



**THE EFFECT OF PROFITABILITY RATIO ON LIQUIDITY RATIO TO
ASSESS FINANCIAL PERFORMANCE BEFORE AND AFTER MERGER AT
PT BANK SYARIAH INDONESIA (BSI) 2019 - 2025 PERIOD**

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Abstract

This study aims to determine the effect of Return on Assets (ROA) and Return on Equity (ROE) on the Financing to Deposit Ratio (FDR) at PT Bank Syariah Indonesia Tbk for the 2019–2025 period, as well as to analyze the ability of ROA and ROE to explain changes in the FDR. The study employs a quantitative method using secondary data derived from the financial statements of PT Bank Syariah Indonesia Tbk for the 2019–2025 period. Data analysis was conducted using partial tests (t-test), simultaneous tests (F-test), and the coefficient of determination (R^2). The results indicate that, partially, neither ROA nor ROE has a significant effect on the FDR. Simultaneously, ROA and ROE also do not have a significant effect on the FDR. The coefficient of determination (R^2) value of 0.064 indicates that ROA and ROE explain only 6.4% of the variation in the FDR, while the remaining 93.6% is explained by variables outside the scope of this study. Thus, profitability—proxied by ROA and ROE—has not exerted a significant influence on liquidity—proxied by the FDR—at PT Bank Syariah Indonesia Tbk during the 2019–2025 period. This suggests that the FDR level is influenced more by other factors, such as financing disbursement policies, third-party funds, asset quality, operational efficiency, and management strategies for maintaining the bank's financial stability.

Keywords: Return on Assets (ROA), Return on Equity (ROE), Financing to Deposit Ratio (FDR)



INTRODUCTION

In 2015, the government planned to merge three state-owned Islamic banks: BSM, BRI Syariah, and BNI Syariah. After a thorough planning process, this plan was finally implemented on February 1, 2021 (L. K. W. et al., 2022). The goal of this merger is to strengthen the position of Islamic banks in the global market while significantly boosting the growth of the Islamic economy in Indonesia. In addition, this merger is expected to improve efficiency in various aspects, such as financing, operations, and expenditures. With this merger, the Islamic banking sector is expected to continue to grow and become a new force for the national economy. The merger will also place Islamic banks on an equal footing with other state-owned banks, providing advantages in terms of policy and reform (Sayekti et al., 2023).

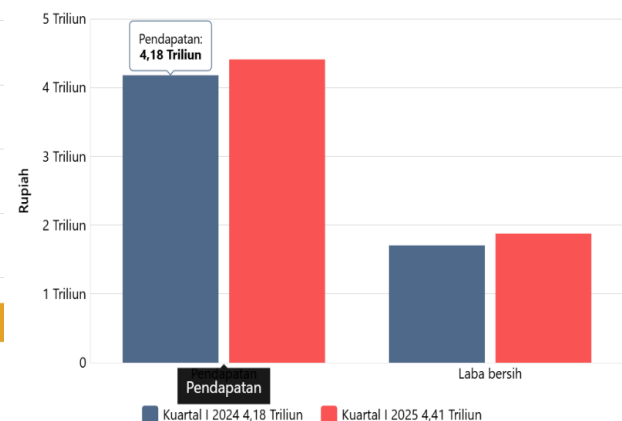
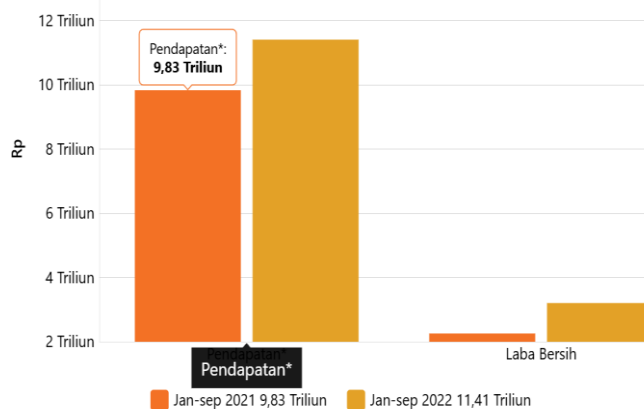
The financial health of this bank can be assessed through one of the measures of its financial performance: its financial statements. Financial statements present the bank's wealth or assets, liabilities, and a report on the company's ability to generate profits. The following table shows PT BRIS Tbk's profit figures prior to the merger. Based on the financial statements of the three Islamic banks set to merge—Bank Syariah Mandiri (BSM), Bank BRI Syariah, and BNI Syariah—here is an overview of the banks' financial performance and liquidity over the past five years:

No	BANK	PERIOD	ROA %	ROE %	NOM %	FDR %
1	MANDIRI SHARIA BANK	2015	0.56%	5.92%	6.54%	81.99%
		2016	0.59%	5.81%	6.75%	79.19%
		2017	0.59%	5.72%	7.35%	77.66%
		2018	0.88%	8.21%	6.56%	77.25%
		2019	1.69%	15.66%	6.36%	75.54%
2	BNI Syaria Bank	2015	1.43%	11.39%	0.67%	91.84%
		2016	1.44%	11.94%	1.01%	84.57%
		2017	1.31%	11.42%	0.71%	80.21%
		2018	1.42%	10.53%	0.81%	79.6%
		2019	1.82%	13.54%	1.00%	74.3%
3	BANK BRI	2015	0.77%	6.33%	6.38%	84.16%



SYARIAH	2016	0.95%	7.40%	6.37%	81.42%
	2017	0.51%	4.10%	5.84%	71.87%
	2018	0.43%	2.49%	5.36%	75.49%
	2019	0.31%	1.57%	5.72%	80.12%

The table above shows the performance of Islamic banks over the five years prior to their merger into the state-owned Bank Syariah Indonesia, starting in 2015. Profitability metrics, as measured by Return on Assets and Return on Equity, show a significant year-over-year increase at Bank BNI Syariah and BSM. In contrast, BRI Syariah experienced fluctuating and consistently declining ROA and ROE figures. In 2019, Mandiri Syariah recorded a Return on Assets of 1.69%, an increase of 0.81% compared to the previous year's figure of 0.88%. Meanwhile, Return on Equity stood at 15.65%, an increase of 7.44% compared to 8.21% in 2018. Furthermore, regarding the Net Operating Margin (NOM)—which reflects a bank's ability to manage the disbursement of financing to customers and operational costs—the figures for each bank have fluctuated overall but have remained relatively stable over the past three years. Bank BSM stood at 6.36%, BNI Syariah at 1%, and BRI Syariah at 5.72%. (Pre-Merger Data).





(Post-Merger Data) From the beginning of the year through the end of the third quarter of 2022, PT Bank Syariah Indonesia Tbk (BSI) has recorded a net profit of Rp3.2 trillion. This achievement represents a 42% increase (year-on-year/yoy) compared to the same period last year, when net profit stood at Rp2.25 trillion. From January to September 2022, *Wadiah* savings became one of BSI's most popular products among the public, and total third-party funds (DPK) managed by BSI grew by 11.86% (yoy) to Rp245.18 trillion. BSI management stated that the company's achievements through the third quarter of 2022 were supported by total financing, which grew by 22.35% (yoy) to Rp199.82 trillion. The largest contribution to financing came from the microbusiness segment, which grew 37.32% (year-over-year), followed by card financing, which increased 35.81% (year-over-year), and pawnshop financing, which rose 30.15% (year-over-year). The quality of financing is also reported to be very healthy, with a net *non-performing financing* (NPF) ratio of 0.59%.

PT Bank Syariah Indonesia Tbk, also known as BSI, reported a net profit of Rp1.87 trillion in the first quarter of 2025. This figure represents a 10.05% increase from the same period the previous year (year-on-year/yoy), which stood at Rp1.7 trillion in the first quarter of 2024. The rise in net profit coincided with an increase in the bank's revenue and profit-sharing entitlements. Revenue in the first quarter of 2025 totaled Rp4.41 trillion, up 5.51% (yoy) from the previous figure of Rp4.17 trillion. BSI's operating expenses rose 8.33% to Rp2.29 trillion, while operating profit grew 9.67% to Rp2.48 trillion. BSI's fund disbursements grew 12.5% year-over-year to Rp7.09 trillion. Calculated from December 2024 or *year-to-date* (YTD), *Wadiah* deposit funds rose slightly by 0.74% to Rp74.97 trillion as of March 2025. This figure consists of Rp19.02 trillion in checking accounts and Rp55.91 trillion in savings accounts. Meanwhile, *nonprofit-sharing* investment funds fell 3.42% to Rp244.36 trillion. These funds consist of Rp38.73 trillion in checking accounts; Rp80.94 trillion in savings accounts; and Rp124.68 trillion in time deposits, down from Rp37.18 trillion, Rp85.25 trillion, and Rp130.58 trillion, respectively. The bank's net interest income (NI) stood at 5.31%, a slight decrease from 5.38% in March 2024. *The net operating margin* (NOM) remained stable at 2.78%. Total assets of the issuer, ticker symbol BRIS, also decreased by 1.89% (year-to-date) to Rp400.88 trillion. Meanwhile, equity grew by 4.16% to Rp46.91 trillion, and liabilities decreased by 2.64% to Rp353.96 trillion.

