

DETERMINANTS OF PROFITABILITY OF SHARIA REGIONAL DEVELOPMENT BANKS IN INDONESIA 2014-2017

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Abstract

This study aims to determine the effect of Third Party Funds, Financing to Deposit Ratio (FDR), Profit Sharing and Non-Performing Financing (NPF) on the profitability of Sharia BPDs in Indonesia in 2014-2017. Measurement of profitability uses the Return on Asset (ROA) ratio. The data used is obtained through the financial statements of the Regional Development Bank (BPD) Sharia known as the Islamic Development Bank. This research method uses a quantitative approach using panel data regression analysis techniques using EViews 10.0 software. The results of statistical tests show that the variables of Third Party Funds and Non Performing Financing (NPF) have a negative and significant effect on the profitability of the Syariah BPD. While the Financing to Deposit Ratio (FDR) and Profit Sharing Financing variables have no significant effect on the profitability of the Sharia BPD.

Keywords: *Third Party Funds; Financing to Deposit Ratio (FDR); Revenue Sharing; Non Performing Financing (NPF); Profitability; Sharia Regional Development Bank (BPD).*

Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh Dana Pihak Ketiga, Financing to Deposit Ratio (FDR), Pembiayaan Bagi Hasil dan Non Performing Financing (NPF) pada profitabilitas BPD Syariah di Indonesia pada 2014-2017. Pengukuran profitabilitas menggunakan rasio Return On Asset (ROA). Data yang digunakan diperoleh melalui laporan keuangan Bank Pembangunan Daerah (BPD) Syariah yang dikenal sebagai Islamic Development Bank. Metode penelitian ini menggunakan pendekatan kuantitatif dengan menggunakan teknik analisis regresi data panel dengan menggunakan perangkat lunak EViews 10.0. Hasil uji statistik menunjukkan bahwa variabel Dana Pihak Ketiga dan Non Performing Financing (NPF) berpengaruh negatif dan signifikan terhadap profitabilitas BPD Syariah. Sedangkan variabel Financing to Deposit Ratio (FDR) dan Pembiayaan Bagi Hasil tidak berpengaruh signifikan terhadap profitabilitas BPD Syariah.

Kata kunci: *Dana Pihak Ketiga; Financing to Deposit Ratio (FDR); Pembiayaan Bagi Hasil; Non Performng Financing (NPF); Profitabilitas; Bank Pembangunan Daerah (BPD) Syariah.*

INTRODUCTION

The Regional Development Bank (BPD in Indonesian) was established by the government with the aim of helping the regional economic resources distributed. Based on Act No. 13 of 1962 concerning the basic provisions of the Regional Development Bank, the BPD functions as a developer and driver of the regional economy which aims to improve the standard of living of the people. According to Ismail (2012), Development Bank is a Development Financial Institutions (DFIs) indicated and mandated by the government (multi-government / countries) to support the growth and development of the national economy.

Provisions regarding the business development of the Regional Development Bank are supported by the issuance of Decree of the Minister of Home Affairs No. 62 of 1999 concerning Organizational Guidelines and Work Procedures for Regional Development Banks in order to fulfill the implementation of regional autonomy. Article 2 in this provision explains the main tasks of the Regional Development Bank as a developer and activator of the regional economy through its business activities as a bank.

BPD Syariah is a Sharia Business Unit owned by a conventional BPD. Sharia Business Unit (Unit Usaha Syariah in bahasa) is a business unit formed by conventional banks that carry out banking activities and payment traffic based on Sharia principles (Ismail, 2011: 41). The main activity carried out by BPD Syariah in carrying out its business as a bank, namely collecting funds from the community and providing financing for the community .

Profitability or profit is one of the BPD Sharia performance indicators which is an important concern for the bank's operational sustainability. Measuring the level of profits obtained can be done using profitability ratios. R profitability ratio is a ratio to assess a company's ability to seek profits. This ratio also provides a measure of the management effectiveness of a company. This ratio is used to show the efficiency of a company (Kasmir, 2016: 196). According to Riyadi and Yulianto (2014), the higher the level of profitability shows that the better the bank's position in using and utilizing assets. Good profitability will also make it easier for Sharia BPDs to develop their business and run their operations well.

