

Influence of Intellectual Capital, Profit Sharing Ratio and Zakat Performance Ratio on Financial Performance of Sharia Commercial Banks in Indonesia 2015-2019 Periods

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Abstract

The purpose of this study is to analyze the effects of intellectual capital, profit-sharing ratio, and zakat performance ratio on the financial performance of Islamic Commercial Bank of Indonesia during the 2015-2019 research period. The independent variables are intellectual capital (IC), profit sharing ratio (PSR) and zakat performance ratio (ZPR), the dependent variable, are measured using a financial performance and expressed by ROA. This study uses panel regression validated with data processing using eviews 10. The results show that IC has a positive and significant impact on the financial performance of Islamic Commercial Bank of Indonesia during the period 2015-2019. It is expressed as a probability value of $0.0004 < 0.05$ for the t-statistic. PSR has no significant effect on the financial performance of Islamic Commercial Banks in Indonesia for the 2015-2019 period. This is indicated by the result of probability value of t-statistic $0.1628 > 0.05$. ZPR does not significantly affect the financial performance of Islamic Commercial Bank of Indonesia during the period 2015-2019. It is expressed as the value of the statistical probability $t\ 0.0980 > 0.05$. IC, PSR and ZPR together have a positive and significant impact on the financial performance of Islamic Commercial Bank of Indonesia during the period 2015-2019. This is a statistical probability $F\ 0.000038 < 5\% (0.05)$.

Keywords: Intellectual Capital, Profit Sharing Ratio, Zakat Performance Ratio, Return on Assets, Islamic Commercial Bank

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1. INTRODUCTIONS

Islamic Banking is an Islamic-based financial institution. This means that all operations are carried out in accordance with Islamic laws. It is undeniable that Islamic Banking has also encountered several problems that hindered its development. One of the obstacles faced by Islamic banks is public misunderstanding of contracts, products and services that are not in accordance with sharia principles. To overcome these various problems, the Islamic Banking industry needs to improve its performance in order to win the trust of stakeholders. Stakeholders are stakeholders whose support is needed for the welfare and survival of a company. (Handayani 2018)

The realization of Islamic Banking performance can be achieved through bank management in the form of its financial statements. In its development, there

are still many Islamic banks that have not run their business in accordance with established sharia principles. The inconsistency between the existing implementation and the established principles of Islamic law makes the Islamic Banking industry also have to measure performance targets in accordance with existing Islamic legal principles. (Hardina, Sasongko, and Setiawati 2019)

Sharia compliance as an Islamic-based financial institution, Islamic banking must fully adhere to its main principle, namely complying with the prohibition of the interest or usury system by Islamic principles, then the implementation of a profit-sharing system in all transactions. (Rahman and Nurdin 2020). This principle is what distinguishes Islamic banks and conventional banks. The characteristics of the Islamic Banking system, which are based on the principle of

profit sharing, provide the banking industry with another system that is beneficial to the public and the banking system. This highlights fairness in trade, investment, and ethics, puts forward the values of solidarity and brotherhood in production, and avoids interest activities in Islamic banking transactions. (Abdillah, Hosen, and Muhari 2016)

The performance of Islamic banks can be seen from the financial reports made every year. Analysis of Islamic Bank financial statements can be measured by Intellectual Capital (IC) and Islamicity Performance Index (IPI). IC or intellectual capital is one of the factors that affect the financial performance of Islamic Banking. Through the application of knowledge-based enterprises, the creation of enterprise value will change. The development of the company can be seen from the ability of managers to manage company resources so as to create company value. (Indriani and Ratnawati 2017)

One of the efforts to maximize the added value of a company, it must transform from a "labor-based business" with basic scientific characteristics to a "knowledge-based business". In the current state of the business environment, transforming a workforce-based business into a knowledge-based business is the company's top priority. In another sense, it is changing from tangible assets to intangible assets. (Shalahuddin, et al. 2020). The IPI index is designed to measure whether the financial performance of Islamic banking has been carried out in accordance with Sharia law. IPI needs to be used to measure the purpose of Islamic banking financial analysis, which is used as a stakeholder assessment and future progress. Therefore, only measuring performance analysis is not enough. Need to evaluate aspects with Islamic values and follow Islamic principles. (Fatmasari and Kholmi 2018).