Users of financial statements (customers, employees, the government, and management) face a situation where Islamic bank financial statements have not



yet been able to accurately analyze the financial performance of Islamic banks, as explained in Financial Accounting Standards (PSAK) No. 59, which was later amended to PSAK No. 101. This step directly supports improved accuracy and consistency of financial data, which is crucial for applying financial ratios to assess bank performance and for ensuring the validity and reliability of financial statements—the primary data source for financial ratio analysis. This is because the financial performance of Islamic banks is currently based solely on balance sheets and income statements, which do not provide accurate information regarding the magnitude of the financial performance ratios generated. Assessing banking performance requires a measurement method to maximize the information presented in financial statements. These financial statements are analyzed for the purpose of making future decisions, such as maintaining performance, or as a consideration for the public at when investing funds.

The author's objective in conducting this study is to examine and compare the financial performance of PT. Bank Syariah Mandiri (BSM), PT. Bank Rakyat Indonesia (BRI) Syariah Tbk, and PT. Bank Negara Indonesia (BNI) Syariah before the merger—using annual financial statement data from 2015 to 2020—and after the merger, when they became PT. Bank Syariah Indonesia (BSI) Tbk, using annual financial statements for the 2021–2025 period, to determine whether this merger has led to improved banking performance or, conversely, a decline. Based on the results of the above analysis, the author is interested in conducting a study titled **“The Effect of Profitability Ratios on Liquidity Ratios to Assess Financial Performance Before and After the Merger at PT Bank Syariah Indonesia (BSI) for the Period 2019–2025**

LITERATURE REVIEW

A liquidity ratio is a performance evaluation indicator designed to measure a company's ability to pay its short-term financial obligations as they come due using available current assets (Syamsudin, 2009).

Dendawijaya (2014:116) states that the LDR is one of the liquidity ratios, used to measure a bank's ability to meet its short-term debt obligations or obligations that have already matured. This ratio serves as one measure of a bank's liquidity. A higher value of the liquidity ratio (FDR) indicates lower liquidity capacity for the bank in question, thereby increasing the likelihood that the bank is in a troubled condition; conversely, a lower liquidity ratio (FDR) indicates the bank's inefficiency in extending credit, resulting in lost opportunities for the bank to generate profits. According to Maulidya (2012), if



the FDR ratio meets the standards set by Bank Indonesia, profits will increase (assuming the bank extends credit effectively).

Profitability ratios are used to measure a company's overall effectiveness in generating profits by utilizing its resources, such as assets, capital, or sales. The better this ratio, the better it reflects the company's ability to generate high profits (Sudana, 2011).

Return on Assets (ROA) is a ratio that shows the comparison between profit (before taxes) and the bank's average total assets. This ratio indicates the level of efficiency in asset management by the bank in question. Return on Assets (ROA) is an indicator of a bank's ability to generate profit from the assets it holds (Frianto Pandia, 2012).

Return on Equity (ROE) is a ratio used to measure a company's success in generating profits for its shareholders. ROE is a measure of the ability of a company's equity to generate annual profits. ROE is used to assess a company's ability to generate net income in relation to dividend payments. This means that the higher this ratio, the greater the increase in the company's net profit, and this indicates that the ROE percentage is very important to shareholders and prospective investors because a high ROE will increase the company's stock price and result in larger dividends received by investors (Henry Faizal Noor, 2009).

RESEARCH METHOD

This study on the Effect of Profitability Ratios on Liquidity Ratios to Assess Financial Performance Before and After the Merger at PT Bank Syariah Indonesia (BSI) for the 2019–2025 Period will be conducted using data obtained from the official website of the Indonesia Stock Exchange and the official website of Bank Syariah Indonesia (BSI) for the years 2019–2025. The research design used is a causal-associative study with a quantitative approach. A causal-associative study with a quantitative approach aims to examine the cause-and-effect relationship between one variable and another. Since this study will examine unidirectional relationships among more than two variables, it employs a causal-associative study with a quantitative approach. The dependent variables in this study are the liquidity ratios (*Financing to Deposit Ratio* (FDR) and). The independent variables in this study are *Return on Assets* (ROA) and *Return on Equity* (ROE). The approach used in this study is quantitative, employing statistical theory as a measurement tool to assess the variables under investigation. The instrument used in this study is multiple linear regression using IBM SPSS Version 26 (Statistical Package for the Social Sciences).

