



ANALYSIS OF THE INFLUENCE OF MOBILE BANKING ON THE PROFITABILITY LEVEL OF SHARIA BANKS IN INDONESIA IN 2019-2023

¹Indah Sari, ²Fitri Ana Siregar

indahsari@uinsyahada.ac.id, fitrianasiregar@uinjambi.ac.id

¹UIN Syekh Ali Hasan Ahmad Addary Padangsidempuan,

²UIN Sulthan Thaha Saifuddin Jambi

ABSTRACT

The aim of this research is to determine the effect of mobile banking on the level of Return On Assets (ROA) of Islamic banks in Indonesia in 2019-2023. The rise and fall of ROA is caused by unstable profits and total assets. This research uses quantitative research, and the data source uses secondary data in the form of a time series of 20 samples. Data analysis techniques use descriptive statistical test techniques, normality test, hypothesis test (t test), coefficient of determination test (R Square), and simple linear regression analysis. Data processing uses the SPSS Version 23 program. The research results show that the mobile banking variable has a partial effect on the profitability of Islamic banks in Indonesia in 2019-2023. This can be proven by the results of the t test analysis showing that the e-banking variable has $t_{count} > t_{table}$, thus e-banking has an effect on the profitability of Islamic banks in Indonesia in 2019-2023.

Keywords: Mobile Banking, Profitability

INTRODUCTION

Sharia banks in Indonesia have developed quite rapidly since 1998 until now (Otoritas Jasa Keuangan, 2014). This development can be seen based on bank income which is seen through good profitability. Banking uses the internet to run its business. Mobile Banking is a banking service that makes it easier for customers to obtain information and carry out banking transactions via the internet network (Andini Madaniah Nasution, 2022).

The development of internet technology is not only utilized by ordinary people, but companies are also adapting and getting involved in the development of internet technology. One of them is from the financial sector, namely banking companies. The increase in transactions reflects investment success in the past period and can be used as a prediction of future growth. If transaction growth in banking companies is high, it will reflect that the company's income will also increase (Faljalr Dwi Alrini, 2021).

Currently, the use of technology has developed rapidly, not only in developed countries but also in developing countries such as Indonesia. The development of technology which then gave rise to mobile banking is a quite promising business alternative, because mobile banking is seen as having many conveniences for both parties. With mobile banking, the efficiency of bank services to customers can be increased.

Mobile banking is a service provided by banks to make it easier for customers to use and utilize banking activities via smartphones connected to the internet



(Bambang Rianto Rustam, 2013). Mobile banking is one of the products of every bank that relies on sophisticated GPRS (General Package Radio Service) technology to make it easier for customers to carry out banking transactions. (Abdul Ghafur Anshori, 2018).

The effect of implementing mobile banking on bank profitability based on the ROA ratio has an increasing effect, meaning that mobile banking can contribute to increasing bank profitability in Indonesia. The profitability ratio is a ratio that provides a measure of the level of effectiveness of a company's management in seeking profits.

In general, if a bank's profitability increases, it will affect the increase in bank performance as well. Tools for measuring profitability of Islamic banks include the Gross Profit Margin (GPM), Net Profit Margin (NPM), Return On Assets (ROA), Return On Equity (ROE) ratios. (Irham Fahmi, 2017). The greater the ROA a company has, the more efficient its use of assets will be, thereby increasing profits or profitability (Aldila Septiana, 2019).

Likewise, Hery's book states that the greater the ROA value, the better it will be. The higher the return on assets means the higher the net profit generated for each rupiah of funds embedded in total assets (Hery, 2015).

It is known that there will be fluctuations in ROA in Islamic banks in Indonesia in 2019-2023 (Www.ojk.go.id). In 2019 the ROA level was 5.00%, in 2020 the ROA level decreased to 3.75%, in 2021 the ROA level decreased to 3.50% and in 2022 the ROA level increased to 5.50% and increased again in 2023 of 6.00%. The rise and fall of ROA is caused by unstable profits and total assets increasing. The decline in profits indicates that the profitability of Sharia Commercial Banks in Indonesia is not effective, namely in 2020 there was a decline in profits. Then there was an increase in the number of mobile banking transaction values from 2019-2023. This indicates that the development of mobile banking in Indonesia is going quite well.

Implementing a mobile banking service system provides various benefits for companies, namely cost and time efficiency, as well as being able to create differentiation and being able to target market segments at low costs. The theory above states that if the value of mobile banking transactions increases, the ROA level will also increase. However, this is not in accordance with what happened to the value of mobile banking transactions and ROA at Islamic banks in Indonesia in 2019-2023. Thus, researchers are interested in conducting research with the title "Analysis of the Influence of Mobile Banking on the Profitability Level of Sharia Banks in Indonesia in 2019-2023".

