

OPTIMISING PROFITABILITY: THE ROLE OF DPK, COF, AND LIQUIDITY ON THE SUSTAINABILITY OF ISLAMIC BANKS

OPTIMALISASI PROFITABILITAS: PERAN DPK, COF, DAN LIKUIDITAS TERHADAP KEBERLANJUTAN BANK SYARIAH

Talitha Dwi Yumna Rudiatna¹, Alvin Yahya²

¹Sharia Banking Program Study, Faculty of Islamic and Business, Universitas Islam Negeri Raden Mas Said Surakarta, Jl. Pandawa, Dusun IV, Pucangan, Kec. Kartasura, Kabupaten Sukoharjo, Jawa Tengah

²Sharia Banking Program Study, Faculty of Islamic and Business, Universitas Islam Negeri Raden Mas Said Surakarta, Jl. Pandawa, Dusun IV, Pucangan, Kec. Kartasura, Kabupaten Sukoharjo, Jawa Tengah

^aCorrespondence e-mail: talithadwiy@gmail.com

ABSTRACT

Third party funds are a source of funds for the bank in channeling it back to the community in the form of loans or financing, third party funds collected by the bank will return to the community with a difference in the ratio / profit sharing and / or margin in accordance with the agreed agreement, thus causing Cost of Fund for the bank against the third party funds. Apart from that, these third party funds can be taken at any time by customers in accordance with their deposit products so that banks are required to maintain and guarantee financial liquidity both in the long, medium and short term. Banks as an industry also focus on profitability so that one of the goals is to generate profits or profits. In this study the author carries out financial report analysis to see the level of value of each variable including third party funds, cost of funds and liquidity. The method used in this study is to use a sample from financial reports of Bank Syariah Indonesia with financial reports presented monthly from 2021-2024. The analysis test is used to be able to see how much influence on each variable using descriptive tests, classical assumptions, and multiple linear regression. The test results that have been carried out present data that Third Party Funds (DPK), Cost Of Fund (COF), have positive significant results on Profitability. While the results of the liquidity variable proxied by the current ratio are not positively significant to profitability at Bank Syariah Indonesia (BSI) with the period 2021-2024.

Key words: Cost of Fund, Liquidity, Profitability, Third Party Funds.

ABSTRAK

Dana pihak ketiga merupakan sumber dana bagi pihak bank dalam menyalurkannya kembali ke masyarakat dalam bentuk pinjaman ataupun pembiayaan, dana pihak ketiga yang dihimpun oleh bank akan kembali lagi kepada masyarakat dengan selisih nisbah/bagi hasil dan/atau margin sesuai dengan kesepakatan yang telah disepakati, sehingga menimbulkan Cost of Fund bagi bank terhadap dana pihak ketiga tersebut. Selain daripada itu, dana pihak ketiga tersebut dapat diambil sewaktu-waktu oleh nasabah sesuai dengan produk simpanannya sehingga bank wajib menjaga dan menjamin likuiditas keuangan baik dalam jangka panjang, menengah dan jangka pendek. Bank sebagai sebuah industri juga berfokus pada profitabilitas sehingga salah satu tujuannya yakni menghasilkan keuntungan atau laba. Dalam penelitian ini penulis melakukan analisis laporan keuangan untuk melihat tingkat nilai dari masing-masing variabel meliputi Dana pihak ketiga, Cost of Fund serta Likuiditas. Metode yang digunakan pada penelitian ini adalah dengan menggunakan sampel dari laporan keuangan Bank Syariah Indonesia dengan laporan keuangan yang disajikan

perbulan dari tahun 2021-2024. Uji analisis di gunakan untuk dapat melihat seberapa besar pengaruh pada masing-masing variabel dengan menggunakan uji deskriptif, asumsi klasik, serta regresi linear berganda. Pada hasil uji yang telah di lakukan menyajikan data bahwa Dana Pihak Ketiga (DPK), Cost Of Fund (COF), memiliki hasil yang signifikan secara positif terhadap Profitabilitas. Sedangkan pada hasil variabel likuiditas yang diprosikan current ratio tidak signifikan secara positif terhadap Profitabilitas pada Bank Syariah Indonesia (BSI) dengan periode tahun 2021-2024.

Kata kunci: Cost Of Fund, Dana Pihak Ketiga, Likuiditas, Profitabilitas.

Rudiatna, T. D. Y., & Yahya, A. 2024. Optimising Profitability: The Role of DPK, COF, and Liquidity on The Sustainability of Islamic Banks. *NISBAH: Jurnal Perbankan Syariah* 10 (2): 153-164.

INTRODUCTION

Banking has an important role for economic stability in a country to carry out activities that collect and channel funds and make these funds support bank operations. In accordance with the role of banks as a means of economic stability in the country, Islamic banks also have important objectives in the role of implementation and national development to be able to increase justice, togetherness, and equitable distribution of welfare in accordance with Islamic law and principles.

In its activities bank must certainly be able to optimistic all sources of income that can be turned back through appropriate financing, while the source of bank funds is public deposits or often referred to as (DPK), therefore it is important to maintain good relations with parties who cooperate with banks and the public.

The level of success at the bank can be assessed through the performance that has been carried out by the bank in several periods. Data collected through financial reports can be a high level of trust by the public and a sense of security for bank stakeholders. Bank Syariah Indonesia is one of the largest Islamic banks in Indonesia which of course has many roles in carrying out the stability of the country's economy, BSI as an Islamic financial institution in Indonesia has a good level of reputation in the eyes of the public so that many people feel confident to be able to entrust their money to BSI banks in the form of demand

deposits, savings, and deposits which are a source of DPK income.