BPD Sharia in performing the functions in banking, fund raising activities of the community through the Third Party Fund (Dana Pihak Ketiga in bahasa). According to Karim (2014: 107), the collection of third party funds in BUS and UUS consists of demand deposits, savings and time deposits using the wadi'ah and mudharabah contracts . Research conducted by Anggreni and Suardhika (2014) and Setiawan and Indriani (2016) shows that deposits have a significant positive effect on the profitability of Islamic banks. But according to Menicucci and Paolucci (2016), the relationship between TPF and profitability is negative. The higher deposits that have been collected by banks can allow a decrease in the level of profitability

In maintaining liquidity, the Sharia BPD must also pay attention to the FDR / LDR ratio. Riyadi and Yulianto (2014) in their research stated that FDR partially had a positive and significant effect on ROA of Islamic banks. While Fielyzia (2017) states that LDR has a negative effect on profitability. This is because the greater the value of the LDR ratio that can be interpreted the greater the credit value will lead to high credit risk. Whereas according to Syriac (2011) FDR does not have a significant effect on ROA.

BPD Syariah as a business entity based on Sharia principles runs the function of allocating funds through profit-based financing. According to research by Riyadi and Yulianto (2014) partially, results-based financing has a negative effect on profitability , which is in line with the results of the research conducted by Annisa (2016) . While the research conducted by Fadhila (2015), showed that mudharabah and musyarakah financing did not have a significant effect on profitability measured by using ROA .

Funds channeled by banks in addition to generating profits / profits can also lead to the occurrence of financing risks. The risk is measured using the NPF ratio. The classification of problematic financing according to Wangsawidjaja Z. (2012: 90) is divided into three groups, namely: a) Group III financing is not smooth; b) Doubtful group IV financing; c) Group V financing defaults. Setiawan and Indriani (2016) and Wulandari (2017) state that NPF has a significant effect on bank

profitability. NPF and profitability have a negative relationship, so the higher NPF ratio will increase the risk faced by the bank.

RESEARCH METHODS

The research approach used in this study is a quantitative approach using panel models analyzed using EViews 10.0 Software . According to Sugiyono (2014: 8), a quantitative approach is a research method based on philosophy of positivism, used to examine specific populations or samples, collecting data using research instruments, analyzing quantitative or statistical data, with the aim of testing predetermined hypotheses.

The variables used in the study are five variables, namely one dependent variable (ROA) and four independent variables (TPF, FDR, profit sharing financing, and NPF) . Based on the four independent and dependent variables that have been mentioned, the potencies used in this study are as follows:

- H1 : Deposits, FDR, Profit Sharing and NPF simultaneously have a significant effect on the profitability of the Sharia BPD.
- H2 : Third Party Funds (TPF) have a significant effect on the profitability of the Sharia BPD
- H3 : Financing to Deposit Ratio (FDR) has a significant effect on the profitability of the Sharia BPD.
- H4 : Results-based financing has a significant effect on the profitability of the Syariah BPD
- H5 : Non Performing Financing (NPF) has a significant effect on the profitability of the Syariah BPD

The data used in this study is panel data using a time series and a cross section . The type of data used is secondary data obtained through the Islamic BPD financial reports that are downloaded through the websites of each bank and the Financial Services Authority (OJK). The time period used is four years, namely 2014-2017. While the population used is all Sharia BPDs in Indonesia, amounting to 14 banks with a sample of 11 banks. The operational definitions of variables in this study are shown in table 1 below:

Table 1. Operational definition

Variable	Counting Model
ROA	$\frac{\text{profit before tax}}{\text{Total Aset}} \times 100\%$
TPF	$\frac{\text{Total TPF}}{\text{Total Aset}} \times 100\%$
FDR	$\frac{\text{Total TPF}}{\text{Total Financing}} \times 100\%$
PLS	$\frac{PLS - \mu}{\sigma}$
NPF	$\frac{\text{Total Problematic Financing}}{\text{Total Financing}} \times 100\%$

Source: author

Sampling in this study was conducted using Purposive Sampling techniques with the following criteria :

- 1) Sharia BPD registered with Bank Indonesia and the Financial Services Authority in 2014-2017.
- 2) During the study, the Sharia BPD provided complete financial reports from 2014-2017 and was published by the official website of the Sharia BPD and the OJK .
- 3) The Sharia BPD has not experienced changes in the form of business entity during the research period.
- 4) Sharia BPD which has a consistent ROA ratio during 2014-2017.

