Dominance of Finansial Ratios to ROE at PT Bank Muamalat Indonesia Tbk

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ABSTRACT

This research aims to understand the statistical results of the effect of CAR, FDR, NPF Net, ROA on ROE at PT Bank Muamalat Indonesia Tbk in 1999-2020. This research utilizes a descriptive method with a quantitative case study pattern design where the partial hypothesis test results that have been carried out by Analyzing Linear Regression model Coefficients of ROA Standardized Coefficients Beta component show the most influence of 0,831 able to explain 83,1% of the level of powerful relationship between the dependent variables and the remaining 16,9% is influenced by other variables, TCount 9,473 > TTable 2,07387 there is a significant effect of the value of 0,000 < 0,050 the hypothesis is accepted normally distributed residuals on ROE. The results of simultaneous hypothesis testing that have been carried out based on the Analyzing Linear Regression Model Summary table show that together the independent variable components of 0,946 are able to explain 94,6% of the very strong relationship between the dependent variable and the remaining 5,4% is influenced by other variables, FCount 36,291 > FTable 2,96 there is a significant effect of the value of 0,000 < 0,050 the hypothesis is accepted that the residual is normally distributed on ROE.

Keywords: finansial rasio; ROE; PT Bank Muamalat Indonesia Tbk

A. INTRODUCTION

In the globalization era, banking institutions play a critical strategic role in driving a nation's economy. Islamic banking in Indonesia has positive contribution to the national economy, especially in the Loan to Deposit Ratio parameter, which on average is not more than 55%. The banking concept that always maintains a balance between the monetary and real sectors affects the achievement. a pattern of regulating the processing of available economic resources supported by economic growth of a nation in a directed and integrated manner to be utilized for improving the welfare of the community. Economic institutions work hand in hand to manage and mobilize all economic potential to be optimally useful.

Banks are the financial intermediaries of the community where the intermediaries of those

who have excess money with those who lack money (Sinungan, 2000). According to (Arifin, 2005) banks are intermediary institutions between savers and investors. Savings can be useful if invested, while savers cannot be expected to be able to do it themselves skillfully and successfully. Customers want to keep their funds in the bank because they believe that the bank can choose a good investment alternative. The key to successful bank management as a financial intermediary runs well, bank must people loyal to use banking services.

In specifically, financial statement analysis examines ratio calculations to assess financial conditions before making decisions in the future. Ratio analysis is a kind or technique frequently employed in financial statement analysis. Ratios are tools used to illustrate specific relationships between one item and another from a financial statement. They can be stated in absolute or relative terms. According to Harap (2002), there are four main categories of financial ratios: liquidity, solvency, activity, and profitability ratio.

Financial statements provide a functional area-by-functional area summary of each activity (Arifin, 2005). The profit and loss statement gauges how profitable management choices were over a certain time period, while the balance sheet shows judgments regarding decisions made for functional areas. Financial statement ratios are used to compare the level of sales and investment in all company assets, to balance the amount of assets owned by the company with the amount of debt that must be borne and paid, to evaluate the bank's capacity to pay short-term or past-due debts, as well as the efficacy of management measured by the bank's ability to use its own capital to offset asset losses that have caused a decrease in value.

This research complements several previous studies, where the choice of ratios used are the dominant ratios used in measuring ROE performance, namely CAR, FDR, NPF Net, and ROA. CAR shows the bank's capabilities in maintaining sufficient capital and internal bank management capabilities identify, measure, monitor and control risks that arise influence the amount of capital, FDR to asses liquidity of bank, in which this indicator of banking ability to repay withdrawals made by customers. NPF to asses problematic financing, and ROA indicator of banking ability to repay withdrawals made by customers, and ROA to asses ability of banking to gains profit.