There are several supporting factors in the role that can support and increase the stability of Indonesian Islamic banks, the factors of this support can get a lot of benefits for the bank when the role of the bank can be felt by the community, the factors of support are Profitability is the level of ability of an institution or company to earn profit (profit) in a certain period.

The relationship between Third Party Funds (DPK), Cost of Fund (COF), and Likuiditas to Profitability has a very important role for the Bank, the important role of the Third Party Fund variable (DPK) is one of the levels of public trust in the bank which comes from collecting public funds through DPK then channeling them to the public with financing.

While Cost of Fund (COF) is an important role to calculate the level of burden from incoming funds through DPK when it will be used as a reference for financing and loans so that it can be calculated with certainty, the importance of COF is as a protection for security against Liquidity, Loan Prices and Financing to be more reasonable, and in accordance with the BI Rate and Base Landing Rate (BLR).

As well as Liquidity plays an important role as a controller of the level of public and customer trust in banks so that many of the public can deposit their money with the bank with the aim of increasing the profitability of the bank, when the bank is able to fulfil its obligations in the short term.

From this, financial reports play a very important role in bank activities to be able to provide information regarding the financial performance and behaviour of bank obligations to bank stakeholders. The analysis used in this case uses financial ratios in accordance with applicable standards.

The funds that have been collected by the bank as a whole will be rotated and channeled back by providing financing and loans to the public, from this the bank will get a margin or profit from the profit of financing provided to the public. So this study aims to see the effect of Third Party Funds (DPK), Cost of Fund (COF), and Liquidity on Profitability at Bank Syariah Indonesia in 2021 - 2024.

Referring to the BSI annual report in 2021 the number of dpk customers reached 17,966,481 with financing of IDR 233 billion while in 2022 it was IDR 261.49 trillion, and in 2023 the dpk growth rate at BSI was IDR 293.78 trillion with the previous year's percentage of 12.35%. In April 2024 BSI managed to collect Rp293.25 trillion in Third Party Funds (DPK), an increase of 9.41% from last year in the same period. BSI's DPK growth is above the national Islamic banking industry average of 10.43%. (BSI Annual Report 2021-2023).

Based on the background of this research, it aims to examine the phenomenon that occurred at Bank Syariah Indonesia in 2024 with the problem of the sudden phenomenon of withdrawing funds by the Muhammadiyah organisation on the grounds that it wants to evenly distribute deposit funds in each Islamic bank. so that this phenomenon is so quickly spread among the public. This study also aims to be able to see the level of how influential DPK, COF, and Liquidity are on Profitability at Bank Syariah Indonesia in 2021 - 2024.

MATERIALS AND METHODS

Trade- Off Theory (Opposite Principle Theory)

This theory was developed by Modigliani & Miller (1958) in Muslih

(2019) which explains that companies will consider the threat of bankruptcy and financial difficulties in the future. So in this theory companies not only owe or use large amounts of external funds, but must think about or consider the threat of bankruptcy and financial difficulties. This is because it involves debt in the capital structure.

Based on the explanation above, this theory is very relevant to Third Party Funds (DPK), Cost Of Fund, Liquidity and related to the Profitability of Indonesian Islamic banks (BSI). Where the maximum use of debt or external funds will increase the value of the company, so the company will try to increase the amount of Third Party Funds to get profits (profits) which will increase the value of the company. But before using external funds in this case Third Party Funds (DPK) will think about or consider the threat of bankruptcy and financial difficulties, so it is necessary to see how liquid the company's assets are.

Profitability

The profitability of a company will affect the policies of investors on investments made. The level of the company's ability to generate profits will be able to attract investors to invest their funds to expand their business, while a low level of profitability will cause investors to withdraw their funds. As for the company itself, profitability can be used as an evaluation of the effectiveness of the management of the business entity. According to profitability is one method or technique in analyzing financial statements. Each analysis technique has different definitions, objectives and benefits, so that the measure that is often used in the profitability ratio is Return On Asset (ROA). Return On Asset (ROA) is the level of ability to measure a company or financial institution by generating profits in the past and then executed in the future. Assets or assets in this profitability are all company assets, obtained from own capital or from foreign capital sources that have been converted by companies or financial institutions by making them as company

assets that can be used for the continuity of the company's operations. From this it can be concluded that Return On Asset (ROA) is a level of profitability ratio that can show the comparison between net income and total assets to see the extent of the company's or financial institution's ability to generate a profit using the assets owned by the company.

$$\text{ROA} = \frac{\text{Net Profit After Tax}}{\text{Total Asset}} \times 100\%$$

Third Party Funds (DPK)

Third Party Funds (DPK) These funds come directly from the public, with the largest source of bank fund income that can be used as a mainstay by the bank. Banks can utilise these funds to become a source of income by channeling funds that have been obtained from DPK through the community. Banks can also channel their funds to the public in the form of financing. When the greater the income generated by the bank, the greater the opportunity for the bank to generate and optimise its profits. Third party funds or funds collected from the public are certainly the largest source of funds most relied on by banks with a portion (reaching 80%-90% of all funds managed by the bank). Funds from the public consist of several types, namely current accounts, savings, and deposits.

Cost Of Fund

Cost Of Fund (cost of funds) is the proportion of interest issued by financial institutions or banks that aim to obtain deposits in the form of savings. COF is also interpreted as the level of interest or fees that must be paid by financial institutions or banks for funds used in their business activities. The role of COF can show a significant level for the bank because of the relatively low price and will be able to generate a much higher return on funds because the portion of the funds is used for borrowing in the short and long term. In its mechanism, COF lends in the form of credit with the calculation determined by the interest rate charged to depositors.

