

The Influence of Working Capital Financing, Micro Financing and *Qardhul Hasan Funds* on The Performance of Islamic Commercial Banks in Indonesia

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Abstract

To maintain existence and competitiveness, various products are needed that can reach all levels of business needs. Working Capital Financing is intended for SME Retail to commercial scale, Micro Financing is intended for medium-sized MSMEs, while Qardhul Hasan financing is intended if lending lacks capital in the current contract. For this reason, this article wants to test how much influence Working Capital Financing and Micro Financing and with Qardhul Hasan Funds as moderating variables have on the Profitability of Islamic Banks in Indonesia. This study involved 14 Islamic Commercial Banks from 2019-2023 registered with the Financial Services Authority. The data was obtained from the OSIRIS website. The data analysis method used was multiple regression analysis. The hypothesis tests carried out were the F test, T test, and Adjusted R 2 determination coefficient. The results of the study simultaneously showed that independent variables had a significant effect on Islamic Bank Performance with a significance of 67%, this was because DQH was allocated to the productive sector and was included in the priority scale of superior customers. While partially PMK has a negative effect because it uses a profit sharing contract that is quite risky, and the PM and DQH variables have a positive effect on the performance of Islamic Banks, this is because PM uses a sale and purchase contract so that the risk is minimal and DQH uses the Qardhul hasan contract which is allocated to the productive sector so that the risk is minimal. The finding of this lending can be evaluated or converted with various products according to customer needs so that the performance of Islamic Banks can continue to increase as long as it does not deviate from Banking Quality Sharia which is its main mission.

Keywords: Working Capital Financing, Microfinance, Qardhul Hasan Fund, Sharia Bank Profitability

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1. INTRODUCTION

The unstable state economic crisis occurred in 1998 which was caused by various aspects ranging from global economic turmoil, food crisis, declining trade balance between Indonesia and abroad, then declining industrial productivity which had an impact on the exchange rate against the rupiah decreasing and other things (Firmansyah et al., 2020). So that business transactions in banking institutions are

decreasing which leads to the performance of Sharia Banks also decreasing (Lestari, 2013). Several factors that are considered to have saved Islamic Banks from the crisis are due to the exposure of Islamic banking financing which is more directed at the domestic economy, so that it does not yet have a high level of integration with the global financial system (Prishardoyo & Sebayang, 2013). Although Islamic Banks were able to survive the crisis, this does not

indicate that Islamic Banks can maximize their performance in driving the economy of a country (Selim, 2019). Based on data obtained from the financial stability study published by Bank Indonesia,

Islamic banking only had a market share of 7.38% in December 2023. of the total banking lending in Indonesia.

Table 1. The Good Financial Development Indicators 2023

| Country | Ranking | IFDI | Quantitative Development | Knowledge | Governance | Awareness | CSR |
|--------------|---------|------|--------------------------|-----------|------------|-----------|-----|
| Malaysia | 1 | 111 | 94 | 185 | 86 | 149 | 41 |
| Indonesia | 2 | 72 | 27 | 181 | 67 | 60 | 23 |
| Bahrain | 3 | 67 | 38 | 68 | 88 | 103 | 38 |
| UAE | 4 | 66 | 31 | 67 | 79 | 91 | 60 |
| Saudi Arabia | 5 | 64 | 59 | 52 | 41 | 50 | 119 |
| Jordan | 6 | 53 | 14 | 75 | 51 | 29 | 99 |
| Pakistan | 7 | 51 | 18 | 80 | 74 | 53 | 31 |
| Oman | 8 | 45 | 14 | 46 | 66 | 73 | 25 |
| Kuwait | 9 | 43 | 48 | 13 | 63 | 48 | 42 |
| Qatar | 10 | 38 | 28 | 19 | 63 | 52 | 29 |

Source: Good Finance Development Indicators, 2023

Based on the data above in 2023, Indonesia's ranking increase is greatly influenced by the Knowledge, IFDI, and Governance indicators which include increasing education and research on Islamic finance, ". Meanwhile, the GIEI report explains that the role of the Islamic economy in Indonesia has shown rapid progress. Not only the consumption of halal products but also the role of innovation in the Islamic financial economy and others. All sectors described are sectors that are used as assessment materials for global Islamic economic indicators. Based on Law Number 21 of 2008, which was ratified on July 16, 2008, the good growth of the banking sector in this country now has a proper legal basis and will allow for faster expansion due to development to achieve an average wealth growth of more than 65% in several consecutive years. five years. The total financial performance indicators of Islamic Banking in 2019-2023 experienced quite rapid fluctuations.

