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THE EFFECT OF FINANCIAL RATIO ON PROFITABILITY WITH NOM AND GWM AS MODERATING FACTORS OF BANKING FINANCIAL RATIOS (STUDY AT NTB SYARIAH BANK)

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Abstract

Profitability ratio is the main ratio in measuring the achievement of banking performance. Profitability ratio is influenced by several other ratios such as CAR, FDR, BOPO and NPF. This study examines and analyzes the effect of Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), Operating Expenses to Operating Income (BOPO) and Non Performing Financing (NPF) on the profitability of PT Bank NTB Syariah with NOM (Net Operating Margin) and Minimum Reserve Requirement (GWM) as moderating. This research is a quantitative study that wants to reveal the effect of financial ratios on profitability. The data used is the publication report data of PT Bank NTB Syariah for the period 2019 to 2021. The data analysis technique in this study used Partial Least Square (PLS). The results showed that CAR, BOPO, NPF had no significant and negative effect on ROA as indicated by the P value of 0.212, 0.505 and 0.360 respectively, while FDR had a significant and positive effect on ROA as indicated by a P value of 0.000. For moderator variables, namely GWM and NOM, both have no significant effect in moderating the FDR and BOPO variables, indicated by the P value of 0.988 and 0.589, respectively.

Keyword: *ROA, CAR, FDR, BOPO, NPF, GWM and NOM*

1. INTRODUCTION

PT Bank NTB Syariah is a regional bank owned by the people of West Nusa Tenggara which has officially carried out operational activities based on sharia principles dated September 24, 2018, which since its establishment in 1964 Bank NTB Syariah has run a business as a conventional bank In order to develop operations based on Islamic principles, the West Nusa Tenggara government has shown a commitment to the implementation of sharia in a kaffah manner by encouraging and supporting and realizing the conversion of BPD West Nusa Tenggara to become the second Regional Government-Owned Bank in Indonesia after BPD Aceh Syariah which operates fully using sharia principles.

Based on the decision of the General Meeting of Shareholders on June 13, 2016, which agreed on PT Bank NTB Syariah to carry out the conversion into Bank NTB Syariah, it provides an opportunity to strengthen a fair community economy for the people of West Nusa Tenggara. Based on that decision, the conversion stage carried out by the bank aims to be comprehensively implemented. Through a long process, in the end, the conversion, which took about two years,

was able to give birth to Bank NTB Syariah, which officially carried out operational activities based on sharia principles on September 22, 2018, based on the Decree of the Members of the Board of Commissioners of the Financial Services Authority No. Kep-145/D.03/2018 regarding the conversion to Bank NTB Syariah: Kep-145/D.03/2018 regarding the Granting of License to Change the Business Activities of Conventional Commercial Banks into Sharia Commercial Banks PT Bank NTB Syariah determines if the license for PT Bank NTB Syariah located in Mataram to change the business activities of Conventional Commercial Banks into Sharia Commercial Banks under the name PT Bank NTB Syariah (www.bankntbsyariah.co.id).

As a business entity that has public responsibility, the Bank is required to present quality financial statements so as to provide accurate and comprehensive information for all stakeholders and reflect the Bank's performance as a whole. Financial reports that can be used for business decision making must have good quality. A financial report is said to be of quality if it meets the requirements of the qualitative characteristics of financial statements consisting of reliable, relevant, comparability, and understandability. To achieve this quality, a financial report must be prepared based on generally accepted accounting principles.

Profitability serves as the most important benchmark for determining the performance of a bank. Profitability is also the bank's competence in creating or making profits effectively. To measure a bank's profitability, it usually uses profitability ratios because profitability ratios include debt ratios, activity ratios and liquidity ratios.

Profitability ratios consist of ROE (Return On Equity), which is a ratio that describes the amount of return on capital to generate profits, and ROA (Return On Asset), which is a ratio that shows the ability of all existing assets and is used to generate profits. In addition, Bank Indonesia is more concerned with ROA assessment than ROE because Bank Indonesia prioritizes the value of a bank's profitability as measured by assets whose funds mostly come from public deposits so that ROA is more representative in measuring the level of banking profitability. The greater the ROA of a bank, the greater the level of profit achieved by the bank and the better the position of the bank in terms of asset utilization (Ningsukma Hakiim, 2018).

From the studies conducted previously, that to analyze profitability (ROA), several related ratios were used including CAR, BOPO, FDR, NPF. The research conducted by Mahameru Rosy Rochmatullah that to measure profitability (ROA), namely the use of several related ratios including CAR, BOPO, FDR, NPF. ROA uses independent variables such as NPF, FDR and BOPO. Likewise, research conducted by Saiful Bachri, Suhadak and Muhammad Saifi that to measure ROA using CAR, NPF, OER and FDR. Of the two studies

actually still requires the relationship of several ratios as moderation of the independent variable. For example, the NOM ratio is related to the BOPO ratio, where this ratio takes into account Operating Income and Expenses. Where NOM will take into account the net income generated from financing distribution and treasury investment after deducting the cost of DPK profit sharing, as well as BOPO that the operating income which is the denominator also calculates this. For the FDR ratio which calculates Third Party Funds (DPK) actually has a relationship with GWM. Where GWM is the percentage value set by Bank Indonesia according to the value of DPK (Third Party Funds) collected by the Bank. GWM greatly affects the FDR ratio of a bank in determining the Bank Indonesia Reserve Account.

