Analysis of the influence of assets, liabilities and equity on the profitability of Bank KB Bukopin Syariah 2019-2023

Analisis pengaruh aset, liabilitas, dan ekuitas terhadap profitabilitas Bank KB Bukopin Syariah 2019-2023

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ABSTRACT

This research is expected to increase insight and knowledge regarding the influence of assets, liabilities and equity on profitability at Bank KB Bukopin Syariah in 2019-2023. In determining the sample in this research, the purposive sampling method was used. The device used in this research to process and analyze existing data is Eviews version 10 software. Research results show that assets have a significant effect on the profitability of Bank KB Bukopin Syariah in the short term, which means increasing assets are followed by increasing profitability. However, in the long term, assets do not have a significant effect on profitability. Liabilities have a significant effect on the profitability of Bank KB Bukopin Syariah in the short term. However, in the long term, liabilities do not have a significant effect on profitability. Equity has no effect on the profitability of Bank KB Bukopin Syariah in the short and long term. Assets, Liabilities and Equity simultaneously have a positive and significant effect on *Profitability*(Y) Bank KB Bukopin Syariah.

Keywords: Asset; Liabilities; Equity; Profitability; Islamic Banking

ABSTRAK

Penelitian ini diharapkan dapat menambah wawasan dan pengetahuan terkait pengaruh aset, liabilitas dan ekuitas terhadap profitabilitas pada perusahaan Bank KB Bukopin Syariah Tahun 2019-2023. Dalam penentuan sampel pada penelitian ini adalah dengan menggunakan metode *Purposive Sampling*. Perangkat yang digunakan dalam penelitian ini untuk mengolah dan menganalisis data-data yang ada adalah software Eviews versi 10. Hasil Penelitian Menunjukkan Aset berpengaruh signifikan terhadap profititabilitas Bank KB Bukopin Syariah dalam jangka pendek yang berarti meningkatnya aset diikuti dengan meningkatnya profitabilitas. Namun dalam jangka panjang aset tidak berpengaruh signifikan terhadap profititabilitas. Liabilitas berpengaruh signifikan terhadap profititabilitas Bank KB Bukopin Syariah dalam jangka pendek. Namun dalam jangka panjang *liabilitas* tidak berpengaruh signifikan terhadap profititabilitas. Ekuitas tidak berpengaruh terhadap profititabilitas Bank KB Bukopin Syariah dalam jangka pendek dan jangka panjang. Aset, Liabilitas, dan Ekuitas secara simultan berpengaruh positif dan signifikan terhadap *Profititabilitas* (Y) Bank KB Bukopin Syariah.

Kata kunci: Aset; Liabilitas; Ekuitas; Profitabilitas; Bank Syariah

1. INTRODUCTION

The banking industry is currently experiencing rapid development, with many new banks being opened. Both the public and private sectors have sharia. Apart from that, there are other changes in the Indonesian banking industry (Rahman & Setiawansi, 2021). This shift is not solely caused by the impact of external developments, such as those occurring in the real sectors of the economy, politics, law and society, and cannot be separated from internal developments in the banking industry.(Kurniawan et al, 2021). Because banks are financial institutions where businesses, governments and the public save, trust is the basis of bank operations (Herison dkk., 2022)

As a financial intermediary between parties who have excess funds (surplus units) and parties who need cash (deficit units), banks are significant financial entities in the economy To grow the banking industry in Indonesia, banks are expected to be able to mobilize income and community savings the banking industry in Indonesia experiences ups and downs. Due to the vulnerability of the financial system, many borrowers are unable to make loan payments, causing banks to experience losses(Musa dkk, 2022).

