

ANALYSIS OF FACTORS AFFECTING THE PROFITABILITY OF SYARIAH BUSINESS UNIT BANKS

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ABSTRACT

The development of Sharia Business Units (SBUs) in Indonesia has shown positive growth; however, this growth has not been fully accompanied by stable profitability. Fluctuations in Return on Assets (ROA) indicate that several factors still influence the ability of SBUs to generate profits. This study aims to analyze the effects of Current Account Saving Account (CASA), Profit-Sharing Financing, Operating Expenses to Operating Income (BOPO), and Inflation on profitability as measured by Return on Assets (ROA) in Sharia Business Units in Indonesia during the period 2020–2025. This research uses Banking Theory, Financial Theory, Contract Theory, and Inflation Theory. This research employs a quantitative approach using panel data collected from 12 Sharia Business Units during 2020–2025. The data were analyzed using panel data regression with EViews 12. Based on model selection tests, the Random Effect Model (REM) was identified as the most appropriate model. The results indicate that CASA and Profit-Sharing Financing do not have a significant effect on profitability (ROA). In contrast, BOPO and inflation have a significant negative effect on profitability (ROA). Simultaneously, all independent variables significantly affect the profitability of Sharia Business Units. The implications of the research findings indicate that operational efficiency and macroeconomic conditions are more dominant factors affecting SBU profitability than low-cost fund collection and profit-sharing financing. Therefore, improving operational efficiency and strengthening the ability to respond to economic changes are essential to enhance SBU profitability.

Keywords: CASA, Profit-Sharing Financing, BOPO, Inflation, Profitability

INTRODUCTION

The Islamic banking industry in Indonesia has shown a positive trend in recent years, marked by an increase in assets, financing, and third-party funds (OJK, 2026). The Financial Services Authority (OJK) noted that Islamic banking performance continues to experience significant growth, with asset growth reaching approximately 13.9% (*year-on-year*) in 2024, despite global economic uncertainty (OJK, 2026). However, this growth is not always accompanied by a stable increase in profitability (OJK, 2026). Profitability is a key indicator in assessing a bank's financial performance because it reflects the bank's ability to generate profits. In the banking industry, profitability is generally measured using *Return on Assets* (ROA) and *Return on Equity* (ROE). This study uses *Return on Assets* (ROA) because this ratio indicates management's ability to manage all assets to generate profits, thus better reflecting the bank's operational efficiency. Furthermore, ROA is a profitability indicator more commonly used by the Financial Services Authority (OJK) to assess banking health (Raodah *et al.* , 2026). Compared to ROE, which is influenced by equity, ROA is more appropriate for comparing profitability performance across Sharia Business Units with varying capital structures and characteristics. Therefore, this study uses ROA as a proxy for profitability.

From an Islamic perspective, economic activities, including banking, are not solely aimed at profit, but also at seeking blessings from Allah SWT. This is emphasized in Surah Al-Jumu'ah, verse 10, which commands people to spread out on earth and seek God's bounty. This verse demonstrates that economic activities must be conducted productively

and in accordance with sharia principles to achieve true success. Therefore, profitability in Islamic banking is measured not only by the amount of profit, but also by how that profit is obtained legally and based on Islamic values. Therefore, analyzing the profitability of Islamic banking is important not only from a financial perspective but also from a sharia perspective.

The main problem facing Islamic banking in Indonesia is the relatively unstable fluctuation in profitability levels from year to year. According to data from the Financial Services Authority (OJK) (2026), Islamic banking ROA experienced significant fluctuations between 2020 and 2025. In 2020, ROA decreased by 1.40% due to the pressure of the COVID-19 pandemic, then increased to 1.55% in 2021 in line with economic recovery. However, in 2022, ROA fell again to 1.49%, increasing to 1.70% in 2023, then declining again to 1.63% in 2024 and 1.60% in 2025 (OJK, 2026). This situation indicates that despite the industry's continued growth, its ability to generate profits is not yet fully optimal. This fluctuation signals that internal factors are not being managed optimally. Therefore, it is important to examine the determinants of profitability in Islamic banking in more depth.