Liquidity

Liquidity which is a banking effort in fulfilling all needs and obligations that must be paid or paid off as soon as possible in a short period of time. An institution or company can be said to be liquid when the company has a type of payment instrument in the form of a current asset that is relatively larger than its obligations. In this case the bank is able to have more assets against fulfilled obligations or can cover all types of liabilities owned by the bank. Liquidity can be a measure of how much the ability of an institution or company to be able to fulfil all forms of current obligations. (Uly Dewi 2016) argues that liquidity is an indicator of the company's ability to pay all short-term financial obligations at maturity using available current assets.

Current ratio is a ratio that can be used to see the liquid level of a company with the ability to pay financial obligations that must be paid in the short term at the specified time. Current ratio (CR) is a way to test a level of protection obtained by lenders on credit in a short time span by being submitted to companies or financial institutions to be able to finance or fund all company operational activities.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Payables}}$$

Research conducted by (Cristina and Artini 2018) with the research title The Effect of Liquidity, Credit Risk, and Third Party Funds on Profitability at Rural Banks (BPR). There is a phenomenon of decreasing Return on Asset (ROA) with the period 2013-2016 with the location of the lowest ROA decline in 2016, so that in this phenomenon BPR Gianyar has difficulty maintaining the stability of Return on Asset growth every year.

A study entitled The Effect of Cost of Fund, Non-Performing Loan, Net Interest Margin, and Asset Quality on Profitability researched by Khamidah and Cahyaningtyas (2024) discusses the phenomenon of the rise and fall of Return on Asset ROA in each year with research data

from 2015-2019 in the conventional banking sector. The most drastic decrease in ROA occurred in 2019 with a decrease of 6.56% from the previous year in 2018, this decrease in ROA was caused by several factors.

Dali and Fani (2023) in a study entitled The Effect of Third Party Funds and Liquidity on Profitability. With a phenomenon that refers to previous research which conveys that the results in previous studies state that the level of liquidity has no effect on profitability, this is related because high liquidity is not always profitable because it has the opportunity to cause idle funds.

Methods

This study uses a quantitative descriptive method, using financial statement data on the reporting section of third party funds (DPK), cost of funds (COF), liquidity and profitability obtained from the financial statements of Indonesian Islamic banks in 2021 - 2024.

Determination of the sample in this study using nonprobability sampling method with saturated sampling technique. In this study, there is 1 sample from a banking financial institution (BSI) by conducting monthly observations of the financial statements presented in 2021 - 2024, so that this study gets a total sample of 43 according to the financial statements of each month examined. This study uses quantitative data with the acquisition of data taken in the form of financial reports on Bank Syariah Indonesia in the latest 2021 - 2024. This study uses data analysis by conducting Descriptive tests, classical assumptions, so using panel data regression using hypothesis testing to be able to explain the results of this research data.

RESULTS AND DISCUSSION

Descriptive Test

In the descriptive statistical test, it produces from the data used, so that it can make information clearer and easier to understand.

Table 1. Descriptive Test

	ROA	DPK	COF	CR
Mean	0.786067	2.48E+08	1.118265	0.501254
Median	0.774402	2.47E+08	0.910454	0.494984
Maximum	1.622608	5.26E+08	7.404716	0.540221
Minimum	0.063056	43967519	0.143026	0.469605
Std. Dev.	0.437216	67028430	1.132305	0.019531
Skewness	0.114887	0.460791	4.058379	0.331332
Kurtosis	1.941754	11.13121	23.28744	1.945214
Observations	43	43	43	43

Source: Data Processing Results, 2024

From the results of data processing in descriptive tests, it can illustrate that the Mean Maximum and Minimum values with Standard Deviation values have been mapped.

Normality Test

The normality statistical test is carried out to ascertain whether the data distribution on the variables is normally distributed or not. If the prob value > 0.05 then it can be said that the data is normally distributed and declared the data passes.

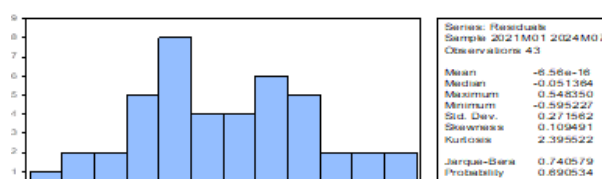


Figure 1 Normality Statistics

In the results of the data processing of the Normality statistics above, it can show that the probability value is 0.690 > 0.05 so it can be concluded that this research data can be normally distributed.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether, in a regression model, there is an inequality of variance and residuals of one observation to another. In this study, researchers used the Glejser test, namely; if the prob value > 0.05 then there is no heteroscedasticity and vice versa.

Table 2. Heteroscedasticity Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DPK	-5.50E-10	3.87E-10	-1.422514	0.1628
COF	0.015380	0.023743	0.647765	0.5209
CR	1.033841	1.299757	0.795411	0.4312
C	-0.173451	0.611801	-0.283509	0.7783
R-squared	0.114867	Mean dependent var	0.225533	
Adjusted R-squared	0.046779	S.D. dependent var	0.147205	
S.E. of regression	0.143721	Akaike info criterion	-0.953478	
Sum squared resid	0.805573	Schwarz criterion	-0.789646	
Log likelihood	24.49978	Hannan-Quinn criter.	-0.893062	
F-statistic	1.687050	Durbin-Watson stat	1.076277	
Prob(F-statistic)	0.185588			

Source: Data Processing Results, 2024

Based on the results of the heteroscedasticity test above, it shows that the test results of the DPK variable (X1) prob value is $0.1628 > 0.05$, the COF variable (X2) prob value is $0.5209 > 0.05$, the CR variable (X3) prob value is $0.4312 > 0.05$, and the ROA variable (Y) prob value is 0.7783 . It can be concluded that all variables do not experience symptoms of heteroscedasticity.