In condition said, the model sector Islamic banking business proven able to restore the situation become stable and even keep growing back supported by implementation financing banking in stimulate activity its business, because business activities for Islamic banks are not only in the sector micro but rather the commercial sector which uses a profit-sharing system model, buying and selling and others do not use interest rates (Peni Nugraheni et al., 2022). So that it is resistant to volatile activities the country's unstable economy, so that it has quite an impact on the existence of Islamic banking in the future (Afkar, 2017). Banking growth has also accelerated, when product and service services offered by Sharia Bank has proven to be capable and supports all elements community needs (El-Halaby et al., 2018). A number of indicator growth Bank General Sharia among them Can known through Performance Achievement in each period, as can be seen on the table under This

Line Chart 1. Bank Performance General Sharia in Indonesia Th 2016 until 2023 (In Billion IDR)

| Indicator | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Current Asset Ratio (%) | 15.74 | 15.02 | 16.63 | 17.91 | 20.39 | 20.59 | 21.64 | 25.71 |
| Return on Asset (%) | 0.41 | 0.49 | 0.63 | 0.67 | 1.28 | 1.73 | 1.40 | 1.55 |
| Non Performing Loan (%) | 4.95 | 4.84 | 4.42 | 4.77 | 3.26 | 3.23 | 3.13 | 2.59 |
| Financing to Deposit Ratio (%) | 3.38 | 3.19 | 2.17 | 2.58 | 3.53 | 3.91 | 3.36 | 4.12 |
| Operational Cost to OperationalRevenue (%) | 78.53 | 77.91 | 76.36 | 70.12 | 89.18 | 84.45 | 85.55 | 84.33 |
| Net Interest Margin (%) | 1.42 | 1.92 | 1.46 | 1.66 | 1.42 | 1.92 | 1.46 | 1.66 |
| Market Share (%) | 5.92 | 6.18 | 6.51 | 6.56 | 5.92 | 6.18 | 6.51 | 6.56 |

Source: Statistics Banking Sharia Year 2016 sd 2023, Islamic General Bank Financial Report (data processed)

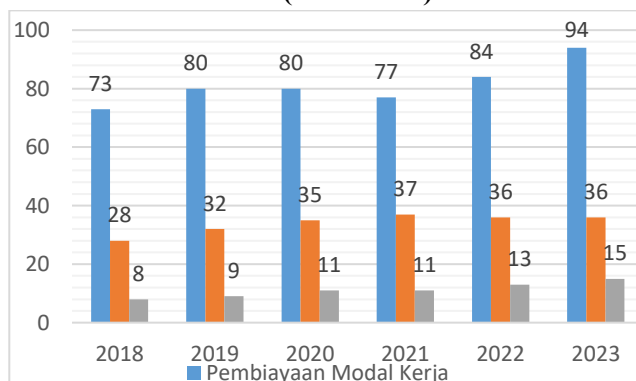
Based on the table above. It can be seen that all banking performance indicators sharia in Indonesia Keep going increase from 2016 to 2023, and the Non

Performing Loan Indicator or bad financing has decreased every year. The largest increase occurred in the Current asset ratio and Operational indicators Cost

to Operational Revenue at a glance increases which is not too significant occurs in the ROA, NPL, NIM and Market Share indicators in the period 2016 to 2023 (OJK, 2024). This indicates that the performance of Islamic Commercial Banks during this period has been quite good and has been able to maintain its existence.

The better the banking performance that is produced, the more it determines the income of a bank. Determination of income from profit sharing namely based on on agreement mark ratio, profit Which accepted bank depends on customer benefits (Tian et al., 2023). In addition, financing with principle for risky results with the possibility of large losses during the financing period, will have an impact on decreasing company profits (Alhamditia & Heykal, 2013). This is due to financing Profit sharing is not just about sharing profits, but also losses. In side other, often financing Which given on Customer will cause problems that have many potential risks (Syahid & Noviarita, 2022). Therefore, we must actively try from the start to anticipate the possibility of loss customers. Additionally, Activities banking sharia which is conducted No only solely for for business However Help help, Good for Customer and also provider funds (Yussof et al., 2015). Trend in Amount of Financing Capital Work, Financing Micro, And use of *Qardhul Funds Hasan* is depicted in the column chart following:

Column Chart 1. Amount of Working Capital Financing, Micro Financing and *Qardhul Hasan* Bank General Sharia in Indonesia Th 2014 s/d 2019 (In Trillion)



Source: Statistics Banking Sharia, Financing type report Bank General Sharia Th 2018 sd 2023

Based on *Column chart* on. Seen that Financing Capital Work, Microfinance, and *Qardhul Hasan Financing* in the Institutional Industry banking sharia in Indonesia Keep going increase from 2018 until 2023, only in 2021 there was a decline in the working

capital lending sector from around 80 trillion to around 77 trillion, while the *Qardhul Hasan Fund* also experienced stagflation at 11 trillion, this was due to the impact of the Covid-19 pandemic which resulted in many industrial customers experiencing losses and a decrease in the financing distributed.

Connection whisper And non business between Financing Capital Work, Financing Micro and Use of *Qardhul funds Hassan* because of existence correlation between the three variables the in improve the performance of Islamic Banks with different concepts and models in reaching all levels of customer business (Abidin et al., 2011). In particular on the product working capital financing whose customers are already legal entities, both from Commercial sector, Retail *Small Medium Enterprise* with its allocation for the needs operational activity, purchase material standard, improvement business, payment advance wages, improvement production And etc with model profit sharing financing with a *musyarakah contract* which has a fairly high level of risk (Syahid & Noviarita, 2022). Then the micro financing sector middle to lower class customers without having to have their business incorporated as a legal entity contract *murabaha* which is classified as having minimal risk in use on micro customers like home industry, trader micro And others (Aderemi & Ishak, 2023). While the *qardhul funds Hasan* can reach all existing layers of financing Banked sharia use repair structure capitalization in financing Which used in restructuring Handling financing problematic including restructuring financing capital Work And financing micro so that current turnaround capital business Customer become fluent And will increase stimulus in installment payments and profits to be received by the Bank so as to minimize the level of *non-performing loans financing* (Wulandari: 2019). Function of funds *qardhul hasan* is not only limited to that, but can also save the whole mark assets financing Which Already given to customers if managed well, but if not managed well it will result in multiple losses (Arme Tiara Harahap et al., 2021). On the other hand, *qardhul hasan funds* are the differentiator from conventional banking products because what is used are *tabarru funds* which distributed use contract *qardh* so that Customer here No only get financing alone but also borrow funds with a help model help system *tabarru* (Febianto & Ashany, 2012).

Previous research has also been conducted by several researchers. The results, related to working

capital financing, show a positive and significant influence (Supraini, 2016). However, it is different from other studies which do not have a partial influence on the growth of banking institutions (Afkari, 2017). While micro financing does not affect the development of MSMEs (Small and Medium Enterprises) where in its development the MSMEs that are given financing do not experience development (Saparingga, 2015). Different from other studies which actually state that in general the provision of micro financing can enlarge the customer's business (Anggraeni et al., 2013). Based on previous studies, there were differences in research results so that in this study different tests will be carried out to obtain the latest results, and the results could support or produce new conclusions in research by using additional *qardhul hasan financing* which is basically used to restructure when the financing has problems (Arme Tiara Harahap et al., 2021). Thus, the purpose of the researcher in conducting the research is "to determine the effect of Working Capital Financing, Micro Financing and *Qardhul Hasan Financing* on the Profitability of Islamic Banking in Indonesia in 2018-2023". Although the system owned by Islamic Banks is quite good, the main problem is the still slow growth at the national level which is only achieve a *market share* of around 7% in the last year of 2023. Apart from that, it has not yet the balance of the projected gain value portion between *loans* issued by banks sharia to performance Which achieved bank sharia, Which average new around 5% annually, whereas in Regulation Bank Indonesia Number 13/1/PBI/2011 about evaluation health Bank must is at on number 7%. So that matter it is necessary to diversify its management and product management better. And Can to touch throughout layer society, so that *sustainability* bank sharia Can still exist And endure to shock domestic and international economy Which No stable.