Departing from research conducted by Muhammad Yusuf Wibisono and Salamah Wahyuni, where there is a moderating variable, namely NOM. In this study NOM is used as moderation between the effect of CAR, NPF, BOPO and FDR on ROA. Therefore, this research can be a comparison to be able to examine more deeply the financial ratios of PT Bank NTB Syariah.

Based on the description above, it is interesting for researchers to conduct research related to profitability ratios that are influenced by several ratios as independent variables where some of these variables will be moderated by other ratios. So that researchers will conduct research at PT. Bank NTB Syariah with the title "The Effect of Islamic Banking Financial Ratios on Bank Profitability with NOM and GWM as Moderating Factors (Study at PT. Bank NTB Syariah)".

2. METODOLOGY

This type of research is quantitative research, which reveals the influence between financial ratios and profitability, namely by using descriptive statistical approaches and infrential statistics. Descriptive statistical approach to present data through tables, graphs, pie charts, pictograms, calculation of mode, median, mean (measurement of central tendency), calculation of deciles, percentiles, calculation of data distribution through calculation of average and standard deviation, calculation of percentage. In the descriptive statistical approach there is no significance test or no level of error. The inferential statistical approach is often also called inductive statistics or probability statistics, where this approach aims to reveal the level of error and confidence which is also called the significant level. Testing the significant level of the results of an analysis will be more practical if it is based on a table according to the analysis technique used, for example the t-test will use the t-table, the F test will use the F table.

The population in this study are all financial ratios of PT Bank NTB Syariah presented in the quarterly publication report. While the sample used is the financial ratios published in the period after the conversion to an Islamic Commercial Bank, namely 2019 to 2021. Independent variables are also referred to as independent variables, namely variables that affect or cause changes or the emergence of dependent variables (bound) (Sugiyono, 2020). In this study, the independent variables consist of; CAR ratio (X1), FDR ratio (X2), BOPO ratio (X3) and NPF ratio (X4), while the dependent variable is the profitability ratio or ROA (Y). Moderate variables are variables that affect (strengthen and weaken) the relationship between the independent and dependent variables. This variable is also known as the second independent variable (Sugiyono, 2020). In this study, the moderate variables are GWM (Z1) and NOM (Z2).

The data analysis technique in this study uses Partial Least Square (PLS). PLS is a Structural Equation Modeling (SEM) equation model with a variance-based approach or component-based structural equation modeling. The Smart-PLS analysis consists of two sub models, namely the measurement model or outer model and the structural model or inner model.

1. Measurement Model Test or Outer Model

The measurement model or outer model shows how each indicator block relates to its latent variable. Evaluation of the measurement model through confirmatory factor analysis is to use the MTMM (MultiTrait-MultiMethod) approach by testing convergent and discriminant validity. While the reliability test is carried out in two ways, namely with Cronbach's Alpha and Composite Reliability (Imam Ghozali and Kengky Latan, 2015).

a. Convergent Validity

Convergent validity of the measurement model with reflexive indicators can be seen from the correlation between the item score/indicator and the construct score. An individual reflective measure is said to be high if it correlates more than 0.70 with the construct to be measured. However, in the research stage of scale development, a loading of 0.50 to 0.60 is still acceptable.

b. Discriminant Validity

Discriminant validity of indicators can be seen in the cross loading between indicators and their constructs. If the correlation of the construct with its indicator is higher than the correlation of the indicator with other constructs, then it shows that the latent constructs predict the indicators in their block better than the indicators in other blocks. Another method to assess discriminant validity is to compare the square root of the average variance extracted (√AVE) for each construct with the correlation between the construct and other constructs and the

model. The model is said to have good enough discriminant validity if the AVE root for each construct is greater than the correlation between the construct and other constructs (Imam Ghozali and Kengky Latan, 2015).

In Ghozali & Latan, explaining other tests to assess the validity of the construct by looking at the AVE value. The model is said to be good if the AVE of each construct is greater than 0.50. In addition to the validity test, model measurement is also carried out to test the reliability of a construct. The reliability test is carried out to prove the accuracy, consistency and accuracy of the instrument in measuring constructs. In PLS-SEM, to measure the reliability of a construct with reflexive indicators can be done in two ways, namely with Cronbach's Alpha and Composite Reliability. The construct is declared reliable if the composite reliability and Cronbach alpha values are above 0.70.

c. Composite *Reability*

Outer model besides being measured by assessing convergent validity and discriminant validity can also be done by looking at the reliability of constructs or latent variables as measured by the composite reliability value. The construct is declared reliable if the composite reliability has a value> 0.7, then the construct is declared reliable.

2. **Test the Structural Model or Inner Model**

After testing the outer model that has been fulfilled, the next test is the inner model (structural model). The inner model can be evaluated by looking at the r-square (indicator reliability) for the dependent construct and the t-statistic value of the path coefficient test. The higher the r-square value, the better the prediction model of the proposed research model. The path coefficients value shows the level of significance in hypothesis testing.

a. R-Square

In assessing the structural model, first assess the R-Square for each endogenous latent variable as the predictive power of the structural model. Testing of the structural model is done by looking at the R-square value which is a goodness-fit model test. Changes in the R-Square value can be used to explain the effect of certain exogenous latent variables on endogenous latent variables whether they have a substantive effect. R-Square values of 0.75, 0.50 and 0.25 can be concluded that the model is strong, moderate and weak.

b. F-Square

This f-square test is conducted to determine the goodness of the model. The f-square values of 0.02, 0.15 and 0.35 can be interpreted whether the latent variable predictors have a weak, medium, or large influence at the structural level. *Estimasi For Path Coefficient*.