**RESULTS AND DISCUSSION****Descriptive Statistical Analysis**

The descriptive data for the research variables—comprising independent and dependent variables—are shown in the figure below:

Table 4.1
Results of Descriptive Statistical Analysis
Descriptive Statistics

	N	Minimum	Maximum	Mean	Standard Deviation
ROA	30	.01	9.67	3.3266	3.31785
ROE	30	.01	7.03	.5002	1.63375
FDR	30	.15	2.11	1.5890	.30524
Valid N (listwise)	30				

Source: SPSS Version 26 Output Appendix.

Based on the table above, the descriptive statistics show that the number of financial statements sampled from PT. Bank Syariah Indonesia, Tbk, for the years 2019–2025 in this study is 30. Descriptive statistics for the independent variable ROA (net income) show a minimum value of 0.01, a maximum value of 9.67, a mean of 3.3266, and a standard deviation of 3.31785. The fact that the mean is greater than the standard deviation indicates that the distribution of the ROA data is fairly even and does not fluctuate significantly.

The ROE variable has a minimum value of 0.01 and a maximum value of 7.03, with a mean of 0.5002 and a standard deviation of 1.63375. The fact that the standard deviation is greater than the mean indicates that the ROE data experienced fairly high fluctuations during the study period.

Furthermore, the FDR variable has a minimum value of 0.15 and a maximum value of 2.11, with a mean of 1.5890 and a standard deviation of 0.30524. The fact that the mean is greater than the standard deviation indicates that the FDR data is relatively stable.

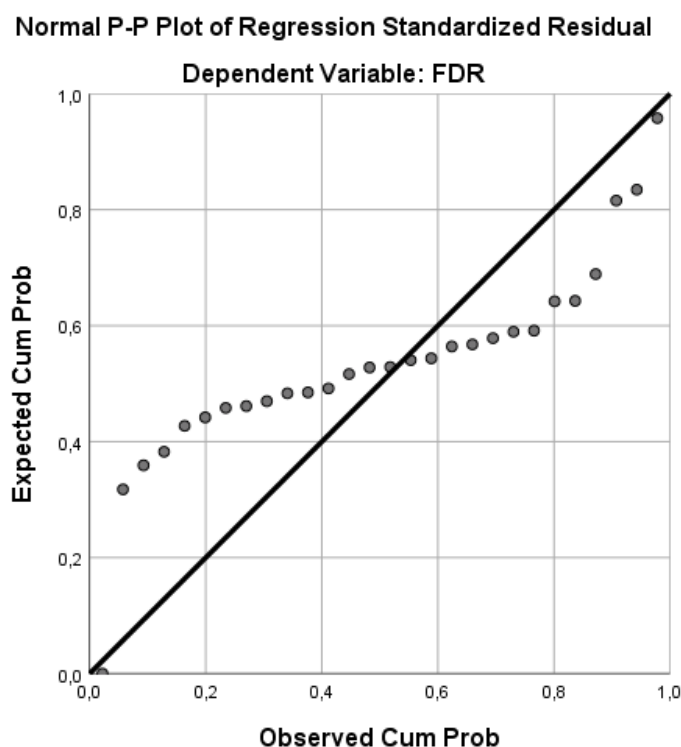
Classical Assumption Test**Normality Test**

This normality test can be conducted through graphical analysis and the

Kolmogorov-Smirnov (K-S) statistical test.

1. Graphical Analysis

Figure 4.1
Results of the Graphical Normal Probability Plot Test



Based on the Normal P–P Plot of Regression Standardized Residuals, it can be seen that the residual points are scattered around the diagonal line and follow the direction of that line. Although there are a few points that deviate slightly from the line, in general, the distribution pattern still indicates a distribution that is close to normal.

This indicates that the residual data in the regression model used in this study satisfy the assumption of normality. Thus, the regression model used to analyze the effect of the independent variables on the dependent variable FDR can be considered appropriate because the residuals are normally distributed.

2. Statistical Analysis

Table 4.2
Normality Test Output

Tests of Normality



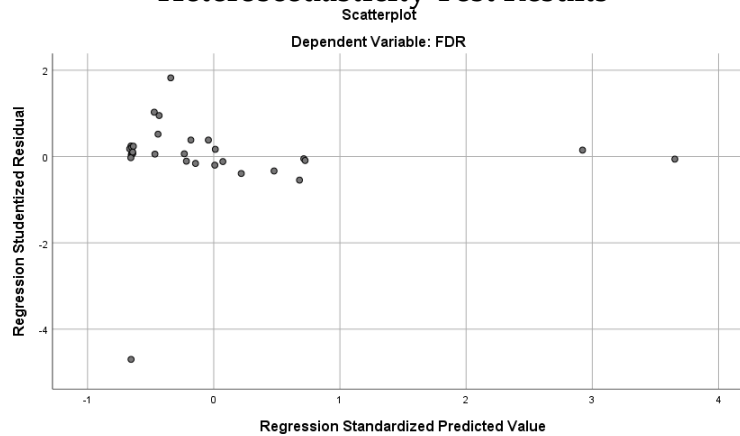
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
ROA	.223	30	,001	,819	30	,000
ROE	,155	30	,062	,935	30	.066
a. Lilliefors Significance Correction						

Source: SPSS Version 26 Output Appendix.

