PROMOSI: Jurnal Program Studi Pendidikan Ekonomi
Volume 14, No. 2, 2026, 596-613
ISSN 2337-4721 (Print)
ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

ANALYSIS OF FACTORS AFFECTING THE PROFITABILITY OF ISLAMIC BANKS WITH ISLAMIC SOCIAL REPORTING AS A MODERATION FACTOR

Haryono Susilo[1*], Rani Rahman[2], Widyahayu[3]

[1*,2] Akuntansi/Fakultas Ekonomi dan Bisnis/Universitas Siliwangi, Tasikmalaya, Indonesia
[3]Akuntansi/Fakultas Ekonomi dan Bisnis/Universitas Jendral Soedirman, Banyumas, Indonesia

E-mail: *haryonosusilo@unsil.ac.id* [1*)]
ranirahman@unsil.ac.id [2)]
widyahayu.warmmeswara@unsoed.ac.id [3]

Abstract

This study aims to investigate the impact of Non-Performing Financing (NPF) and Financing to Deposit Ratio (FDR) on profitability, as measured by Return on Assets (ROA) and Return on Equity (ROE), with moderated Islamic Social Reporting (ISR) in Sharia commercial banks in Indonesia from 2018 to 2024. The Data used in this study are from 2018 to 2024, which aims to analyze the profitability of Islamic commercial banks. Through using secondary data sourced from the Annual Report of *Bank Umum Syariah,* which has been published. Data analysis in this study was conducted using multiple linear regression analysis using SPSS version 25. The results of this study showed that NPF harms profitability, FDR does not affect profitability, in addition, ISR does not moderate the negative influence of NPF on profitability when measured by ROA and ROE, ISR does not moderate the outcome of FDR on profitability when measured by ROA, but then again moderates when measured by ROE.
Keywords: NPF, FDR, Profitabilitas, ISR, ROA, ROE

Abstrak

Penelitian ini mempunyai tujuan untuk membuktikan pengaruh Non-Performing Financing (NPF) dan Financing to Deposit Ratio (FDR) terhadap Profitabilitas yang diukur oleh Return on Asset (ROA) dan Returin on Equity (ROE) dengan di moderasi Islamic Social Reporting (ISR) pada Bank Umum Syariah di Indonesia tahun 2018-2024. Data yang digunakan pada penelitian ini adalah data pada tahun 2018 – 2024 yang bertujuan untuk menganalisa profitabilitas Bank Umum Syariah. Dengan menggunakan data sekunder yang bersumber dari Annual Report Bank Umum Syariah yang telah dipublikasi. Analisis data pada penelitian ini menggunakan analisis Regresi Linier Berganda dengan menggunakan SPSS versi 25. Hasil penelitian ini menunjukan bahwa NPF mempunyai pengaruh negatif terhadap profitabilitas, FDR tidak berpengaruh terhadap profitabilitas, ISR tidak memoderasi pengaruh negatif NPF terhadap profitabilitas saat diukur oleh RO dan ROE, ISR tidak memoderasi pengaruh FDR terhadap profitabilitas saat diukur oleh ROA namun memoderasi saat diukur oleh ROE.
Kata Kunci: NPF, FDR, Profitabilitas, ISR, ROA, ROE

ISSN 2337-4721 (Print)
ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

INTRODUCE

Bank Indonesia (BI) set a strategy for Islamic banks in 2021, one of which is through the merger of three Islamic banks, namely Bank Syariah Mandiri, BNI Syariah and BRI Syariah, which were merged into Bank Syariah Indonesia (BSI) in February 2021 (Indonesia, 2021). According to BI this strategy not only aims to achieve a competitive advantage at the regional level but also to strengthen public confidence in involvement in financial activities in the Islamic banking sector (Indonesia, 2022). Public trust is a key foundation for the growth and sustainability of Islamic banking, and this step is designed to ensure that Islamic banking is not only an attractive option but also seen as a reliable financial partner. However, the COVID-19 pandemic that entered Indonesia in early 2020 became one of the challenges for the banking world in Indonesia, specifically for BSI, which acts as an extension of the government in developing the Islamic banking industry.

Research by (Kusumaningrum et al., 2024) concludes that the merger of three Islamic banks has opportunities to increase the competitiveness of Islamic finance, access to financing and participation in greater national development. This opportunity for improvement in the Islamic banking sector is evidenced in the results of a study conducted by (Wulandari, 2025) which found that Indonesian Islamic banks in general have achieved consistent and positive profitability growth from 2021 to 2024, as measured by ROA, ROE and NPM. This demonstrates that Islamic banks have managed their assets and resources well in order to generate profits despite the COVID-19 pandemic from 2020 to 2022. The COVID-19 pandemic phase has been declared completed in 2023, which indicates that the restriction on all activities and interactions of the community has ended (Keputusan Presiden Republik Indonesia, 2023). The impact of the community's economic decline on the Islamic banking industry during the COVID-19 phase, the economic recovery during the phase after the pandemic, and how the conditions before the COVID-19 pandemic phase are interesting to study, by making Islamic Social Reporting (ISR), which is the implementation of CSR for Islamic banks as the main review in these three phases.

Figure 1. Index Islamic Finance Development Indicator (IFDI) 2024
Source: (Islamic Corporation For The Development Of The Private Sector, 2024)

PROMOSI: Jurnal Program Studi Pendidikan Ekonomi ISSN 2337-4721 (Print)
Volume 14, No. 2, 2026, 596-613 ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

The phenomenon of the development of the Islamic banking industry in Indonesia is reinforced by the results of the Islamic Finance Development Report. Indonesia was ranked 4th out of 135 countries that are members of the Islamic Corporation for the Development of the Private Sector (ICD) in the Most Developed Countries in Islamic Finance category in 2024 (Islamic Corporation For The Development Of The Private Sector, 2024). Indonesia has the potential for the development of the Islamic banking sector, because it is supported by several things, including the largest muslim population in the world, the growth of assets and financial performance of Islamic banks that continue to increase from year to year, as well as government support for the Islamic banking sector. The financial performance Data of *Bank Umum Syariah* (BUS), according to the *Otoritas Jasa Keuangan* (OJK) from 2020 to 2024, shows the consistency of the capacity to generate profits through asset utilization and successfully suppress problematic financing ratios and increase Financing to Deposit Ratio (FDR) even though this time span is during the COVID-19 pandemic in Indonesia. These are the whys and wherefores for researching factors that affect the capability of Islamic banking to generate profits in Indonesia.