A ratio called profitability is used to evaluate a business's capacity to generate profits. The ability of a business to generate profits over a certain period of time at a certain level of capital, assets and sales is known as profitability (Muniarty dkk, 2020), Profitability ratios are also used as financial health statistics for businesses. In addition, investors can assess a company's performance in generating profits in relation to revenue, balance sheet assets, operational costs and shareholder equity over a certain period of time using profitability ratios (irham, 2013)

Assets are the wealth owned by a business. Current assets, fixed assets, long-term investments, intangible assets, and other assets are all considered types of assets(Muhammad Hafizh dkk, 2020). The total of all current assets, fixed assets, long-term investments, intangible assets and other assets is the sum of all assets. Profits for the company will increase as its assets increase. Assets are very important for the continuity of business operations and the banking industry (Fitria, 2017)

Liabilities are additional components outside of assets that may affect a bank's profitability. Banking institutions have commitments to third parties that they must pay. This is known as liability. Debts that are due in less than one year are referred to as liabilities or current liabilities(Muhammad Hafizh, 2019). Debts that mature in more than one year are referred to as long-term liabilities or obligations. Both short-term and long-term liabilities are included in liabilities, or liabilities. Compared to long-term liabilities, current liabilities have a lower interest rate. Because long-term debt is used as working capital to fund or finance the company's operational activities, so it can increase profits for the company(Sahetapy, 2023)

The rights owned by business owners, expressed in surplus and retained earnings, are called equity. If equity falls, it is because of owner withdrawals and how profits and losses are shared. Retained earnings, capital, or members' main savings in cooperatives, are some of the components that form equity. A company needs to make a profit if it anticipates future improvements. These benefits increase the company's effectiveness in achieving its goals (Ninda Kusuma Wulandari dkk., 2023)

2. RESEARCH METHOD

Type of Research This use quantitative data analysis where quantitative means data published monthly financial report that provides consecutive monthly financial data regarding assets, equity and liabilities for the years 2019 to 2023, Previous research published in theses, journals and publications that supports this research, KB Bukopin Syariah Bank Website. The purposive sampling method was applied to select the sample for this research. This research sampling strategy combines purposive sampling with nonprobability sampling techniques. One method of selecting samples by considering certain factors is called purposive sampling. Technic analyze used Eviews tools version 10, with Test Validity, Realibility, Assumption classic (Normality, Multikolinearity, Heterocesedasity, and Autocorelation) and hypotesis test (T-test, F-test and R^2) . Bank Bukopin Syariah's annual financial report for 2019 to 2023 is the sample for this research.

3. RESULTS AND DISCUSSION

3.1 Result

1. Data Descriptive Statistics

A summary or basic description of the research points sampled in the study is provided through descriptive statistics. It may offer an initial understanding of the issues examined in the research by explaining descriptive statistics.

Table 1
Data Minimum, Maximum, Mean, Std. Deviation from Research Variables

Mark	N	Profitability (Y)	Asset (X1)	Liabilities (X2)	Equity (X5)
Minimum	60	4,300	15,400	15,200	6,500
Maximum	60	13,100	15,900	15,800	14,100
Mean	60	7.7333	15,653	15,511	13,468
Std. Dev	60	1.6579	0.1419	0.1737	0.9354

Source: Secondary Data Processed Using EViews 10, 2024

2. ECM (Error Correction Model) Test

1) Data Stationarity Test: Unit Root Test (Root Test)

The unit root test or Augmented Dickey Fuller (ADF) root test is used to determine the stationarity of the data in this study for each variable. To find out whether the variables being tested are stationary or not, the ADF test is used. Data that falls between the average values is known as the stasis of this set.

The unit root test or Augmented Dickey-Fuller (ADF) root test is used to determine the stationarity of the data in this study for each variable. To find out whether the variables being tested are stationary or not, the ADF test is used. The data is spread between average values due to its stationary nature.

Table 2 displays the results of the Augmented Dickey-Fuller (ADF) stationarity test at the following levels:

Table 2
Augmented Dickey-Fuller (ADF) Stationarity Test Results at Level Level

Variable	Probability	Information
Profitability	0.0079 < 0.05	Stationary
Asset	0.4805 > 0.05	Not stationary
Liabilities	0.7613 > 0.05	Not Stationary
Equity	0.0000 < 0.05	Stationary

Source: Secondary Data Processed Using EViews 10, 2024

Table 2 shows that, additional testing is required at the First Difference level because only a small number of variables are nonstationary. Table 3 displays the results of the Augmented Dickey-Fuller (ADF) stationarity test at the First Difference level.