Based on the predetermined sampling criteria, the Sharia BPD according to the study is shown in Table 2

Table 2 List of Research Samples

No.	Bank name
1.	DKI Syariah Bank
2.	Bank Special Region of Yogyakarta (DIY) Sharia
3.	Central Java Syariah Bank
4.	Bank Kalimantan Barat Syariah
5.	Bank Kalimantan Selatan Syariah
6.	Bank Kalimantan Timur Syariah
7.	Bank of West Nusa Tenggara Syariah
8.	Bank Riau Syariah
9.	Bank of South Sulawesi and West Sulawesi (Bank Sulselbar) Syariah
10.	Bank of West Sumatra (Bank Nagari) Sharia
11.	Bank Sumatera Selatan Syariah

Source: Author

The analysis technique used in this study is panel data regression. The advantage of using panel data is more data variation, so that the information obtained will be more and more. In addition, by using the collinearity panel data that occurs between variables will be less, more *degree of freedom* and more efficient (Gujarati and Porter, 2013: 237).

The selection of the best estimation model panel data regression according to Ajiya *et al.*, (2011: 51) can use 3 estimation models, namely *Pooled Least Square* (PLS), *Fixed Effect Model* (FEM) and *Random Effect Model* (REM). Hypothesis testing is done by using the coefficient of determination (R-Square) test to find out how much the independent variables contribute to the dependent variable. The F test was also conducted to see the simultaneous effect of independent variables on the dependent variable. The t test is used to determine the significance of each independent variable on the dependent variable.

RESULTS AND DISCUSSION

Description of Research Results

This study used 11 Sharia BPDs as samples with a four-year reporting period with a total of 44 data observations. Descriptions of research results or descriptive statistics are used to provide general information about the variables used in this study, namely Third Party Funds (TPF), Financing to Deposit Ratio (FDR), Non-Performing Finance (NPF) and Return On Assets (ROA).

The results of the descriptive statistical tests show that the lowest ROA of the Sharia BPD incorporated in the study sample is 0.0051 or 0.51%. This value is owned by Bank DKI in 2015. While the highest ROA was obtained by Bank KalBar with a value of 0.0768 or 7.68%. other than that based on descriptive statistical tests it is known that the average value of ROA obtained by Sharia BPD during the study period was 0.0307 or 3.07% with a standard deviation value of 0.0194.

The results of the testing of descriptive statistics on TPF variables indicate that the highest number of deposits is owned by Bank DKI, which is equal to 13.701.312. While the lowest TPF was held by Bank NTB with a value of 168,641.

The average TPF collected was 1,543,923 with a standard deviation value of 2,249,891.

Testing of the FDR shows that the lowest FDR is owned by SumSel Bank at 0.5648 or 56.48%. while the highest FDR was 2.3865 or 238.65% owned by Bank Sumbar. The average FDR is 1.1938 or 119.38% with a standard deviation value of 0.3798.

The lowest profit sharing financing is owned by Bank NTB of 100. While the largest profit sharing financing is owned by Bank DKI with a value of 1,967,819. The average value of profit sharing financing during the study period was 256,622 with a standard deviation value of 453,975.

The test results also show the lowest NPF owned by Bank KalBar with a value of 0. While the highest NPF is owned by the South Kalimantan Bank with a value of 0.1159 or 11.59%. The average Syariah BPD NPF is 0.0364 or 3.64% with a standard deviation value of 0.0318.

Chow Test

The Chow Test is performed to select the best model between Pooled Least Square (PLS) or Fixed Effect Model (FEM) (Ajija et al., 2011: 53). Determining the best model has the following conditions:

H 0 = If the value is significant < 0.05 , then the best model that can be used is FEM

H 1 = If the value is significant > 0.05 , the best model that can be used is PLS

The test results show that the best model for this study is FEM, because the significance value is < 0.005 so that it receives H0.

Hausman Test

The Hausman test is used to select the best estimation model between FEM and REM. The provisions of the hausman test are if the value is significant < 0.05 then H0 is rejected, and if the significant value is > 0.05 then H0 is accepted (Ajija et al., 2011: 53). The hypothesis used in the Hausman test is as follows:

H 0 = Random Effect Model (REM)

H 1 = Fixed Effect Model (FEM)

The test results show that the best model that can be used in this study is REM. This is because the Chi-Square probability value is > 0.05 , so it accepts H_0 .