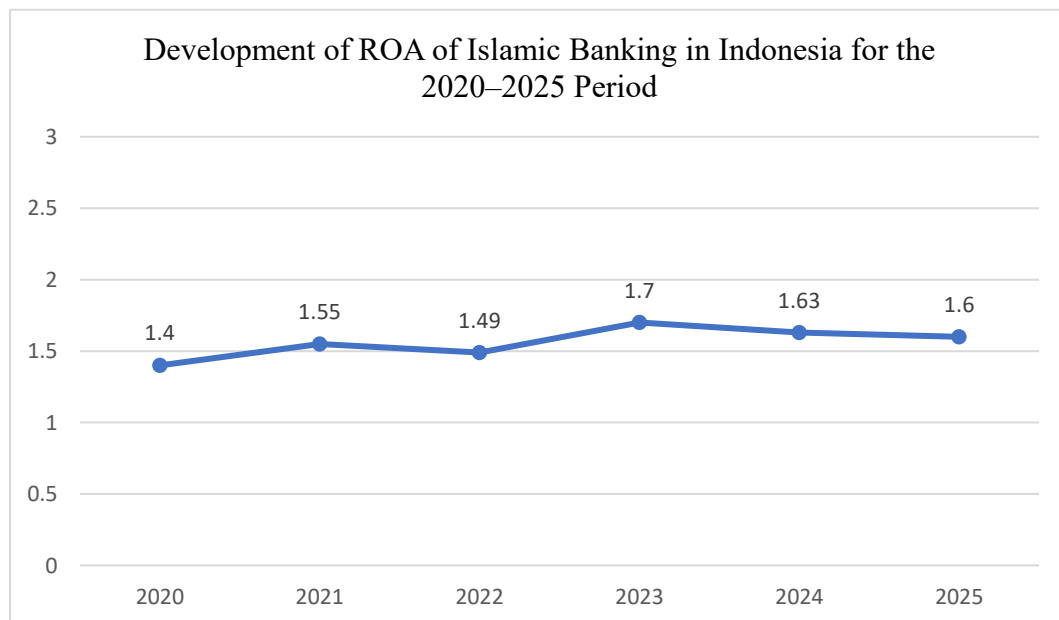


Figure 1. Data on the Development of ROA of Islamic Banking in Indonesia for the Period 2020–2025

Source: OJK, 2026

Although the Islamic banking industry continues to record growth in assets and financing, this increase has not been able to drive optimal profitability because ROA remains in the range of 1-2%. This condition indicates that business expansion has not been fully accompanied by the ability to generate higher profits. One of the causes is thought to be still high operational costs that reduce net profit, suboptimal collection of low-cost funds (*Current Account Saving Account / CASA*) resulting in relatively high funding costs, suboptimal composition of profit-sharing-based financing that is a source of income for Islamic banks, and macroeconomic pressures such as inflation that can increase operational costs and reduce the ability of customers to meet financing obligations. Therefore, further analysis is needed regarding the effect of CASA, profit-sharing financing portfolios, BOPO, and inflation on the profitability of Islamic Bank Business Units.

profit- oriented but must also be based on sharia principles, which prioritize justice and prohibit the practice of usury. This is emphasized in Surah Al-Baqarah, verse 275, which states that Allah has permitted trade and forbidden usury. This verse serves as the basis for Islamic banking to use usury-free mechanisms, such as a profit-sharing system. Therefore, factors influencing the profitability of Islamic banks are not only examined from a financial perspective, but also in terms of compliance with sharia principles. Therefore, profitability analysis in Islamic banks is more complex than in conventional banking.

In the context of this research, the focus is directed at Sharia Bank Business Units (UUS). This study chose UUS as the object of research because their institutional characteristics differ from those of Sharia Commercial Banks (BUS). Unlike BUS, which has been established as a separate legal entity and has full authority in determining business policies, UUS is still part of conventional commercial banks, so various strategic decisions, resource management, funding, and operational efficiency are still influenced by the parent bank. This condition causes the factors influencing UUS profitability to be different from those of BUS, so that research results on BUS cannot be directly generalized to UUS (Rahayu *et al.* , 2023). UUS currently faces the challenge of strengthening financial performance as part of preparation for independence through a *spin-off policy* as specified in Sharia banking regulations (Sitompul *et al.* , 2022). The *spin-off process* requires the separation of information technology systems, human resources, office networks, governance, and substantial additional capital, so not all UUS can immediately implement it. Therefore, increasing profitability is a crucial aspect in strengthening UUS readiness towards independence.

One factor that can influence profitability is *the Current Account Savings Account* (CASA), which reflects a bank's ability to raise low-cost funds. Theoretically, an increase in CASA will lower the cost of funds , thereby increasing the bank's profit margin (Wulandari & Wahyudi, 2022). With a lower cost of funds, banks have greater room to generate profits from financing distribution, thus directly driving increased profitability. Therefore, CASA has a positive effect on ROA because the higher the proportion of low-cost funds, the more efficient the bank's funding structure. Furthermore, an increase in CASA also reflects customer trust in the bank, which helps strengthen funding stability and financial performance (Monika *et al.* , 2022). The principle of fundraising in Islamic banking must also be based on justice and mutual agreement, as explained in Surah An-Nisa, verse 29, which prohibits consuming one another's wealth by false means except through mutually consented trade.