The next test is to see the significance of the influence between variables by looking at the parameter coefficient value and the significance value of T statistics, namely through the bootstrapping method.

3. Hypothesis Test

This test is conducted to see the magnitude of the indirect effect value between variables. This test was carried out using the bootstrapping method using smartPLS. In this study, the effect of exogenous (independent) variables on endogenous (dependent) variables if the T statistical value is greater than the T table and the P value is smaller than the significant level used (5%).

Hypothesis testing was carried out using the Bootstrap resampling method developed by Geisser & Stone. The test statistic used is the t statistic or t test, testing is carried out with a t-test, if a p-value ≤ 0.05 is obtained, it is concluded to be significant, and vice versa. If the results of hypothesis testing on the outter model are significant, this indicates that the indicator is considered usable as a latent variable measuring instrument. Meanwhile, if the test results on the inner model are significant, it can be interpreted that there is a meaningful influence of latent variables on other latent variables.

The hypotheses of this study are:

Ha1 : It is suspected that there is a significant influence between the capital ratio (CAR) and the increase in profitability (ROA) for the 2019-2021 period.

Ha2 : It is suspected that there is a significant influence between the liquidity ratio (FDR) and the increase in profitability (ROA) for the 2019-2021 period.

Ha3 : It is suspected that there is a significant influence between the efficiency ratio (BOPO) and the increase in profitability (ROA) for the 2019-2021 period.

Ha4 : It is suspected that the non-performing financing ratio (NPF) has a significant effect on increasing profitability (ROA) for the 2019-2021 period.

Ha5 : It is suspected that the moderating effect of GWM between the liquidity ratio (FDR) and the increase in profitability (ROA) for the 2019-2021 period.

Ha6 : It is suspected that the moderating effect of NOM between the efficiency ratio (BOPO) and the increase in profitability (ROA) for the 2019-2021 period.

3. RESULT AND DISCUSSION

3.1. RESULT

1. Schematic of Partial Least Squares Model (PLS)

In this study, hypothesis testing used the Partial Least Square (PLS) analysis technique with the smartPLS 3.2.9 program. The following is the PLS program model scheme tested:

Schematic 1. Partial Least Squares Model

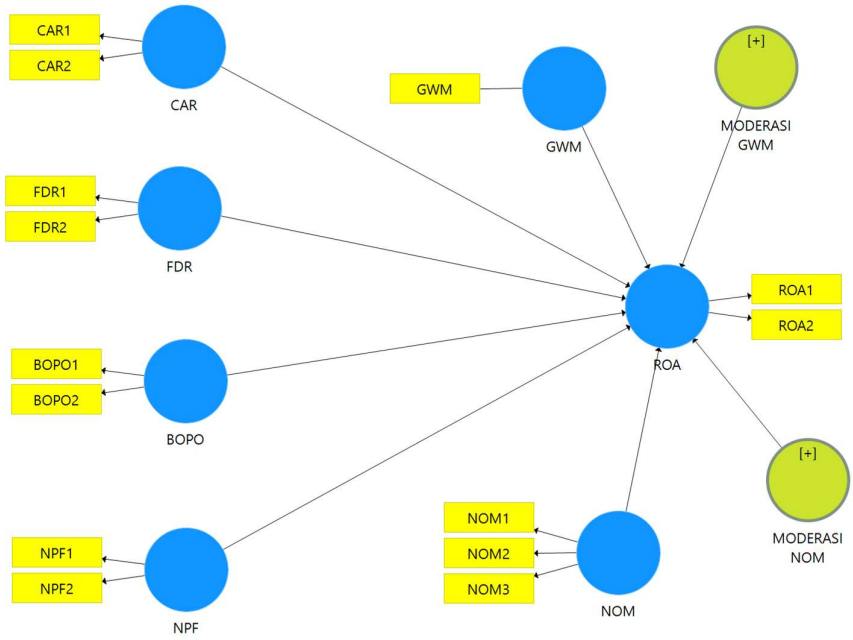
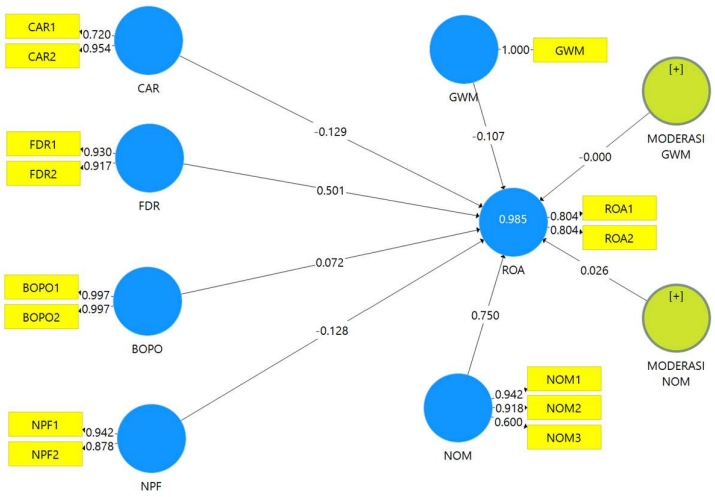