Based on the results of the normality test using the Kolmogorov-Smirnov and Shapiro-Wilk methods, the ROA variable obtained significance values of 0.001 and 0.000, respectively, which are less than 0.05; therefore, the ROA data are deemed not to be normally distributed. Meanwhile, the ROE variable yielded significance values of 0.062 and 0.066, both greater than 0.05; therefore, the ROE data are deemed to be normally distributed. Thus, it can be concluded that only the ROE variable meets the normality assumption, while the ROA variable does not meet the normality assumption.

Heteroscedasticity Test

Figure 4.2
Heteroscedasticity Test Results



Source: SPSS Version 26 Output Appendix.

Based on the heteroscedasticity test scatterplot above (scatterplot between the *Regression Standardized Predicted Value* and the *Regression Studentized Residual*), the results can be interpreted as follows:

- The data points appear to be randomly scattered above and below the number 0 on the Y-axis (*studentized residuals*).



- No clear pattern is visible, such as a tapering, widening, or wavy pattern.
- Most data points are concentrated around the zero line, although there are a few points that are quite far away (outliers); however, in general, the distribution of the residuals remains random.

Thus, it can be concluded that the regression model does not suffer from heteroscedasticity, or that the assumption of homoscedasticity is met. This means that the variance of the residuals tends to be constant, so the regression model is suitable for further analysis.

Autocorrelation Test

Table 4.4
Autocorrelation Test Results

Model Summary ^b					
Model	R	R-Square	Adjusted R-Square	Standard Error of the Estimate	Durbin-Watson
1	.254 ^a	.064	−0.005	,30601	1.642
a. Predictors: (Constant), ROE, ROA					
b. Dependent Variable: FDR					

Based on the results of the Durbin-Watson test in Table 4.4, a value of 1.642 was obtained. This value was compared with the Durbin-Watson table values for $k = 4$ and $n = 30$, namely $dl = 1.4443$, $du = 1.7274$, and $4 - dl = 2.5557$. The results show that the Durbin-Watson value falls within the range $dl < DW < du$ ($1.4443 < 1.642 < 1.7274$), placing it in the inconclusive region. Thus, there is insufficient evidence to indicate the presence of autocorrelation in the regression model used.

Multicollinearity Test

Table 4.3
Multicollinearity Test Results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.534	,080		19,121	,000		



ROA	,012	,019	,126	,608	,549	,807	1,240
ROE	,032	,039	,172	,828	,415	,807	1,240
a. Dependent Variable: FDR							

Source: SPSS Version 26 Output Appendix.

Based on the table above, the tolerance and VIF values for each research variable are as follows:

- The tolerance value for the ROA variable is $0.807 > 0.10$, and the VIF value is $1.240 < 10$; therefore, the ROA variable is deemed to show no signs of multicollinearity.
- The tolerance value for the ROE variable is $0.807 > 0.10$, and the VIF value is $1.240 < 10$; therefore, the ROE variable is determined to be free of multicollinearity.

Thus, it can be concluded that all independent variables in this study—namely, ROA and ROE—do not exhibit multicollinearity because all tolerance values are greater than 0.10 and all VIF values are less than 10.

Multiple Linear Regression

Table 4.5
Table of Multiple Linear Regression Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.534	,080		19,121	,000
	ROA	,012	,019	,126	,608	,549
	ROE	,032	.039	,172	,828	,415
a. Dependent Variable: FDR						

$$FDR = 1,534 + 0,012ROA + 0,032ROE$$

The regression equation above can be explained as follows:

1. The constant (a) value of 1.534 means that if the ROA and ROE variables are held constant or set to 0, the FDR value is 1.534.
2. The regression coefficient for the ROA variable (b1) is positive at 0.012. This means that for every 1-unit increase in ROA, the FDR value will increase by



0.012, assuming all other independent variables remain constant. A positive coefficient indicates a positive relationship between the ROA variable and the FDR variable.

3. The regression coefficient for the ROE variable (b2) is positive at 0.032. This means that for every 1-unit increase in ROE, the FDR value will increase by 0.032, assuming all other independent variables remain constant. There is a positive relationship between the ROE and FDR variables.