Table 3
Augmented Dickey-Fuller (ADF) Stationarity Test Results at the First Difference Level

Variable	Probability	Information
Profitability	0.0000 < 0.05	Stationary
Asset	0.0000 < 0.05	Stationary
Liabilities	0.0000 < 0.05	Stationary
Equity	0.0000 < 0.05	Stationary

Source: Secondary Data Processed Using EViews 10, 2024

It can be seen from Table 3 that the probability value of each variable is less than 0.05. This shows that all profitability, assets, liabilities and equity variables are proven to be stationary in the ADF test at the First Difference level.

2) Cointegration Test

To ensure whether the resulting regression residuals are stationary or not, a Cointegration Test is carried out. Long-term relationships between variables need to be considered for their stability.

Table 4
Cointegration Test Results

Probability	Information
0.0003	*Stationary*

Source: Secondary Data Processed Using EViews 10, 2024

Based on Table 4 above, This shows that the regression residual is stationary. So it is concluded that there is cointegration or long term between all variables.

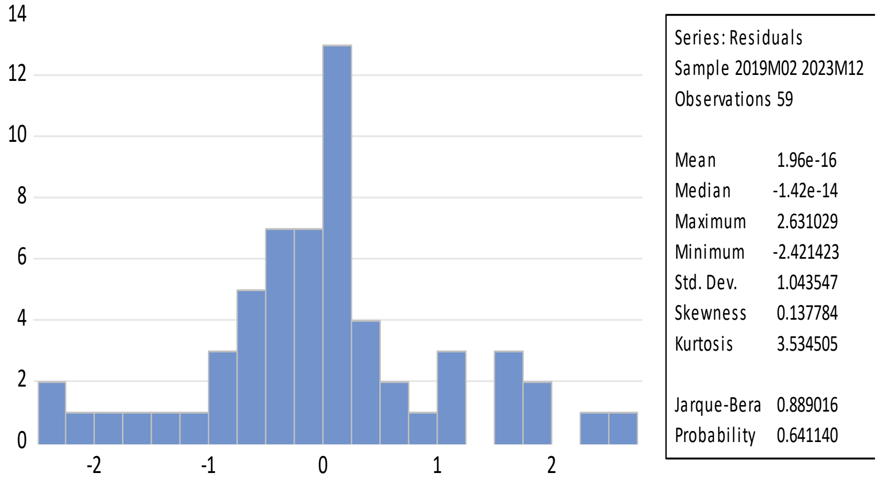
3. Short Term Relationship Model

a. Classic assumption test

1) Normality test

The purpose of the normality test is to determine whether the residual or confounding factors between the dependent variable and the independent variable, or both, are normally distributed in the regression model. The following results are shown in Figure 1:

Figure 1
Normality Test Results



Source: Secondary Data Processed Using EViews 10, 2024

Based on Table 5, it can be concluded that the resulting probability value is 0.641140 which is greater than 0.05. Thus, it can be interpreted that the data used in the short-term regression of the ECM model is normally distributed.

2) Heteroscedicity Test

Heteroscedasticity test to find out whether there is a heteroscedasticity problem or not. The Glejser test was used in this investigation to assess heteroscedasticity. Table 6 presents these findings as follows:

Table 5
Heteroscedasticity Test Results

Chi-Square Probability of Obs* R-Squared	Information
0.2912 > than 0.05	Heteroskedasticity does not occur

Source: Secondary Data Processed Using EViews 10, 2024

Table 5 provides the conclusion that 0.2912 is the Chi-Square probability value of Obs* R-Squared. If this number is greater than 0.05, then the null hypothesis cannot be rejected or the data is not significant. to ensure that there are no heteroscedasticity problems with the data used in the short-term regression of the ECM model.

3) Autocorrelation Test

The purpose of the autocorrelation test is to determine whether there is autocorrelation. If time series data are correlated, this means that the error term, or disturbance variable, from one period is related to the disturbance variable from another period. This test requires that the data used does not have autocorrelation problems if the Obs* R-Squared value is greater than 0.05. The Breusch-Godfrey Serial Correlation LM Test was used in this investigation to test for autocorrelation. Table 6 presents these findings as follows:

Table 6
Autocorrelation Test Results

Chi-Square Probability of Obs* R-Squared	Information
0.4107 > than 0.05	There is no autocorrelation

Source: Secondary Data Processed Using EViews 10, 2024

From Table 6 it can be concluded that the Obs* R-squared Chi-Square probability value is 0.4107. If this number is greater than 0.05, then the finding is not statistically significant. to ensure there are no autocorrelation problems with the data used in the short-term regression of the ECM model.