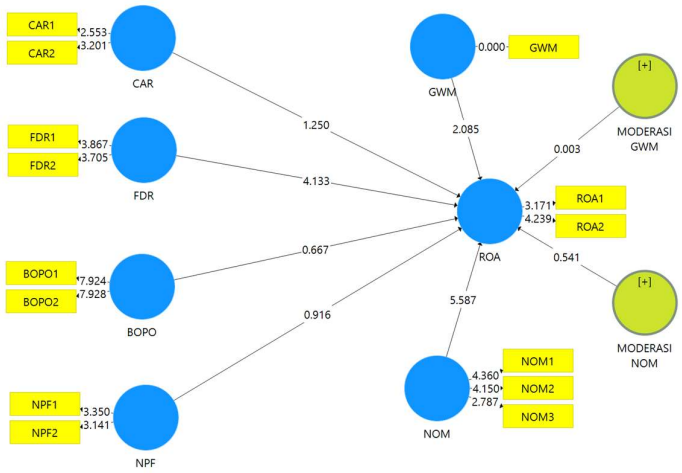
Table 1. PLS Model Explanation

Variabel	Indikator	Simbol
ROA	Asset	ROA1
	Profit Before Tax	ROA2
CAR	Capital	CAR1
	RWA	CAR2
FDR	Total Third Party Funds (DPK)	FDR1
	Total Financing	FDR2
BOPO	Operating Income	BOPO1
	Operating Expenses	BOPO2
NPF	Total Financing	NPF1
	Non-performing Financing (col 3,4,5)	NPF2
GWM	Reserve Requirement Ratio	GWM
NOM	Fund Disbursement Income minus Profit Sharing Expense	NOM1
	Operating Expenses	NOM2
	Earning Assets	NOM3

***Schematic 2. Outer* Model**



***Schematic 3. Inner* Model**



a. *Outer* Model Evaluation

1) Convergen Validity

To test convergent validity, the outer loading value or loading factor is used. An indicator is declared to meet convergent validity in a good category if the outer loading value is> 0.7. The following is the outer loading value of each indicator on the research Table 2. Based on the table 2, it is known that each indicator of the research variable has many outer loading values> 0.7. However, there is 1 (one) indicator that has an indicator that has an outer loading value <0.7, namely the NOM3 indicator with a value of 0.600. The outer loading value between 0.5-0.6 is considered sufficient to meet the convergent validity requirements so that all indicators are said to be still feasible or valid for use in further analysis.

Table 2. Variables *Outer Loading*

VARIABEL	INDIKATOR	*OUTER LOADING*
ROA	ROA1	0.804
	ROA2	0.804
CAR	CAR1	0.720
	CAR2	0.954
FDR	FDR1	0.930
	FDR2	0.917
BOPO	BOPO1	0.997
	BOPO2	0.997
NPF	NPF1	0.942
	NPF2	0.878
GWM	GWM	1.000
NOM	NOM1	0.942
	NOM2	0.918
	NOM3	0.600
MODERASI	GWM	1.028
	NOM	0.930

2) Discriminant Validity

This section describes the results of the discriminant validity test. The discriminant validity test uses the cross loading value. An indicator is declared to meet discriminant validity if the cross loading value of the indicator on its variable is the largest compared to other variables.

Based on the data presentation in the Table 3, it can be seen that most of the indicators on the research variables have the largest cross loading value on the variables they form compared to the cross loading values on other variables. There are indicators that are not the highest value in their variables such as FDR2, NOM1, NOM2, NOM3, NPF1, ROA1 and ROA2, but have good discriminant validity in compiling their respective variables because they have high cross loading values. Based on the results obtained, it can be stated that the indicators used in this study have good discriminant validity in compiling their respective variables.

Tabel 3. Cross Loading

	BOPO	CAR	FDR	GWM	Moderasi GWM	Moderasi NOM	NOM	NPF	ROA
BOPO * NOM	-0.024	0.174	0.042	0.088	0.558	1.000	0.004	-0.020	0.017
BOPO1	0.997	0.270	0.361	0.523	-0.089	-0.035	0.916	0.309	0.810
BOPO2	0.997	0.317	0.381	0.523	-0.090	-0.013	0.902	0.348	0.796
CAR1	-0.009	0.720	0.521	-0.093	0.213	0.452	0.193	0.418	0.302
CAR2	0.376	0.954	0.891	-0.076	0.096	0.026	0.633	0.950	0.702
FDR * GWM	-0.090	0.149	0.157	-0.330	1.000	0.558	0.004	0.189	0.081
FDR1	0.331	0.680	0.930	0.053	0.133	-0.011	0.618	0.698	0.778
FDR2	0.358	0.962	0.917	-0.084	0.159	0.093	0.632	0.942	0.717
GWM	0.524	-0.092	-0.014	1.000	-0.330	0.088	0.401	-0.159	0.259
NOM1	0.953	0.307	0.430	0.462	-0.006	-0.010	0.942	0.359	0.859
NOM2	0.984	0.261	0.375	0.589	-0.108	-0.017	0.918	0.288	0.817
NOM3	0.263	0.915	0.939	-0.115	0.144	0.043	0.600	0.902	0.710
NPF1	0.358	0.962	0.917	-0.084	0.159	0.093	0.632	0.942	0.717
NPF2	0.222	0.613	0.651	-0.234	0.194	-0.178	0.423	0.878	0.501
ROA1	0.339	0.865	0.981	-0.090	0.173	0.017	0.656	0.899	0.804
ROA2	0.956	0.194	0.322	0.507	-0.043	0.010	0.890	0.204	0.804