A financing portfolio based on profit-sharing contracts, such as *mudharabah* and *musyarakah*, is also a crucial factor in determining profitability. This financing has the potential for higher profits because it is based on a profit-sharing system, so that bank revenue will increase in line with the success of customer businesses (Harnum *et al.* , 2024). Therefore, theoretically, profit-sharing financing has a positive effect on ROA because it can provide greater *returns* than fixed-margin-based financing. Furthermore, the increase in the proportion of profit-sharing financing also reflects the optimization of the bank's intermediary function in channeling funds to the productive sector. The principle of trustworthiness in fund management is also a primary foundation of Islamic banking, as emphasized in QS. Al-Anfal verse 27, which prohibits betrayal of entrusted trusts.

The next factor is operational efficiency, as measured by the Operating Cost to

Operating Income (BOPO) ratio. BOPO reflects a bank's level of efficiency in carrying out its operational activities (Haramain *et al.*, 2020). In practice, a high BOPO ratio can be caused by increasing various operational costs, such as labor costs, administrative costs, technology development and service digitalization costs, and office network operating costs, which are not offset by growth in operating income. In Sharia Business Units (UUS), this condition can be further influenced by the institutional characteristics of being under the parent bank, resulting in relatively high *shared service* and *overhead costs*. The higher the BOPO value, the greater the costs incurred compared to the income earned, thus indicating operational inefficiency. Conversely, the lower the BOPO, the more efficient the bank is in managing its operational costs, thus generating greater profits (Raidani, 2022). Thus, BOPO negatively impacts ROA because increasing operating costs that are not offset by increased income will depress the bank's profitability. The concept of efficiency in financial management is also in line with Islamic principles that prohibit wastefulness, as emphasized in QS. Al-Furqan verse 67, which teaches balance in spending wealth.

The final factor that can affect profitability is inflation. Inflation is a macroeconomic indicator that reflects price stability and public purchasing power, so changes can directly impact UUS performance. High inflation rates tend to reduce customers' ability to save and meet financing obligations, potentially increasing the risk of non-performing financing and suppressing UUS profits (Alamsyah, 2023). Furthermore, inflation can also increase operational costs and the cost of funds at the parent bank, indirectly impacting UUS efficiency and profit margins (Darmayanti *et al.*, 2023). Conversely, stable inflation will create more conducive economic conditions for fundraising and financing distribution, thus supporting increased profitability (Visita, 2019). Therefore, UUS needs to manage the impact of inflation fluctuations adaptively to maintain their financial performance and operational sustainability.

Several previous studies have been conducted on the influence of CASA, profit-sharing financing, BOPO, and inflation on profitability, but have shown inconsistent results. Research by Syahrir *et al.* (2023) and Fitri & Nuraini (2023) found CASA to have a significant positive effect on ROA, but Melvina & Ekadjaja (2023) found the opposite. Research by Harnum *et al.* (2024) and Sholihah & Wardana (2025) found a positive effect on ROA, while Inayatillah & Subardjo (2017) and Nuha & Mulazid (2018) found no significant effect. BOPO is generally found to have a negative effect (Raidani, 2022; Haramain *et al.*, 2020; Endrajati & Anggraeni, 2025), but Atkiyan (2025) found it to be insignificant. Inflation was found to have a negative effect by Alamsyah (2023), Fachrizzu *et al.* (2025), and Setyawati *et al.* (2025), but Fuadi *et al.* (2022) found it to be insignificant.

Based on the above description, research findings on the factors influencing Islamic banking profitability still show inconsistencies, thus creating an *empirical gap* that requires further testing. In terms of the gap phenomenon, the development of the Islamic banking industry demonstrates the paradox of continued asset growth while profitability remains fluctuating and stagnant at around 1–2%. Conceptually, banking theory explains that increasing low-cost funds (CASA), optimizing profit-sharing financing, operational efficiency, and macroeconomic stability should increase profitability. However, the characteristics of Sharia Business Units (UUS), which are still dependent on the parent bank, mean that this relationship does not always work as the theory suggests. Furthermore, most research focuses on Islamic Banks (BUS), while research on Islamic Business Units (UUS) is

still limited, and none has tested all four variables simultaneously in a single model. This study offers novelty by specifically examining the influence of CASA, profit-sharing financing portfolios, BOPO (Opportunity to Operating Income), and inflation on ROA in Islamic Business Units (UUS) in Indonesia. It is expected to provide a comprehensive understanding of the determinants of UUS profitability and serve as a basis for policymaking to improve the performance and independence of Islamic banking in Indonesia.