The principles of Islamic Banking that distinguish it from conventional banks are in terms of profit sharing and distribution of zakat. So that the IPI index used is an indicator of Profit Sharing Ratio (PSR) and Zakat Performance Ratio (ZPR). (Rahman and Nurdin 2020). In addition to using the IPI index when evaluating the financial indicators of Islamic banks, the actual benchmark is the level of profitability. Profitability is the ability of a bank to make a profit. Profitability can be seen as one of the most suitable indicators used to measure the performance of a company. A ratio often used to measure a profitability metric is return on assets

(ROA). (Rivai, Veithzal, and Idroes 2007) The higher the ROA, the more profitable it is, the better the company's location and asset utilization. Beyond companies, ROA benefits make decisions easier for investors and lenders. From the financial information provided, the annual increase in ROA proves the company's sustainability. (Kokoh et al. 2019).

The Global Islamic Finance Report (GIFR) is an annual Islamic banking and finance report that has been recognized as the authentic source of market intelligence for the global Islamic finance industry. GIFR uses the Islamic Finance Countries Index (IFCI) as the index used to rank different countries according to the state of Islamic Banking Finance (IBF) and their leadership in the industry at national and international levels. IFCI objectively proves the growth of IBF, making it a useful tool for industry analysis and comparative assessment. In the GIFR report of 2019: (GIFR, 2019).

Table 1
GIFR 2019

COUNTRIES	2019 SCORE	2018 SCORE	CHANGE IN SCORE	2019 RANK	2018 RANK	CHANGES IN RANK
INDONESIA	81.93	24.13	+57.80	1	6	+5
MALAYSIA	81.05	81.01	+0.04	2	1	-1
IRAN	79.03	79.01	+0.02	3	2	-1
SAUDI ARABIA	60.65	66.66	-6.01	4	3	-1
SUDAN	55.71	17.09	+38.62	5	11	+6

But in reality, the data obtained by the author shows that the lowest IC and ROA are occupied by Indonesia as summarized in the table below:

Table 2
Min-max value of Islamic Bank IC, PSR, ZPR & ROA by IFCI 2019

Ket.	IC	PSR	ZPR	ROA
Minimum	1,213485 (Indonesia)	0,037229 (Sudan)	0,000004 (Malaysia)	0,000770 (Indonesia)
Maximum	45,455493 (Malaysia)	0,813205 (Malaysia)	0,002835 (Sudan)	0,245986 (Sudan)

Based on the description of the background above, the author intends to re-test by taking the title "The Influence of Intellectual Capital, Profit Sharing Ratio and Zakat Performance Ratio on the Financial Performance of Islamic Commercial Banks in Indonesia for the 2015-2019 Period".

2. METHOD

This study examines the impact of intellectual capital (IC), profit sharing ratio (PSR) and zakat

performance ratio (ZPR) on the financial performance of Islamic Commercial Bank of Indonesia in 2015-2019. The research approach used is a quantitative approach using secondary data obtained from financial statements published on each bank's official website. The study covered all Islamic commercial banks in Indonesia, with data published for a total of 14 banks from 2015 to 2019. The samples for this study were selected by a targeted method of collecting samples according to specific criteria. Based on this method, researchers obtained a sample of nine banking companies and investigated the five-year study period, 2015-2019. 45 data were examined with 9 Sharia Commercial Bank: PT. Bank BCA Sharia, PT. BNI Sharia, PT. BRI Sharia, PT. Sharia Mandiri Bank, PT. Muamalat Bank Indonesia, PT. Mega Sharia Bank, PT. Panin Sharia Bank, PT. Victoria Sharia Bank, PT. Maybank Sharia Bank.

2.1. Data analysis method

The data analysis method in this study uses a panel regression analysis that combines time series and cross sections. Time series and cross-sectional data can be combined to provide more information and reduce bias. The statistical method used to analyze the data in this study was Eviews 10, but the panel data regression equation model was as follows. (Gujarati, 2014).

$$Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + e_{it}$$

Information:

Y : Dependent variable proxied by ROA

X1 : Intellectual Capital

X2 : Profit Sharing Ratio

X3 : Zakat Performance Ratio

i : Cross section

t : Time series

β : Regression coefficient

e : Error term

2.2. Descriptive Statistical Analysis

Descriptive statistics provide a description or description of the data from the mean, standard deviation, variation, maximum, minimum, number, range, kurtosis and skewness (slope distribution).