2. BASIS THEORY

Financial intermediary institution or liaison that collects public funds through savings products, demand deposits, deposits and redistribute shaped lending to customers Which requires funds (Muhammad, 2004). Sharia banks do not use mechanisms interest, but using the profit sharing model of *shahibul maal* and *mudhari*, the principle Sell Buy, Principle rent rent, And others in accordance in contract Which allowed in business sharia. Bank

Also own role in build economy national in increasing equality, economic development, as well as stability national (Hasibuan, 2008).

Performance Bank Sharia

Islamic Bank Performance is the ability of an institution to use funding sources and produce resources in a certain period. Because the Bank Sharia Which Healthy have performance standards that are determined and have a purpose in assess the level of effectiveness and management in carrying out operations his institution (Suryani, 2011).

Financing To Deposit Ratio (FDR)

The liquidity ratio in Islamic banks is used to know how big external party funds in Islamic banks that are distributed to customers (Antonio et al., 1999). The ideal FDR limit for Islamic banks is around 80% until 90% (Indonesian Islamic Banking Association) the greater the funds distributed to customers, the greater there will be less and less productive funds so that the income received by Sharia Banks increases.

Cost Operational To Income Operational (BOPO)

Evaluation The purpose of BOPO is to assess all operational costs incurred against all operational income. the smaller the income compared to the expenses, it indicates a loss, and vice versa, if the income is greater than the amount of expenses, it indicates a profit (Barus & Sulistyono, 2011). However, related to profit, it is not only limited to that if the difference is not able to cover the inflation rate and economic turmoil, it is still considered a loss (Fitriana & Oetomo, 2016).

Non Performing Financing

NPF shows the level of non-performing financing due to funding risk Which Certain found bank on distribution Financing. If the value Small NPF so that more and more a little bit too risk credit or funding Which become burden party bank sharia, and vice versa (Antonio et al., 1999). Risk financing That Can experienced Because inability or failure debtor For return total loans obtained from banks and shares results based on tenor or period Which Already agreed.

Financing Capital Work

It is current capital used to support business operations. daily customers so that the debtor's business can run normally and smooth with a nominal value of Rp. 200,000,000 to infinity. Usage capital Work intended For payment rent paid in advance, purchase of raw materials, payroll for workers and others (Yusuf et al., 2015) working capital financing

is a combination of liquidity financing, receivables financing, and inventory financing with profit sharing calculation model (Indonesian Bankers Association: 2016)

Financing Micro

Financing Micro is a customer allocation fund for the medium to low business category with a ceiling value of around Rp. 5,000,000 to Rp. 200,000,000 (Lestari, 2013). Indonesia development business micro own sector Which Enough strategic, namely so that add opportunity Work as well as make an effort in raise economy of a country.

Funds *Qardhul Hassan*

Qardhul Hasan has a funding provision model with loans according to approval and agreement from the loan and the party lending and return it with the same value. Because on Basically, interest is not permitted according to Islam, so financing *Qardhul Hassan* including financing No interest (Haida, 2016). In line with the characteristics of Islamic economics money is not finished goods not allowed if that money

create or add money (Dedi Riswandi, 2015).

3. METHODOLOGY STUDY

Use study quantitative Which involving number Which direct obtained based on research results or from data processing through analysis statistics (Sugiyono, 2010), which is conducted processing data with tools analysis statistics use prove hypothesis Which formulated. Its nature *associative* , Which intended For find correlation between variables (Ajija et al., 2011). In matter This, researcher aiming For see influence PMK, PM as well as PQH on performance Bank General Sharia. Use quantitative secondary data with Panel Data model Which its composition based on monthly basis, by taking data from the Report Islamic Banking financial statistics published by OJK from the year 2019- 2023 to be made data measurement performance of 14 Islamic Commercial Banks in Indonesia. Below, we will the operational definition of each variable used in the research is explained namely:

Table 2. Definition Operational Study

| Variables | Understanding | Indicator |
|--------------------------------|--|---|
| Financing Working capital (X1) | Variables X1 namely level Financing Capital Work namely Financing Which focused on business <i>Small Medium Enterprise</i> with financing ranges between Rp 200,000,000 until Rp 5,000,000,000. For commercial scale Rp 5,000,000,000 to infinity. | <ul style="list-style-type: none"> - T- T1 (improvement each period compared to before) - <i>Capital Asset Management Equity and Liquidity</i> (CAMEL) - Return on Asset - BOPO - NPF > 5% (<i>No Performance Financing</i> No more from 5%) - PPAP > 18% all over assets Which classified fluent - T : 5% Depositors (Min NBH for Customer Depositor) (OJK: 2022) |
| Financing Micro (X2) | Variable X2 is Microfinance, namely financing that is focused on on Sector MSMEs down with Mark Rp 5,000,000 sd Rp 200,000,000 | <ul style="list-style-type: none"> - T- T1 (improvement each period compared to before) - <i>Capital asset Management Equity and Liquidity</i> (CAMEL) - Return on Asset - BOPO - NPF > 5% (<i>Non Performing Financing</i> No more from 5%) - PPAP > 18% all over assets which is classified fluent (OJK: 2022) |
| Qardhul Hasan Fund | Variables Moderation is Funds <i>Qardhul Hassan</i> is funds which is focused on Restructuring when financing is issued by a sharia bank when it experiences problems. | <ul style="list-style-type: none"> - T- T1 (improvement each period compared to before) - Financing Still Category Collectability 1 to 2 based on Asset Quality Productive - <i>Capital asset Management Equity and Liquidity</i> (CAMEL) - Restructuring > 20 % from Financing (OJK: 2022) |
| Islamic Bank | Islamic Bank Performance is the ability of an institution to use funding sources and | <ul style="list-style-type: none"> - Adequacy of fulfillment of Minimum Capital Provision (KPM) obligations (Ratio 25%) - Return On Assets (ROA) (Ratio 30%) |

| Variables | Understanding | Indicator |
|-----------------|--|--|
| Performance (Y) | produce resources in a certain period, with measurements adding up the scores of financial ratios. | Return On Equity (ROE) (15% Ratio) Non Performing Finance (NPF) (Ratio 10%) Finance to Deposit Ratio (FDR) (10% Ratio) Operational Activity Efficiency Ratio (REO) (10% Ratio) (OJK: 2022) |

Technique Data analysis

Test Assumptions Classic

Analysis Regression Multiple

Used to see how the dependent variable is a criterion Which Can estimated from variable independent or the predictor, Good through individuals or simultaneously (Juliansyah, 2014). So that the multiple linear regression model or empirical model can be formed in the equation, namely.

$$\text{Performance}_{i,t} = \alpha_0 + \beta_1 \text{Performance}_{i,t-1} + \beta_2 \text{SME}_{i,t} + \beta_3 \ln(\text{Size}_{i,t}) + \beta_4 \text{Lev}_{i,t} + \beta_5 \text{M2}_{i,t} + \varepsilon_{i,t}$$

In this formula, the Performance variable it ($i = 1, 2, 3, 4$) is explained, each of which represents the growth capability f_1 , profitability f_2 , profit quality. f_3 and risk control f_4 of the bank. Performance, $t-1$ is the variable of the bank's financial performance lag period. SME_i , represents the Lending Value of the i -th Commercial Bank in year t

Second, the moderation model of the relationship between green credit and CSR and financial performance of commercial banks is constructed (Rahman, A et al., 2018) The effect of green credit moderation on the relationship between bank social responsibility and financial performance is shown in the following aspects (Ghozali, 2013). If banks can actively expand their green credit business, it means that banks increase environmental protection investment and assume more social responsibility. If social responsibility has a positive impact on banking performance, the positive impact of green credit will be greater (Maghfuriyah et al., 2019).

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + \dots + b_k X_k + e$$

With :

Y : ROA

a : Constants (mark Y, if $X_1, X_2, X_3, X_k = 0$)

X_1 : Financing Capital Work

X_2 : Financing Micro

X_3 : Financing *Qardhul Hassan*

b : Coefficient Regression.

e : error

Coefficient Determination (R^2)

In regression analysis there is a measure that is used For problem This namely Coefficient Determination (R^2). But the R^2 model has a drawback, namely that it can on sum variable independent Which involved to the model (Arikunto, 2010). So that researcher use mark *Adjusted R^2* for do evaluation model which regression is most Good.