4) Multicollinearity Test

The purpose of the multicollinearity test is to find out whether the independent variables in the regression model have a strong or perfect correlation with each other. A regression model that does not show a relationship between the independent variables is considered good. Table 7 presents these findings as follows:

Table 7
Multicollinearity Test Results

Variable	Profitability	Asset	Liabilities	Equity
Profitability	1,000000	0.404184	0.454537	-0.187278
Asset	0.404184	1,000000	0.956669	-0.205288
Liabilities	0.454537	0.956669	1,000000	-0.244784
Equity	-0.187278	-0.205288	-0.244784	1,000000

Source: Secondary Data Processed Using EViews 10, 2024

Table 7 shows that there are no independent variables whose correlation coefficient is more than 0.80, indicating that there are no multicollinearity problems in this research.

b. Short Term Relationship Model

Table 8
Short Term Asset Regression Test Results

t-Statistics (t-count)	t-critical	Information
-1.2381	1.6720	Influential

Source: Secondary Data Processed Using EViews 10, 2024

It can be seen from Table, as a result, the t-statistic (t-count) is smaller than the critical t-statistic (-1.2381 < 1.6720), meaning that shows that the test asset has a negative and significant effect on profitability.

Table 9
Short Term Liability Regression Test Results

t-Statistics (t-count)	t-critical	Information
1.9076	1.6720	Influential

Source: Secondary Data Processed Using EViews 10, 2024

Table 9 shows a result, admitting shows that, in the short term, liability testing has a positive and large impact on profitability because the t-statistic (t-count) is greater than the t-essential (1.9076 > 1.6720).

Table 10
Short Term Equity Regression Test Results

t-Statistics (t-count)	t-critical	Information
-0.2589	1.6720	No effect

Source: Secondary Data Processed Using EViews 10, 2024

Table 10 provides the conclusion that the t-statistic (t-calculation) is smaller than the important t-0.2589 < 1.6720, the application of H03 shows that equity has no real impact on profitability in the short term.

4. **Long Term Relationship Model**

a. **Asset**

Table 11
Long Term Asset Regression Test Results

t-Statistics (t-count)	t-critical	Information
-0.8297	1.6720	No effect

Source: Secondary Data Processed Using EViews 10, 2024

The the t-statistic (t-count) is smaller than t-0.8297 < 1.6720, accepting indicates that assets have no significant effect on profitability in the long-term test.

b. **Liabilities**

Table 12
Long Term Liability Regression Test Results

t-Statistics (t-count)	t-critical	Information
1.8511	1.6720	Influential

Source: Secondary Data Processed Using EViews 10, 2024

Table 12 shows that a t- statistic (t-count) exceeds the key t-1.8511 > 1.6720, the adoption of H02 shows that liabilities have a significant and quite large influence on profitability in the long term.

c. **Equity**

Table 13
Long Term Equity Regression Test Results

t-Statistics (t-count)	t-critical	Information
-0.5768	1.6720	No effect

Source: Secondary Data Processed Using EViews 10, 2024

Table 13 shows that the t-statistic (t-count) is below t-0.5768 < 1.6720, the application of H03 shows that equity does not have a real impact on profitability in the long term.

5. **Hypothesis Testing Results**

a. **Short Term Relationships**

1) **Partial Test (t)**

At the significance level α = 5% (0.05), the t test is used to assess the influence of the independent variable on the dependent variable. The statistical t value and probability of each variable shows the results of this test. Table 14 presents these findings as follows:

Table 14
Short Term Partial Test Results (t Test).