2.3. Panel Data Estimation

Panel data is a data type that combines time series and cross-sectional data. Thus, panel data is a combination of two types of data attributes that consist of multiple objects and span multiple time periods. The models used for the panel data are generally divided into three models: the common-effects mode (CEM), the fixed-effects mode (FEM),

and the random-effects model (REM). (Sarwono 2016)

2.4. Data Analysis Stage

The selection of the most suitable model for managing panel data was tested through several tests. Here are some tests that can be used:

a. Chow test

To determine the best model between CEM and FEM, we can tell from the probability values for the cross-sections. If the value is > 0.05 then the CEM model is the model chosen, if the value is < 0.05 , the model used is the FEM model.

b. Hausman test

Hausman test to compare/select the best model between FEM and REM. To determine the best model between FEM and REM, you can tell from the probability values of the random cut. If the value is > 0.05 , it can be concluded that the REM model is more suitable, if the value is less than 0.05, the model chosen is FEM.

c. Lagrange Multiplier (LM) Test

This LM test is based on a ChiSquares distribution with degrees of freedom equal to the number of independent variables. The null hypothesis is that the correct model for panel data regression is CEM, and the alternative hypothesis is that the correct model for panel data regression is REM. If the calculated LM value is greater than the critical ChiSquares value, the null hypothesis is rejected. This means that the correct model for panel data regression is the REM model. Conversely, if the calculated LM value is less than the ChiSquares critical value, the null hypothesis is accepted. This means that the correct model for panel data regression is CEM.

2.5. Hypothesis Testing

F test

- If $P > 5\%$ indicates that the hypothesis H_0 is accepted
- So if on the other hand $P < 5\%$ indicates that H_0 is rejected

T test

- If $P > 5\%$ indicates that the hypothesis on H_0 is accepted, while H_a is rejected. This illustrates that there is no significant effect on the independent variable (X) on the dependent variable (Y).
- If $P < 5\%$ indicates that the hypothesis on H_0 is rejected, while H_a is accepted. This illustrates that there is a significant effect on the independent variable (X) on the dependent variable (Y).

Determinant Test (Adjusted R²)

This test is used to measure how much the independent variable affects the dependent variable. This test uses the R² value to avoid bias. The higher the coefficient of determination, the better the regression line. And vice versa, the lower the coefficient of determination, the more inaccurate the regression line is in the expression of the observation result. (Ghazali 2005).

3. RESULTS AND DISCUSSION

3.1. Results

Descriptive Statistical Analysis

Table 3

Descriptive Statistical Analysis Result

	ROA01	IC01	PSR01	ZPR01
	ROA01	IC01	PSR01	ZPR01
Mean	1.020667	2.374222	0.295111	0.137556
Median	0.950000	1.820000	0.320000	0.050000
Maximum	2.830000	11.15000	0.790000	1.090000
Minimum	0.020000	0.070000	0.000000	0.000000
Std. Dev.	0.780930	2.564498	0.237799	0.242395

a. Financial Performance (ROA)

During the observation period from 2015 to 2019, in general, the Islamic banks that became the research sample experienced an increase in values ranging from 0.020000 to 2.830.000. The average value of Islamic bank performance shows a value of 1.020.667, meaning that with Islamic financial ratios the growth of Islamic Commercial Banks' financial performance in Indonesia is increasing. While the standard deviation shows a value of 0.780930, this indicates that the data is homogeneous or the distribution of the data is less varied because the standard deviation is smaller than the average value.

b. Intellectual Capital (IC)

Intellectual capital is all the knowledge owned by everyone in an organization that can create value for the company and give it a competitive advantage. During the period 2015 to 2019, the variable IC (X1) generally increased with values ranging from 0.070000 to 1.112.000 for Islamic banks sampled in the study. The average IC value generated through the relationship between the human capital owned by Islamic banks, structural relationships and corporate relationships is 2.374.222, which means that Islamic commercial banks in Indonesia are starting to increase the use of human resources in the form of knowledge as a driving force for

survival. In a competitive environment it's getting tighter. Although the standard deviation is 2.564.498, this indicates that the data is not uniform or the distribution of the data varies because the standard deviation is greater than the mean.

c. Profit Sharing Ratio (PSR)