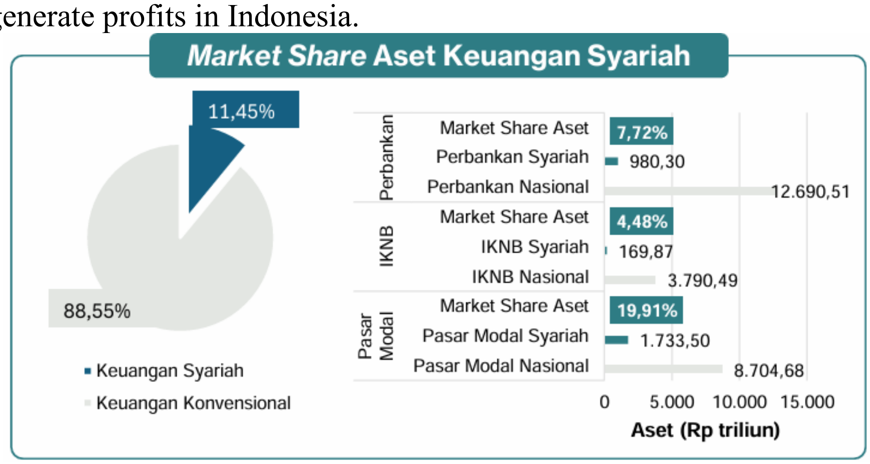

Figure 2. Market Share of Islamic Financial Assets in Indonesia
Source: (Otoritas Jasa Keuangan, 2025a)

One of the challenges faced by Islamic banking today is the growth of market share, which remains low compared to conventional banks. OJK revealed that the Islamic banking market share increased from 7.44% in 2023 to 7.72% in 2024. One of the causes of low growth is that the availability of Islamic banking unit offices has not been evenly distributed when compared with conventional banking unit offices. Although technology has developed, the presence of unit offices can attract public participation to conduct transactions in Islamic banking. One of these challenges is certainly an encouragement for the government to continue to encourage the growth of the Islamic banking market share, thus that competition with conventional banking is maintained, therefore people can get more diverse product alternatives in determining their options when making transactions in banking. According to OJK, the increase in market share percentage of Islamic banking can be determined by the capabilities to generate profits.

ISSN 2337-4721 (Print)
ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

Kinerja Keuangan Bank Umum Syariah
(*Financial Performance of Islamic Commercial Bank)*
Nominal dalam Miliar Rp (Billion Rp) dan Rasio Kinerja (%)

Indikator / *Indicator*	**2020**	**2021**	**2022**	**2023**	**2024**
ROA (%)	**1,40**	**1,55**	**2,00**	**1,88**	**1,99**
- Laba / *Profit*	5 087	6 224	9 596	10 247	11 861
- Rata-Rata Total Aset / *Average Assets*	362 692	401 485	478 831	543 749	596 478
NPF (%)	**3,13**	**2,59**	**2,35**	**2,10**	**2,09**
- *Non Performing Financing*	7 713	6 624	7 576	7 728	8 194
- Total Pembiayaan kepada Pihak Ketiga Bukan Bank / *Total Financing to Non Bank*	246 532	256 219	322 599	368 376	391 189
FDR (%)	**76,36**	**70,12**	**75,19**	**79,06**	**81,70**
- Pembiayaan kepada Pihak Ketiga Bukan Bank / *Total Financing to Non Bank*	246 532	256 219	322 599	368 376	391 189
- Dana Pihak Ketiga / *Total Third Party Funds*	322 853	365 421	429 029	465 932	478 758

Figure 3. Financial Performance Statistics of Islamic Commercial Banks in Indonesia
Source: (Otoritas Jasa Keuangan, 2025b)

Islamic banking activities generate profit, one of which is by channeling financing. Financing that is distributed to customers must be managed properly to prevent financing with a category that is risky or leads to bad financing in the future, and can reduce the potential profit obtained. BI uses the Non-Performing Financing ratio (NPF) to measure the level of delinquent financing in Islamic banks. According to (Rudiana, 2018), the amount of financing distributed must certainly be balanced with the amount of own capital and the amount of capital obtained from the community, as measured by the Financing to Deposit Ratio (FDR). The control used by Islamic banking through the FDR ratio has the purpose of calculating the composition of the amount of deposits and loans with the amount of financing disbursed in order to maintain and increase the amount of profit. In this study, the measurement of the company's capability to generate profits is to use the ratio of Return on Assets (ROA) and Return on Equity (ROE) as two indicators that describe the level of capability of Islamic banks in utilizing assets and capital in generating profits.

Research by (Almunawwaroh & Marliana, 2018) concluded that NPF has a significant negative effect on ROA, while FDR has a significant positive effect on ROA. This finding is in line with the research of (Rudiana, 2018), which states that NPF has a negative influence on ROA, while FDR has a positive influence on ROA. However, research by (Lemiyana & Litriani, 2016) concluded that NPF and FDR do not affect ROA. The results of a study by (Qurotulaeni & Wirman, 2021) also showed that NPF and FDR did not affect the profitability of Islamic banks in the period 2012-2019. One of the virtuous values instilled in Sharia principles is upholding the benefit of the people (Nurhayati et al., 2023). Islamic banking allocates funds as a reflection of awareness in providing benefits for social and environmental interests through Corporate Social Responsibility (CSR) as measured through Islamic Social Reporting (ISR) proxies in

DOI: https://doi.org/10.24127/jp

their research (Mardliyyah et al., 2020). ISR became a moderating factor in the performance of Islamic banking. ISR contributes to increasing public confidence, but then again, the contribution of ISR to profitability is an opportunity for further research to understand more deeply its role as a moderator.