Independent Variable	**Probability**
Asset	0.2210 > 0.05
Liabilities	0.0618 > 0.05
Equity	0.7966 > 0.05

Source: Secondary Data Processed Using EViews 10, 2024

Based on data from table 14. Considering that the probability value exceeds α = 5% (0.2210 > 0.05), it can be said that the Asset variable does not have a large enough influence on profitability in the short term. Considering that the probability value exceeds α = 5% (0.0618 > 0.05), it can be said that the liability variable does not have a large enough influence on profitability in the short term. Considering that the probability value exceeds α = 5% (0.7966 > 0.05), it can be said that the equity variable does not have a large enough influence on profitability in the short term.

2) Simultaneous Test(F Test)

The F test is used to determine whether the independent variable has a significant and comprehensive influence on the dependent variable. Table 15 displays the test results as follows:

Table 15
Short Term Simultaneous Test Results (F Test).

Mark	Prob (F-Statistics)
	0.0000 < 0.05

Source: Secondary Data Processed Using EViews 10, 2024

Based on Table 15, it can be concluded that the independent variables, namely Equity, Liabilities and Assets simultaneously have a significant influence on profitability in the short term because the Prob (F-Statistic) value of 0.0000 is smaller than the significance value α. = 5% (0.05) (0.0000 < 0.05).

3) Coefficient of Determination Test (R2)

Table 16
Short Term Coefficient of Determination Test (R2).

Mark	Adj R-Squared
	0.2076

Source: Secondary Data Processed Using EViews 10, 2024

The Adjusted R-squared value shows that the independent variables in the short-term equation, Assets, Liabilities and Equity, have an influence on Profitability of 20.76%, and the remaining 79.24% is influenced by factors outside the model, namely 0.2076 according to determination test results from short-term regression.

b. Long Term Relationships

1) Partial Test (t)

At the significance level α = 5% (0.05), the t test is used to assess the influence of the independent variable on the dependent variable. The t-statistic value and probability of each variable shows the results of this test. Table 17 presents these findings as follows:

Table 17
Long Term Partial Test Results (t Test).

Independent Variable	Probability
Asset	0.4102
Liabilities	0.0694
Equity	0.5663

Source: Secondary Data Processed Using EViews 10, 2024

a) Asset Variables

It is known that the probability value achieved is 0.4102 based on data from Table 17. The probability value has a negative coefficient and is greater than α = 5% (0.4102 > 0.05), which indicates that the asset variable does not have a long-term influence on profitability.

b) Liability Variables

It is known that the probability value is 0.0694 based on data in Table 17. The long-term liability variable does not have a real influence on profitability because its probability value is greater than α = 5% (0.0694 > 0.05) and has a positive coefficient.

c) Equity Variables

It is known that the probability value is 0.5663 based on data in Table 17. Considering that the probability value is greater than α = 5% (0.5663 > 0.05) and has a negative coefficient, it can be said that profitability is not significantly influenced by equity variables in the long term.

2) Simultaneous Test (F Test)

At the significance level α = 5% (0.05), the F test is used to determine the overall and collaborative impact of the independent variables on the dependent variable. The results of this test are shown in Table 18.

Table 18
Long Term Simultaneous Test Results (F Test).

Mark	Prob (F-Statistics)
	0.0026 < 0.05

Source: Secondary Data Processed Using EViews 10, 2024

Based on Table 18, it can be concluded that the independent variables, namely assets, liabilities and equity, all have a significant long-term influence on profitability at the same time because the Prob (F-Statistic) value of 0.0026 is smaller than the Prob (F-Statistic) value of 0 ,0026. significance value α = 5% (0.05) (0.0028 < 0.05).

3) Coefficient of Determination Test (R2)

Table 19
Short Term Coefficient of Determination Test (R2).

Mark	Adj R-Squared
	0.1806

Source: Secondary Data Processed Using EViews 10, 2024

The results of the determination test from long-term regression show an Adjusted R-squared value of 0.1806, which indicates that the independent variables Assets, Liabilities and Equity in the long-term combined analysis reduce profitability by 18.06%, while the remaining 81.94% is influenced by other factors outside model.