Apart from observing the cross loading value, discriminant validity can also be known through other methods, namely by looking at the average variant extracted (AVE) value for each indicator, which is required to be> 0.5 for a good model. Based on the data presentation in the Table 4, it is known that the AVE value of ROA, CAR, FDR, BOPO and NPF variables as well as the moderating variables of GWM and NOM are > 0.5. Thus it can be stated that each variable has good discriminant validity

***Table 4. Average Variant Extracted* (AVE)**

VARIABEL	Rata-rata Varians Diekstrak (AVE)
BOPO	0.994
CAR	0.714
FDR	0.853
GWM	1.000
MODERASI GWM	1.000
MODERASI NOM	1.000
NOM	0.697
NPF	0.830
ROA	0.647

3) Composite Reliability

Composite Reliability is the part used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability if it has a composite reliability value> 0.6. The following is the composite reliability value of each variable used in this study:

Table 5. Composite Reliability

VARIABEL	Reliabilitas Komposit
BOPO	0.997
CAR	0.831
FDR	0.921
GWM	1.000
MODERASI GWM	1.000
MODERASI NOM	1.000
NOM	0.869
NPF	0.907
ROA	0.785

Based on the data presentation in the table above, it can be seen that the composite reliability value of all research variables is> 0.6. These results indicate that each variable has met the composite reliability so that it can be concluded that the overall variable has a high level of reliability.

Just like AVE, there is also a processed graph from the smart pls application for Composite Reliability, where all latent variables show all green graphs, which means that all variables can be qualified and can be used for further analysis.

b. *Inner* Model Evaluation

This model will explain the results of the R-Square, F-Square, Estimate for path Coefficient and Prediction relevance (Q square) tests.

1) *R-Square Test.*

The R-square test is to measure how much the endogenous variable is influenced by other variables. The R-Square results can be seen in the following table:

Table 6. R-Square Results

	R Square	Adjusted R Square
ROA	0.985	0.980

From the table above, the coefficient of determination (R Square) jointly or simultaneously influenced by CAR, FDR, BOPO, NPF, GWM and NOM on ROA (Y) is 0.985 with an Adjusted R Square value of 0.980. So, it can be explained that all exogenous constructs (CAR, FDR, BOPO, NPF, GWM and NOM) simultaneously affect ROA by 0.980 or 98%. Because Adjusted R Square is above 75%, the influence of all exogenous constructs (CAR, FDR, BOPO, NPF, GWM and NOM) on ROA is strong.

2) *F-Square Test.*

The F-Square test determines the magnitude of the influence between exogenous variables on endogenous variables with Effect Size or f-square. The magnitude of this influence can be seen in the table as follows:

Table 7. *F-Square* Result

Variabel	ROA	Description
BOPO	0.019	Weak
CAR	0.119	Weak
FDR	1.548	Strong
GWM	0.345	Medium
NOM	1.351	Strong
NPF	0.126	Medium

Based on the table above, it can be explained that there are variables that have a strong F-Square, namely FDR and NOM, so it can be said that these two variables have a good model in predicting latent variables at the structural level of the model. Other variables such as GWM and NPF have an F-square with a medium value, while BOPO and CAR have a weak value in predicting variables at the structural level of the model.

3) Estimation Test *for Path Coefficient*

This test is to see the significance of the influence between variables by looking at the parameter coefficient value and the significance value of T statistics, namely through the bootstrapping method.

Table 7. *Inner Model Result*

Relationship between Variables	T Statistics	P Values	Description
BOPO → ROA	0.667	0.505	No Effect
CAR → ROA	1.250	0.212	No Effect
FDR → ROA	4.133	0.000	Significant Effect
GWM → ROA	2.085	0.038	Significant Influence
MODERASI GWM → ROA	0.003	0.998	No Effect
MODERASI NOM → ROA	0.541	0.589	No Effect
NOM → ROA	5.587	0.000	Significant influence
NPF → ROA	0.916	0.360	No Effect

Based on the table above, it can be explained that there is a relationship value between exogenous (independent) variables on endogenous (dependent) variables that have a significant effect and no effect. Variables that have a significant effect on ROA are FDR, GWM and NOM, while variables that have no effect are BOPO, CAR, and NPF.

c. Hypothesis Test Results

It is suspected that there is a significant influence between the capital ratio (CAR) and the increase in profitability (ROA) for the 2019-2021 period. To answer this hypothesis, it can be analyzed according to the results of T Statistics and P Value as follows:

Table 8. Hypothesis 1 Analysis Results

Relationship between Variables	T Statistics	T table	P Values	Significant Levels
CAR → ROA	1.250	2.04523	0.212	0.05

Based on the table above that T Statistic (1.250) < T Table (2.04523) and the P Value (0.212) > 0.05, it can be concluded that the CAR variable has no significant and negative effect on ROA.