Islamic banking must determine the steps in planning, managing and evaluating the performance of assets and liabilities in the form of deposits or deposits as one of the sources of funds channeled back to the community to improve the capability to generate profits and as one form of accountability to stakeholders in the form of improved performance in accordance with the principles of asset and liability management theory. However, the accountability of Islamic banks is not only to the entire community and stakeholders alone; sharia principles that are the main basis in all activities of Islamic banks emphasise that all activities must be in line with the Islamic Sharia corridor and account for all to Allah SWT as the Lord of the worlds, which is the main concept of sharia enterprise theory. By considering the research gap of several studies mentioned and some of the things that have been disclosed above, can be formulated the problem of whether the NPF and FDR which are the independent variables in this study have an effect on profitability, and whether the ISR can moderate the influence of NPF and FDR on profitability, then further research is needed on factors that affect profitability by moderated ISR.

Bank Indonesia prioritizes ROA as an indicator of bank profitability, considering that most of the funds used by banks come from public deposits. Profitability in this study uses ROA; nonetheless, researchers also add ROE as a fixed variable indicator. The novelty of this study is to integrate financial data from Bank Syariah Mandiri, BNI Syariah and BRI Syariah in 2018,2019 and 2020 before the merger, based on *POJK* number 41 of 2019, which states that financial statements and financial performance information for the last three audited financial years are the main requirements for Bank integration (Otoritas Jasa Keuangan, 2019). The researchers also compared how the influence of ISR moderation in the phase before the COVID-19 pandemic entered Indonesia in 2018 and 2019, the phase during the COVID-19 pandemic in 2020, 2021 and 2022, and the phase after COVID-19 20 was declared endemic in 2023 and 2024 as a sensitivity analysis.

This study is a medium to reveal how the performance of Islamic banks in Indonesia in particular seen based its capability to generate profits by being influenced by NPF and FDR and ISR as a moderating factor, so this study is important for users of information, especially Islamic banks to see the extent to which the role of total financing, quality of financing, the portion of financing with deposits and the effectiveness of ISR in influencing profitability. Thus, the results of this study are expected to contribute to Islamic banks in improving the quality of their operations in the community, especially in channeling financing and utilizing capital collected from the community, as well as increasing their involvement in social activities in accordance with the principles of Islamic law that can increase the level of trust of all parties including the public and investors. In addition, this study also encourages users of information in understanding the theoretical internal and external factors that affect the profitability of Islamic banks. The results of research on ISR also provide the view that

DOI: https://doi.org/10.24127/jp

the profitability of the company is not only influenced by economic aspects, but also supported by aspects of sustainable social responsibility and Sharia compliance implemented.

Hypothesis Development

Public trust in Islamic banks continues to increase from year to year, which shows that the principles applied in the Sharia system have been accepted and trusted, in addition to conventional systems that have been developed. (Rudiana, 2018) revealed that the competition between conventional banks and strict Islamic banks must be a factor for Islamic banks to become institutions that stick to sharia principles and institutions that are trustworthy. The soundness of a good Islamic bank will also be a good image in the community, which can be reflected by the low level of Non-Performing Financing (NPF), high Financing to Deposit Ratio (FDR) and responsibility to the social environment that is effective and sustainable.

Financing is one reflection of the trust of the community to become a partner of Islamic banks. Along with advances in banking technology, the Sharia system implemented in the financing agreement will not harm customers. It can be seen from Figure 3 in the previous chapter, the level of Islamic banking NPF ratio is very low and tends to decline from year to year. The Islamic system that does not apply interest and penalties for late payment can be a factor in the NPF ratio rate in Islamic banks is negligible. Healthy financing will affect the increase in profits, but the ratio between the amount of financing and capital from the community must be considered to maintain the stability of Islamic banks. (Azizah, 2024) in her research concluded that NPF has a negative influence on the profitability of Islamic banks as measured by Return on Assets (ROA), in line with research conducted by (Lufitasari et al., 2025) who concluded that NPF negatively affects profitability, and the researcher concluded hypothesis 1 as follows:

H1: NPF negatively affect the profitability of Islamic banks

FDR reflects the portion of public financing and deposits that can provide information for all parties about one of the factors that determines the health of Islamic banks (Rudiana, 2018). The high level of FDR ratio illustrates the effectiveness of the performance of Islamic banks that are good and can manage the activities of financing disbursed and capital obtained from the community. Supervision from the public and shareholders on the performance of Islamic banks can be a consideration for all parties in making decisions in the future. The public will not hesitate to become a partner of Islamic banks, and investors will not switch, if the financial performance of Islamic banks, which is reflected in the measurement of low NPF ratios and high FDR ratios, is always consistent and has improved performance. In his research, (Tamin et al., 2022) found that FDR influences profitability. FDR also had an influence on profitability in a study conducted by (Shabiha et al., 2025). Researchers hypothesize that FDR influences the profitability of Islamic banks, 2018-2024, because FDR is an important component to be managed in optimizing profits.

H2: FDR has a positive effect on the profitability of Islamic banks

CSR proxies measured through Islamic Social Reporting (ISR) become a link between Islamic banks and the social environment. The relationship established will be

ISSN 2337-4721 (Print)
ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

an important capital to increase enthusiasm and trust from the wider community to influence the reduction of financing risk and increase public interest in storing funds in Islamic banks. Research conclusions from research from (Lambada et al., 2022) weakens the influence of NPF on the profitability of Islamic banks. Research from (Zahra & Irkhami, 2021) concluded that ISR moderates the effect of FDR's positive influence on profitability. Thus, the hypothesis formulated by the author are:

H3a ISR weakens the negative influence of NPF on the profitability of Islamic banks.