Hypothesis Testing

t-test

Table 4.6
Results of the T-Test (Partial)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.534	,080		19,121	,000
	ROA	,012	,019	,126	,608	,549
	ROE	,032	.039	,172	,828	,415
a. Dependent Variable: FDR						

Source: SPSS Version 26 Output Appendix.

Based on the calculations from the coefficients table above, the T-table value is determined with $\alpha = 0.05$ and $df = (n-k-1)$. With a sample size of 30 and two independent variables, the following is obtained:

$$dk = 30 - 2 - 1 = 27$$

Thus, the t-table value is 2.05183, and the results for each variable are as follows:

1. ROA (*Return on Assets*) Variable

The calculation yields $t\text{-calculated} = 0.608$, which means $t\text{-calculated} < t\text{-table}$ ($0.608 < 2.05183$) with a significance level of ($0.549 > 0.05$); therefore, H_0 is accepted and H_a is rejected. This means that, in part, the ROA variable does not have a significant effect on the FDR (*Financing to Deposit Ratio*).

2. ROE (*Return on Equity*) Variable

The calculation yields $t\text{-calculated} = 0.828$, which means $t\text{-calculated} < t\text{-table}$ ($0.828 < 2.05183$) with a significance level of ($0.415 > 0.05$); therefore, H_0 is accepted and H_a is rejected. This means that, when considered in isolation, the ROE variable does not have a significant effect on the FDR (*Financing to Deposit Ratio*).

F-test

Table 4.7
F-Test Calculation Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.174	2	.087	.927	.408 ^b
	Residual	2,528	27	.094		
	Total	2,702	29			

a. Dependent Variable: FDR

b. Predictors: (Constant), ROE, ROA

Source: SPSS Version 26 Output Appendix.

Based on the calculations in the table above, the calculated F-value is 2.819. To determine the critical F-value at a 5% significance level and the degrees of freedom (df), the formula $df = (n-k)$ and $(k-1)$ is used. With a sample size of 30 and two independent variables, we obtain:

$$df_1 = (k - 1) = (3 - 1) = 2$$

$$df_2 = (n - k) = (30 - 3) = 27$$

Thus, the F-table value is 3.35. Decision-making using the F-test is as follows: Hypothesis formulation:

- H_0 = The independent variables ROA and ROE, taken together, have no effect on FDR.
- H_a = The independent variables ROA and ROE, taken together, have an effect on FDR.

Decision-making criteria: Compare $F_{\text{calculated}}$ with F_{table} ;

- If $F_{\text{calculated}} < F_{\text{table}}$, then the independent variables collectively have no effect on the dependent variable.
- If $F_{\text{calculated}} > F_{\text{table}}$, then the independent variables collectively have an effect on the



dependent variable.

Based on the calculation results, the calculated F-value is less than the table F-value ($2.819 < 3.35$) with a significance level of $0.015 < 0.05$. This indicates that, simultaneously (collectively), the independent variables ROA and ROE do not have a significant effect on FDR at PT Bank Syariah Indonesia, Tbk, for the period 2019–2025.

The Effect of ROA on FDR at PT Bank Syariah Indonesia Tbk for the 2019–2025 Period

Based on the regression results from this study, it is evident that the ROA variable does not have a significant effect on the FDR at PT Bank Syariah Indonesia Tbk for the 2019–2025 period. This can be seen from the results of the partial test, where the calculated t-value is less than the critical t-value ($0.608 < 2.05183$) and the significance level is $0.549 > 0.05$. Thus, it can be concluded that, when considered in isolation, the ROA variable does not have a significant effect on the FDR.

ROA is a profitability ratio used to measure a bank's ability to generate profits through the utilization of all its assets. A higher ROA value indicates that the bank is more effective in managing its assets to generate profits. A good ROA level typically reflects the bank's sound financial condition and management's ability to optimally manage productive assets.

However, in this study, changes in the ROA value did not have a significant effect on the FDR. This indicates that neither an increase nor a decrease in the bank's profits directly affects the level of financing disbursed relative to third-party funds. The FDR is influenced not only by a bank's ability to generate profits but also by other factors such as the amount of third-party funds (DPK), the level of *non-performing financing*, risk management policies, the bank's liquidity conditions, and macroeconomic conditions – which were not examined in this study.