Panel Data Regression Analysis

This study was conducted to examine the relationship between Third Party Funds, Financing to Deposit Ratio (FDR), Profit Sharing and Non Performing Finance (NPF) to the profitability of Sharia BPD in Indonesia for the period 2014-2017. Estimation results of regression equations in this study can be seen in table 3.

Table 3. Results of Panel Regression Analysis

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	-5.36E-16	0.209207	-2.56E-15	1.0000
TPF	-0.311485	0.1450559	-2.147296	0.0380
FDR	-0.047412	0.103340	-0.458798	0.6489
PLS	0.214224	0.247774	0.864595	0.3925
NPF	-0.453848	0.150685	-3,011893	0.0045
Effect Specification				
			Elementary school	Rho
Random cross-section			0.651626	0.6513
			0.476759	0.3487
Weighted Statistics				
R-squared	0.226320	Mean Dependent var		-1.45E-16
Adjusted R-squared	0.1469968	SD dependent var		0.549218
SE of regression	0.507256	Sum squared resid		10.03504
F-statistics	2.852113	Durbin-Watson stat		1.691070
Prob (F-statistic)	0.036341			

Source: Processed Author uses EViews 10.0 (2018)

Based on the results of panel 3 regression data analysis, it can be seen that the regression equation is as follows:

$$ROA = -5.36E-16 - 0.311485TPF - 0.047412FDR + 0.214224PLS - 0.453848NPF + 0.507256$$

Based on the above equation it can be seen that the constant value is -5.36E-16. This shows that if TPF, FDR, PLS and NPF or independent variable magnitude zero or constant, then the value of ROA experience an decrease of 5,36 percent. The TPF variable coefficient value of -0.311485 has a negative sign. This shows that if TPF increases by 1 standard deviation while other variables are considered constant, then ROA will decrease by 0.311485 standard deviation.

The FDR variable regression coefficient of -0.047412 has a negative sign. This shows that if there is an increase in FDR of 1 percent and other variables are considered constant, then ROA will experience a decrease of 4,74 percent. The regression coefficient of PLS variable or profit sharing financing of 0.214224 has a positive sign. This shows that there is an increase in 1 standard deviation of the PLS variable while the other variables in the constant customer will cause an increase in ROA of 0.214224 standard deviations. NPF variable coefficient value is -0.453848, which has a negative sign. This shows that a 1 percent decrease in NPF assuming other variables is constant, will cause a decrease in ROA of 4, 54 percent.

Determination Coefficient Test (R-Square)

This analysis was conducted to find out how much percentage variation of the independent variable can explain the variation of the dependent variable. The R-square value is generally located between zero and one. If the value of the coefficient of determination is low or close to zero, then the variation of the independent variable is not able to explain the dependent variable, and vice versa.

Test results of the coefficient of determination can be seen through Table 4

Total Obs.	R-square	Prob (F-statistic)
44	0.226320	0.036341

Source: Author

Based on Table 4, it can be seen that the determination coefficient value is 0.226320 or 22 , 63 %. This shows that TPF, FDR, PLS and NPF variables are able to explain the variable ROA of 22 , 63 %, while the remainder is influenced by other factors outside the variables studied.

Test F

The F test is conducted to find out whether all the independent variables simultaneously (simultaneous) affect the dependent variable. This can be seen from the p- value , if p- value <0.05, the model is feasible to use, while if the p- value > 0.05 indicates that the model is not feasible to use. Based on Table 4 the results of

the F test are known by the prob value (F-statistic) of 0.036341 or below 0.05. This shows that the regression model used in the study is feasible to use.

T test

Hypothesis testing is done by conducting a t test, namely by looking at the t- value and the significance value of the output used in the regression model in the study. If the significance value is > 0.05, the research hypothesis is rejected, while if the significance value is <0.05, the hypothesis can be accepted. The results of the test can be seen in table 5 below:

Table 5 Test Results t

Independent Variables	Prob t-statistic	Information
TPF	0.0380	H ₂ Be accepted
FDR	0.6489	H ₃ Rejected
PLS	0.3925	H ₄ Rejected
NPF	0.0045	H ₅ Be accepted

source : Author

Based on the results of the t test in table 5, it can be seen the effect of each variable partially. If the significance value is > 0.05 then H₀ accepted. Deposits and NPF value <0.005, ie 0.0380 and 0.0045, so that H₀ is rejected. While FDR and PLS score > 0.05, ie 0.6489 and 0.3925, so that H₀ is received. Based on these results it can be concluded that partially deposits and NPF have a significant effect on the ROA of Sharia BPD, while FDR and PLS have no significant effect.