Test Hypothesis

As for testing hypothesis Which implemented namely:

a. Test F

The purpose of the F test is to determine the influence of the independent variable on variable its dependents with simultaneously. In matter This, researcher use comparison of the significance value with $\alpha = 0.05$. Furthermore Can taken the conclusion with $\alpha = 5\%$ based on provision namely:

When mark Its significance $> \alpha$ so accept H_0

When mark Its significance $< \alpha$ so accept H_a

b. F Test

The goal test t For know the magnitude influence variable partially independent in explaining the variety of dependent variables. In this case, the researcher uses a comparison of mark significance $\alpha = 0.05$. Furthermore Can taken the conclusion with the provisions are:

If mark Its significance $> \alpha$ so accept H_0

If mark Its significance $< \alpha$ so accept H_a

4. RESULTS AND DISCUSSION

4.1. Results

Regression Linear Multiple

Analysis data in this research is analysis regression multiple linear. The aim is to see the magnitude of the influence between the influence of Financing Capital Work, Financing Micro moderated using Funds *Qardhul Hassan* on the Performance of Islamic Banks for the period 2019-2023 in a way simultaneously namely:

Table 3 Results Analysis Regression Linear Multiple

| Model | UnstandardizedCoefficients | | StandardizedCoefficients | T | Sig. |
|------------|----------------------------|------------|--------------------------|--------|------|
| | B | Std. Error | Beta | | |
| (Constant) | 2218.925 | 1228.276 | | 1,807 | .076 |
| PMK | -.081 | .032 | -1.174 | -2,518 | .015 |
| PM | .059 | .019 | .880 | 3,079 | .003 |
| DQH | .212 | .057 | 1,048 | 3,737 | .000 |

Source data in the end year 2023

Based on results the, got equality namely: Sharia Bank Performance = 2218.925– 0.081PMK + 0.059PM – 0.212PQH Regression equation the own constant worth 2218.925 where if the PMK, PM, and DHQ variables are considered fixed, then the average performance is worth 2218.925. Regression results can described as follows:

- The test results show that PMK has a value of 0.015, PM has a value of 0.03 and DHQ has a value of $0.000 < \alpha = 0.05$. It has a meaning that variable PMK, PM And DQH influential to variable PBS
- The PMK regression coefficient is -0.081, which

means that every time there is a decrease mark PMK worth 1%, so Performance will decrease worth 08.1% from profit Which should got from Financing Which distributed.

- Regression coefficient PM worth 0.59% own PM increase worth 1%, then Performance will increase by 05.9% of the Financing that distributed.

Test Significance Parameter Individual (Test t)

On test statistics t show so far What influence each variable free in a way individual influence variable dependent. Based on the t-test described results namely:

Table 4 Results Test Significance Parameter Individual (Test t)

| Variables | Coefficient | Std Error | t-Statistic | Sign | Information |
|-------------------|-------------|----------------------|-------------|----------|-------------|
| PMK | 2218.925 | 1228.276 | 1.806535 | 0.0762 | Rejected |
| | -0.080548 | 0.031993 | -2.517642 | 0.0147 | |
| PM | 0.059039 | 0.019173 | 3.079337 | 0.0032 | Accepted |
| PQH | 0.211891 | 0.056703 | 3.736896 | 0.0004 | Accepted |
| R-squared | 0.444147 | Mean dependent var | | 411.5724 | |
| Adjusted R-Square | 0.414369 | SD dependent var | | 354.0575 | |
| SE of regression | 270.9479 | Akaike info criteria | | 14.10607 | |
| Sum squared resid | 4111115. | Black criterion | | 14.24569 | |
| Log likelihood | -419.1821 | Hannan Quinn Criter. | | 14.16068 | |
| F-statistic | 14.91536 | Durbin-Watson stats | | 0.756216 | |
| Prob(F-statistic) | 0.000000 | | | | |

Data source processed year 2023

The decision is made when the significance value is $\alpha = 0.05$ (5%), meaning H_0 is rejected and H_a is accepted. This means there is an influence partially independent variables against dependent variables. The results of the t-test are described below this:

Financing Capital Work

The test results show that Financing Capital Work negative influence and significant on Performance Sharia Bank for the period 2019-2023. Matter the seen from mark significance PMK $0.0147 < \alpha = 5\%$ (0.05) while the regression coefficient of Working Capital Financing has a negative value, namely -0.080548. Therefore, the formulation of the

problem first it was rejected

Financing Micro

Results testing variable Financing Micro Positive influence on performance Bank Sharia. Matter the seen from mark significance PM $0.0032 < \alpha = 0.05$, and coefficient from Microfinance has value Positive namely 0.059039. Therefore the second problem formulation is accepted