Multicollinearity Test

The multicollinearity test aims to determine whether there are independent variables that have similarities between independent variables in a model. If the Correlation value < 0.85 then it does not occur multicollinearity.

Table 3. Multicollinearity Test

	ROA	DPK	COF	CR
ROA	1.000	0.153	0.593	0.471
DPK	0.153	1.000	-0.382	0.205
COF	0.593	-0.382	1.000	-0.329
CR	0.471	0.205	0.329	1.000

Source: Data Processing Results, 2024

It can be seen above, the multicollinearity test results show that the correlation coefficient between X1 and X2 is $-0.382 < 0.85$, X1 and X3 are $0.205 < 0.85$. X2 and X3 $-0.329 < 0.85$. So it can be concluded that it is free from multicollinearity or passes the multicollinearity test.

Panel Data Regression Test

Panel data linear regression is used to test the effect of two or more independent variables on one dependent variable.

Table 4. Panel Data Regression Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DPK	2.47E-09	8.27E-10	2.987008	0.0049
COF	0.263262	0.050760	5.186459	0.0000
CR	3.776221	2.778678	1.358999	0.1820
C	-2.013625	1.307936	-1.539544	0.1317
R-squared	0.541420	Mean dependent var	0.786067	
Adjusted R-squared	0.506145	S.D. dependent var	0.437216	
S.E. of regression	0.307253	Akaike info criterion	0.566117	
Sum squared resid	3.681771	Schwarz criterion	0.729950	
Log likelihood	-8.171524	Hannan-Quinn criter.	0.626534	
F-statistic	15.34838	Durbin-Watson stat	1.591642	
Prob(F-statistic)	0.000001			

Source: Data Processing Results, 2024

Based on the table above which shows that the multiple linear regression model to estimate Profitability (ROA) which is influenced by Third Party Funds (DPK), Cost Of Fund (COF) and Liquidity proxied by Current Ratio (CR), it can be entered in linear regression form as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y = -2,013 + 2,47E + 0,263 + 3,776 + e$$

Hypothesis Test

Partial Test (t Test)

The t-test aims to show how far the influence of one independent variable on the dependent variable is by holding other variables constant. With a t table value of 1.68, if the sig value < 0.05 , it means that the independent variable influences the dependent variable.

Table 5. Partial Test (T Test)

Variable	t-Statistic	Prob.
DPK	2.987008	0.0049
COF	5.186459	0.0000
CR	1.358999	0.1820
C	-1.539544	0.1317

Source: Data Processing Results, 2024

The effect of the independent variable on the dependent variable partially is as follows:

- a. The t test results on the DPK variable (X1) obtained at value of $2.987 > t$ table, namely 1.68 and a sig value of $0.004 < 0.05$, so the DPK variable affects the ROA of Bank Syariah Indonesia.
- b. The results of the t test on the COF variable (X2) obtained a t value of $5.186 > t$ table, namely 1.68 and a sig value of $0.000 < 0.05$, so the COF

variable affects the ROA of Bank Syariah Indonesia.

- c. The t test results on the CR variable (X3) obtained a t value of 1.358 > t table, namely 1.68 and a sig value of 0.182 > 0.05, so the CR variable has no effect on Bank Syariah Indonesia's ROA.

Simultaneous Test (F Test)

The F test is a test that shows the effect of independent variables simultaneously on the dependent variable. If the sig value < 0.05, it means that the independent variable simultaneously has an influence on the dependent variable.

Table 6. Simultaneous Test (F Test)

R-squared	0.541420
Adjusted R-squared	0.506145
S.E. of regression	0.307253
Sum squared resid	3.681771
Log likelihood	-8.171524
F-statistic	15.34838
Prob(F-statistic)	0.000001

Source: Data Processing Results, 2024

Based on the data above, the calculated F value is 15.348 > F table, namely 2.59 and sig value. 0.000 < 0.05 then Ho is rejected and Ha is accepted, meaning that simultaneously the DPK, COF, and CR variables affect the profitability of Bank Syariah Indonesia.

Test Coefficient of Determination (R²)

The coefficient of determination is the ability of all independent variables, namely Third Party Funds, Cost of Funds, and Liquidity in explaining the dependent variable, namely the Profitability of Bank Syariah Indonesia by looking at the magnitude of the Adjusted R Square value.

Table 7. R² Test

R-squared	0.541420
Adjusted R-squared	0.506145
S.E. of regression	0.307253
Sum squared resid	3.681771
Log likelihood	-8.171524
F-statistic	15.34838
Prob(F-statistic)	0.000001

Source: Data Processing Results, 2024

The coefficient of determination data test shows the Adjusted R- square value of 0.506 > 0.05, so Ho is accepted, meaning that the DPK, COF, and Liquidity variables simultaneously affect the profitability of Bank Syariah Indonesia by 50.6%, while 49.4% is influenced by other variables outside the model.

The Effect of Third Party Funds on Profitability (ROA)

Based on the results of data analysis, it shows that partially the Third Party Fund (DPK) variable is considered positive because it has a t value > t table such as 2.987 > 1.68 with a sig value < 0.05. So it is stated that Third Party Funds (DPK) have an effect on Profitability at Bank Syariah Indonesia (BSI) in 2021 - 2024.

Third Party Funds according to Muljono (2006) are funds deposited by the public which are collected by banks through agreements or agreements. According to Muniarty M (2020: 29) third party funds are funds obtained from contributions from the wider community who place their funds with a level of trust in banks in savings products (Saving Deposit), current accounts (demand deposits) and deposits (time deposits) both from individual customers and business entity customers.