H3b ISR strengthens FDR's positive influence on Islamic bank profitability

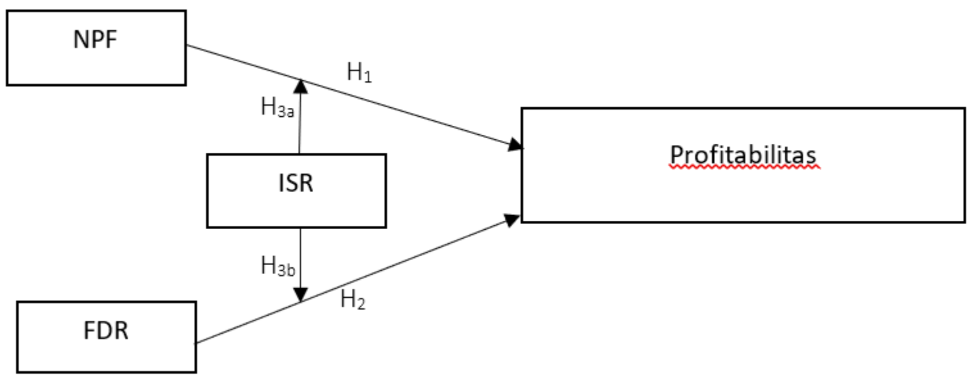

Figure 4. Hypothesis Formulation
Source: Processed Data

RESEARCH METHODOLOGY

This study uses a quantitative method with an explanatory research approach. Quantitative approach by analyzing the numerical data used in this study, which aims to test the Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR) as an independent variable, to profitability as a dependent variable. Furthermore, this study investigated the role of Islamic Social Reporting (ISR) as a moderation variable. Furthermore, this study uses data on banking sector companies in Indonesia from 2018 to 2024. The amount of observation data obtained is (number of companies x 10). Here is a sample of research that researchers observe:

Table 1. List Of Islamic Banking Under Study

Number	Name of the Banks
1.	Bank Syariah Indonesia
2.	Bank Muamalat
3.	BJB Syariah
4.	Bank Mega Syariah
5.	Bank Aceh Syariah
6.	Bank NTB Syariah

PROMOSI: Jurnal Program Studi Pendidikan Ekonomi ISSN 2337-4721 (Print)
Volume 14, No. 2, 2026, 596-613 ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

7.	Bank Kepri Syariah
8.	BCA Syariah
9.	CIMB Syariah
10.	BTN Syariah

Source: Processed Data

Secondary Data in this study comes from the annual report that has been prepared and published by certain agencies, is the data used in this study. Data from independent variables, moderating variables and dependent variables in this study, namely NPF, FDR, ISR and profitability derived from Islamic banking statistics obtained from the official website of *Bank Indonesia* (BI), *Otoritas Jasa Keuangan* (OJK) and the annual report or annual report of each Islamic Bank. Before the researchers conducted hypothesis testing, researchers conducted a classic assumption test consisting of a normality test, heteroscedasticity, multicollinearity, and autocorrelation test. This study proves that all classical assumptions have been fulfilled. This study uses the panel data regression method as a method of analysis to assess the relationship between variables. The multiple linear regression equation in this study is as follows:

$Y= \beta 0+\beta 1NPFi_{,t}+\beta_2FDR_{i,t}+\beta_3ISR+\beta_4(NPF_{i,t}.ISR_{i,t})+\beta_5(FDR_{i,t}.ISR_{i,t})+\varepsilon$......................

Y : Profitability
NPFi,t : Non-Performing Financing
FDRi,t : Financing to Deposit Ratio
ISRi,t : Islamic Social Reporting
β0 - β6 : Regression Constant
ε : Residual Value

This study conducted a sensitivity test to determine how the influence of the COVID-19 pandemic intervenes in the relationship of each research variable. The researchers divided the samples into 3 different periods, namely pre-COVID (2018-2019), COVID (2020-2021), and post-COVID (2022-2024). Split Sampling was conducted to see the comparison of factors that affect profitability. The discussion of ISR moderation in 3 time phases in this study aims to provide an overview of the extent to which ISR plays a role in increasing corporate profits as a moderating factor. It aims to explore whether the implementation of ISR by Islamic banks is really effective as a moderating factor.

Variable Development

Independent Variable

According to (Sugiyono, 2022) the independent variable is a variable that affects, or causes, changes or the emergence of the dependent (bound) variable. The independent variable is often also called an independent variable, stimulus variable, predictor, or antecedent because it is not influenced by other variables measured in the study, but rather acts as a factor that manipulates or causes changes in other variables.

DOI: https://doi.org/10.24127/jp

Independent variables in this study consisted of Non-Performing Financing (NPF) as X1 and Financing to Deposit Ratio (FDR) as X2.

Financing provided by Islamic banks presents challenges, one of which is in the form of financing risks. This risk arises due to uncertainty in the process of return or repayment of financing by the customer. NPF is an important indicator in evaluating the extent to which this risk can affect the profitability of Islamic banks. Islamic banking liquidity can be measured through FDR, which can play an important role in providing a direct impact on the durability and business continuity of financial institutions (Muhammad, 2015).

Dependent Variable

According to (Sugiyono, 2022) the dependent variable, is defined as a variable that is influenced or arises from the existence of an independent variable. Profitability, measured by Return on Asset (ROA) as Y1 and Return on Equity (ROE) as Y2 in this study, is a dependent variable that is influenced by the independent variable. ROA is the ratio between Net Profit after Tax with the amount of company assets, which has the meaning of the company's ability to generate profits by utilising assets. ROE is the ratio of Net Profit after tax to total equity, which means the company's ability to generate profits by utilising capital obtained from investors and third parties.

Variable Moderation

The independent variable that will strengthen or weaken the relationship between other independent variables against the dependent variable is the moderation variable (Sugiyono, 2022). The moderation variable in this study was measured by proxy Islamic Social Reporting (ISR), which is a form of governance and social responsibility of Islamic banks based on Islamic values. A dichotomous approach is used to assess each item of ISR Islamic Bank, by giving a score for each item that is disclosed with a value of 1, while if not disclosed is given a value of 0. This assessment is carried out on 60 ISR items in the annual report. The importance of using moderation variables is to explore and understand in depth how these variables can affect or modify the effect of NPF and FDR on the profitability of Islamic banks. Through this approach, the study sought not only to measure the impact of the main variable but also to identify the role of the moderation variable in forming a framework of relationships between variables.