It is suspected that there is a significant effect between the liquidity ratio (FDR) and the increase in profitability (ROA) for the 2019-2021 period. To answer this hypothesis, it can be analyzed according to the results of T Statistics and P Value as follows:

Table 9. Hypothesis 2 Analysis Results

Relationship between Variables	T Statistics	T table	P Values	Significant Levels
FDR → ROA	4.133	2.04523	0.000	0.05

Based on the table above that T Statistics (4.133) > T Table (2.04523) and the P Value (0.000) <0.05, it can be concluded that the FDR variable has a significant and positive effect on ROA.

It is suspected that there is a significant effect between the efficiency ratio (BOPO) and the increase in profitability (ROA) for the 2019-2021 period. To answer this hypothesis, it can be analyzed according to the results of T Statistics and P Value as follows:

Table 10. Hypothesis 3 Analysis Results

Relationship between Variables	T Statistics	T table	P Values	Significant Levels
BOPO → ROA	0.667	2.04523	0.505	0.05

Based on the table above that T Statistic (0.667) < T Table (2.04523) and the P Value (0.505) > 0.05, it can be concluded that the BOPO variable has no significant and negative effect on ROA.

It is suspected that there is a significant influence between the ratio of problematic financing (NPF) on increasing profitability (ROA) for the 2019-2021 period. To answer this hypothesis, it can be analyzed according to the results of T Statistics and P Value as follows:

Table 11. Hypothesis 4 Analysis Results

Relationship between Variables	T Statistics	T table	P Values	Significant Levels
NPF → ROA	0.916	2.04523	0.360	0.05

Based on the table above that T Statistic (0.916) < T Table (2.04523) and the P Value (0.360) > 0.05, it can be concluded that the NPF variable has no significant and negative effect on ROA.

It is suspected that the moderating effect of GWM between the liquidity ratio (FDR) and the increase in profitability (ROA) for the period 2019 2021. To answer this hypothesis, it can be analyzed according to the results of T Statistics and P Value as follows:

Table 12. Hypothesis 5 Analysis Results

Relationship between Variables	T Statistics	T table	P Values	Significant Levels
MODERASI GWM → ROA	0.003	2.04523	0.998	0.05

Based on the table above that T Statistic (0.003) < T Table (2.04523) and P Value (0.998) > 0.05, it can be concluded that the moderating variable GWM has no significant effect between the relationship between FDR and ROA. This means that it does not weaken or strengthen the FDR variable on ROA.

Meanwhile, if it is seen that the direct relationship between GWM to ROA has a significant and positive effect on ROA where the T Statistic value (2.085) > T Table (2.04523) and the P Value (0.038) < 0.05 according to the following table:

Table 13. Direct Relationship of Reserves to ROA

Relationship between Variables	T Statistics	T table	P Values	Significant Levels
GWM → ROA	2.085	2.04523	0.038	0.05

It is suspected that the moderating effect of GWM between the liquidity ratio (FDR) and the increase in profitability (ROA) for the period 2019 2021.To answer this hypothesis, it can be analyzed according to the results of T Statistics and P Value as follows:

Table 14. Hypothesis 6 Analysis Results

Relationship between Variables	T Statistics	T table	P Values	Significant Levels
MODERASI NOM → ROA	0.541	2.04523	0.589	0.05

Based on the table above that T Statistic (0.541) < T Table (2.04523) and P Value (0.589) > 0.05, it can be concluded that the moderating variable NOM has no significant effect between the relationship between BOPO and ROA. This means that it does not weaken or strengthen the BOPO variable on ROA.

Meanwhile, if it is seen that the direct relationship between NOM and ROA has a significant and positive effect on ROA where the T Statistic value (5.587)> T Table (2.04523) and the P Value (0.000) <0.05 according to the following table:

Table 15. Direct Relationship of NOM to ROA

Relationship between Variables	T Statistics	T table	P Values	Significant Levels
NOM → ROA	5.587	2.04523	0.000	0.05

3.2 DISCUSSION

a. The effect of CAR (Capital Adequacy Ratio) on the profitability of PT Bank NTB Syariah.

Based on the results of the hypothesis analysis that CAR has no significant effect on ROA, where the P Value value is greater than 0.05, which is 0.212. Meanwhile, when viewed from the Statistical Test that the T Statistic value (1.250) is smaller than the T Table (2.04523), this shows that CAR has a negative influence on ROA. Of the 2 (two) indicators that form the CAR variable, namely Capital and RWA, the outer model is a feasible and valid indicator to form the CAR variable, but after boostrapping the two indicators do not have a significant effect on ROA. The results of this study support the studies conducted by Saiful Bachri, Suhadak and Muhammad Saifi, Ningsukma Hakiim and Nur Ahmadi Bi Rahmani, that CAR has no significant effect on ROA.

While the results of the research hypothesis can be explained that CAR has a negative and insignificant effect on ROA, meaning that any increase in CAR will have a negative effect on ROA but not significant. This is due to any increase in the Risk Weighted Assets (RWA) indicator which reflects the ability of a bank to cover losses that will occur, the bank must form a risk reserve that must be formed from the risk burden. So that the increase in RWA will negatively affect the increase in profitability, but the increase in capital has no effect on ROA due to additional capital based on deposits from shareholders.