In accordance with the above background, the authors formulate the problem with the goal of determining the statistical findings of the impact of CAR, FDR, NPF Net, and ROA on ROE at PT Bank Muamalat Indonesia Tbk between 1999 and 2020. The author's research aims to scientifically ascertain the statistical results of the independent variables' influence on the dependent variable of PT Bank Muamalat Indonesia Tbk in the years 1999-2020 because there was a financial crisis that occurred in 1998 which had a broad impact on the business sector including banking, then in the 2000s Bank Muamalat Indonesia succeeded in turning financial losses into profits and began issuing financial products including sukuk, becoming the first sukuk in Indonesia and opening the first international branch in Kuala Lumpur Malaysian. Bank Muamalat Indonesia's financial condition in 2010-2020 was in a fairly stable condition, for example CAR in 2014-2020 did not see a significant increase, while FDR was also stable until

2017 and in 2018-2020 it decreased but remained within the minimum limit set (Dewi, Setiawan, & Ruhadi, 2022), and to draw attention to the issues that still need to be addressed. The authors' analysis of the issue is limited to the financial statement data for the two most recent years, from 1999 to 2020. Firm performance, which is determined in this study by the state of the health of the bank, strong performance will result in a high firm value, which will entice investors to put money into the business in the hopes that the share price would rise.

B. THEORETICAL FOUNDATION

Similar to other industries, the banking sector uses financial statements to give decision-makers information on the operating activities of the bank and its financial status. Each functional area's actions are summed up in financial statements. The profit or loss statement gauges the degree of profit-making potential of management decisions made over a given amount of time, whereas the balance sheet gives judgments about the management decisions made for the functional areas. The main goals of examining bank financial statements are to identify any issues with the bank's state of finances, the volume of its operating results, any changes to the bank's state of finances, information

reported in the bank's profit and loss statement, and the creation of indicators that will help and hinder the bank. activities in accomplishing objectives for the bank's management tools. Financial statements serve as a source of information for those who require it.

Dendawijaya (2005) in order to evaluate the level of operational effectiveness and financial gain achieved by the concerned bank, one must ascertain profitability and profitability as a measuring instrument. A bank's profitability is a particular indicator of its performance, and the management of the organization seeks to maximize shareholder value, optimize different return levels while reducing current risks. The goal of a bank's profitability analysis is to gauge the degree of operational effectiveness and financial success attained by the relevant bank (Muljono, 1990).

Capital Adequacy Ratio (CAR) is one of the important factors in order to develop business ventures and accommodate the risk of loss, the higher the CAR, the stronger the bank's ability to bear the risk of each risky credit. If the CAR value is high at 8%, it means that the bank is able to finance bank operations, every situation for the bank will provide bank operations, a favorable situation for the bank will contribute significantly to profitability (Mudrajad, 2002). The results of the above ratio calculation are then compared with the minimum capital requirement of 8%. Based on the results of this comparison, it can be seen whether the bank concerned has fulfilled the provisions of CAR or not. If the result of the comparison between the calculation ratio of the capital ratio and the minimum capital provision obligation is equal to 100% or more, the bank's capital has met the CAR requirements. Conversely, if the result is less than 100%, the bank's capital does not meet the CAR requirements (Dendawijaya, 2005). Formulated as follows:

$$CAR = \frac{Bank\ Capital}{Total\ RWA} \times 100\%$$

The ratio of the total credit extended to the total of funds received by the bank is known as the Financing Deposit to Ratio, or FDR. Each bank has different liquidity demands based on a variety of factors, including the size of the bank and the nature of its operations (Dendawijaya, 2005). LDR indicates the extent to which the bank may rely on loans as a source of liquidity to cover depositor withdrawals, the extent to which granting credit to clients can mitigate the bank's duty to promptly fulfill the requests of depositors seeking to withdraw funds that have been utilized by the bank to grant credit. The bank in question has a lesser liquidity capacity when the ratio is larger. This is a result of the growing quantity of money required to finance credit. This ratio also serves as a gauge of a bank's capacity and susceptibility. The majority of banking professionals concur that a bank's financing deposit to ratio should not exceed 80%, but that there is a tolerance limit of 85% to 100%. One of the bank's liquidity assessments as shown by this ratio. It is formulated as follows:

$$FDR = \frac{Loans\ Granted}{Community\ Funds} \times 100\%$$

NPF represents the amount of bad financing at the bank. The rate of return on funding provided to banks by depositors is known as NPF. By comparing Non-Current Financing to Total Financing, NPF is determined. The bank will be more profitable the lower the NPF level; if the NPF level is large, the bank will lose money as a result of the volume of poor credit returns. If the financing is troublesome, that would be the bank's most unfortunate financing development. This is mostly because of the debtor's inability to meet the terms of the financing arrangement, which include paying principal financing installments and achieving the outcomes agreed upon by both parties (Dendawijaya, 2005). Formulated as follows:

$$NPF\ Net = \frac{No\text{-}Current\ Loans}{Total\ Credit} \times 100\%$$

Return On Asset (ROA) is a metric used to assess overall company's capacity to earn a profit using all of available assets. In Kasmir (2012). ROA is a ratio to assess how well a business uses assets to generate profits (Faisal, 2005). Formulated as follows:

$$ROA = \frac{Net\ Profit\ Before\ Tax}{Total\ Assets} \times 100\%$$

Profitability is a metric to assess the degree of operational effectiveness and profitability achived by bank. Dendawijaya (2005). An indication of a bank's potential to boost revenue is typically provided by management that can raise Return On Equity (ROE). An increase in the market value of the bank's shares \occurs after a rise in ROE. Muljono (1990). The higher the return, the larger the dividends that are paid out or reinvested as retained earnings. This formula is particularly significant to the bank's shareholders since it measures the management's ability to manage available capital to achieve Net Income. Formulated as follows:

$$ROE = \frac{Net\ Income}{Total\ Equity} \times 100\%$$

By arranging the data so that its features may be quickly understood, clarified, and used for future objectives, statistical analysis is a method of characterizing issues based on the data that is possessed. By arranging the data so that its features may be quickly understood, clarified, and used for future objectives, statistical analysis is a method of characterizing issues based on the data that is possessed. In this research, use analysis of linier regression, before the Normality Test and Classical Assumption Test were carried out first (Priyatno, 2011).

1. Data normality testing utilizing the Kolmogorov-Smirnov One-Sample Test, if the probability is greater than 0.05 then residuals are normally distributed and residual significance value examined. It is better if the probability <0.05 then the residuals are not normally distributed. (Priyatno, 2011).

2. The multicollinearity test is to ascertain whether a correlation between the independent variables was found by the regression model. A proper regression model should not have any correlation between the independent variables. The test method used is by looking at VIF and Tolerance values in the regression model. If using VIF approach to test the hypothesis, the criteria or measures used are as follows: If the VIF coefficient number calculated on the Collinearity Statistic is equal to or smaller than 10 (VIF count ≤ 10), then Ho is accepted, which means there is no relationship between the independent variables (no multicollinearity symptoms occur). If the VIF coefficient price calculated on the Collinearity Statistic is greater than 10 (VIF count> 10), then Ho is rejected, there is a relationship between the independent variables (multicollinearity symptoms occur) (Sudarmanto, 2013).

3. The autocorrelation test is to determine whether confounding errors in period t and t-1 are correlated in a linear regression model. When the observation continuity made over time that are connected to one another, autocorrelation occurs. The residuals, or confounding errors, are not independent of one observation to the next, which leads to this issue. Because residuals on one variable typically influence residuals on the same variable in the following period, time series data frequently exhibit this. Autocorrelation-free regression models are the best kind. With the Durbin-Waston

(DW) test, autocorrelation is either present based on the samples and the independent variables examined, which are then seen in the Durbin-Watson table. (Priyatno, 2011).

4. The Heteroscedasticity test is to the variance of residuals from one observation to the next within the regression model. In this study heteroscedasticity is defined as a difference in variance. The scatterplot method is used to analyze the dots' patterns. If the dots in the scatterplot create a precise pattern and spread above and below the Y axis value 0, then there is no heteroscedasticity (Priyatno, 2011).

In order to provide an ordered, succinct, and unambiguous description of a symptom, event, or circumstance so that a particular understanding or meaning may be inferred, descriptive statistics, according to Sugiyono (2014), have the responsibility of organizing and evaluating numerical data. serves to characterize the subject of the study using samples or populations in their original form, without conducting analysis or drawing generalizations. Guidelines for interpreting the correlation coefficient, the Ho test criteria are accepted if the significance> 0.05, and vice versa, as follows:

Table 1 Interpretation of Correlation Coefficient

Coefficient Interval	Relationship Level
0,000 – 0,199	Very Weak
0,200 – 0,399	Weak
0,400 – 0,599	Medium
0,600 – 0,799	Strong
0,800 – 1,000	Very Strong

According to (Santoso & Hamdani, 2007) multiple regression correlation is an analysis of a phenomenon that shows a causal relationship, where a related variable is determined by more than one independent variable