3.2 Discussion

1. The Influence of Assets on Profitability

Based on the tests conducted, assets have a large and detrimental impact on profitability in the short term. The findings of this research are further supported by previous research conducted by Erlangga & Mawardi (2017) and Augustin (2019), which shows that total assets have a strong negative impact on bank profitability and the greater the total assets, the worse the profitability. This suggests that expenses will increase and may even worsen company losses if overall asset quality is poor.

While short-term assets are necessary to maintain liquidity and allow day-to-day operations to run smoothly, ineffective management can have a major and detrimental impact on a business's profitability. To maximize profitability, it is important for businesses to find the ideal balance between managing short-term assets and making strategic investments of money. The experiments that have been carried out show that assets do not have a significant effect on profitability in the long term. This is due to the possibility that large banks may not always operate more effectively than small banks. A business's potential to make money increases with the total amount of assets it owns, but asset management skills come first. Services that can later be exchanged for money or which will ultimately be in the form of money (other than services resulting from a contract that are not carried out equally by both parties) and contain beneficial interests that are guaranteed legally or fairly are called assets.

The findings of this research are further supported by previous research (Nafilah Ummah, 2021) which shows that partial assets do not have a significant impact on the profitability of the Lesehan Asri restaurant in Polopo City. A company's profitability is not significantly influenced by its long-term assets. Profitability is more influenced by other elements such as operational effectiveness, working capital management, and managerial choices. To improve, businesses must consider resource management and efficiency in general.

2. Effect of Liabilities on Profitability

According to research conducted, liabilities have a profitable and large impact on profitability in the short term.

The findings of this research are in line with research by Zefri Maulana and Ayang Fhonna Safa (2017) which found that PT Bank Mandiri TBK's profitability was positively and significantly influenced by short-term liabilities. Utilization of short-term liabilities significantly and profitably affects a company's profitability. A company's ability to raise capital at low cost and take advantage of the financial flexibility that arises from short-term liabilities can help a company achieve financial success.

This indicates that from 2019 to 2023, Bank KB Bukopin Syariah will be increasingly profitable with the increasing number of liabilities it has. Liabilities are current debts owed by a company that result from past events and whose settlement is expected to require the use of company resources resulting in financial gain.

The Debt to Asset Ratio, or DAR, measures how much of an organization's assets are financed with debt or how much impact a company's debt has on asset management. This ratio is one way to assess and serve as an indicator of a company's ability to fulfill its financial obligations. The greater the funding source from loans to financing assets, the higher the DAR value. A high DAR figure indicates a high risk because it increases the possibility that the company will not be able to pay off its obligations using the assets it owns, making it difficult for the company to obtain further loans.

Based on the results of tests that have been carried out, liabilities do not have a real impact on profitability in the long term. The findings of this research are in line with research by Wardani (2018) which found that the profitability of PT Bank Tabungan Pensiunan Nasional Syariah was positively and significantly influenced by long-term liabilities between 2015 and 2017. Liabilities do not have a significant effect on profitability because of the company's financial condition. A company's profits may be negatively impacted by using more debt when the economy is weak. In a typical economic environment, using more debt will initially increase profitability, but as debt accumulates, profits will decrease.

When the economy is running well, the use of debt can increase a company's profitability. This means that companies must refrain from using debt for spending when their finances are weak; on the other hand, when things are going well, companies can use debt as a measure to gain as much profit as possible. The profitability of a company is inversely proportional to its total liabilities, meaning that the higher the total liabilities, the lower the company's profitability. Because the total liabilities which include debts and other costs that must be paid are used as working capital to fund and develop business operational activities, the bank's income will decrease because it has to cover costs so it is unlikely that the bank will make payments. comprehensive income the higher the liabilities. The company's performance will be hampered by the current debt burden. Therefore, you must pay off debt to lower loan interest costs and increase business profitability.

3. The Effect of Equity on Profitability

The experiments that have been carried out show that, in the short term, equity has no effect on profitability.

The findings of this research support the findings of Yudha Wijaya, et al. (2020) who examined the effect of equity and liabilities on profitability at PT. Primando Asia Infrastructure TBK and found that these two variables had nothing to do with profitability at all. Depending on specific market, industry and country conditions, these conclusions may change. In addition, the relationship between short-term equity and profitability can also be influenced by other variables such as industry regulations, economic cycles, and company size. Based on experimental findings, equity has no real impact on profitability in the long run.