Results and discussion

Multiple Regression Test

Table 2. shows the results of hypothesis testing with two different effects, namely the direct effect (A) and the moderating effect (B). **First**, this study proves that Non-Performing Financing (NPF) hurts profitability as measured by Return on Asset (ROA) and Return on Equity (ROE) at a significance level of 1% (β = -0.381 and -2.399; respectively, in the dependent variable). This result proves that **H1 is supported**. This finding is in line with the results of research conducted by Nur Azizah (2024) and (Lufitasari et al., 2025) who concluded that NPFS negatively affect profitability. The low level of NPF indicates that the management of the quality of financing is effective, and will increase profits through the return of financing or profit sharing obtained by Islamic banks.

PROMOSI: Jurnal Program Studi Pendidikan Ekonomi ISSN 2337-4721 (Print)
Volume 14, No. 2, 2026, 596-613 ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

Second, this study proves that **H2 is unsupported**. The value of Financing to Deposit Ratio (FDR) against ROA and ROE showed -0.001 and -0.021, with no significant difference. This finding is not in line with previous studies conducted by (Tamin et al., 2022) and (Shabiha et al., 2025) which concluded that FDR influences profitability. The findings of this study indicate that although the FDR ratio of Islamic banks is high, which indicates that the distribution of funds is more in the form of financing, financing in Islamic banks is based on profit-sharing agreements that have moral hazard and asymmetric information risks. The high FDR ratio in Islamic banks also does not necessarily indicate the level of financing efficiency; if financing is carried out incorrectly on target, the impact will not affect profitability.

Third, this study shows a unique result that ISR has a positive influence on ROE with a value of 48.395, with a significance value of 1%. Furthermore, this study failed to prove the effect of moderation of ISR in the relationship between NPF and profitability variables (β=-1.420; -15.356 | n.s). ISR showed the same result that this variable was not able to moderate the relationship between FDR with ROA. In the case of this study, ISR did not moderate the NPF and FDR relationship because the ISR score obtained from the assessment results in the annual report was not high enough to moderate the effect on profitability, so hereby **H3a is not supported** and is not in line with the results of research from (Lambada et al., 2022) which concluded that ISR weakens the influence of NPF on the profitability of Islamic banks. Other results showed that the ISR strengthened the relationship of FDR with ROE (β =0.841 | sig. 0.01), and **H3B supported ROE**. This finding on H3b is in line with research by (Zahra & Irkhami, 2021), concluding that ISR moderates the effect of FDR's positive influence on profitability. ISR can moderate FDR with ROE, proving that the ISR score in this study is able to increase and strengthen public and investor confidence to optimize Islamic banks' profits through the use of capital obtained.

Table 2. Hypothesis Test

	Direct Effect (A)		**Moderating Effect of ISR (B)**	
Description	**(1) ROA**	**(2) ROE**	**(3) ROA**	**(4) ROE**
Consant	0,919(1,146)	-17,686**(8,349)	2,232***(0,575)	12,734***(4,233)
NPF	-0,381***(0,082)	-2,399***(0,596)	-1,364(1.274)	8,224(0,374)
FDR	-0,001(0,006)	-0,021(0,047)	0,009(0,028)	-0,566***(0,009)
ISR	1,846(1,635)	48,395***(11,905)		
ISR*NPF			1,420(1,796)	-15,356(0,250)
ISR*FDR			-0,015(0,042)	0,841***(0,009)

Note(s): Standard errors in parentheses; ***p < 0.01; **p < 0.05; *p < 0.10.

PROMOSI: Jurnal Program Studi Pendidikan Ekonomi
Volume 14, No. 2, 2026, 596-613
ISSN 2337-4721 (Print)
ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

Sensitivity Tests

Table 3. Sensitivity Tests

Time Phase	Description	Dependent Variable (1) ROA	(2) ROE
Pre-Covid	Constant	3,381***(1,112)	24,958**(8,914)
	NPF	1,478(1,938)	37,952**(15,538)
	FDR	-0,058(0,042)	-1,118**(0,335)
	ISR		
	ISR*NPF	-2,676(2,757)	22,099**(22,099)
	ISR*FDR	0,061(0,063)	1,415**(0,507)
Covid	Constant	1,827*(0,0983)	11,994(7,447)
	NPF	-1,742(2,152)	3,726(16,303)
	FDR	0,052(0,061)	-0,477(0,462)
	ISR		
	ISR*NPF	2,118(0,499)	-7,991(23,381)
	ISR*FDR	-0,73(0,401)	0,715(0,648)
Post-Covid	Constant	2,283**(0,957)	8,644(5,323)
	NPF	-6,954**(2,708)	-22,446(15,070)
	FDR	0,115**(0,051)	0,091(0,284)
	ISR		
	ISR*NPF	9,547**(4,037)	29,434(22,463)
	ISR*FDR	0,167*(0,080)	-0,38(0,445)

Note(s): Standard errors in parentheses; ***p < 0.01; **p < 0.05; *p < 0.10.

This study conducted a sensitivity test with different time frames. Researchers conducted ISR testing in three time phases, namely before the COVID-19 pandemic, during the pandemic and after the pandemic (see Table 3.). The sensitivity test results show that the findings at the time of pre-COVID-19 are that **ISR does not moderate NPF when profitability is measured by ROA, but ISR moderates the effect of NPF and FDR when profitability is measured by ROE. During the COVID-19 pandemic, ISR did not moderate the effect of NPF and FDR on profitability when measured using ROA and ROE. During the post-COVID-19 pandemic, ISR moderated the effect of NPF and FDR on ROA, but did not moderate when profitability was measured using ROE.**

DOI: https://doi.org/10.24127/jp

Discussion

H1 in this study is supported. Based on the results of the regression analysis in Table 2 above, NPF has a negative effect on the profitability of Islamic banks when measured using both Return on Asset (ROA) and Return on Equity (ROE) during the period 2018-2024. This finding shows that NPF is one of the factors that must be considered by Islamic banks because of its influence that has negative influence on profitability. If the NPF ratio can be suppressed through management strategies in financing management that ensure the quality is maintained, then the increase in the level of profitability can be supported (Lufitasari et al., 2025)). NPF is a description of financing risk management; thus, the decrease in the NPF ratio is identified as a factor that can improve the profitability of Islamic banks both in terms of asset utilisation and capital utilisation.