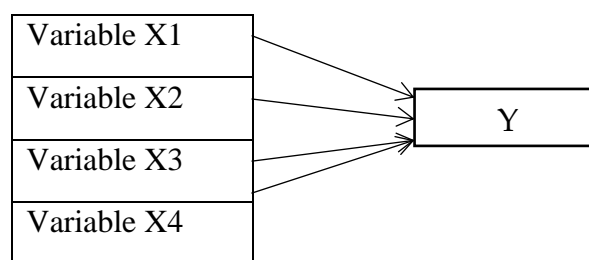| Variable X1 |
| Variable X2 | Y |
| Variable X3 |
| Variable X4 |

Figure 1 Theory Operational

The assumption of the scientific research hypothesis is to predict the possibility that occurs during the data processing process until the data has actually been processed and can be communicated to interpret the data. Research hypothesis will be assumed as follows:

Table 2 Research Hypothesis Assumptions

Hypothesis	Definisi
H.1	CAR has a positive or negative significant effect on ROE.
H.2	FDR has a positive or negative significant effect on ROE.
H.3	NPF Net has a positive or negative significant effect on ROE.
H.4	ROA has a positive or negative and significant effect on ROE.

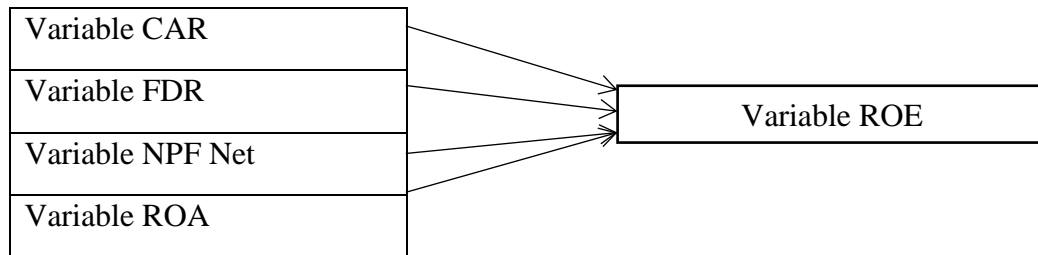| Variable CAR |
|---|
| Variable FDR |
| Variable NPF Net |
| Variable ROA |

Variable ROE

Figure 2 Definition of Operational Variables in Research

The Analyze Regression Linear technique is related to this, there are several steps that must be taken so that the flow of the analysis process runs systematically. First, the multiple regression equation must be determined first. Furthermore, it is also necessary to determine the standard error value of multiple estimations, and the final step is to use multiple correlation analysis to determine how strong the relationship is between independent variable, and the dependent variable. The Linear Regression Equation is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Description:

Variable Y	= ROE
α	= Constanta
Variable X1	= CAR
Variable X2	= FDR
Variable X3	= NPF Net
Variable X4	= ROA
β	= Regression coefficient of each independent variable
e	= Residual error

C. RESEARCH METHODS

To find out the data needed in this analysis of the monthly financial statements of PT Bank Muamalat Indonesia Tbk, which started from 1998-2020. Thus the data was processed with SPSS. it is expected to know the development of financial statements each year and whether it has a relationship (correlation) with several possibilities that occur including significant

positive, insignificant positive, significant negative, and insignificant negative. The Conceptual model from the results of data using SPSS can be explained about the variables contained in the statistical results model of the influence of the independent variables CAR, FDR, NPF Net, ROA on the dependent variable ROE at PT Bank Muamalat Indonesia Tbk 1999-2020.

The research data source is annual financial report of PT Bank Muamalat Indonesia Tbk 1999-2020. Sampling methodology of all data collected by the author using "Purposive Sampling", banking companies that are sampled are determined through the purposive sampling technique method with criteria 1). Companies that publish annual financial reports for the 1999-2020 period. 2). The company includes a risk profile rating based on the self-assessment that has been carried out. The data collection used non-participant observation. Purposive sampling is a sampling method that requires thought. Purposive sampling selects a group of subjects based on attributes that are thought to be closely related to previously identified; in other words, the sample unit contacted is modified to meet specific requirements based on the study goals. (Sugiyono, 2014).