Furthermore, an increase in ROA does not necessarily lead to an increase in financing, as banks tend to remain cautious in disbursing funds to maintain liquidity stability and minimize the risk of non-performing financing. Therefore, even though ROA changes, the FDR value does not undergo significant changes. The results of this study are consistent with the research by Risnanda Rizki Surya titled "*The Effect of the Financing-to-Deposit Ratio (FDR) on Profitability (ROA and ROE) in Islamic Banks in South Kalimantan.*" The results indicate that, when analyzed individually, the Financing-to-Deposit Ratio (FDR) does not have a



significant effect on profitability, as proxied by ROA and ROE. Hypothesis testing for the ROA variable yielded a value of " $t_{hitung} < t_{tabel}$," specifically " $0,951 < 1,682$ " with a significance value of " $0,347 > 0,05$," so H_0 is accepted. Meanwhile, for the ROE variable, the value of " $t_{hitung} < t_{tabel}$ " was " $0,774 < 1,682$ " with a significance value of " $0,443 > 0,05$," so H_0 is also accepted. Based on these results, it can be concluded that the Financing to Deposit Ratio (FDR) does not have a significant partial effect on the profitability of Islamic banks in South Kalimantan.

Thus, the results of this study indicate that the company's profitability has not yet been able to serve as a primary factor in determining the level of the FDR at PT. Bank Syariah Indonesia Tbk for the 2019–2025 period.

The Effect of ROE on the FDR at PT. Bank Syariah Indonesia Tbk for the 2019–2025 Period

Based on the regression results from this study, it is evident that the ROE variable does not have a significant effect on the FDR at PT. Bank Syariah Indonesia Tbk for the 2019–2025 period. This can be seen from the results of the partial test, where the calculated t-value is less than the critical t-value ($0.828 < 2.05183$) and the significance level is $0.415 > 0.05$. Thus, it can be concluded that, when considered in isolation, the ROE variable does not have a significant effect on the FDR.

ROE (*Return on Equity*) is a ratio used to measure a company's ability to generate profits based on its capital or equity. A higher ROE indicates that the company is more effective at managing its capital to generate profits.

However, in this study, ROE did not have an effect on FDR. This may be because an increase in a company's return on equity does not always stem from financing activities. Profits that increase ROE can result from operational cost efficiency, corporate investments, or more effective capital management; thus, they are not directly related to the level of bank financing disbursements.

In addition, the FDR is influenced by the amount of third-party funds and the bank's financing disbursement policies. Under certain conditions, banks tend to be more cautious in disbursing financing even when a company's profitability and capital are in good condition. This cautious approach is taken to maintain liquidity stability and avoid the risk of *nonperforming financing*.

The results of this study are consistent with the research by Zahwa Alivia Zavira titled "*A Comparative Analysis of the Financial Performance of Conventional Banks and Islamic Banks in Indonesia Based on Profitability Ratios (ROA and ROE) for 2017–2024.*" The results show that in conventional banking, all independent



variables have a significant effect on ROA: CAR, NPL, and BOPO are significant at the 1% α level; LDR is significant at the 5% α level; and DPK is significant at the 10% α level. Meanwhile, in Islamic banking, only the CAR variable at the 10% α level and the BOPO at the 1% α level had a significant effect on ROA, while the FDR, NPF, and DPK variables had no effect on ROA. As for Islamic banking, only the CAR and BOPO variables had a significant effect on ROE at the 1% α level, while FDR, NPF, and DPK had no effect on ROE. Based on these research results, it can be concluded that in Islamic banking, the FDR variable does not have a significant effect on profitability, whether in terms of ROA or ROE.

Thus, the results of this study indicate that the level of ROE does not necessarily affect the FDR ratio at PT. Bank Syariah Indonesia Tbk for the 2019–2025 period.

The Effect of ROA and ROE on FDR at PT. Bank Syariah Indonesia Tbk for the 2019–2025 Period

Based on the results of the simultaneous test (F-test) conducted, it was found that the calculated F-value was 2.819 and the critical F-value was 3.35; thus, the calculated F-value was less than the critical F-value ($2.819 < 3.35$), with a significance level of $0.015 < 0.05$. Based on these results, it can be concluded that, simultaneously, the ROA and ROE variables do not have a significant effect on the FDR at PT. Bank Syariah Indonesia Tbk for the 2019–2025 period.

This indicates that the company's profitability levels, as proxied by ROA and ROE, are not yet sufficient to explain the overall changes in the FDR. Based on the coefficient of determination (R^2) of 0.064, it is evident that the ROA and ROE variables can only account for 6.4% of the variation in the FDR, while the remaining 93.6% is influenced by other variables outside the scope of this study. This finding suggests that the FDR is more heavily influenced by other factors such as Third-Party Funds (DPK), Non-Performing Financing (NPF), the Capital Adequacy Ratio (CAR), liquidity levels, macroeconomic conditions, inflation, interest rates, bank financing policies, and the state of the Islamic financial market.