METHODS

This study uses a quantitative approach with an associative (causal) research type that aims to determine the relationship and influence between independent variables on the dependent variable. The quantitative approach was chosen because this study uses numerical data that is analyzed statistically to test hypotheses objectively and systematically (Sugiyono, 2022). This study analyzes the effect of *Current Account Savings Account* (CASA), profit-sharing financing portfolios, Operating Costs to Operating Income (BOPO), and inflation as independent variables on profitability (*Return on Assets* / ROA) as the dependent variable in Sharia Business Units (UUS) in Indonesia. The selection of UUS objects is based on their characteristics that differ from Sharia Commercial Banks, especially because UUS is still under a conventional parent bank and therefore has limitations in financial management and decision-making (Rahayu *et al.* , 2023). The research design used is *explanatory research with a combination of panel data between time series and cross-section data* from 12 Sharia Business Units during the period 2020–2025 (Wooldridge, 2019). The analysis method used was panel data regression with the *Common Effect Model* (CEM), *Fixed Effect Model* (FEM), and *Random Effect Model* (REM), and the best model was selected using the *Chow test* , *Hausman test* , and *Lagrange Multiplier test* (Gujarati & Porter, 2022). Data processing was performed using *EViews 12*.

The research variables consist of the dependent variable (profitability/ROA) and independent variables (CASA, profit-sharing financing, BOPO, and inflation). Each variable is measured using financial ratios commonly used in Islamic banking research. ROA is measured by comparing net profit to total assets. CASA is measured by the ratio of low-cost funds (current accounts and savings) to total third-party funds. Profit-sharing financing is measured by the proportion of *mudharabah* and *musyarakah financing* to total financing. BOPO is measured by comparing operating costs to operating income. Inflation is measured using the Consumer Price Index (CPI) issued by the Central Statistics Agency (BPS). Data were collected through documentation methods from UUS annual financial reports, publications from the Financial Services Authority (OJK), Bank Indonesia, and BPS for the period 2020–2025. Data analysis was carried out using descriptive statistics, classical assumption tests (multicollinearity and heteroscedasticity), panel data regression model selection, and hypothesis testing using the t-test (partial), F-test (simultaneous), and coefficient of determination (R^2). The regression model used is formulated as follows: $ROA = \alpha + \beta_1CASA + \beta_2PABH + \beta_3BOPO + \beta_4Inflation + \epsilon$. A summary of the variable measurements is presented in Table 1.

Table 1. Variable Measurement

Variables	Variable Types	Operational Definition	Indicators/ Formulas	Measurement	Scale
Profitability (ROA)	Dependent	The ability of the Sharia Business Unit to generate profits from all assets owned in a certain period	$ROA = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$	Percentage (%)	Ratio
HOUSE	Independent	The bank's ability to collect low-cost funds from current accounts and savings	$CASA = \frac{\text{Current Account} + \text{Savings}}{\text{Total DPK}} \times 100\%$	Percentage (%)	Ratio
Profit Sharing Financing	Independent	The proportion of financing based on mudharabah and musyarakah contracts to total bank financing	$PBH = \frac{\text{Mudharabah Financing} + \text{Musyarakah}}{\text{Total Financing}} \times 100\%$	Percentage (%)	Ratio
BOPO	Independent	The level of operational efficiency of a bank is measured by the comparison of operational costs to operational income.	$BOPO = \frac{\text{Operating Costs}}{\text{Operating Income}} \times 100\%$	Percentage (%)	Ratio
Inflation	Independent	The general and continuous rate of increase in prices of goods and services over a certain period which reflects macroeconomic conditions	$\text{Inflation} = \frac{CPI_t - CPI_{t-1}}{CPI_{t-1}} \times 100\%$	Percentage (%)	Ratio

Next, hypothesis testing is conducted to determine the significance of the influence of the independent variables on the dependent variable. The t-test is used to test the influence of each independent variable partially with the criteria of probability <0.05 meaning a significant effect and probability >0.05 meaning no significant effect. The F-test is used to test the influence of all independent variables simultaneously with the same criteria. The coefficient of determination (R^2) is used to measure the ability of the model to explain the dependent variable, where an R^2 value close to 1 indicates a very good model and close to 0 indicates a weak model.

RESULTS AND DISCUSSION

Descriptive Statistics

This study uses secondary data from the financial reports and publications of 12 Sharia Bank Business Units (UUS) in Indonesia for the 2020–2025 period, with a total of 72 observations. The data includes profitability variables (Return on Assets/ROA), Current Account Savings Account (CASA), profit-sharing financing portfolio (PABH), Operating Costs to Operating Income (BOPO), and inflation. Descriptive statistical analysis was conducted as an initial step to describe the characteristics of the data through minimum, maximum, average (mean), and standard deviation values (Ghozali, 2021). This analysis helps researchers understand data patterns and distribution before conducting further testing. A larger standard deviation indicates high data variation, while a lower standard deviation indicates data tends to be homogeneous (Sugiyono, 2022).