The research is comparative descriptive research by examining financial statements per year in the past financial statements compared to other financial statements so that the level of profitability at PT Bank Muamalat Indonesia Tbk 1999-2020 can be known. Data analysis technique the descriptive approach is not meant to be used to draw wider conclusions; rather, it is meant to be used to describe or examine research finding. (Sugiyono, 2014). The quantitative method is a positivist-based research approach that collects data using research instruments, analyze that data using quantitative statistics, and is used to study specific populations or groups in order to test a hypothesis. This study uses a quantitative case study pattern design in

D. RESULTS AND DISCUSSION

Data obtained from PT Bank Muamalat Indonesia Tbk companies have met the purposive sampling criteria for scientific research statistical results of the influence of the independent variables CAR, FDR, NPF Net, ROA on the dependent variable ROE at PT Bank Muamalat Indonesia Tbk 1999-2020.

Table 3 One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
CAR	22	12.5023	1.93310	.41214
FDR	22	86.6391	9.92133	2.11524
NPF Net	22	5.6891	10.90008	2.32391
ROA	22	1.1964	1.07582	.22937
ROE	22	13.1886	11.59550	2.47217

Source of data processed by SPSS (2021)

Interpretation of the One-Sample Statistics output results shows the number of samples used by variable data as much as N = 22 where CAR Mean value is 12.5023, Std Deviation is 1.93310, Std Error Mean is 0.41214; FDR Mean value of 86.6391, Std Deviation of 9.92133, Std Error Mean of 2.11524; NPF Net Mean value of 5.6891, Std Deviation of 10.90008, Std Error Mean of 2.32391; ROA Mean value of 1.1964, Std Deviation of 1.07582, Std Error Mean

of 0.22937. ROE Mean value of 13.1886, Std Deviation of 11.59550, Std Error Mean of 2.47217.

Table 4 One-Sample Test

| | Test Value = 0 | | | | 95% Confidence Interval of the Difference | |
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
CAR	30.335	21	.000	12.50227	11.6452	13.3594
FDR	40.960	21	.000	86.63909	82.2402	91.0380
NPF Net	2.448	21	.023	5.68909	.8563	10.5219
ROA	5.216	21	.000	1.19636	.7194	1.6734
ROE	5.335	21	.000	13.18864	8.0475	18.3298

Source of data processed by SPSS (2021)

Interpretation of the One-Sample Test output results shows the number of samples used for variable data is N = 22 where:

1. CAR t value of 30.335, degree of freedom value of 21, Sig value. (2-tailed) of 0.000 <0.050, there is an effect of the CAR variable on the ROE variable, the hypothesis is accepted, the residuals are normally distributed, the Mean Difference value is 12.50227, the 95% Confidence Interval value of the Difference Lower is 11.6452 and Upper is 13.3594

2. FDR t value of 40.960, degree of freedom value of 21, Sig value. (2-tailed) of 0.000 <0.050, there is an effect of the FDR variable on the ROE variable, the hypothesis is accepted the residuals are normally distributed, the Mean Difference value is 86.63909, the 95% Confidence Interval value of the Difference Lower is 82.2402 and Upper is 91.0380.

3. NPF Net t value of 2.448, degree of freedom value of 21; Sig value. (2-tailed) of 0.023 <0.050, there is an effect of the NPF Net variable on the ROE variable, the hypothesis is accepted the residuals are normally distributed, the Mean Difference value is 5.68909, the 95% Confidence Interval value of the Difference Lower is 0.8563 and the Upper is 10.5219

4. ROA t value of 5.216, degree of freedom value of 21, Sig value. (2-tailed) of 0.000 <0.050, there is an effect of the ROA variable on the ROE variable, the hypothesis is accepted, the residuals are normally distributed, the Mean Difference value is 1.19636, the 95% confidence Interval of the Difference Lower is 0.7194 and Upper is 1.6734.