Profit-sharing ratios are profit-sharing agreements derived from mudharab and musyarak funds that aim to measure the fund allocation activity of Islamic banks. The descriptive statistics in the table above show that the mean PSR is 0.295111 and the standard deviation is 0.237799, which indicates that the data are homogeneous or the distribution of the data is less diverse because the standard deviation is smaller than the mean. The minimum PSR is 0.000000 and the maximum PSR is 0.790000. This means that Indonesia's Islamic Commercial Bank, as an Islamic financial institution, succeeded in expanding fund distribution through a profit-sharing contract that meets the basics of Islamic finance.

d. Zakat Performance Ratio (ZPR)

ZPR is calculated using Zakat issued by the bank from its net worth. The descriptive statistics in the table above show the average ZPR for Islamic banks using a sample of 45 annual financial statements for the period 2015-2019. ZPR has a maximum value of 1,090,000 by BCA Syariah and a minimum value of 0.000000 that banks receive. Maybank Syariah Indonesia means banks in Indonesia can manage zakat circulation in the same way as Islamic financial institutions. The resulting mean is 0.137556 and the standard deviation is 0.242395. In other words, if the standard deviation value is greater than the mean, it indicates that the data is not uniform or the standard deviation is greater than the mean and the distribution of the data changes.

Selection of Panel Data Regression Model

Before performing regression analysis on panel data, it is necessary to choose the correct model to use among CEM, FEM, and REM. Chow, Hausman, and LM tests should be used to select a suitable model. Based on the test results, you can find a suitable model for use, such as:

a. Chow test

Table 4
Chow Test Result

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.828.383	-8,33	0.1068
Cross-section Chi-square	16.510.210	8	0.0356

Based on the results of the Chow test in the table above, the Chi-square probability value is $0.0356 < 5\%$ (0.05). This explains that the best appropriate model to use is FEM. So for the next we do the Hausman test to determine the FEM or REM method.

b. Hausman test

Table 5
Hausman Test Result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.091.927	3	0.5535

c. Lagrange Multiplier (LM) Test

Table 6
Lagrange Multiplier (LM) Test Result

Test Hypothesis			
	Cross-section	Time	Both
Breusch-Pagan	0.548486 (0.4589)	0.695727 (0.4042)	1.244.212 (0.2647)

Based on the results of the table above, the LM test above shows that the LM value is 0.2647. This means that the result of the LM value is greater than 5% (0.05). Therefore, the right model to use is REM.

Thus, from the panel data model estimation test, it can be concluded that the right panel data regression test to be used in this study is the REM regression test, because the Hausman test and LM test results show REM.

Random Effect Model Estimation Results

In this study, panel regression analysis was performed to investigate the effect of intellectual capital, profit-sharing ratio, and Zakat rate of return on the financial performance of Islamic commercial banks expressed as ROA. After testing the model specification, it is known that the model selected in this study is the REM model. The REM evaluation results in this study are as follows:

Table 7
REM Result

Sample: 2015 2019
Periods included: 5
Cross-sections included: 9
Total panel (balanced) observations: 45
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.754225	0.245424	3.073145	0.0038
IC	0.169274	0.043440	3.896713	0.0004
PSR	-0.720831	0.507194	-1.421215	0.1628
ZPR	0.561764	0.331813	1.693013	0.0980

Effects Specification			S.D.	Rho
Cross-section random			0.253418	0.2185
Idiosyncratic random			0.479299	0.7015

Weighted Statistics			
R-squared	0.427332	Mean dependent var	0.659145
Adjusted R-squared	0.385430	S.D. dependent var	0.604585
S.E. of regression	0.473962	Sum squared resid	9.210223
F-statistic	10.19825	Durbin-Watson stat	2.028747
Prob(F-statistic)	0.000038		

Unweighted Statistics			
R-squared	0.588322	Mean dependent var	1.020667
Sum squared resid	11.04675	Durbin-Watson stat	1.691467

Hypothesis Testing

a. F test

Table 8
F Test Result

F-statistic	10.19825
Prob (F-statistic)	0.000038

Based on the table above, it shows that the probability value of F statistic is $0.000038 < 5\%$ (0.05) meaning that (H_0) is rejected and (H_a) is accepted. The results of the F test explain that the variables of Intellectual Capital, Profit Sharing Ratio and Zakat Performance Ratio simultaneously have a positive and significant effect on financial performance as proxied by ROA.

b. T test

Table 9
T Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.754225	0.245424	3.073.145	0.0038
IC	0.169274	0.043440	3.896.713	0.0004
PSR	-0.720831	0.507194	-1.421.215	0.1628
ZPR	0.561764	0.331813	1.693.013	0.0980

- 1) From the regression results, it is known that the t value on the IC variable is 3.896.713 with a statistical probability value of 0.0004. The magnitude of the probability value on the IC variable shows that it is smaller than $= 5\%$ (0.05). This explains that IC partially has a positive and significant effect on the financial performance of Islamic Commercial Banks in Indonesia for the 2015-2019 period.