LITERATURE REVIEW

Definition of Mobile Banking (M-Banking)

Mobile banking or better known as m-banking is a banking facility or service using mobile communication devices such as mobile phones, with the provision of facilities for banking transactions via applications on mobile phones. (Wiji Nurastuti, 2021). Mobile banking can be accessed by individual customers via cellphones that have GPRS technology. Mobile banking service products are bank distribution channels for accessing customers' accounts via GPRS technology using mobile phones (cell phones). (Maryanto Supriyono, 2022).



Information technology has a huge influence on human life in every field (Dulmen, dkk, 2021). One of them is the financial sector with Mobile Banking, which is the act of carrying out financial transactions online, as a natural evolution of e-banking which empowers customers to complete financial transactions via mobile devices or mobile phones. (Abdul Nasser Hasibuan, 2023). *Mobile Banking or Phone Banking is a facility for carrying out various transactions via smartphone* (Misbah, dkk, 2021). Via cellphones, banking users can access financial and non-financial services such as balance information, transfers, bill payments. Mobile banking appears to be a popular banking channel among mobile commerce consumers. Because the potential of mobile commerce has attracted much attention from researchers in investigating mobile banking among consumers (Abdul Nasser Hasibuan dkk, 2022).

Mobile banking originates from internet banking, and both offer profitable opportunities for banks and customers. The development of mobile banking is driven by bankers' desire to cut costs and also customers' desire for efficient and better banking services (Jeffry Z. C. Nelwan, dkk, 2021).

Definition of Profitability

Banking profitability refers to a bank's ability to earn profits from its business operations. Banking profitability also plays a role in maintaining overall financial stability (Wastam Wahyu Hidayat, 2018). Bank profitability in this research is proxied using the Return On Assets (ROA) ratio. According to Bank Indonesia, Return On Assets (ROA) is a comparison between profit before tax and average total assets in a period (Hadijah Febriana, 2021).

The profitability ratio is a ratio to assess a company's ability to make a profit (Kasmir, 2018). Profitability ratios describe the company's ability to earn profits through all sales capabilities, cash, capital, number of employees, number of employees, number of branches and so on. (Sofyan Syafri Harahap, 2018).

Objectives of Profitability Ratios

1. To measure or calculate the profits obtained by the company in a certain period.
2. To assess the company's profit position from the previous year to the current year.
3. To assess the company's profit position from the previous year to the current year..
4. To assess the amount of net profit after tax using own capital

Benefits of Profitability Ratios

1. Know the level of profit obtained by the company in one period
2. Know the company's profit position from the previous year to the current year.
3. Know the development of profits from time to time.
4. To measure the productivity of all company funds used, both borrowed capital and own capital

Types of Profitability Ratios

1. *Gross Profit Margin* (GPM)



2. *Net Profit Margin* (NPM)
3. *Return On Equity* (ROE)
4. *Return On Asset* (ROA) (Abdul Nasser, dkk, 2020).

Islamic Views on the Level of Profit

Islam does not prohibit a Muslim from making large profits from business activities. Profitability in an Islamic perspective that is guided by the Al-Qur'an is our reference in achieving a goal. Islam does not prohibit a Muslim from making large profits from business activities. Profitability from an Islamic perspective which is guided by the Qur'an becomes our reference in achieving a profitability goal without abandoning the orientation of the afterlife. (Muammar Khadafi, 2016).

In surah Al-Baqarah verse 16, Allah SWT says: Relationship The verse above is related to Islamic economics explaining the prohibition of Allah SWT consuming wealth in false ways. Al-Syaukani translated the word vanity *ma laisa bilhaqqin* (everything that is not true (right) (Department of Religion, 2012). As for trade that is false if it contains the element *maghrib* which is an abbreviation of *maisir*, *gharar*, *usury* and *falsehood* itself (Azhari Kamal Tarigan, 2012).

Explanation of Al-Qur'an surah Al-Ahqaf verse 19 is conveyed to believers because it teaches several legal provisions, "*Wa likullin darajatun mimma ,amilu*", and for each of them a degree according to what they have done, that is, each group of disbelievers and believers from the jinn and humans have their respective positions before Allah. (Lajnah Pentashihan, 2016).

Islamic Bank

Banks are intermediary institutions for deposit and financing customers, in addition to other functions in financial services (Darwis Harahap, dkk, 2017). A bank is a financial institution whose activities are to collect funds from the community and distribute funds to the community (Budi Gautama Siregar, dkk, 2017). Sharia banks are financial institutions based on Islamic law (Sarmiana Batubara, dkk, 2020). The development of sharia banking in Indonesia has become a benchmark for the success of the existence of the sharia economy (Nofinawati, dkk, 2016). Sharia banking is everything that concerns sharia banks and sharia units, including institutional business activities (Eva Indah, dkk, 2021).

RESEARCH METHODS

This research is explanatory research with a quantitative approach. The location of the research carried out in this research is a Sharia Bank in Indonesia which is registered with the OJK via the website *www.ojk.go.id* by opening the profile 11 Sharia Banks in Indonesia as listed. The time of this research starts from January to May 2024.