5. ROE t value of 5.335, degree of freedom value of 21, Sig value. (2-tailed) of 0.000 <0.050, there is an effect of the independent variable on the dependent variable, the residuals are normally distributed, the Mean Difference value is 13.18864, the 95% confidence Interval of the Difference Lower is 8.0475 and the Upper is 18.3298.
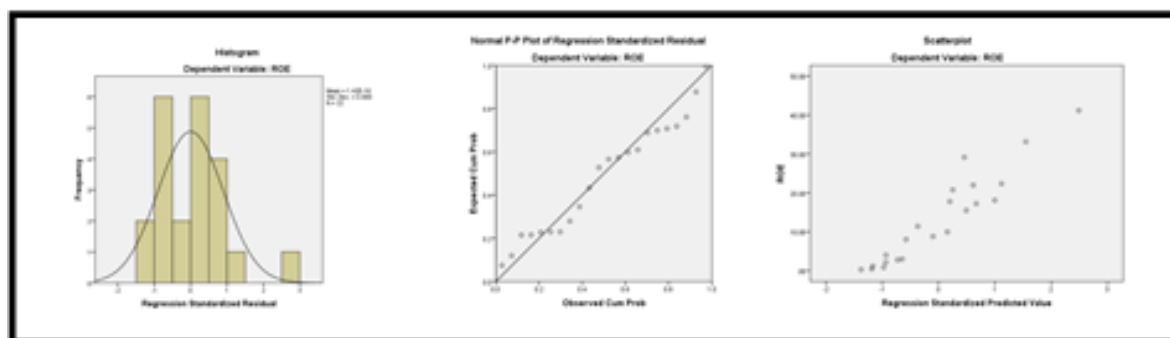
Figure 3 One-Sample Test

Source of data processed by SPSS (2021)

The interpretation of the One-Sample Test shows that the results of the Normality Test and the Classical Assumption Test are suitable for proceeding to the next stage of testing, where the data with a significant probability (2-tailed) of 0.000 <0.050 the hypothesis is accepted in this study which states that there is a significant difference seen in the Histogram image Regression Standardized Residual informs Mean= 1.42E-16 Std. Deviation 0.900 N = 22 forms a bell-like curve; visible data distribution is around the diagonal line following the diagonal direction line on the Normal P-P Plot of Regression Standardized Residual Observed Cum Prob; the residual value of all standardized variables is seen that the points spread randomly and spread well above the number 0 on the Y axis on the Scatterplot Regression Standardized Predicted Valve.

Table 5 Correlations

		ROE	CAR	FDR	NPF Net	ROA
Pearson Correlation	ROE	1.000	-.447	.538	-.199	.926
	CAR	-.447	1.000	-.455	.229	-.361
	FDR	.538	-.455	1.000	-.388	.397
	NPF Net	-.199	.229	-.388	1.000	-.144
	ROA	.926	-.361	.397	-.144	1.000

Source of data processed by SPSS (2021)

Interpretation of the results of the Analyze Regression Linear Model Correlations Pearson Correlation output shows the number of samples used for variable data as much as N = 22 in the results of the research hypothesis as follows:

1. H.1 CAR hypothesis 1 from the Correlations Pearson Correlation model obtained the relationship between CAR and ROE value of -0.447 which indicates a very weak relationship with a negative relationship direction which means the weaker the CAR, the weaker the ROE.

2. H.2 FDR hypothesis 2 from the Correlations Pearson Correlation model obtained the relationship between FDR and ROE a value of 0.538 which indicates a moderate relationship with a positive relationship direction which means the more moderate FDR, the more moderate ROE.

3. H.3 NPF Net hypothesis 3 from the Correlations Pearson Correlation model obtained

the relationship between NPF Net and ROE a value of -0.199 which indicates a very weak relationship with a negative relationship direction which means the weaker the NPF Net, the weaker the ROE.

4. H.4 ROA hypothesis 4 from the Correlations Pearson Correlation model obtained the relationship between ROA and ROE value of 0.926 which shows a very strong relationship with a positive relationship direction, which means that the stronger the ROA, the stronger the ROE.

Table 6 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson
					F Change	df1	df2	Sig. F Change	
1	.946[a]	.895	.871	4.17276	36.291	4	17	.000	1.241

a. Predictors: (Constant), ROA, NPF Net, CAR, FDR
b. Dependent Variable: ROE
Source of data processed by SPSS (2021)

Interpretation of the results of the Analyze Regression Linear Model Summary output shows the number of samples used for variable data as much as N = 22 in the study as follows:

1. The R-value of 0.946 shows that there is a very strong level of relationship between the CAR, FDR, NPF Net, ROA variables on the ROE variable.

2. The R Square value of 0.895 shows that the percentage of variation in the independent variables used in the summary model is able to explain 89.5% of the variation in the dependent variable, while the remaining 10.5% is explained by other variables.