CAR has no effect on ROA because the money or funds owned by banks not only come from their own capital, but can also come from other parties, for example from loans received. In addition, in general, the use of capital to generate profits is not significantly used, because the distribution of financing is more focused on Third Party Funds or financing received.

b. The effect of FDR (Financing to Deposit Ratio) on the profitability of PT Bank NTB Syariah.

Based on the results of the hypothesis analysis that FDR has a P value smaller than 0.05 which is equal to 0.000 and T Statistics (4.133) greater than T Table (2.04523), this indicates that FDR has a positive and significant effect on ROA. From these results it is explained that

FDR has a positive and significant effect on increasing the profitability of PT Bank NTB Syariah, where any increase in FDR will affect the increase in ROA.

In this study the indicators used for FDR variables are Total Financing and Total DPK. These two indicators are indeed very related to the increase or decrease in the profit of a bank. Financing generates income while DPK creates expenses, but if the ratio of the two indicators can be managed properly, it will increase profitability.

Based on the results of hypothesis testing, it can be explained that any increase in the FDR ratio will have a positive and significant effect on the profitability of PT Bank NTB Syariah. This means that with a good FDR ratio, as long as it does not exceed the upper limit of the FDR provisions, banks will get good profitability as well. In line with these results it can be explained that PT Bank NTB Syariah is able to manage the FDR ratio well. A bank if it distributes too much financing is also not good or too little financing distribution while too much DPK is collected, then in such cases it will affect the movement of Bank profits.

Finacing to Debt Ratio (FDR) states how far the bank's ability to pay back withdrawals made by depositors by relying on financing provided as a source of liquidity. The greater the financing, the higher the income earned. In operational activities, banks can experience excess or lack of liquidity. If there is an excess, then it is considered as a bank profit. Meanwhile, if there is a lack of liquidity, the bank needs a means to cover the shortage. Low liquidity indicates that banks place more of their funds at Bank Indonesia, at other banks or in the form of securities. Low liquidity has an impact on financing expansion. This is done because banks consider the risk of loans so that it has an impact on the low profitability of Islamic banks (M. Yusuf W. and Salamah W, 2017).

c. The effect of BOPO (Operating Expenses Against Operating Income) on the profitability of PT Bank NTB Syariah.

Based on the results of hypothesis analysis that BOPO has a P Value greater than 0.05 which is equal to 0.505 and the value of T Statistics (0.667) is smaller than T Table (2.04523), this indicates that BOPO has no significant and negative effect on ROA. From these results it is explained that BOPO has no significant and negative effect on increasing the profitability of PT Bank NTB Syariah, where any increase in BOPO will reduce ROA.

In this study BOPO has two indicators, namely Operating Income and Operating Expenses. Judging from the research results that BOPO has a negative effect on ROA, where any increase in BOPO will have a negative effect on ROA. This is in accordance with the purpose of calculating the efficiency ratio (BOPO) where any increase in BOPO means that

banks are considered inefficient in managing their operating expenses or are unable to increase their operating income along with the increase.

The results of this study indicate that PT Bank NTB Syariah is still considered good at managing BOPO even though the BOPO ratio level continues to increase. It cannot be denied that the Covid-19 case has made it difficult for almost all banks to maximize operating income while operating expenses must still be incurred. The formation of large reserves due to the large amount of high-risk financing, which is the impact of the case, causes a large operational expense to be incurred.

The negative value shown by BOPO indicates that the smaller the BOPO shows the more efficient the bank is in carrying out its business activities, a small BOPO indicates that the bank's operating costs are smaller than its operating income so that it shows that bank management is very efficient in carrying out its operational activities (Ningsukma Hakiim, 2018).

Operating Expenses / Operating Income (BOPO) is used to measure the level of efficiency and ability of banks in carrying out their operations. An increase in the BOPO ratio means that the increase in operating costs is not proportional to the increase in operating income. A good or ideal condition is that operating costs are getting smaller but are followed by an increase in operating income. For research on Bank NTB Syariah, it is found that the increase in the BOPO ratio is actually followed by a decrease in the ROA ratio, meaning that operating costs increase as well as operating income increases but is unable to compensate for the increase in operating costs, this occurs because most of the operating costs are used to increase other productive assets. So it can be concluded that BOPO has a negative but insignificant effect on ROA.

d. The effect of NPF (Non Performing Financing) on the profitability of PT Bank NTB Syariah.

Based on the results of the hypothesis analysis that NPF has a P Value greater than 0.05 which is equal to 0.360 and the value of T Statistics (0.916) is smaller than T Table (2.04523), this indicates that NPF has no significant and negative effect on ROA. From these results it is explained that NPF has no significant and negative effect on increasing the profitability of PT Bank NTB Syariah, where any increase in NPF will reduce ROA.

The indicators used for NPF are Total Financing and Problem Financing (collect 3,4 and 5). The development of PT Bank NTB Syariah financing continues to increase every year but the risk of non-performing financing cannot be avoided. If a bank has too much non-performing financing, it will drain the bank's profit by forming a loss reserve for non-performing financing, thus affecting the bank's profitability. In accordance with the results of

this study that NPF has no significant effect on and negatively affects ROA, meaning that the increase in non-performing financing contributes to reduced bank profits but not significantly.