These findings are consistent with the research by Adzra Arfika Yovi Maghfira titled *"The Effect of NPF and FDR on ROA and ROE at Bank BCA Syariah for the Period 2015–2024."* The results indicate that, simultaneously, the variables Non-Performing Financing (NPF) and Financing-to-Deposit Ratio (FDR) influence profitability, as proxied by Return on Assets (ROA) and Return on Equity (ROE), at Bank BCA Syariah for the period 2015–2024. However, when analyzed partially, the Financing to Deposit Ratio (FDR) does not have a



significant effect and has a negative value on ROA. This is indicated by a path coefficient of -0.245, a *p-value* of $0.026 \geq 0.025$, and a *t-statistic* of $1.971 > 1.65$; therefore, the second hypothesis (H2) is rejected. Meanwhile, regarding ROE, the Financing-to-Deposit Ratio (FDR) has a significant and negative effect. This is indicated by a path coefficient of -0.323, a *p-value* of $0.005 \leq 0.025$, and a *t-statistic* of $2.652 > 1.65$; therefore, the fourth hypothesis (H4) is rejected. Based on these results, it can be concluded that, collectively, the NPF and FDR variables influence bank profitability; however, when considered separately, the effect of FDR on ROA and ROE is negative.

This study is supported by *signaling theory*, proposed by Stephen Ross in 1977, which explains that the information disclosed by a company can serve as a signal for investors and external parties in assessing the company's condition. In this study, changes in ROA and ROE provide signals regarding the bank's ability to generate profits through the management of its assets and capital.

In terms of ROA, an increase in a bank's profits is not necessarily accompanied by an increase in financing disbursements or a rise in the FDR. This occurs because Islamic banks tend to be more cautious in disbursing funds to maintain asset quality and minimize the risk of non-performing loans. This situation means that ROA is not always a strong indicator of an increase in the FDR, as high profitability can stem from operational efficiency, cost control, or non-financing income. Thus, a high ROA is better interpreted as a sign of efficient asset management rather than an indication of increased financing activity.

As for ROE, an increase in a bank's ability to generate profits relative to equity does not necessarily reflect an increase in the disbursement of funds to the public. A high ROE can result from capital optimization, investment management, or efficient use of equity. However, under certain conditions, an increase in ROE may actually be accompanied by more conservative management policies aimed at maintaining the bank's liquidity and stability. Therefore, ROE does not always provide a positive signal regarding an increase in the FDR; rather, it may indicate that the bank is more focused on maintaining capital stability and managing risk than on expanding lending.

Thus, based on signaling theory, changes in ROA and ROE are not always interpreted as signals of an increase in the FDR but may also reflect the bank's management's prudence in maintaining the company's profitability, liquidity, and financial stability.

Thus, it can be concluded that the ROA and ROE variables do not have a significant effect on the FDR at PT. Bank Syariah Indonesia Tbk for the 2019–2025 period, based on the results of the regression analysis conducted.



CONCLUSION

1. The results of the partial test (t-test) indicate that the ROA variable does not have a significant effect on the FDR at PT. Bank Syariah Indonesia Tbk for the 2019–2025 period. This is evidenced by the $t_{hitung} < t_{tabel}$, namely $0,608 < 2,05183$ and, with a significance value of $0,549 > 0,05$.
2. The results of the partial test (t-test) indicate that the ROE variable does not have a significant effect on FDR at PT. Bank Syariah Indonesia Tbk for the 2019–2025 period. This is evidenced by the value of the $t_{hitung} < t_{tabel}$, namely $0,828 < 2,05183$, and a significance value of $0,415 > 0,05$.
3. The results of the simultaneous test (F-test) indicate that the variables ROA and ROE, taken together, do not have a significant effect on FDR at PT. Bank Syariah Indonesia Tbk for the 2019–2025 period. This is evidenced by the coefficient of determination ($F_{hitung} < F_{tabel}$) value of $2,819 < 3,35$ and the significance value of .
4. Based on the coefficient of determination (R^2) of 0.064, it is evident that the ROA and ROE variables can only explain 6.4% of the variation in the FDR, while the remaining 93.6% is influenced by other variables outside the scope of this study.
5. Based on these research findings, it can be concluded that the profitability ratios proxied by ROA and ROE have not been able to exert a significant influence on the liquidity ratio proxied by FDR in assessing financial performance before and after the merger at PT. Bank Syariah Indonesia Tbk for the 2019–2025 period. This indicates that changes in the company's profitability following the merger do not directly affect the bank's liquidity levels. These conditions may be influenced by other factors such as financing disbursement policies, third-party fund management, asset quality, operational efficiency, and management strategies aimed at maintaining financial stability post-merger.

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