- 2) From the regression results, it is known that the coefficient value on the PSR variable is -1.421.215 with a probability value of t statistic of 0.1628. The magnitude of the probability value on the PSR variable shows that it is greater than = 5% (0.05). This explains that PSR partially has no significant effect on the financial performance of Islamic Commercial Banks in Indonesia for the 2015-2019 period.
- 3) From the regression results, it is known that the coefficient value on the ZPR variable is 1.693.013 with a probability value of t statistic of 0.0980. The magnitude of the probability value on the PSR variable shows that it is greater than = 5% (0.05). This explains that PSR partially has no significant effect on the financial performance of Islamic Commercial Banks in Indonesia for the 2015-2019 period.

c. Determination Test (R^2)

Table 10
 R^2 Test Result

Adjusted R-squared	0.385430
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Based on the table above, it shows that the value of the Coefficient of Determination (R^2) test results is 0.385430. This explains that the effect of the independent variable on the dependent is 38.5% and the remaining 61.5% is influenced by other variables not examined in this study.

3.2. Discussion

The Influence of Intellectual Capital on the Financial Performance of Islamic Commercial Banks in Indonesia for the 2015-2019 Period

Based on the t-test, intellectual capital has a t-statistic value of 3.896.713 and a significance value of 0.0004 at a 5% alpha coefficient. Because the significance value is < 0.05 , it can be concluded that intellectual capital has a positive and significant effect on ROA (Y).

According to resource-based theory, resource-based theory provides a framework for understanding how companies create sustainable competitive advantage. This demonstrates that businesses can generate sustainable revenue when they create unique, valuable, rare, incomplete and irreplaceable sets of organizational resources and capabilities. As a result, the intellectual capacity to maintain a competitive advantage (that is, to create next-generation

technological advantages faster than competitors) depends on the organizational capabilities of engineering and manufacturing processes. This ability develops slowly over time and is difficult to imitate. Therefore, a company's portfolio of intangible assets plays an important role in creating a long-term competitive advantage.

Good intellectual capital can manage other assets well, increasing returns as measured by asset returns. Therefore, we can conclude that the better the intellectual capital of a company, the more productive it is. (Putri and Gunawan 2019). The higher the VAIC value, the higher the profitability of the bank's company. This shows that the company is getting better and better at managing assets, which leads to an increase in the return on assets owned by the company as measured by ROA.

This study shows that Islamic commercial banks have managed their resources effectively by professionals in these Islamic commercial banks. The human resources owned by the company can already rely on available funds such as equity and net income as well as assets owned to be able to increase the added value of Islamic commercial bank companies which in turn causes a decrease in the profitability of Islamic commercial banks as proxied by ROA. So the importance of companies utilizing and managing the potential of employees well, because this is able to increase the company's profitability.

Over time, competitors will simply transfer production assets to achieve similar economies of scale. However, it is difficult to replicate new technologies or advanced manufacturing processes that increase reliability and reduce the cost of finished products. Consequently, the competitive advantage inherent in technical know-how is more likely to be protected without duplication compared to a less complex allocation of tangible assets.

Businesses can use a variety of resources, such as tangible and intangible assets, to build organizational capabilities. Sustained competitive advantage means that the conditions for maintaining heterogeneity or differentiation between companies are maintained. While certain tangible assets can create temporary competitive advantages, these benefits are likely temporary because tangible assets can be bought and sold in market transactions at prices equal to their economic value. Only intangible assets can be attributed to a sustainable competitive advantage.

To achieve a sustainable global competitive advantage, companies need to create intangible assets that can be used in multiple countries and across multiple businesses. The ability of companies to move intangible assets from one country to another provides a global competitive advantage. Intangible assets such as skills, strong marketing capabilities and brands can be transferred to many countries at a relatively low cost. Such a strategy can help companies overcome the disadvantages of operating in foreign markets because local businesses cannot easily or inexpensively acquire or replicate these advantages. Transfers of intangible assets between companies are also a source of synergies, but not all intangible assets are always easily transferred, whether they occur across geographic boundaries or between different entities.