Table 2. Descriptive Statistics of Research Data

	CASA	PABH	BOPO	INFLASI	ROA
	CASA	PABH	BOPO	INFLASI	ROA
Mean	44.64764	40.70639	67.67139	2.693333	2.587083
Median	43.96000	36.53500	68.89500	2.240000	2.525000
Maximum	71.86000	73.48000	122.4400	5.510000	6.000000
Minimum	15.82000	12.10000	29.59000	1.570000	-1.990000
Std. Dev.	13.69268	15.76864	21.06710	1.360936	1.684062
Skewness	0.024038	0.489368	0.114918	1.305964	-0.203005
Kurtosis	2.733392	2.168746	2.615312	3.300097	2.853142
Jarque-Bera	0.220173	4.946720	0.602429	20.73669	0.559233
Probability	0.895757	0.084301	0.739919	0.000031	0.756074
Sum	3214.630	2930.860	4872.340	193.9200	186.2700
Sum Sq. Dev.	13311.74	17654.14	31511.40	131.5024	201.3605
Observations	72	72	72	72	72

Source : Processed data use EViews 12, 2026

Based on Table 2 , the CASA variable has an average value of 44.65 with a standard deviation of 13.69, a maximum value of 71.86 (UUS BPD East Kalimantan and North Kalimantan in 2023) and a minimum of 15.82 (UUS BPD Jambi in 2020). This indicates that the ability to collect low-cost funds among UUS varies but remains within a reasonable range, with low-cost funds remaining an important source of funding. The PABH variable has an average of 40.71 with a standard deviation of 15.77, a maximum value of 73.48 (UUS BPD South Sumatra and Bangka Belitung in 2021) and a minimum value of 12.10 (UUS BPD West Kalimantan in 2020). This considerable variation reflects differences in the policies and strategies of each bank in disbursing profit-sharing-based financing.

The BOPO variable had an average of 67.67 with a standard deviation of 21.07, with the highest value being 122.44 (UUS BPD North Sumatra in 2022) and the lowest being 29.59 (UUS BPD Jambi in 2022). This significant difference indicates highly variable levels of operational efficiency across UUSs. The inflation variable had an average of 2.69 with a standard deviation of 1.36, with the highest value being 5.51 (in 2022) and the lowest being 1.57 (in 2024). As a national macroeconomic variable, inflation has the same value for all

UUSs in the same year. The ROA variable had an average of 2.59 with a standard deviation of 1.68, with a maximum value of 6.00 (UUS BPD West Kalimantan in 2020) and a minimum of -1.99 (UUS BPD North Sumatra in 2022). A negative minimum value indicates that some UUS are experiencing losses, but a positive average ROA indicates that in general, UUS is still able to generate profits.

Selection of Regression Estimation Model

Chow Test

Chow test is used to determine the best model between *the Common Effect Model* (CEM) and *the Fixed Effect Model* (FEM) by looking at the differences in characteristics between *cross-section units* (Mursyidin *et al* ., 2023). Decision-making criteria: if the probability <0.05 then the FEM is selected, otherwise the CEM is selected.

Table 3. Chow Test Results

Effects Test	Statistics	df	Prob.
<i>Cross-section F</i>	4.494839	(11.56)	0.0001
<i>Cross-section Chi-square</i>	45.563111	11	0.0000

Source : Processed data use EViews 12, 2026

The test results show a *cross-section Chi-square* probability of 0.0000 and a *cross-section F* of 0.0001, both <0.05 . Therefore, H_0 is rejected, and *the Fixed Effect Model* (FEM) is more appropriate than the CEM. This indicates that each UUS has different characteristics that need to be accommodated.

Hausman test

Hausman test was conducted after the *Chow test* showed that FEM was superior to CEM, to determine the best model between FEM and *the Random Effects Model* (REM) (Nursan, 2024). If the probability is <0.05 , then FEM is selected; if >0.05 , then REM is selected.

Table 4. Hausman Test Results

Test Summary	Chi-Sq. Statistic	df	Chi-Sq. Prob.
<i>Random cross-section</i>	5.259100	4	0.2617

Source : Processed data use EViews 12, 2026

The test results show a random cross-section probability of $0.2617 > 0.05$, thus H_0 is accepted and the Random Effects Model (REM) is selected. This means that the differences in characteristics between UUS are random and uncorrelated with the independent variables.

Lagrange Multiplier (LM) Test

The LM test was used to compare CEM and REM (Mursyidin et al., 2023). If the probability is <0.05 , REM is selected; otherwise, CEM is selected.