The population is not only people, but there are other objects such as objects and others. The sample selection for this research consists of Payment System Statistics and Indonesian Financial Market Instructors and financial performance reports on profit and loss of Sharia Banks in Indonesia, namely bank ROA reports starting from 2019-2023, namely 5 years and the number of mobile banking transactions in Indonesia in 2019-2023. 2023 is 5 years. This research data comes



from www.ojk.go.id and the documentation used in the research is financial records at Bank Syariah Indonesia in 2019-2023.

RESULTS AND DISCUSSION

Descriptive Statistical Test

Table 1.
Descriptive Statistics Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
<i>Mobile Banking</i>	20	13.86239	22.81624	17.50335	2.405179
ROA	20	1.23	2.07	1.6605	.28659
Valid N (listwise)	20				

The table above shows Mobile Banking Transactions and ROA with the number of data (N) being 20, with a minimum Mobile Banking transaction of 13.86239 and a maximum of 22.81624, the mean Mobile Banking Transaction is 17.50335, while the standard deviation is 2.405179. For the ROA variable, the minimum is 1.23% and the maximum is 2.07%, the mean ROA is 1.6605%, while the standard deviation is 0.28659.

Normality test

Table. 2
Normality Test Results Kolmogorov test Smirnov

	Unstandardized Residual
N	20
Normal Parameters ^{a,b} Mean	.0000000
Std. Deviation	.18701689
Most Extreme Differences Absolute	.108
Positive	.076
Negative	-.108
Test Statistic	.108
Asymp. Sig. (2-tailed)	.200 ^{c,d}

Based on the test results in the table above, it shows that the significance value is > 0.05 , so the normality test results are $0.200 > 0.05$, so it can be concluded that the residual value is normally distributed.



Hypothesis Test t (Partial Test)

Table. 3
Hypothesis Test Results t (Partial Test)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.094	.123		8.901	.000
Mobile Banking	1.938E-16	.000	.758	4.926	.000

Based on the table above, it states that the sig value. < 0.05 or $0.000 < 0.05$, with $df = n - k - 1$, $20 - 1 - 1 = 18$ samples The value of $t_{count} > t_{table}$ ($4.926 > 2.100$), meaning that H_a is accepted, namely that there is an influence of Mobile Banking on the level of Return On Assets (ROA) of Islamic banks in Indonesia in 2019-2023.

Coefficient of Determination Test (R Square)

Table, 4
Determination Coefficient Test Results (R Square)

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.758 ^a	.574	.550	.19214

Based on the R Square test results in the table above, it is found that the R Square value is 0.574, meaning that the percentage contribution of the influence of the Mobile Banking variable to ROA is 57.4%. This means that 55.2% of the contribution of Mobile Banking to ROA or the independent variable used in this research is able to explain 57.4%. Meanwhile, the remaining 42.6% was influenced by factors outside Mobile Banking.

Simple Linear Regression Analysis

Table. 5
Simple Linear Regression Analysis Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.896	1	.896	24.269	.000 ^b



Residual	.665	18	.037	
Total	1.560	19		

Based on the output results, it is known that the Fcount value is 24.269 with a significance level of $0.000 < 0.05$, so the regression model can be used to predict the Mobile Banking variable or in other words there is an influence of the Mobile Banking variable (X) on the ROA variable (Y).

Discussion Of Research

The Influence of Mobile Banking on Return on Assets (ROA) of Sharia Banks in Indonesia for the 2019 - 2023 Period

The results of hypothesis testing by carrying out the t test obtained thilltung 4.926 and ttabell of 2.100, so that tcount (4.926) > ttabell (2.100) and the significance is sig. 0.000 < 0.05), then Ho is rejected and Ha is accepted, because thilltung > ttabell so it can be concluded that mobile banking has an effect on the level of Return On Assets (ROA) of Islamic banks in Indonesia in 2018-2022.

The implementation of the Mobile Banking service system provides benefits for companies, namely cost and time efficiency, as well as being able to create differentiation and being able to target market segments at low costs. In this way, banks that use Mobile Banking will be an innovation in providing better service to customers and being more efficient in getting feedback in the form of profits.

The results of this research are in line with previous research by Fajar Dwi Arini which stated that partially Mobile Banking had a positive effect on bank profitability. Likewise, Fajar Margaretha's research stated that there is an influence of internet banking services on profitability efficiency.

CONCLUSION

Based on the results of research regarding the analysis of the influence of Mobile Banking on the level of profitability of Islamic banks in Indonesia in 2018-2022, a conclusion can be drawn, namely that for the Mobile Banking variable, a thilltung of 4.926 and a ttablell of 2.100 were obtained, so that thilltung (4.926) > ttabell (2.100) and sig. 0.000 < 0.05), then Ho is rejected and Ha is accepted, because thilltung > ttabell so it can be concluded that Mobile Banking has an effect on the level of Return On Assets (ROA) of Islamic banks in Indonesia in 2019-2023.

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