Islamic banks, in obtaining third party funds, are inseparable from providing margins and / or profit sharing / profit sharing to deposit customers. High and low margins and / or rates are affected by Bank Indonesia's interest rate setting policy and internal policies of Islamic Banks so that Islamic Banks achieve profitability in accordance with the company's performance targets.

Profitability is one of the goals of a company, including Islamic banks, return on assets (ROA) which is an indicator of profitability. Return on assets (ROA) according to Purwanti (2018) is the main ratio or ratio to measure the ability and efficiency of assets in generating profit / profitability.

Research conducted by Firmansyah and Noor (2022) with research results

showing that the DPK variable has a very positive effect on the level of profitability. As well as research conducted by Syachfuddin and Rosyidi (2017) DPK have a significant influence on Profitability (ROA) by analysing the Islamic Banking Industry in Indonesia.

The Effect of Cost of Fund on Profitability (ROA)

The results of data analysis show that partially the COF variable is considered positive because it has a t value > t table such as $5.186 > 1.68$ with a sig value < 0.05 . So it is stated that COF has an effect on Profitability at Bank Syariah Indonesia (BSI) in 2021 - 2024.

Cost of Fund or cost of expense is the total interest incurred by the bank to obtain deposit funds in the form of demand deposits, savings, and deposits. The total cost of funds depends on how much interest is set to obtain funds, in the total cost of funds must be reduced by the mandatory reserve or Reserve Requirement (RR) set by the government Alkalah (2016: 25). According to Cashmere (2007) Cost Of Fund is the total interest cost incurred by banks to obtain and deposit.

COF is obtained by Islamic banks from wadiah bonuses in addition to third party rights to profit sharing which results in interest costs. Cost Of Fund (COF) is also obtained by dividing between interest costs and third party funds. So COF will be able to increase the profitability of Bank Syariah Indonesia (BSI) if the level of wadiah bonus / interest costs gets an increasing income, this is followed by an increase in the profitability value in the BSI financial statements in the 2021-2024 period.

One of the goals that can increase assets in Islamic banks is the level of profitability, Return On Asset (ROA) is an indicator approach to profitability. Return on assets (ROA) according to Fauziyah (2017) is one indication that the company / bank is getting better asset productivity in generating net profits.

Research conducted by Mursidin (2020) with research results showing that

the Cost Of Fund variable has a positive effect on Profitability. Reinforced by research conducted by Erisandi (2017) which examines the effect of (COF) and interest rates on profitability (ROA) that Cost of Fund has a value that partially affects profitability (ROA).

The Effect of Liquidity on Profitability (ROA)

Based on the results of data analysis, it shows that partially the Liquidity variable proxied by the Current Ratio (CR) is considered negative because it has a t value > t table such as $1.358 < 1.68$ with a sig value < 0.05 . So it is stated that Liquidity proxied by Current Ratio (CR) has no effect on Profitability at Bank Syariah Indonesia (BSI) in 2021 - 2024.

Liquidity is a financial ratio that includes all obligations that can be paid off with the company's ability in a short time and as soon as possible, in this case liquidity is also often used to measure the company's ability to meet its short-term needs. In accordance with the theory conveyed by Syamsuddin (2020) that liquidity is an indicator of the company's ability to pay short-term financial obligations at maturity using its current assets.

The indicator of the liquidity approach is the Current Ratio which can show the level of liquidity determinants of a company / bank in the ability to be able to pay liabilities in the short term, the current ratio is obtained by dividing current assets against current debt, if the level of current asset assets is more than meeting current debt, the bank is said to be liquid and has an impact on the profitability of the bank, and vice versa.

One of the income levels of a company / Islamic Bank is return on assets (ROA), one of which is an indicator of profitability. According to Kariyoto (2017) Return on assets (ROA) is often referred to as economic profitabilty which is a measure of the ability of companies / banks to generate profits with all assets owned.

Research that has been conducted by Olpah (2022) there are differences, because

the results show that liquidity has a significant effect but the results of this study show that liquidity does not have a positive significance on Profitabilitas. Supported by thorough research by (Dali and Bokuu 2023) shows that the liquidity variable has no effect on profitability.

CONCLUSIONS AND IMPLICATIONS

Based on the data analysis and discussion above, it can be concluded:

1. Third Party Funds affect profitability at Bank Syariah Indonesia (BSI) in 2021-2024. It can be concluded that if the Third Party Funds faced increase, the greater the ability to channel these funds back in the form of credit to the public so that Bank Syariah Indonesia's (BSI) ability to earn profits will also increase.
2. Cost of Fund has an effect on Profitability at Bank Syariah Indonesia (BSI) in 2021-2024, which is indicated by a lower price, which will result in a higher rate of return on Profitability.
3. However, Liquidity proxied by the Current Ratio has no effect on Profitability in the sense that the smaller the current ratio value, the lower the profitability is indicated.
4. This study answers the formulation of the problem regarding the phenomenon of Muhammadiyah withdrawing their funds from Bank Syariah Indonesia (BSI) suddenly, there is no effect on the level of liquidity in Bank Syraiah Indonesia (BSI).