Table 5. Lagrange Multiplier Test Results

Hypothesis Test	Statistics	Prob.
<i>Breusch-Pagan Cross-section</i>	14.28323	0.0002

Source : Processed data use EViews 12, 2026

The test results show a *Breusch-Pagan Cross-section* probability of $0.0002 < 0.05$, so H_0 is rejected and REM is selected. Based on a series of *Chow Tests*, *Hausman Tests*, and *Lagrange Multiplier Tests*, it can be concluded that the most appropriate panel data regression model to use is the *Random Effect Model* (REM). This model is able to accommodate data variations between UUS more efficiently and will be used to estimate the effect of CASA, PABH, BOPO, and inflation on ROA (Nursan, 2024).

Classical Assumption Test Multicollinearity Test

Multicollinearity testing is performed to determine the strong relationship or correlation between independent variables in a regression model. According to Ghazali (2021), multicollinearity occurs when two or more independent variables have a very strong relationship (correlation > 0.80), which can cause instability in the regression coefficients. In this study, the independent variables tested included CASA, PABH, BOPO, and inflation using a correlation matrix.

Table 6. Multicollinearity Test Results

	HOUSE	PABH	BOPO	Inflation
HOUSE	1,000,000	-0.358626	-0.268823	0.024548
PABH	-0.358626	1,000,000	0.303326	0.039873
BOPO	-0.268823	0.303326	1,000,000	0.004971
Inflation	0.024548	0.039873	0.004971	1,000,000

Source : Processed data use EViews 12, 2026

The test results show that all correlation values between independent variables are below 0.80, ranging from -0.358626 to 0.303326. The CASA-PABH correlation is -0.358626, CASA-BOPO -0.268823, CASA-inflation 0.024548, PABH-BOPO 0.303326, PABH-inflation 0.039873, and BOPO- inflation 0.004971. All these values indicate a weak relationship between the independent variables, so the regression model is declared free from multicollinearity problems and is suitable for use in the next analysis stage (Ghozali, 2021).

Heteroscedasticity Test

A heteroscedasticity test is performed to determine whether there is inequality in

residual variance in the regression model (Wooldridge, 2019). Detection is carried out through graphical analysis of residuals from the Random Effects Model (REM) using EViews 12. According to Gujarati and Porter (2022), if the residuals are randomly distributed around the zero line without forming a specific pattern, then the model does not experience heteroscedasticity.

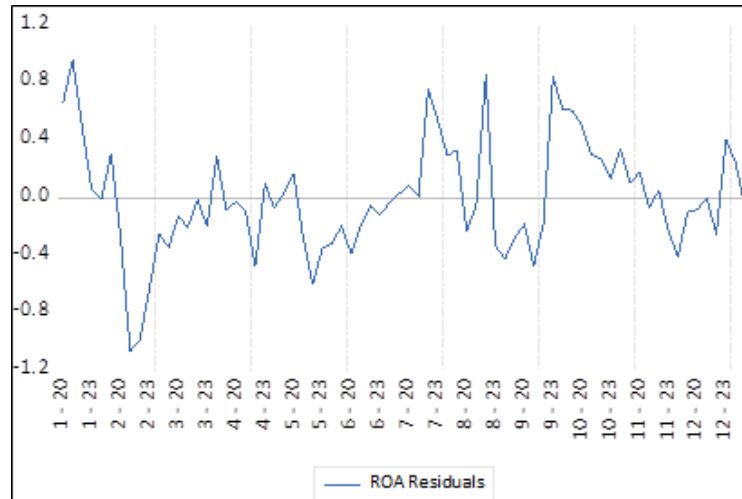


Figure 2. Heteroscedasticity Test Results

Based on the residual graph, the residual values fluctuate around the zero line, with a maximum range of around 0.9 and a minimum of around -1.1. According to Napitupulu et al. (2021), a regression model is free from heteroscedasticity if the residuals fall within the upper limit of +500 and the lower limit of -500. All residuals in this study fall well below this limit, thus concluding that the regression model does not experience heteroscedasticity and meets the assumption of equal residual variances.

Panel Data Regression Analysis

Based on model selection through the Chow Test, Hausman Test, and Lagrange Multiplier Test, the selected model was the Random Effects Model (REM). This model was used to examine the influence of CASA, PABH, BOPO, and inflation on ROA at Sharia Bank Business Units for the 2020–2025 period (Nursan, 2024).

t-test (Partial)

The t-test was used to determine the effect of each independent variable on ROA individually (Ghozali & Ratmono, 2020). Criteria: probability <0.05 indicates a significant effect.