Effect of Deposits, FDR, Financing of Profitability and NPF on Profitability

Based on the simultaneous test that has been done, it is known that together TPF, FDR, Profit Sharing and NPF variables have a significant effect on ROA. The test results are shown through the F Test value of 0.036341 or <0.005. This can be interpreted that the ROA produced by the Sharia BPD can be determined by the amount of TPF collected, the level of the FDR ratio, the amount of profit sharing funds channeled by the bank and the NPF level.

Effect of Third Party Funds on Profitability

The distribution of third party funds in the bank has a legal basis based on Al-Qur'an Surat An-Nisaa 'Ayat 58. This paragraph describes the distribution of third party funds obtained by the bank so that they are carried out fairly and in full principle.

﴿إِنَّ اللَّهَ يَأْمُرُكُمْ أَنْ تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا وَإِذَا حَكَمْتُمْ بَيْنَ النَّاسِ أَنْ تَحْكُمُوا بِالْعَدْلِ إِنَّ اللَّهَ نِعِمَّا يَعِظُكُمْ بِهِ إِنَّ اللَّهَ كَانَ سَمِيعًا بَصِيرًا ٥٨﴾

Meaning: Verily Allah tells you to deliver the message to those who have the right to receive it, and (tell you) if it establishes a law among men so that you determine justly. Surely Allah gives you the best teaching. Allah is the Hearer, the Most Seeing (Surah An-Nisa ': 58).

Based on the research that has been done, it is known that TPF has a significant negative effect on the profitability of the Sharia BPD with a coefficient of -0.311485 and a significance value of 0.038. This means that the increase in deposits will reduce the profitability that the bank will produce. The results of this study are in accordance with the proposed hypothesis, TPF has a significant effect on profitability, so H2 is accepted.

The source of TPF obtained by the Sharia Regional Development Bank is not only obtained through the community but also through the regional government budget (APBD). This has caused deposits to be raised more and more each year even though the distribution of funding by the Sharia BPD per year is quite volatile. One of the factors that caused Sharia BPD deposits was negatively affected by the poor management of deposits by banks. Placement of TPF at a less appropriate provider will causing a high risk of default financing to be received by the bank, thereby reducing the profitability of the Syariah BPD.

The results of this study are in line with the research conducted by Sulistianingrum (2013). In addition, Menicucci and Paolucci (2016) state that not all funds from depositors have a positive relationship with bank profitability. Some banks are not able to redistribute existing funds so as to reduce profitability. Small financing requests will reduce the bank's income to make third party refunds, while

with high financing the bank can expand its business and channel customer funds well, which will affect the increase in profitability.

Islamiyah (2016) and Petria et al (2015) state that even though the deposits deposited by banks are quite large, they are not balanced with the distribution of funds which will hamper bank profitability. This happened because of the deposition of funds due to banks being less able to allocate funds that were successfully collected.

However, the results of this study are not in line with the research of Annisa (2016) and Anggreni and Suardhika (2014), which states that TPF has a significant positive effect on ROA.

Effect of Financing to Deposit Ratio (FDR) on Profitability

According to Muhammad (2005) in Inayatillah (2017) FDR is a ratio used to measure how much third party funds are spent to finance. So that this ratio is also used to measure how much banks are able to pay back withdrawal of third party funds by relying on the financing that has been done and paying for their current liabilities. Sulistyningrum (2013) states that the bank's FDR ratio is sought to be at 85% to 110% so that the funds saved can be channeled optimally.

The effect of FDR on ROA in this study can be seen through the results of t test. based on the test results it is known that the significant value of FDR is 0.6489, where this value is greater than 0.05. This value indicates that the relationship between FDR and the profitability of Sharia BPD is not significant, so that H3 in this study was rejected.

The results of this test are in accordance with research conducted by Fielyzia (2017), where the LDR has no significant relationship to profitability. The results of the tests that have been carried out are in accordance with the research conducted by Suryani (2011). In addition, the research conducted by Nurkhosidah (2010) also shows that FDR has no significant effect on bank profitability. However, the results of the study are not in line with the research conducted by Wulandari (2017) and Riyadi and Yulianto (2014) which state that FDR has a significant positive effect on ROA.