These results indicate that effective management of financing quality can make a strong positive contribution to the bank's financial performance. Accordance with theory of Asset And Liability Management (ALMA), managerial steps taken by the company's management in planning, managing and evaluating asset performance effectively aimed at increasing the contribution to the value of the efficient use of assets, the value of resources, as well as productivity and quality, is one of the objectives of asset management (Siregar, 2004). The results of the H1 test in this study are supported by research conducted by (Azizah, 2024) and (Lufitasari et al., 2025) who also concluded that NPFS negatively affect profitability. In this context, Islamic banks are expected to implement proactive financing risk management strategies to mitigate financing risks and strengthen their financial position. By maintaining asset quality and improving the effectiveness of capital utilisation, Islamic banks can improve their ability to generate sustainable profits, support financial stability, and build customer trust.

H2 in this study is not supported. The results of this study concluded that FDR has no effect on the profitability of Islamic banks as measured using ROA and ROE from 2018 to 2024. FDR is a ratio that describes the comparison of financing provided with deposits and third-party funds in Islamic banks. Management of the total amount of deposits and loans should be one of the concerns for the management of Islamic commercial banks to maximise profitability. Things that need to be considered by Islamic banks when disbursing financing one of which is the amount of margin or profit sharing for Islamic banks agreed with partners at the time of the contract.

The amount of profit sharing obtained by Islamic banks in financing is not necessarily able to cover the costs incurred in financing activities, so that the amount of profit obtained from financing activities becomes less than optimal. Islamic banks make the basis of ALMA's mindset to increase the attractiveness of the community in investing or borrowing funds to increase FDR ratio. Asset and liability management will directly affect the reduction of risks that may arise, subsequently that Islamic banks can optimize profits. Therefore, in this study, Alma theory becomes one of the important aspects to be applied in Islamic Bank operations. Based on the point of view of accounting, capital or funds obtained by Islamic banks from deposits and third parties are obligations that must be returned to the owner, so it is considered a debt burden. The

DOI: https://doi.org/10.24127/jp

H2 test results in this study are not supported by studies conducted by (Tamin et al., 2022) and (Shabiha et al., 2025), which found that FDR influences profitability.

H3a in this study is not supported. ISR is a form of existence of Islamic banks in the wider community. However, the results of this study concluded that ISR does not weaken the negative influence of NPF on profitability, both measured in ROA and ROE. Indicates that the ISR has not been able to make the poor quality of financing at Islamic banks decline from 2018 to 2024. The community has a level of trust in Islamic banks through their existence and role in the social environment. However, when the poor quality of financing can not be suppressed by the values in the ISR, it is necessary to review whether the allocation of Islamic Bank Social funds has been used according to its objectives in improving the quality of financing. The findings in this study are not in line with the results of a study conducted by (Lambada et al., 2022), which concluded that ISR weakens or moderates the influence of NPF on the profitability of Islamic banks.

H3b is not supported against ROA, but supported ROE. The results of the analysis in this study concluded that ISR did not strengthen the influence of FDR on ROA, but the findings were different for ROE. In this study, ISR moderates the effect of FDR on ROE. Thus. ISR indicators do not moderate the influence of FDR on ROA; namely, ISR indicators that have been run by Islamic banks are not able to add value from FDR's influence on ROA, due to the weak contribution of FDR to the increase in the number of company assets. On the other hand, ISR moderates the influence of FDR on ROE, shows that ISR can increase investor and customer confidence to increase the FDR ratio, which has a positive impact on the company's capability to generate profits sourced from investor and third-party funds. The results based on this research test are not supported by research from (Zahra & Irkhami, 2021) concluding that ISR moderates the effect of FDR's positive influence on profitability as measured by ROA.

Sensitivity test results in this study show that before the COVID-19 pandemic phase in 2018-2019, ISR did not moderate NPF but moderated FDR when profitability was measured by ROA. The findings were different when ROE was used as an indicator of profitability, namely, ISR moderated the influence of NPF and FDR. During the COVID-19 pandemic from 2020 to 2022, ISR did not moderate the effect of NPF and FDR on profitability when measured using ROA or ROE. During the post-COVID-19 pandemic period of 2023-2024, ISR moderated the effect of NPF and FDR on ROA, but did not moderate when profitability was measured using ROE. It can be concluded that the role of ISR moderation in three-time phases, which have different phenomena, is a reflection of the level of effectiveness of implementing forms of Social Responsibility based on Sharia principles amid the changing economic conditions of Indonesian society, especially when a phenomenon occurs, one of which as the COVID-19 pandemic.

Based on the results of this study, the implementation of ISR indicators is important for Islamic banks in maintaining stability and the capability to generate profits. When the economic condition of the community is stable, namely in the phase before and after the COVID-19 pandemic, an ISR that is implemented in a targeted and effective manner will increase the level of public trust and the reputation of Islamic banks to directly

DOI: https://doi.org/10.24127/jp

reduce the level of problem financing and increase the turnover of third-party funds channeled into financing and impact the profits obtained both from the use of assets and capital from investors. However, when there is an economic crisis and national uncertainty, namely during the covid-19 pandemic phase, although the ISR implemented has not been able to moderate the decrease in the level of problem financing and the increase in the flow of third-party funds, Islamic banks must continue to implement the ISR values effectively as a form of accountability to the community even though company profits are declining due to external factors.

CONCLUSIONS AND RESEARCH SUGGESTIONS

In this study, hypothesis testing aims to investigate the impact of Non-Performing Financing (NPF) and Financing to Deposit Ratio (FDR) on the profitability of Islamic commercial banks in Indonesia during the period 2018-2024, with Islamic Social Reporting (ISR) as a moderation variable. The analysis method used is panel data regression with SPSS as a statistical analysis tool. The results of the analysis show significant findings, providing in-depth insight into the dynamics of the financial performance of Islamic financial institutions in the context of existing market and regulatory conditions and different time phases.