Equity represented by capital (share capital), surplus and retained earnings is the owner's right (authority) or share. Alternatively, it can be viewed as the excess value of a company's assets over its total debt or net assets. Company profitability increases as equity increases. Since internal money has a lower risk of problems than debt funding, companies here prefer to use it. The results of this research are in line with research conducted by Cantika, et al (2017) regarding the influence of liabilities and equity on profitability (Study of Banking Companies Listed on the Indonesian Stock Exchange in 2019-2021) that equity has no effect and does not significant to profitability.

This happens because the increase in equity that occurs is not followed by an increase in profitability, in other words it does not affect net profit and there are a number of factors that cause it to not be able to increase profitability. One factor is the global economic downturn which affects the company's growth rate.

4. Simultaneous Influence of Assets, Liabilities and Equity on Profitability

Based on the findings of the tests carried out, equity, liabilities and assets all have a significant effect on profitability in short-term tests. Based on the findings of the experiments conducted, assets, liabilities and equity all have a significant effect on profitability in the long term. The results of the determination test based on short-term testing obtained an Adjusted R-squared value of 0.1806, rejecting H04 and accepting Ha4, indicating that the asset, liability and equity variables together influence profitability in the long term. This factor accounted for 18.06% of the total influence, and other factors outside the model accounted for 81.94%.

Businesses use debt and equity to their advantage, which means interest expense and corporate tax savings. Because debt is used as working capital to fund or finance the company's operational activities, higher debt will increase the company's possibility of making a profit. Conversely, lower debt will also increase the possibility of making a profit for the company. decreased due to inappropriate use of working capital by the company, which will result in low profitability.

The results of this research are in line with research conducted by Anggi Pratiwi (2019) which states that simultaneously it is known that Total Debt and Total Capital have a significant influence on Net Profit in the Pharmaceutical Industry listed on the Indonesia Stock Exchange for the 2014-2018 period. The relationship between total debt and net profit is by adding short-term debt, long-term debt and own capital intended for expansion, namely expanding company activities, expanding production activities, expanding company activities with the aim of obtaining maximum profits. The relationship between total capital/equity and net profit is that the greater the total capital, the more effective the use of available capital is in increasing the company's profitability. The effect of total assets on net profit is that the faster the level of total assets, the more profit generated will increase, because the company can utilize these assets to increase sales which has an effect on income.

4. CONCLUSION

Based on the findings of this study, there is also a discussion of the Analysis of the Influence of Assets (X1), Liabilities (X2), and Equity (X3) on the profitability of Bank KB Bukopin Syariah in 2019 – 2023. The following conclusions can be drawn:

1. Assets (X1) have a significant effect on the profitability (Y) of Bank KB Bukopin Syariah in the short term, which means an increase in assets followed by an increase in

profitability. The higher the value of assets owned by a bank, the profit or profitability obtained will also increase. However, in the long term, assets do not have a significant effect on profitability. This is because larger banks may not necessarily be able to work more efficiently than smaller banks. The greater the total assets of a company, the greater the company's opportunity to generate profits, but this is followed by the company's ability to manage its assets.

2. Liabilities (X2) have a significant effect on the profitability (Y) of Bank KB Bukopin Syariah in the short term. This means that the higher the liabilities of Bank BK Bukopin Syariah, the greater the profitability of Bank BK Bukopin Syariah in 2019-2023. However, in the long term, liabilities do not have a significant effect on profitability. A company's ability to manage its debt is shown by the Debt To Asset Ratio (DAR), which measures how much of the company's assets are financed by debt, or how much influence the company's debt has on financial management.
3. Equity (X3) has no effect on the profitability (Y) of Bank KB Bukopin Syariah in the short and long term. This happens because the increase in equity that occurs is not followed by an increase in profitability, in other words it does not affect net profit and there are a number of factors that cause it to not be able to increase profitability. One factor is the global economic downturn which affects the company's growth rate.
4. Assets (X1), Liabilities (X2), and Equity (X3) simultaneously have a positive and significant effect on*Profitability*(Y) Bank KB Bukopin Syariah.

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