The Effect of Profit Sharing on Profitability

Production Sharing Financing is income that is in accordance with the profit sharing principle, where the financing is divided into Mudharabah and Musyarakah financing . Financing by applying the principle of Profit Sharing must be applied in Islamic banks. This is done so that transactions carried out are fair to both parties and avoid the practice of usury ' . The Principles of Sharing the Results are explained in the Qur'an The An-Nisaa Letter 'verse 29 follows:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبُطْلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا ۚ ٢٩

Meaning: O ye who believe, do not eat each other's wealth in a way that is vanity, except by the way of commerce that applies with the likes of you. and do not kill yourself; Allah is the Most Merciful to you (Surat an-Nisa ': 29) .

Based on the testing that has been carried out profit sharing financing shows a positive value that is not significant with a significance value > 0.05, which is equal to 0.3925. These results support the research conducted by Menicucci and Paolucci (2016), where in this study the financing carried out by banks has a non-significant relationship with profitability measured using ROA and NIM. This study also supports research conducted by Gul et al. (2011) which states that financing does not have a significant effect on ROA.

Muhammad (2005) states that in practice, the significance of profit sharing in playing operational investment in bank funds has a low role. In addition, Saeed (2003) in Fadhila (2015), states that the weak role of profit sharing in playing the operational investment of bank funds is due to more intensive observations of financing, so that bank operational activities do not run effectively. Another reason is the existence of bank interference to influence customers' business decisions. In addition, the need for high vigilance in the provision of financing in the form of training costs makes the income obtained by the bank decreases.

Profit-based financing in the Sharia Regional Development Bank is the second largest financing channeled by banks. Most Sharia BPDs carry out the largest financing in the form of receivables-based financing. The percentage of the results-based financing distribution that is still quite small can be one of the reasons for the insignificant results of this study. The distribution of revenue-sharing financing by Sharia BPD is still relatively small when compared to the total overall financing, so the value of the financing of profit sharing channeled by banks does not significantly influence the profitability of the Sharia BPD included in the study sample.

But the results of this study are not in line with the research conducted by Riyadi and Yulianto (2014) which states that profit sharing financing has a significant negative effect on profitability (ROA).

Effect of Non Performing Financing (NPF) on Profitability

NPF or NPL is a ratio that is used to compare between financing problems and total financing provided (Setiaawan and Indriani, 2016). The NPF test results seen from the t test show a coefficient of -0.453848 with a significance value of 0.0045. These results indicate that NPF has a significant negative relationship to the profitability of Sharia PBD. NPF relationship that is inversely negative to profitability indicate that the higher the NPF, the lower the level of profitability of banks.

The classification of problematic financing according to Wangsawidjaja Z. (2012: 90) is divided into three groups. Group III is a class of substandard financing, Doubtful Group IV financing and Group V is non-performing financing. According to Inayatillah and Subardjo (2017), the higher the NPF ratio reflects the worse the quality of bank credit which causes the greater the number of non-performing loans. In addition, the high level of non-performing loans will result in the loss of the bank's opportunity to obtain profits from the financing (Masood and Asharf, 2012). The results of this study support the research conducted by Wulandari (2017) and Anggreni and Suardhika (2014). However, this study does not support the research conducted by Riyadi and Yulianto (2014), which in his research shows that the relationship between NPF and ROA is not significant.

CONCLUSION

Based on the results of the analysis and discussion described in the previous chapter, it can be concluded that the simultaneous variable TPF, FDR, Profit Sharing and NPF have a significant effect on the Prability of Sharia BPD. While partially TPF have a negative and significant effect on the ROA of Sharia BPD, which means that the increase in deposits will allow a decrease in ROA. FDR does not significantly influence the ROA of Sharia BPD. PLS or Profit Sharing does not have a significant effect on ROA. NPF significant negative effect on ROA, which means that if the value of the higher NPF will cause the resulting lower ROA.

Based on the results of the research that has been done, suggestions that can be given to the next research should be that researchers can use other supporting variables, such as CAR, FBI, and other internal bank factors. Future research is expected to be able to use other methods to conduct research on Sharia BPD in Indonesia. In addition, along with the existence of this research, companies or practitioners of specialized financial institutions, Sharia BPDs are expected to be able to improve their performance. In addition, the Sharia BPD is expected to run its operational activities more optimally

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