The Effect of Profit Sharing Ratio on the Financial Performance of Islamic Commercial Banks in Indonesia for the 2015-2019 Period

Based on the t test, the profit sharing ratio has a t value of -1.421.215 and a significance value of 0.1628 at a 5% alpha coefficient. Because the significance value is > 0.05 , it can be concluded that the profit sharing ratio partially has no significant effect on ROA (Y). When measuring performance, the Islamic Performance Index will not forget the obligation to operate financial institutions in accordance with Islamic law. Islamic corporate theory suggests that stakeholders include three parts, namely Allah SWT; humans and nature. The stakeholders regard God as the supreme stakeholder and creator of all people. The responsibility of the operating entity is not only to the owner of the company, but also to the wider stakeholder group including Allah.

This means that in running the company, the community must remain in the corridor that does not violate sharia law. Compliance with Sharia law can increase the trust of prospective users of sharia banking products, thereby increasing the profitability of Islamic banks.

The essence of Islamic banking is profit-sharing transactions in the form of mudharabah and musharaka. Islamic banking transactions use more profit sharing. Of course, apart from usury transactions, besides paying attention to and complying with existing Islamic law regulations. (Hardina, Sasongko, and Setiawati 2019)

In a financial cooperation contract, profits from business performance are divided according to the

contract at the time of the contract, and in case of business loss, the loss is distributed proportionally to both parties. The value of this ratio is the sum of the financings of mudharab and musyarak divided by the total financing amount, which includes profit sharing, leasing, trade, lending and multi-service operations. An increase in financing through profit-sharing indicates that Islamic banking's revenues will also increase. An increase in the income of an Islamic bank indicates an increase in profits, so the profitability of the Islamic bank also increases. (Falikhathun and Assegaf 2012)

Contrary to Sharia Enterprise Theory, PSR in this study shows that PSR has a negative effect on profitability, meaning that if the profit sharing ratio increases, it will reduce the level of bank profitability. This is because Islamic bank financing has a high risk. In addition, in the 2019 period, there were losses which in turn would reduce the level of profitability of Islamic banking. This is because the bank acts as the shahibul maal (owner of capital) in the profit sharing system. Failure to pay the principal received from the customer's bank will result in a loss.

The profit-sharing ratio of Islamic banks does not have a significant impact on the asset return of Islamic banks, as the amount of financing through profit-sharing is relatively small compared to other financing. As a result, profit-sharing income from the distribution of profit-sharing financing cannot optimize the ability of Islamic banks to generate profits. Therefore, it cannot affect the return on assets of Islamic banks. (Rahma 2018)

The Effect of Zakat Performance Ratio on the Financial Performance of Islamic Commercial Banks in Indonesia for the 2015-2019 Period

Based on the t-test, the zakat performance ratio has a t-value of 1.693.013 and a significance value of 0.0980 at a 5% alpha coefficient. Because the significance value is > 0.05 , it can be concluded that the zakat performance ratio partially has no significant effect on ROA. Zakat is one of the goals of Islamic accounting, especially zakat is one of the commands in Islam. Sharia Enterprise Theory shows that the responsibility of the operating entity is not only the responsibility of the owner of the company, but also includes wider stakeholders including Allah. This means that in running the company, the community must remain in the corridor that does not violate sharia law. (Aryani and Zuchroh 2018) Compliance with Sharia law can increase the trust of prospective users

of sharia banking products, thereby increasing the profitability of Islamic banks.

The performance of Islamic banks must be based on zakat financing to replace conventional performance indicators, namely earnings per share. The bank's wealth should be based on net worth, not net profit which is emphasized in the conventional way. Therefore, if the bank's net worth is higher, the higher the zakat that must be issued, the more zakat payments will be made, like sharia law, which means that Islamic banks have more assets. This shows that the greater the payment of zakat, the better the performance of Islamic banks. In this case, the Islamic Commercial Bank of Indonesia found that the ZPR value was still 0.00%. This means that there are still Islamic commercial banks that have defaulted on zakat payments on business assets.