Firstly, the test results confirm that NPF has a negative influence on the profitability of Islamic banks. This discovery highlights the importance of effective financing risk management in achieving optimal financial performance. Thus, a decrease in the NPF ratio was identified as a factor capable of increasing the profitability of the bank. In this context, Islamic banks are expected to implement proactive financing risk management strategies to mitigate financing risks and strengthen their financial position. In addition, the findings showed that the decrease in NPF ratio had a significant impact on the increase in return on Assets (ROA) and Return on Equity (ROE) of Islamic commercial banks. These results indicate that effective management of financing quality can make a strong positive contribution to the bank's financial performance. By maintaining asset quality and investor capital distribution, Islamic commercial banks can improve their capability to generate sustainable profits, support financial stability, and build customer trust.

Secondly, The Financing to Deposit Ratio (FDR) does not influence profitability. Management of the total amount of deposits and loans should be one of the concerns for the management of Islamic commercial banks to maximize profitability. Emerging expenses, margin ratios and revenue sharing from financing activities must be considered by Islamic banks if they want to maximize profits. Islamic banks must be able to reduce the amount of expenses arising from financing activities, so that the costs incurred effectively on the expense of these activities indirectly reduce the deduction of the amount of profits obtained. The risk of financing that has a profit-sharing scheme from the activities financed must be measured carefully to minimize the possibility of the failure rate of profit by Islamic banks.

Third, Islamic Social Reporting (ISR) does not moderate or weaken the negative effect of NPF on profitability when measured by ROA or ROE. The implementation of ISR values in this study has not been able to reduce the negative influence of problem financing. Fourth, ISR neither moderates nor reinforces FDR's positive influence on

ISSN 2337-4721 (Print)
ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

profitability when measured by ROA, but moderates when measured by ROE. Effective and targeted implementation of ISR is a major concern for Islamic banks to improve the expectations of the implementation of ISR values either directly or indirectly influence the company's profitability.

Theoretical Implication that can be taken based on the results of this study is that the results of this study revealed that Non-Performing Financing (NPF) has a significant negative impact on the profitability of Islamic banks. In accordance with the theoretical foundation of Asset and Liability Management, this study highlights the need for Islamic banks to maintain the quality of returns from financing that has been given to the community. This concept confirms that in order for the profits obtained in accordance with expectations, financing risk management becomes a crucial element in the operations of Islamic banks. Anticipation of income is central to this theory, emphasizing the need for prudence in providing financing to financing risks. By maintaining the quality of returns from financing provided, Islamic banks can ensure that anticipated cash flows can be comprehended, creating a solid foundation for achieving optimal profitability. Therefore, these findings provide empirical support for the principles of this theory in the context of Islamic banks in Indonesia.

The findings of this study also indicate that the Financing to Deposit Ratio (FDR) does not have a significant impact on the profitability of Islamic commercial banks. The basic principle of asset and liability management applied in this study confirms that Islamic banks need to effectively manage their assets and liabilities. In this context, assets and liabilities play a critical role in carrying out the main role of Islamic banks, including attracting deposits from the public and third parties, and channeling financing to the community. The concept of asset and liability management contains important implications related to the optimization of the use of resources owned by Islamic banks. By increasing the Financing to Deposit Ratio, banks can be more efficient in attracting and utilizing funds from third parties to support operations and financing activities. Therefore, these findings provide a practical perspective on the importance of asset and Liability Management in the context of Islamic finance. These results also contribute to an understanding of how Islamic banks can utilize the basic principles of asset and Liability Management in achieving their profitability goals. In this context, the study not only provides insight into FDR having no effect on profitability but also provides a basis for the development of better policies and strategies in optimizing the use of resources and supporting sustainable growth in Islamic banking.

In the context of this study, Islamic Social Reporting (ISR) does not moderate or weaken the negative effect of Non-Performing Financing (NPF) and does not strengthen the positive effect of Financing to Deposit Ratio (FDR) on the profitability of Islamic commercial banks as measured by ROA. But ISR moderated FDR's positive influence on ROE. This discovery confirms that the values contained in the ISR, which are aligned with Islamic Shari'a principles for the welfare of the Ummah, do not appear to directly affect the financial performance of banks. Nevertheless, it should be emphasized that the implementation of ISR by Islamic banks has a positive impact on public confidence. The values promoted by ISR, especially in supporting the welfare of the people, contribute positively to the image of Islamic banks in the eyes of the public.

DOI: https://doi.org/10.24127/jp

Although the results of this study do not show a direct effect on profitability, this does not diminish the importance of implementing ISR in the context of Islamic finance. By understanding the role of ISR as an instrument to build trust and reputation, Islamic banks can better understand the positive impact that can result based on their social responsibility practices.

Practical Implications: The findings of this study have significant relevance for the management of Islamic commercial banks in maintaining the quality of financing, to prevent an increase in the ratio of Non-Performing Financing (NPF). By optimizing the utilization of deposits derived from public deposits and third-party funds, the bank can ensure sustainable growth in Financing to Deposit Ratio (FDR). In addition, the bank is expected to continue to engage in social activities in the community, which is in line with the principles of Islamic law, to maintain the level of public confidence in *Bank Umum Syariah* Thus, the results of this study not only provide strategic insights into financing and liquidity risk management but also provide a foundation for maintaining public reputation and trust.

The limitation of this study is that there are a number of other variables that have the potential to affect the dependent variable, namely the profitability of Islamic commercial banks, that can be tested and analyzed using qualitative methods. Observation of the implementation of Islamic Social Reporting (ISR) by using the direct survey method will increase the accuracy of the score to moderate the influence of the independent variable dependent variable.

REFERENCES

Almunawwaroh, M., & Marliana, R. (2018). Pengaruh CAR, NPF dan FDR terhadap profitabilitas bank syariah di Indonesia. Amwaluna: Jurnal Ekonomi Dan Keuangan Syariah, 2(1), 1–17.

Azizah, S. N. (2024). Analisis Pengaruh Car, Fdr, Dan Npf Terhadap Profitabilitas Pada Bank Umum Syariah Di Indonesia. Jurnal Riset Keuangan Dan Akuntansi, 10(1).

Darmawi. (2011). Manajemen Perbankan. PT. Bumi Aksara.