3. An Adjusted R Square value of 0.871, this value is always smaller than R Square and this number can have a positive price that for regression with more than two independent variables, Adjusted R Square is used as the coefficient of determination.

4. The Std. Error of the Estimate value of 4.17276 is a measure of the amount of regression model error in predicting the value of Y. This means that the number of errors in predicting ROE is 4.17276 as a guideline if The Std. Error of the Estimate 4.17276 > Std. Deviation 0.900, the better the regression model is at predicting the value of Y.

5. F Change value of 36.291 with probability Sig. F Change of 0.000 <0.050 there is an influence of the independent variable on the dependent variable the hypothesis is accepted.

6. df (Degree of Freedom) is a measurement of the amount of information from the sample that has been used, where df1 = k (number of dependent and independent variables) - 1□ 5 - 1 = 4; df2 = N (number of regression data samples) - k□ 22 - 5 = 17

7. Durbin Watson for N = 22; k - 1□ 5 - 1 = 4, 5% significance level, obtained the value of dW = 1.241; dL = 0.9578 and dU = 1.7974.

Tabel 7 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2527.567	4	631.892	36.291	.000[b]
	Residual	296.003	17	17.412		
	Total	2823.569	21			

a. Dependent Variable: ROE
b. Predictors: (Constant), ROA, NPF Net, CAR, FDR
Source of data processed by SPSS (2021)

Interpretation of the results of the Analyze Regression Linear Model ANOVA output shows the number of samples used by variable data as much as N = 22 Total 2823,569 in the study of the Regression Sum Of Squares value of 2527,567, the Mean Square value of 631,892 and the Residual Sum of Squares value of 296,003, the Mean Square value of 17,412; FTabel which with a significant level using $\acute{a}$ = 5% (0.050) df1 = 4 and df2 = 17 where FHitung 36.291> FTabel 2.96 means that there is a significant influence of 0.000 <0.050 between the independent variables CAR, FDR, NPF Net, ROA on the dependent variable ROE, so the hypothesis is accepted.

Table 8 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-10.958	13.722		-.799	.436		
	CAR	-.394	.544	-.066	-.725	.478	.750	1.333
	FDR	.211	.113	.181	1.864	.080	.655	1.527
	NPF Net	.006	.091	.006	.071	.944	.845	1.183
	ROA	8.959	.946	.831	9.473	.000	.801	1.249

a. Dependent Variable: ROE
Source of data processed by SPSS (2021)

$$ROE = -10{,}958 - 0{,}3{,}94\ CAR + 0{,}211\ FDR + 0{,}006\ NPF\ Net + 8{,}959\ ROA$$

Interpretation of the output results of Analyze Regression Linear Model Coefficients Constant Unstandardized Coefficients B value of -10.958 can be interpreted if CAR X1 value is 0, FDR X2 value is 0, NPF Net X3 value is 0, ROA X4 value is 0, then ROE Y value is -10.958 with the amount of data N = 22 as the sample used in the study is as follows:

1. CAR output results in Coefficients X1 value of -0.394 can be interpreted if the other independent variables are fixed, CAR has decreased by a value of 1% then ROE will decrease by -0.394, Coefficients is negative there is a unidirectional relationship between CAR to ROE which means the weaker the CAR number, the percentage of ROE will be weaker too. Collinearity Statistics Approach Tolerance of 0.750 and VIF count of 1.333 < 10 which means there is no relationship between the independent variables there are symptoms of multicollinearity on ROE, meaning the hypothesis is accepted.

2. FDR output results in Coefficients X2 a value of 0.211 can be interpreted if the other independent variables are fixed, FDR has increased by a value of 1% then ROE will increase by 0.211, Coefficients is positive there is a unidirectional relationship between FDR and ROE which means the weaker the FDR number, the percentage of ROE will be weaker too. Collinearity Statistics Tolerance approach of 0.655 and VIF count of 1.527 < 10 which means there is no relationship between the independent variables there are symptoms of multicollinearity on ROE, meaning the hypothesis is accepted.

3. NPF Net Coefficients X3 output value of 0.006 can be interpreted if the other independent variables are fixed, NPF Net increases with a value of 1% then ROE will increase by 0.006, Coefficients is positive there is a unidirectional relationship between NPF Net and ROE which means that the weaker the NPF Net number, the percentage of ROE will be weaker too. Collinearity Statistics Tolerance approach of 0.845 and VIF count of 1.183 < 10 which means that there is no relationship between the independent variables of multicollinearity symptoms on ROE, meaning that the hypothesis is accepted.