Table 7. Partial Test Results (t-Test)

Variables	Coefficient	t-Statistic	Prob.	Information
HOUSE	0.005916	1,111205	0.2705	Not Significant

Variables	Coefficient	t-Statistic	Prob.	Information
PABH	-0.0000938	-0.021307	0.9831	Not Significant
BOPO	-0.077387	-2.644159	0.0000	Significant
Inflation	-0.098642	-3.602859	0.0006	Significant

Source : Processed data use EViews 12, 2026

The CASA variable has a coefficient of 0.005916 with a probability of $0.2705 > 0.05$, so it has no significant effect on ROA. The first hypothesis (H1) is rejected. The PABH variable has a coefficient of -0.0000938 with a probability of $0.9831 > 0.05$, so it has no significant effect on ROA. The second hypothesis (H2) is rejected. The BOPO variable has a coefficient of -0.077387 with a probability of $0.0000 < 0.05$, so it has a significant negative effect on ROA. The third hypothesis (H3) is accepted. The inflation variable has a coefficient of -0.098642 with a probability of $0.0006 < 0.05$, so it has a significant negative effect on ROA. The fourth hypothesis (H4) is accepted.

Table 8. Summary of t-Test Results

No	Hypothesis	Results
1	H1: CASA has a significant positive effect on ROA	Not Proven
2	H2: PABH has a significant positive effect on ROA	Not Proven
3	H3: BOPO has a significant negative effect on ROA	Proven
4	H4: Inflation has a significant negative effect on ROA	Proven

Source : Processed data use EViews 12, 2026

F Test (Simultaneous)

The F test is used to determine the effect of all independent variables together on ROA (Ghozali & Ratmono, 2020).

Table 9. F-Test Results

Information	Mark
<i>F-statistic</i>	194,3434
<i>Prob(F-statistic)</i>	0.000000
Significance Level	0.05

Information	Mark
Decision	H_0 Rejected, H_a Accepted
Conclusion	Significant Influence

Source : Processed data use EViews 12, 2026

The Prob(F-statistic) value is $0.000000 < 0.05$, so H_0 is rejected. This indicates that CASA, PABH, BOPO, and inflation simultaneously have a significant effect on ROA. Although CASA and PABH are not partially significant, together with BOPO and inflation, the four variables are able to explain UUS profitability.

Coefficient of Determination

The coefficient of determination (Adjusted R-Square) measures the model's ability to explain the dependent variable (Ghozali & Ratmono, 2020).

Table 10. Results of the Determination Coefficient

Information	Mark
<i>Adjusted R-Squared</i>	0.915914

Source : Processed data use EViews 12, 2026

The Adjusted R-Squared value of 0.915914, or 91.59%, indicates that the CASA, PABH, BOPO, and inflation variables explain 91.59% of the variation in ROA, while the remaining 8.41% is explained by external factors such as NPF, CAR, FDR, and economic conditions. This value indicates a very strong goodness of fit for the model.

The Effect of Current Account Savings Account (CASA) on Profitability (ROA)

The results of the study indicate that CASA has no significant effect on the profitability of Sharia Bank Business Units, proxied by ROA, with a regression coefficient of 0.005916 and a probability of $0.2705 > 0.05$. Although the coefficient is positive, the effect is not statistically strong enough, so the first hypothesis (H_1) is rejected. The average CASA of Sharia Banks during the study period reached 44.65%, indicating that most Sharia Banks have been able to collect low-cost funds in a relatively high proportion. However, the high level of low-cost funds collected does not necessarily immediately increase profitability if these funds have not been optimally channeled into productive financing that generates income.

This condition aligns with the characteristics of UUS, which remain dependent on their parent bank for fund management and strategic decision-making (Rahayu et al., 2023). Unlike Islamic Commercial Banks (BUS), which have full authority, UUS must still align their fundraising and placement policies with their parent bank's strategy. As a result, the increase in CASA (Cash Assets) cannot yet be fully converted into productive assets. Banks function as intermediary institutions whose profitability is determined not only by the amount of funds collected but also by the effectiveness of funds distribution to productive sectors (Konstantakopoulou, 2023). Theoretically, CASA should reduce the cost of funds and

increase profit margins (Wulandari & Wahyudi, 2022; Sar & Panigrahi, 2025), but in UUS, low-cost funds are mostly used to maintain liquidity or invested in low-return instruments. These results align with research by Melvina and Ekadjaja (2023), which stated that CASA has no significant effect on banking profitability.

The Effect of Profit Sharing Agreement Financing (PABH) on Profitability (ROA)

The results of the study showed that PABH had no significant effect on ROA with a coefficient of -0.0000938 and a probability of $0.9831 > 0.05$, thus the second hypothesis (H2) was rejected. Theoretically, profit-sharing financing (mudharabah and musyarakah) should increase profitability through the principle of profit and loss sharing (Harnum et al., 2024; Laili & Bawono, 2022). However, in practice, the characteristics of profit-sharing financing have a higher level of uncertainty because bank profits are highly dependent on the success of the customer's business (Fahamsyah, 2023; Sutrisno & Widarjono, 2022). In a mudharabah contract, the bank bears most of the business risk, while in a musyarakah contract, the bank and the customer both bear the risk according to their contribution portion (Pramudita & Trapsila, 2025). Banks also have to incur higher supervision and monitoring costs, so that an increase in profit-sharing financing is not always followed by an increase in profits. This result is in line with research by Inayatillah and Subardjo (2017) and Nuha and Mulazid (2018) which found that profit-sharing financing had no significant effect on ROA.