LITERATURE

- Abdillah, Rifqi Aulia, Sholihin As'ad, And Senot Sangadji. 2017. "Allocation Priority Determination System For Provincial Bridge Maintenance Fund In Special Region Of Yogyakarta By Examining Physical Conditions, Operational Cost And Volume Of Traffic." *International Journal Of Science And Applied Science: Conference Series* 2 (1): 300.
- Afkar, Taudlikhul. 2014. "Pengaruh Pembiayaan Modal Kerja, Pembiayaan Investasi, Dan Pembiayaan Konsumsi Terhadap Likuiditas Perbankan Syariah Indonesia (Studi Likuiditas Bank Umum Syariah Dan Unit Usaha Syariah)." *Cendekia: Media Komunikasi Penelitian Dan Pengembangan Pendidikan Islam* 8 (1): 93-122.
- AK. 2015. "Pengaruh Cost Of Loanable Fund, Overhead Cost Dan Risk Factor Terhadap Tingkat Margin Pembiayaan Berbasis Natural Certainty Contract Di Industri Perbankan Syariah1] Riris." *Riris Rizky Hayat* 151 (5): 10-17.
- Ali, Jamaluddin, Ridwan Feroji, And Osman Ali. 2021. "Pengaruh Profitabilitas Terhadap Nilai Perusahaan (Studi Empiris Pada Perusahaan Sektor Industri Barang Konsumsi Di Bursa Efek Indonesia Tahun 2017-2019)." *Jurnal Neraca Peradaban* 1 (2): 128-35. www.sahamok.com.
- Alimah, Afifatul, And Agus Sihono. 2024. "Analisis Faktor-Faktor Yang Mempengaruhi Profitabilitas." *JIIP - Jurnal Ilmiah Ilmu Pendidikan* 7 (1): 117-26.
- Alkalah, Cynthia. 2016. "Teori Cost Of Fund (COF)" 19 (5): 1-23.
- Andrianto, And M. Anang Firmansyah. 2019. "Teori Dana Pihak Ketiga (DPK)." *CV. Penerbit Qiara Media*, 536.
- Arso, Septo Pawelas, Putri Asmita Wigati, And Dkk. 2020. "Analisis Standar Pelayanan Minimal Pada Instalasi Rawat Jalan Di RSUD Kota Semarang." *Analisis Standar Pelayanan Minimal Pada Instalasi Rawat Jalan Di RSUD Kota Semarang* 3: 103-11.
- Budi Sukardi, Usnan Ade Setiawan. 2016. "Analisis Faktor-Faktor Yang Mempengaruhi Return On Assets Pada Bank Umum Syariah Dan Unit Usaha Syariah (Periode 2010-2013)." *Jurnal Riset Keuangan Dan Akuntansi* 2 (1): 1-14.
- Cristina, Komang Monica, And Luh Gede Sri Artini. 2018. "Pengaruh Likuiditas, Risiko Kredit, Dan Dana Pihak Ketiga

- Terhadap Profitabilitas Pada Bank Perkreditan Rakyat (BPR).” *E-Jurnal Manajemen Unud Manajemen Unud* 7 (6): 3353–83.
- Dali, Fahni Rahmadani, And Zulkifli Boki. 2023. “Pengaruh Dana Pihak Ketiga Dan Likuiditas Terhadap Profitabilitas.” *Jambura Accounting Review* 4 (2): 261–72.
- Devi, Frinda Fraktika, And Noven Suprayogi. 2019. “Pengaruh Komponen Harga Pembiayaan (Cost Of Loanable Fund, Overhead Cost Dan Risk Factor) Terhadap Pricing Pembiayaan Berbasis Bagi Hasil Di Industri Perbankan Syariah.” *Jurnal Ekonomi Syariah Teori Dan Terapan* 5 (1): 62.
- Erisandi. 2017. “Pengaruh Cost Of Loanable Fund (Colf) Dan Tingkat Suku Bunga Sertifikat Bank Indonesia (Sbi) Terhadap Jumlah Kredit Yang Diberikan (Studi Kasus Pada PT . Bank Mandiri , Tbk Periode Januari 2000 – Desember 2012).” *Jurnal Perspective Bussiness* 1 (1): 1–12.
- Fahrudin, Abd Rohman, And Miftahul Hasanah. 2021. “Implikasi Covid 19 Disease Terhadap Kinerja Keuangan Dan Profitabilitas Perbankan Syariah (Studi Atas Laporan Keuangan Bank Syariah Mandiri 2019-2020).” *At-Tasharruf “Jurnal Kajian Ekonomi Dan Bisnis Syariah”* 3 (1): 1–6.
- Fairuz, Topowijono Devi. 2016. “(Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2014).” *Administrasi Bisnis* 36 (1): 101–10.
- Fatimatuzzahro. 2018. “Pengaruh Dana Pihak Ketiga (DPK), Non Performing Financing (NPF) Dan Penempatan Dana Pada Bank Indonesia Terhadap Profitabilitas (Studi Empiris Pada Bank Umum Syariah Tahun 2012-2015).” *Jurnal Ilmu Dan Riset Akuntansi* 6 (02): 73–87.
- Firda A, Nurul, Wirmie Eka P, And Fredy Olimsar. 2022. “Pengaruh Kesulitan Keuangan Dan Profitabilitas Terhadap Kecepatan Publikasi Laporan Keuangan Tahunan (Studi Empiris Pada Perusahaan Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Tahun 2016-2018).” *Jambi Accounting Review (JAR)* 2 (3): 280–94.
- Firmansyah, Kukuh, And Iswan Noor. 2022. “Analisis Pengaruh Dana Pihak Ketiga (Dpk), Non Performing Financing (Npf) Dan Capital Adequacy Ratio (Car) Terhadap Penyaluran Dana Bank Umum Syariah.” *Islamic Economics And Finance In Focus* 1 (3): 244–51.
- Fitriana, Dewi, Kusnul Yuni, And Imam Sopingi. 2019. “Pengaruh Dana Pihak Ketiga, Tingkat Bagi Hasil Dan Financing To Deposit Ratio Terhadap Pembiayaan Mudharabah.” *Pengaruh Dana Pihak Ketiga Dan Financing To Deposit Ratio Terhadap Profitability Bank Syariah* 8 (5): 16–1.
- Fuad Hasyim¹, Ngestiaga Pratiwi², Bajwa Salsabila Asmaradhan³, Kurniyadi⁴. 2023. “The Effect Of Exchange Rates, Inflation And Bi Rates On Profitability In Islamic Commercial Banks During The 2016-2022 Period” 8 (2): 162–85.
- Hamidah, Siti, And Diana Fajarwati. 2015. “Pengaruh Tipe Laporan Keuangan, Profitabilitas, Likuiditas, Rasioutang Perusahaan Dan Pergantian Auditor Terhadap Timeliness Laporan Keuangan.” *None* 6 (01): 1–15.
- Hantono. 2015. “Pengaruh Likuiditas, Opini Audit, Ukuran Perusahaan Dan Profitabilitas Terhadap Pengaruh Likuiditas, Opini Audit, Ukuran Perusahaan Dan Profitabilitas Terhadap Ketepatan Waktu Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2011 -2013.” *Jurnal Wira Ekonomi Mikroskil* 5 (2): 101–10.
- li, B A B, A Dana Pihak, Ketiga Dpk, Pengertian Dana, And Pihak Ketiga. 2022. “Muhamad, Manajemen Dana Bank Syariah. (Jakarta: Raja Grafindo Persada), 114 22,” 22–43.
- Imbi Dewandari, Fuad Hasyim, And Dian Rachmawati. 2023. “Analysis Of The Effect Of Financial Ratios On The Profit Sharing Rate Of Mudharabah Savings In