4. ROA Coefficients output results X4 a value of 8.959 can be interpreted if the other independent variables are fixed, ROA has increased by a value of 1% then ROE will increase by 8.959, Coefficients is positive there is a unidirectional relationship between ROA and ROE which means the stronger the ROA number, the percentage of ROE will be very strong too. Collinearity Statistics Tolerance approach of 0.801 and VIF count of 1.249 < 10 which means that there is no relationship between the independent variables there are symptoms of multicollinearity on ROE, meaning that the hypothesis is accepted.

E. DISCUSSION

1. The effect of CAR on ROE Bank Muamalat Indonesia Tbk.

Table 8 data indicates that there is no significant association between CAR and ROE, with a negative relationship direction indicating that the lower the CAR number, the lower the ROE %. This is an example of a capital adequacy ratio, or CAR. Bank operations can function efficiently if the capital possessed by the bank is sufficient to cover inevitable losses. In this instance, the growth in the amount of profit proxied in ROE is unaffected by the capital adequacy rate possessed by Bank Mulamat Indonesia Tbk because it cannot cover current losses.

2. The effect of FDR on ROE Bank Muamalat Indonesia Tbk.

Table 8 data demonstrates that there is no significant association between FDR and ROE, with a positive direction of relationship; that is, the lower the FDR value, the lower the ROE percentage. FDR refers to the extent to which granting credit to clients can relieve the bank of its duty to promptly satisfy depositor requests to withdraw funds that the bank has utilized to grant credit. FDR also demonstrates how the bank can use financing channels to manage its assets.

[Pardistya, 2021]. We can therefore conclude that the funding provided by Bank Muamalat Indonesia Tbk has no effect on the bank's profitability or the amount that it raises.

3. Effect of NPF Net on ROE Bank Muamalat Indonesia Tbk

Table 8 data indicates that there is no significant association between NPF Net and ROE, with a positive relationship direction. This means that the lower the NPF Net figure, the lower the ROE %. The bank's capacity to use its current productive assets to manage its non-performing financing is known as NPF Net in this instance (Pardistya, 2021). Thus, it can be said that Bank Muamalat Indonesia Tbk has no control over the amount of profit accessible, which means that it cannot influence the growth of capital when it comes to managing non-performing financing owned by the bank.

4. Effect of ROA on ROE Bank Muamalat Indonesia Tbk

The data shown in Table 8 indicates a positive link between ROA and ROE, indicating that a higher ROA corresponds to a higher proportion of ROE. In this instance, ROA is a ratio that assesses how well banks manage their assets to produce overall profits; so, an increase in ROA directly correlates with an increase in the bank's capital.

F. CLOSING

Based on discussion indicates that, at PT Bank Muamalat Indonesia Tbk, the impact of CAR, FDR, NPF Net, and ROA on ROE from 1999 to 2020 shows generally favorable banking conditions where the findings of partial hypothesis testing that has been conducted Examine the component of the Regression Linear model coefficients. Standardized Coefficients for ROA With a beta of 0.831, the dependent variable has the highest level of influence, accounting for 83.1% of the relationship. Other factors influence the remaining 16.9% of the relationship. Assuming that residuals are normally distributed, there is a significant influence of a value of 0.000 <0.050 on ROE, with THitung 9.473> T 2.07387. According to Table 2.07387, the hypothesis-accepted normally distributed residuals with a value of 0.000 <0.050 have a substantial impact on ROE. The outcomes of the simultaneous hypothesis testing, which was conducted using the Analyze Regression Linear model Summary table, indicate that the independent variable components of 0.946 taken as a whole can account for 94.6% of the dependent variable's very strong relationship level; other variables have an influence on the remaining 5.4%. FHitung 36.291> FTabel 2.96 shows a significant influence of a value of 0.000 <0.050 hypothesis accepted normally distributed residuals on ROE.

Further research could extend the research period up to 2023, and could examine several different Islamic banks both for description and comparison and could add analysis of other ratios such as activity ratios and use the mix method to describe the overall financial condition of Bank Muamalat. Indonesia by conducting interviews with related parties.

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