Funds Qardhul Hassan

Results testing Funds Qardhul Hasan has a positive and significant influence to Performance Bank Sharia. Matter the seen from the significance value of DQH $0.0004 < \alpha = 5\%$ (0.05),

and the regression coefficient of Dana *Qardhul Hasan* has a positive value, namely 0.211891. Therefore the formulation of the third problem is accepted

Test Significance Simultan (Test F)

Test F used For see whether all over variable X

influences the Y variable. with the provision of drawing conclusions, namely if the Sig value < 0.05 then the hypothesis is accepted and if vice versa then rejected. The following are the test results F uses analysis tools Eviews statistics 10 can seen in the table under This:

Table 5 Results Test Significance Simultan (Test F)

| Variable | Coefficient | Std. Error | t-Statistic | Prob |
|--------------------|-------------|-----------------------|-------------|----------|
| C | 2218.925 | 1228.276 | 1.806535 | 0.0762 |
| PMK | -0.080548 | 0.031993 | -2.517642 | 0.0147 |
| PM | 0.059039 | 0.019173 | 3.079337 | 0.0032 |
| DHQ | 0.211891 | 0.056703 | 3.736896 | 0.0004 |
| R-squared | 0.444147 | Mean dependent var | | 411.5724 |
| Adjusted R-squared | 0.414369 | S.D. dependent var | | 354.0575 |
| S.E. of regression | 270.9479 | Akaike info criterion | | 14.10607 |
| Sum squared resid | 4111115 | Schwarz criterion | | 14.24569 |
| Log likelihood | -419.1821 | Hannan-Quinn criter. | | 14.16068 |
| F-statistic | 14.91536 | Durbin-Watson stat | | 0.756216 |
| Prob(F-statistic) | 0.000000 | | | |

Data Source processed in 2023

Based on testing, show that variable Financing Capital Work, Financing Micro moderated by the Fund *Qadhal Hassan* in a way simultaneous influential positive And significant to Bank Performance Sharia Which listed in Authority Service Period finance 2019-2023. Matter the seen from mark sig. $0,000 < 0.050$. So that's the final problem formulation accepted. Bank Performance General Sharia happen Because independent variables moderated by *Qardhul Hasan Fund* are financing Which directed And focus on sector the most productive in its lending business and its management Already Enough Good. Matter the seen from

achievement Performance Bank Sharia in each period. So, sector model business the proven capable return condition Bank Sharia become stable And *sustainable* even still grow so that stand to activity economic shock country Which Nostable.

Test Coefficient Determination (R^2)

The coefficient of determination (R^2) is used to see to what extent the achievement of the proportion of influence of variables X on variable Y. Coefficient determinant (R^2) to explain as big as What proportion The variance of variable Y is explained by the variation of variable X. The test results outlined below this:

Table 6 Results Test Coefficient Determination (R^2)

| Model | R | R Square | Adjusted RSquare | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|------------------|----------------------------|---------------|
| 1 | .829 ^a | .688 | .671 | 555.60848 | 1,806 |

Source: data processed year 2020

Based on test the, Can seen that mark adjusted R square (R^2) on the Y variable of Islamic Bank Performance listed in the Financial Services Authority for the 2019-2023 period, the coefficient obtained determination of 0.671 or 67%. Based on this, the ability of the independent variable moderated by Dana *Qardhul Hassan* in explain variable dependent The performance of Islamic Banking is 67% and the rest is 33% influenced other variables outside the model. So that Can withdrawn conclusion that:

4.2. Discussion

Assessment of the performance of Islamic banking is needed to determine the effectiveness and efficiency of the use of existing resources for the sustainability and development of Islamic banks themselves. Through the analysis of financial ratios that have been published by the Financial Services Authority, data related to performance achievements are obtained. Based on the results of the F test, the calculated F is 14.91536 with a significance of 0.000,

meaning that the variables of Working Capital Financing, Micro Financing, moderated by *Qardhul Hasan Funds* simultaneously affect the performance of Islamic Banks. While the results of Adjusted R² are 0.671 or 67%, which means that the Islamic Bank Performance variable is influenced by the Independent Variable by 67% bias while the remaining 33% is influenced by other variables outside the X variable model studied. Based on the partial test results related to the influence of the Working Capital Financing variable, Micro Financing moderated by *Qardhul Hasan Funds* on the performance of Islamic Banks is described below:

- a. Working Capital Financing Variables during research period has influence significant And negative to Bank performance, so that Ha on hypothesis This rejected. Matter the happen because of Not yet directed at more productive sectors. In addition, conditions in the field Still the occurrence Lots fraud Which done like, *mark up* costs by customers, disclosure of fraud on profit sharing with a risk level that is Enough tall so that matter the No so profitable And influential to performance Bank Sharia even raises the risk of *non-performing bank financing* becoming high which makes the performance of Islamic Banks. Due to this, Islamic Banks in doing distribution must more be careful, avoid *fraud*, And *financing support* not only selects from the Admin support but also includes take part in cutting off distribution if it is not in accordance with paying attention to procedure And various type aspect as well as constraint risk Which the possibilities faced in the future so that the performance of Islamic Banks become better and remain *sustainable* and resilient to bad economic turmoil.
- b. Microfinancing variables during the research period have an influence positive And significant to Performance Bank Sharia, so that Ha on This hypothesis is accepted. This occurs because the funds distributed are specifically on productive UMKM sector with model *murabaha bill wakalah* so that there is little fraud committed by customers and minimal risk Because No depends on go on down customer income. So this is very beneficial for the performance of Islamic Banks. By Because That model This Can improved Again And Can converted into various products according to customer needs so that Performance Bank Sharia Can Keep going increase while still paying

attention to the principles *Banking Quality of Sharia* which is the vision and mission in its establishment.

- c. Moderating Fund Variable *Qardhul Hassan* in observation study own influence positive And significant which moderates the independent variable against Performance Bank Sharia. So Ha in this hypothesis is accepted, this happens because its function is to facilitate the flow of capital from business activities non-economic side of the customer's business so that installment payments, margins or for results become fluent And influential on the performance of Islamic Banks. In addition, minimizing collectability value and *non-performing financing* which will harm the performance of Islamic Banks are controlled so that the level of risk is the possibility of being faced is getting smaller. Therefore, this model can be developed with other models or converted to various type *lending* Which the sector more directed to the productive sector so that the performance of Islamic Banks continue to increase in maintaining. Considering that the *Qardhul Hasan Fund model* is different from conventional banking because use funds *tabarru* Which distributed using model *qardh* For Help help Which profitable second split party.

By Because That, sector model business banking sharia proven able to restore conditions to stability and even continue to grow Which supported by implementation draft banking in stimulate its business activities, because business activities for Islamic Banks moving no only on sector micro but macro. With existence draft the banking sharia as institution intermediation business capitalization with system sharia naturally no only become pioneer financial institution with the *tabarru model* but gets profit also from *lending* Which distributed so that sustainability banking sharia is becoming more and more Good, throughout No go out from *banking quality of sharia* which is indeed the vision and mission for banking business sharia.

5. CONCLUSION

Assessment of the performance of Islamic Banks is needed to determine the effectiveness and efficiency of the utilization of existing resources for the sustainability and development of Islamic banks themselves, through the analysis of financial ratios that have been published by the Financial Services

Authority. Based on the test results, it shows that simultaneously the Working Capital Financing and Micro Financing variables moderated using *Qardhul Hasan Funds* have a significant effect on the Performance of Islamic Banks during the study period. This is because the financing moderated by the *qardhul hasan funds* is allocated to the productive sector and is included in the priority scale of superior businesses so that it simultaneously has a positive impact. While the results of the partial test show that the moderation variable of *Qardhul Hasan funds* on Working Capital Financing has a negative effect, and the Micro Financing variable has a significant and positive effect on the performance of Islamic Banks, this is because Micro Financing uses a sale and purchase agreement and is moderated by Qardh funds so that the risk is minimal compared to the working capital financing model because it uses a profit-sharing agreement so that it has a negative impact even though it has been moderated by qardh funds. By Because That, sector model business banking sharia proven able to restore conditions to stability and even continue to grow Which supported by implementation draft banking in stimulate its business activities, because business activities for Islamic Banks moving no only on sector micro but macro. With existence draft the banking sharia as institution intermediation business capitalization with system sharia naturally no only become pioneer financial institution with the *tabarru model* but gets profit also from *lending* Which distributed so that sustainability banking sharia is becoming more and more Good, throughout No go out from *banking quality of sharia* which is indeed the vision and mission for banking business sharia.

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