The Effect of Operating Costs on Operating Income (BOPO) on Profitability (ROA)

The results of the study indicate that BOPO has a significant negative effect on ROA with a coefficient of -0.077387 and a probability of $0.0000 < 0.05$, thus the third hypothesis (H3) is accepted. An increase in BOPO will decrease ROA, while a decrease in BOPO will increase ROA. A bank's success in generating profits is determined by its ability to efficiently manage intermediation activities (Konstantakopoulou, 2023). The more efficiently a bank carries out its intermediation function, the greater the revenue it can retain as profit. BOPO as an indicator of operational efficiency (Harnum *et al.*, 2024) indicates that the lower the BOPO ratio, the more efficient the bank and the more optimally its revenue can be converted into profit (Laili & Bawono, 2022).

This finding is supported by empirical evidence: the average BOPO for Sharia Business Units (UUS) was 67.67% and ROA was 2.59%. West Kalimantan BPD UUS, with a BOPO of 32.09–37.27%, generated a high ROA of 4.99–6.00%, while North Sumatra BPD UUS, with a BOPO of 122.44%, experienced an ROA of -1.99% (the lowest value) in 2022. These results align with research by Harnum et al. (2024) and Putri and Syaifuddin (2023), which found that BOPO had a significant negative effect on Islamic banking profitability.

The Effect of Inflation on Profitability (ROA)

The results of the study show that inflation has a significant negative effect on ROA with a coefficient of -0.098642 and a probability of $0.0006 < 0.05$, thus the fourth hypothesis (H4) is accepted. Increasing inflation will decrease ROA, while decreasing inflation will increase ROA. In stable economic conditions, banks can more easily collect and distribute funds, conversely, increasing inflation reduces economic stability and hinders the intermediation function (Rahayu *et al.*, 2023). Inflation theory explains that high inflation

reduces people's purchasing power, reduces savings, reduces demand for productive financing, and increases the risk of non-performing financing (Mankiw, 2021; Harnum *et al*., 2024).

This finding is supported by empirical data: average inflation was 2.69% and ROA was 2.59%. In 2022, when inflation peaked at 5.51%, UUS Bank DKI experienced a decline in ROA from 3.83% (2021) to 2.62% (2022). Conversely, when inflation fell to 1.57% (2024), UUS BPD North Sumatra saw an increase in ROA from 1.37% (2023) to 2.53% (2024). These results align with research by Alamsyah (2023) and Fachrizzu *et al.* (2025), which found that inflation negatively impacts Islamic banking profitability.

CONCLUSION

Based on results study about the influence of Cash Ratio to Savings Account (CASA), Financing Contract For Results (PABH), Cost Operational to Income Operational (BOPO), and inflation to proxied profitability with Return on Assets (ROA) at Sharia Business Unit Banks period 2020–2025, then can be drawn conclusion as follows :

1. *Cash Ratio to Savings Account* (CASA) is not a significant influence on measuring profitability with *Return on Assets* (ROA). Results This No prove hypothesis Because size funds cheap and successful collected by Sharia Business Unit Bank Not yet capable of giving contribution in a direct way to improving profitability. Thus, CASA is not the main influencing factor of profitability of Sharia Business Unit Banks during the study period.
2. Financing Contract For Results (PABH) no significant influence to measure profitability with *Return on Assets* (ROA) Results This No prove hypothesis Because improvement financing based contract for results Not yet Of course followed by improvement profits earned by the Sharia Business Unit Bank. Conditions indicate that successful financing for results is highly influenced by the performance of business customers and the bank's ability to manage financing risk.
3. Operational Cost to Operational Income (BOPO) has a negative and significant impact to measure profitability with *Return on Assets* (ROA). Results This proves the hypothesis that BOPO is an important factor that influences the profitability of Sharia Business Unit Banks for the period 2020–2025. Increasingly low the BOPO value owned by the bank, then the higher profitability generated . On the other hand, the higher BOPO shows the lower level of efficiency of bank operations so that profitability tends to decrease.
4. Inflation has a negative and significant influence on measuring profitability with *Return on Assets* (ROA). Results This proves the hypothesis that inflation is an external factor influencing profitability of Sharia Business Unit Banks period 2020–2025. Increasingly low level inflation, then the higher profitability that can be produced by the bank because economic conditions become more stable and support activity collection funds as well as distribution financing. On the contrary, improving inflation tends to lower profitability because it can hinder economic activity and reduce the effectiveness of banking intermediation functions.

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