- Islamic Commercial Banks In Indonesia For The 2015-2020 Period." *Tasharruf: Journal Of Islamic Economics And Business* 4 (1): 14–36.
- Karolina, Karolina. 2020. "Pengaruh Profitabilitas, Kecukupan Modal, Risiko Kredit Terhadap Dana Pihak Ketiga Serta Implikasinya Terhadap Nilai Perusahaan." *Jurnal SEKURITAS (Saham, Ekonomi, Keuangan Dan Investasi)* 4 (1): 68.
- Kasmir. 2018. "Teori Current Ratio." *Bab Ii Kajian Pustaka 2.1* 12 (2004): 6–25.
- Manajemen, Jurnal, Vol No, Kesehatan Bank, And Abdul Djawad. 2015. "Jurnal Manajemen Dan Perbankan Vol. 2 No. 3" 2 (3): 39–57.
- Milenial, Analisis Persepsi, And Pembayaran Digital. 2023. "Jambura Accounting Review Analisis Persepsi Milenial" 4 (2): 333–46.
- Mukhsin, Muhamad, And Mesi Herawati. 2020. "Iqtishaduna, Vol. 11 No. 1 Juni 2020" 11 (1): 1–17.
- Muliana, Muliana, And Nur Asia Syamsuddin. 2020. "Analisis Pengaruh Current Ratio, Debt Ratio, Debt To Equity Ratio Terhadap Return On Investment Pada Perusahaan Pertambangan Di Bursa Efek Indonesia." *Accounting, Accountability, And Organization System (AAOS) Journal* 1 (2).
- Muniarty M, 2020. N.D. *Teori Dana Pihak Ketiga Manajemen Perbankan*.
- Mursidin. 2020. "Analisis Cost Of Fund Terhadap Simpanan Deposito Pada Pt. Bank Rakyat Indonesia(Persero) Tbk. Cabang Makassar," 1–72.
- Nainggolan, Edisah Putra, And Ikhsan Abdullah. 2019. "Pengaruh Dana Pihak Ketiga Dan Likuiditas Terhadap Profitabilitas Bank Milik Pemerintah Tahun 2015 – 2018." *Jurnal Riset Akuntansi Dan Bisnis* 19 (2): 151–58.
- Nugraheni, Almira Ulfa, And Dina Fitriisa Septiarini. 2017. "Pengaruh Equivalent Rate, Profitabilitas, Dan Jumlah Kantor Terhadap Dana Pihak Ketiga BPRS Di Indonesia (Periode Tahun 2013-2015)." *Jurnal Ekonomi Syariah Teori Dan Terapan* 4 (11): 875.
- Nurdiana, Diah. 2018. "Pengaruh Ukuran Perusahaan Dan Likuiditas Terhadap Profitabilitas." *Menara Ilmu* 12 (6): 77–88.
- Nuzulla, Arifts. 2014. "Pengaruh Kebijakan Moneter Dan Tingkat Likuiditas Terhadap Tingkat Profitabilitas Pada Bank Konvensional (Studi Pada Kelompok Bank Dengan Modal Inti Diatas 30 Triliun)." *JIM FEB Universitas Brawijaya* 03 (1): 1–17.
- Oktavira, Rowina. Mudjijah, Slamet. 2021. "Oikos: Jurnal Kajian Pendidikan Ekonomi Dan Ilmu Ekonomi, Pengaruh Current Ratio, Debt To Equity Ratio, Total Asset Turnover, Dan Firm Size Terhadap Profitabilitas (Pada Perusahaan Sub Sektor Tekstil Dan Garmen Yang Terdaftar Pada BEI Periode 2015-2020)." *Jurnal Kajian Pendidikan Ekonomi Dan Ilmu Ekonomi VII* (1): 62–71.
- Olpah, Hermiliani, Rohmatul Khususna, Budiono, And Indrian Supheni. 2022. "Pengaruh Likuiditas, Risiko Kredit Dan Pemulihan Ekonomi Nasional Dimasa Pandemi COVID-19 Terhadap Profitabilitas Bank Perkreditas Rakyat Se-Bakorwil 1 Periode 2020-2021." *The Academy Of Management And Business* 1 (2): 46–58.
- Parenrengi, Sudarmin, And Whisnu Tyahya Hendratni. 2018. "Pengaruh Dana Pihak Ketiga Dan Penyaluran Kredit Terhadap Profitabilitas (ROA) Bank." *Jurnal Manajemen Strategi Dan Aplikasi Bisnis* Vol. 1 (No. 1): 9–18.
- Petty. A, Imam. H. 2022. *Teori Likuidias. Eureka Media Aksara*. Vol. 2.
- Profitabilitas, D A N. N.D. "Urgensi Manajemen Likuiditas Bank ;," 113–21.
- Puspita Ningrum, Ratih, Muhammad Nur Alam, And Budi Sukardi. 2023. "Analisis Rasio Keuangan Untuk Mengetahui Kinerja Bank Syariah Indonesia Ratih." *Jurnal Ekonomika Dan Bisnis Islam* 6 (3): 43–51.
- Putr, Ananda, Nur Khamidah, And Niken