Indonesia, B. (2021). Laporan Perekonomian Indonesia Tahun 2020.

Indonesia, B. (2022). No TitleLaporan Ekonomi dan Keuangan Syariah 2021.

Islamic Corporation For The Development Of The Private Sector. (2024). ICD - LSEG Islamic Finance Development Report 2024.

Keputusan Presiden Republik Indonesia. (2023). Keputusan Presiden Nomor 17 Tahun 2023 tentang Penetapan Berakhirnya Status Pandemi Corona Virus Disease 2019 (COVID-19) di Indonesia. Presiden Republik Indonesia, 167292, 1–3.

Kusumaningrum, D., Sari, P. A., Panjaitan, A. Y., & Panggiarti, E. K. (2024). Pengaruh Kombinasi Bisnis Pt. Bank Syariah Indonesia (Bsi) Tbk Terhadap Perkembangan Ekonomi Syariah Di Indonesia. CEMERLANG: Jurnal Manajemen Dan Ekonomi Bisnis, 4(1), 183–194.

Lambada, O. M. C., Lindrianasari, L., & Widiyanti, A. (2022). Pengaruh Rasio Tingkat Kesehatan Bank Terhadap Profitabilitas Dengan Pengungkapan Islamic Sosial Responsibility (ISR) Sebagai Variabel Moderating. Jurnal Syntax Transformation, 3(7), 1025–1038.

ISSN 2337-4721 (Print)
ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

Lemiyana, L. L., & Litriani, E. E. (2016). Pengaruh NPF, FDR, BOPO Terhadap Return On Asset (ROA) Pada Bank Umum Syariah. I-ECONOMICS: A Research Journal on Islamic Economics, 2(1), 31–49.

Lufitasari, N., Santoso, S. B., Fakhruddin, I., & Azizah, S. N. (2025). Pengaruh Pembiayaan Murabahah, Mudharabah, Musyarakah, dan Non-Performing Financing (NPF) terhadap Profitabilitas Bank Umum Syariah Tahun 2018-2023. Journal of Accounting and Finance Management, 5(6), 1564–1578.

Mardliyyah, Z., Pramono, S. E., & Yasid, M. (2020). Pengaruh Islamic Social Reporting (ISR) terhadap kinerja bank pada perbankan syariah di Indonesia. Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA), 4(1), 43–51.

Nurhayati, S., Abdullah, W., & Sasongko, C. (2023). Akuntansi Syariah di Indonesia (5th ed.). Penerbit Salemba.

Otoritas Jasa Keuangan. (2019). POJK Nomor 41/POJK.03/2019 tentang Penggabungan, Peleburan, Pengambilalihan, Integrasi, dan Konversi Bank Umum. Otoritas Jasa Keuangan, 247.

Otoritas Jasa Keuangan. (2025a). Kinerja Positif Perbankan Syariah 2024.

Otoritas Jasa Keuangan. (2025b). Statistik Perbankan Syariah Sharia Banking Statistic Desember 2024 (Issue February).

Qurotulaeni, Q., & Wirman, W. (2021). Pengaruh FDR dan NPF terhadap Profitabilitas Bank Umum Syariah di Indonesia (Studi pada Bank Umum Syariah yang Terdaftar di Otoritas Jasa Keuangan Periode 2012-2019). Jurnal Masharif Al-Syariah: Jurnal Ekonomi Dan Perbankan Syariah, 6(3), 586–602.

Rudiana, I. F. (2018). Pengaruh Rasio Kesehatan Bank Tserhadap Profitabilitas yang Dimoderasi Pengungkapan CSR pada Perbankan Syariah di Indonesia dan Malaysia. Universitas Jendral Soedirman.

Shabiha, E. D., Tursinah, M., & Sari, S. N. (2025). Pengaruh Total Aset, Dana Pihak Ketiga, dan Financing to Deposit Ratio Terhadap Profitabilitas Pada Bank Umum Syariah. RIGGS: Journal of Artificial Intelligence and Digital Business, 4(2), 696–704.

Siregar. (2004). Manajemen Aset. PT. Gramedia Pustaka Utama.

Sugiyono. (2022). Metode Penelitian Kuantitatif (3rd ed.). Alfabeta.

Tamin, M., Hilmi, H., Satria, D. I., & Usman, A. (2022). Pengaruh Biaya Operasional Pendapatan Operasional (BOPO) Dan Financing To Deposit Ratio (FDR) Terhadap Profitabilitas Pada Bank Umum Syariah Di Indonesia Tahun 2016-2020. Jurnal Akuntansi Malikussaleh (JAM), 1(1), 123–136.

Triyuwono, I. (2000). Organisasi dan Akuntansi Syari'ah (1st ed.). LKIS.

Wulandari, R. I. (2025). Financial Performance Analysis of PT Bank Syariah Indonesia Tbk. with the Profitability Ratio Approach (Case Study of Financial Statements From 2021 to 2024): Analisis Kinerja Keuangan Pt Bank Syariah Indonesia Tbk. Dengan Pendekatan Rasio Profitabilitas (Studi Kasus Laporan Keuangan Tahun 2021 SD 2024). Ekonomipedia: Jurnal Ekonomi Manajemen Dan Bisnis, 3(2), 201–214.

PROMOSI: Jurnal Program Studi Pendidikan Ekonomi
Volume 14, No. 2, 2026, 596-613
ISSN 2337-4721 (Print)
ISSN 2442-9449 (Online)

DOI: https://doi.org/10.24127/jp

Zahra, V. A. H., & Irkhami, N. (2021). Analisis Pengaruh Mekanisme Good Corporate Governance, Financing To Deposit Ratio, Dan Ukuran Perusahaan Terhadap Profitabilitas Dengan Corporate Social Responsibility Sebagai Variabel Moderasi Pada Perbankan Syariah Di Indonesia Periode 2015-2019: Analysis Of The Mechanism Of Good Corporate Governance, Financing To Deposit Ratio And Firm Size To Profitability With Corporate Social Responsibility As A Moderating Variable Of Sharia Banking In Indonesia Period 2015-2019. NISBAH: Jurnal Perbanka Syariah, 7(1), 23–30.