The increase in wealth in Islamic banks should be followed by an increase in zakat payments made by Islamic banks. But in reality, there are still Islamic banks that have not distributed their zakat funds. The higher the amount of zakat distributed by Islamic banks, it will not affect the value of their profitability. In general, the sources of zakat funds in Islamic commercial banks consist of zakat from within and from outside the Islamic bank entity. Zakat originating within the scope of Sharia banks arises from the total assets held by the bank, while Zakat originating outside the scope of Sharia banks arises from customers and the general public. As a zakat-administered ratio of Islamic banks, a change in value level is usually issued for a number of reasons, which indicates a change in value in terms of the bank's profitability. Since the amount of zakat issued by each bank is still relatively small, the source of funds for which banks are obligated to issue zakat is the overwhelming role of zakat outside Islamic banks.

The Influence of Intellectual Capital, Profit Sharing Ratio and Zakat Performance Ratio on the Financial Performance of Islamic Commercial Banks in Indonesia for the 2015-2019 Period

Based on the results of the F test, the variables of intellectual capital, profit sharing ratio, and zakat performance ratio, show a simultaneous effect on the level of profitability in Islamic banks in Indonesia. As indicated by the calculated F value of 10.19825, the probability value of the F statistic is $0.000038 < 5\%$ (0.05) which means it is smaller than .

Meanwhile, to see the most influential or dominant variable on the profitability of Islamic

banks, it can be seen on the results of the t test by paying attention to the standardized coefficients beta value. The IC variable shows a value of 0.169274, PSR shows a value of -0.720831, and the ZPR variable is 0.561764. Thus, from these values it can be concluded that the ZPR variable has the highest value among the other variables, which is 0.561764. Because basically, Islam has ordered to issue zakat from the amount of property or wealth owned. For every Muslim, paying zakat is obligatory. In addition, the zakat in question will not reduce the assets or profits generated by the bank. Thus, Islamic banks need to be active in adjusting the zakat that is issued and in accordance with sharia principles, so that it will increase blessings as well as foster a good work ethic in Islamic banks.

By applying good corporate governance principles in accordance with sharia principles, one of which is transparency or openness. According to the concept of Sharia Enterprise Theory that disclosure of social responsibility is a form of human accountability to God as the owner of all resources and therefore aimed at getting ridho (legitimacy) from God as the main goal. Disclosure of company information to the company's stakeholders can minimize information asymmetry regarding how far the institution has fulfilled its obligations to all its stakeholders. Viewed from the function of Islamic banks as one of the instruments to realize the goals of sharia, the completeness of the information submitted provides an overview of the performance of a company that can improve the image and performance of the company and illustrates Islamic values as a sharia-based company.

4. CONCLUSION

Based on the panel data regression tests performed, this study drew the following conclusions they are:

- a. Intellectual Capital (IC) has a positive and significant impact on the financial performance of Islamic Commercial Bank of Indonesia during the period 2015-2019. This is indicated by a t-statistic value of 0.0004. It shows that the value of the probability value of the variable IC is smaller of 5% (0.05). A good IC can manage other assets well, thus increasing the rate of return as measured by the asset's rate of return. Therefore, we can conclude that the better the intellectual capital of a company, the better the outcome.

- b. Profit-sharing ratio (PSR) does not significantly affect the financial results of Islamic Commercial Bank of Indonesia for the period 2015-2019. This is indicated by the results. The coefficient value of the PSR variable is 1.421.215 and the t-statistic probability value is 0.1628. It shows that the probability value of the PSR variable is greater than 5% (0.05). As PSR negatively affects profitability, an increase in the profit-sharing ratio reduces the profitability of the bank. The
- c. Zakat Effectiveness Ratio (ZPR) does not significantly affect the financial results of the Islamic Commercial Bank of Indonesia for the period 2015-2019. It is expressed as a probability value of 0.0980 for the t-statistic. The value of the probability value for the PSR variable indicates greater 5% (0.05). Therefore, the greater the amount of zakat distributed by Islamic banks, the less affected the profitability value.
- d. Intellectual Capital (IC), Profit Sharing Ratio (PSR) and Zakat Efficiency Ratio (ZPR) together had a positive and significant impact on the financial results of Islamic Commercial Bank of Indonesia during the period 2015-2019. This is $0.0000038 < 5\%$ (0.05). By implementing the principles of good corporate governance according to the Sharia principle, one of them is transparency or openness.

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