- Wahyu Cahyaningtyas. 2024. "Pengaruh Cost Of Fund , Non Performing Loan , Net Nterest Margin , Dan Asset Quality Terhadap Profitabilitas" 4 (1): 88-99.
- Rachmawati, Mega. 2013. "Analisis Pengaruh Pertumbuhan Dana Pihak Ketiga, Loan To Deposit Ratio, Non Performing Loan, Biaya Operasional Dan Net Interest Margin Terhadap Profitabilitas Bank." *Jurnal Ilmiah Mahasiswa FEB Universitas Brawijaya* 2 (1): 6-7.
- Rivki, Muhammad, Adam Mukharil Bachtiar, Teknik Informatika, Fakultas Teknik, And Universitas Komputer Indonesia. N.D. "Analisis Laporan Keuangan Untuk Mengukur Kinerja Keuangan Berdasarkan Rasio Profitabilitas Pada PT Kereta Api Indonesia (PERSERO) Dan Anak Perusahaan Samsul," No. 112.
- Saadah, S., Paramita, M., & Aziz, I. A. (2020). Analisis Strategi Pemasaran Pembiayaan Akad Mudharabah Pada Lkms (BPRS Al Salaam KC. Cibinong). NISBAH: Jurnal Perbankan Syariah, 6(2), 86-98
- Saeful, S, A Muttalib, And A Jaya. 2017. "Analisis Manajemen Perkreditan Untuk Meningkatkan Profotabilitas Pada Pt Bank Sulselbar Di Makassar." *Jurnal Ilmu Manajemen Profitability* 1 (1): 1-16.
- Setiawan, Ulin Nuha Aji, And Astiwi Indriani. 2016. "Influence Of Third Party Fund(DPK), Capital Adequacy Ratio (CAR), And Non Performing Financing (NPF), On The Profitability Of Islamic Banks With Financing As An Intervening Variable." *Jurnal Riset Akuntansi & Keuangan* 5 (3): 1535-40.
- Sri Rahayu, Anisa, Andri Indrawan, And Ade Sudarma. 2021. "Pengaruh Pertumbuhan Dana Pihak Ketiga (Dpk) Dan Capital Adequacy Ratio Terhadap Return On Asset." *Balance: Jurnal Akuntansi Dan Bisnis* 6 (2): 122.
- Sunia, I Wayan, Ni Putu Linda Kusumawati, And Made Suidarma. 2021. "Analisis Cost Of Fund Untuk Menentukan Base Lending Rate Selama Covid-19 Di Pt. Bpr Tridarma Putri Klungkung." *Jurnal Ilmiah Akuntansi Dan Bisnis* 6 (1): 75-83.
- Susilawati, Susilawati. 2019. "Sales Growth, Net Profit Margin, Return On Equity, Dan Cost Of Fund Terhadap Struktur Modal (Studi Kasus Pada Perusahaan Otomotif Dan Komponen Yang Terdaftar Di Bursa Efek Indonesia Tahun 2015-2018)." *Jurnal Keuangan Dan Perbankan* 15 (1): 1.
- Syachfuddin, Laras Andasari, And Suherman Rosyidi. 2017. "Pengaruh Faktor Makro Ekonomi, Dana Pihak Ketiga Dan Pangsa Pembiayaan Terhadap Profitabilitas Industri Perbankan Syariah Di Indonesia Tahun 2011-2015." *Jurnal Ekonomi Syariah Teori Dan Terapan* 4 (12): 977.
- Tofan, Muhamad, Aang Munawar, Yoyon Supriadi, And Marwan Effendy. 2022. "Analisis Pengaruh Dana Pihak Ketiga Dan Tingkat Suku Bunga Kredit Terhadap Profitabilitas Bank BUMN." *Jurnal Ilmiah Manajemen Kesatuan* 10 (1): 97-104.
- Uly Dewi. 2016. "Analisis Pengaruh Tingkat Likuiditas Terhadap Efisiensi Dan Kebutuhan Modal Kerja Pada Pt Industri Telekomunikasi Indonesia (Persero)." *Bisnis & Entrepreneurship* 10 (2): 91-103.
- V.Wiratna Sujarweni. 2017. "Laporan Posisi Keuangan." *Angewandte Chemie International Edition*, 6(11), 951-952. 2
- Yuliani, Ni Komang, And I Nyoman Anggaradana. 2021. "Pengaruh Net Profit Margin, Return On Asset, Likuiditas Terhadap Financial Distress (Studi Kasus Pada Perusahaan Agriculture Terdaftar Di Bursa Efek Indonesia Periode 2017-2019)." *Jurnal Ilmiah Akuntansi Dan Bisnis* 6 (1): 1-9.