The NPF ratio illustrates the ability of banks to manage non-performing financing, the significant development of PT Bank NTB Syariah financing is able to cover non-performing financing which increases every year but not significantly. The NPF ratio of PT Bank NTB Syariah tends to decrease every year, this indicates that PT Bank NTB Syariah is able to manage the NPF ratio well. The results of the research conducted illustrate the relationship between NPF and ROA is not significant, in accordance with the development of banking ratios.

e. The effect of FDR on profitability moderated by minimum reserve requirement (GMW).

Based on the results of hypothesis analysis that GMW moderation has a P Value greater than 0.05 which is 0.988, and the value of T Statistics (0.003) is smaller than T Table (2.04523), this indicates that GWM has no significant and negative effect in moderating FDR on ROA. From these results it is explained that GWM is a factor that weakens the relationship in moderating FDR to increase the profitability of PT Bank NTB Syariah.

The GWM variable indicator is the GWM ratio that has been calculated by Bank NTB Syariah based on the GWM provisions of Bank Indonesia. The determination of the GWM percentage is based on the Regulation of the Members of the Board of Governors with regard to liquidity policy in order to maintain stability as well as to mitigate the impact of global barrage. The results showed that GWM has no effect and negative relationship between FDR and ROA, indicating that global influences have no significant effect on the development of FDR Bank NTB Syariah to ROA. Therefore, the Bank NTB Syariah only needs to maintain the value to keep the changes in the liquidity policy provisions of Bank Indonesia.

If the bank's liquidity is reduced, the bank's ability to distribute financing will also be reduced. The bank will also increase the profit sharing ratio of deposits to increase third party funds. Since financing affects profitability growth, changes in financing due to changes in reserve requirements are expected to affect profitability growth, so that the decline does not affect much due to the amount of capital and third party funds.

f. The effect of BOPO on profitability moderated by NOM (Net Operating Margin).

Based on the results of the hypothesis analysis that the moderation of NOM has a P Value greater than 0.05, which is 0.589 and the value of T Statistics (0.541) is smaller than T Table (2.04523), this indicates that NOM has no significant and negative effect in moderating BOPO on ROA. From these results it is explained that NOM is a weakening factor in moderating BOPO on increasing the profitability of PT Bank NTB Syariah.

The indicators of NOM in this study are the income of distribution of funds after deducting profit sharing expenses, operating expenses after deducting CKPN expenses and productive assets consisting of financing, securities, uncommitted and bank guarantees. The indicators that make up the NOM variable are very complex where in addition to presenting the value in the profit and loss account and balance sheet, they also present the value on the off balancing sheet which is the value of commitments and contingencies in the financial statements. In terms of the outer loading test, all of these indicators are able to form exogenous variables well. All of these indicators have a negative effect in moderating BOPO on ROA, meaning that any increase in BOPO will reduce ROA and NOM also affects the relationship but is not significant. This shows that NOM is a ratio that influences the movement of ROA. The moderation indication of NOM provides information to PT Bank NTB Syariah to maintain the value of the ratio so as to minimize the movement of decreasing bank profitability.

4. CONCLUSION

Based on the description above, it can be concluded as follows:

1. The capital adequacy ratio (CAR) does not have a significant effect on ROA, as evidenced by research results where the P Value is greater than 5%. This means that any changes in the CAR value during the study period have no effect on the increase in Profitability of Bank NTB Syariah. And if you look at the T statistics, it has a negative effect on the increase in ROA, where every increase in the ratio of the CAR ratio indicator shows a negative relationship with ROA.
2. The financing-to-deposit ratio (FDR) has a significant and positive effect on ROA, as evidenced from research results that the P Value is less than 5%. Each increase in FDR will have a positive effect on increasing ROA, in which Bank NTB Syariah's ability to expand financing and maintain the stability of Third Party Funds (DPK) allows it to generate high revenue by controlling the burden on DPK profit sharing.
3. Operational Expense Against Operating Income (BOPO) does not have a significant effect on ROA, as evidenced by research results where the P Value is greater than 5%. Where every increase in the BOPO value has no effect on increasing ROA, and when viewed from the statistical T analysis it shows that it has a negative relationship.
4. Non-performing financing (NPF) has no significant effect on ROA, as evidenced by the results that the P Value is greater than 5%. Every increase in NPF has no significant effect on the increase in Profitability of Bank NTB Syariah, and when viewed from the T-Statistics

analysis, it shows a negative relationship, meaning that every increase in NPF will reduce profitability. This is in line with the formation of CKPN, which will drain Bank profits.

5. Moderation of Net Operating Margin (NOM) for the effect of BOPO on ROA has no significant effect on moderating the relationship between BOPO and ROA, as evidenced by a P value greater than 5%. The NOM indicators cause the mediating effect of NOM on BOPO on ROA, where the NOM indicator, apart from taking into account expenses and income, also includes productive assets, namely financing, securities, and nominative off-balancing such as bank guarantees and easy withdrawals. A statistical T test shows the negative effect of NOM moderation on ROA.
6. Moderation of the Minimum Statutory Reserves (GWM) on the influence of FDR on ROA has no significant effect on moderating the relationship between FDR and ROA, as evidenced by the results of the P Value greater than 5%, and GMW has a negative effect on moderating the relationship between FDR and ROA. The GWM percentage is determined by Bank Indonesia's policy, which is influenced by global conditions, so that in moderating FDR, it does not show a significant effect of FDR on ROA.

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