there is no heteroscedasticity problem

3. Autocorrelation Test

Table 5. Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:			
F-statistics	1.536025	Prob. F(2,18)	0.2422
Obs*R-squared	3.498909	Prob. Chi-Square(2)	0.1739

Source: Eviews Processed Results

Based on the results of the autocorrelation test above, it can be concluded that the value of *Prob. Chi Square* of 0.1739 is greater than 0.05. So there is no autocorrelation in the model.

4. Multicollinearity Test

Table 6. Multicollinearity Test

	BASIL _ X1	IJARAH _ X2	NPF_X3
BASIL _ X1	1.000000	-0.271487	-0.379320
IJARAH _ X2	-0.271487	1.000000	-0.651608
NPF_X3	-0.379320	-0.651608	1.000000

Source: Eviews Processed Results

The results of the multicollinearity test above show that there is no high correlation value between the independent variables and does not exceed 0.90 (Ghozali & Ratmono, 2013)so that it can be concluded that there are no symptoms of multicollinearity between the independent variables.

3. Hypothesis Testing

1. Simultaneous Significance Test (F Test)

Table 7. Simultaneous Significance (F Test)

F-statistics	42.40143	Durbin-Watson stat	1.532721
Prob(F-statistic)	0.000000		
Predictors: (Constant), Basil, Ijarah, NPF			
Dependent Variable: ROA			

Source: Eviews Processed Results

Based on the table above on the F test, the results of testing the data show a significant value of 0.000. The *probability* value of the F statistic is smaller than the 5% significance value. Then H_0 is rejected and results in the conclusion that profit sharing, ijarah and NPF financing simultaneously affect bank profitability (ROA).

2. Partial Significance Test (t-Test)**Table 8. Partial Significance (t test)**

Variable el	coefficient	std. Error	t-Statistics	Prob.
LNBASIL _ X1	-3.751904	0.638069	-5.880095	0.0000
LNIJARAH _ X2	1.289100	0.610504	2.111536	0.0475
NPF_X3	-0.433697	0.497848	-0.871144	0.3940
C	49.34157	18.57779	2.655944	0.0152
Dependent Variable: ROA				

Source: Eviews Processed Results

Based on the table above, it shows that the significance value in the partial test is as follows:

- Profit sharing financing affects ROA, which means that H_0 is rejected and H_a is accepted because the *probability* partial value is (0.0000) less than 0.05.
- Ijarah financing affects ROA, which means that H_0 is rejected and H_a is accepted because the *probability* partial value is (0.0475) less than 0.05.
- Profit sharing financing has no effect on ROA, which means that H_0 is accepted and H_a is rejected because the *probability* partial value is (0.390) greater than 0.05.

3. Test of the Coefficient of Determination (R^2)**Table 9. The coefficient of determination (R^2)**

R-squared	0.864134	Mean dependent var	2.080000
Adjusted R-squared	0.843755	SD dependent var	0.977366
SE of regression	0.386332	Akaike info criterion	1.086773
Sum squared residue	2.985049	Schwarz criterion	1.283115
Likelihood logs	-9.041273	Hannan-Quinn criter.	1.138862
F-statistics	42.40143	Durbin-Watson stat	1.532721
Prob(F-statistic)	0.000000		
Predictors: (Constant), Basil, Ijarah, NPF			
Dependent Variable: ROA			

Source: Eviews Processed Results

In the table above, the coefficient of determination R square (R^2) is 0.8641. This shows that Profit Sharing, Ijarah and NPF financing can explain Bank Profitability (ROA) of 86.41%. While the remaining 13.59% is outside the model.

4. Discussion

Based on the test results above, it can be seen that profit sharing, ijarah and NPF financing simultaneously affect the profitability (ROA) of banks at UUS (Maybank Indonesia). In the results of the coefficient of determination, the value of Adjusted R Square (R^2) is 0.8641. This shows that Profit Sharing, Ijarah and NPF financing can explain Bank Profitability (ROA) of 86.41%. While the remaining 13.59% is outside the model. These results are followed by valid sourced data from balance sheet financial reports and financial ratios on the soundness of banks in sharia business units (Maybank Syariah). The average ROA value for this sharia maybank is at 1.61 percent, which is included in the very healthy category. This value indicates that a high level of ROA illustrates that bank management can properly manage financing valuations and channeling funds in a balanced and profitable manner. these results are supported by the average NPF value which is at 2.01 percent where this value is included in a very high category in the NPF indicator criteria at Bank (Otoritas Jasa Keuangan)

1. Effect of Profit Sharing on Profitability (ROA)

The results of the analysis show that profit sharing financing (*mudharabah* and *musyarakah*) has an effect on ROA. Profit sharing financing in Islamic banking is the most important tool to differentiate products from conventional banking. The more profit-sharing funds, the more profits the bank gets. The financing role is consistent with its ROA concept, as investments made through intermediation of funds generate income for the bank.

The results of this study are in accordance with the research of (Pratama et al., 2017) which shows profit-sharing financing (*musyarakah*) has an effect on ROA. On the other hand, the results of this study are different from the research by (Romdhoni & Yozika, 2018) and (Azib, 2022) which states that profit-sharing financing (*mudharabah*) has no effect on ROA.

2. The Effect of Ijarah on Profitability (ROA)

The results of the analysis show that leasing (*ijarah*) has a positive and significant effect on ROA. The higher the financing issued by the bank, the higher the ROA value obtained. The high ROA value is due to the role of bank financing which provides *profit sharing returns* on the basis of contracts that have occurred between the bank as the owner of capital and the borrower of capital. Basically, a lease agreement is a transfer of usufructuary rights where a customer enters into a contract to benefit from the use of said usufructuary rights.

The results of this study are in accordance with the research of (Hartati et al., 2021), which shows that leasing (*ijarah*) has a positive and significant effect on ROA. On the other hand, the results of this study differ from the research by (Romdhoni & Yozika, 2018), (Suryadi, 2022) and (Faradila et al., 2017) which state that the value of leasing (*ijarah*) has no effect on ROA.

3. Effect of NPF on Profitability (ROA)

The results of the analysis show that NPF has a negative and insignificant effect on ROA. The higher the NPF value, the lower the profitability value will be. Conversely, the lower the NPF value, the higher the profitability value. A high NPF value indicates that there is a large problematic financing at the bank. The level of problem financing reduces profits or profits from the bank, so it is necessary to provide guidance to customers on problematic financing and carry out financing controls and select prospective customers so that big problems do not occur in the future.

The results of this study are in accordance with Safvrizal's research (Safvrizal, 2023) which states that NPF has a negative and insignificant effect on ROA. On the other hand, these results differ from the research by (Suryadi, 2022; Yolanda et al., 2023) and (Ramadhani, 2018) which state that the NPF value has a negative and significant effect on ROA. The direction of the relationship between ROA and NPF is negative because a high NPF value reduces income and affects the decrease in ROA value.

Conclusion

Based on the findings above, partially profit sharing and Ijarah financing will affect the profitability (ROA) of Maybank Indonesia, while the NPF will not partially affect the profitability (ROA) of Maybank Indonesia. Simultaneously Profit Sharing, Ijarah and NPF affect the profitability (ROA) of Maybank Syariah in the 2017-2022 period. Bank profitability is generated through products at the bank. Financing is one of the main products at the bank. High financing will increase profits accompanied by selective selection of bad loans. Bad credit directly has an adverse effect on a bank's profits. Bad credit gives the meaning of bank credit management to generate retained earnings. The higher the bank's management of bad loans, it will increase bank profits and provide a better level of bank soundness.

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