
**INFLUENCE EQUITY, ASSETS AND LIABILITIES TO
STOCK PRICE WITH PROFITABILITY AS AN INTERVENING VARIABLE
AT PT BANK SYARIAH INDONESIA**

Khoirul Anam¹, Ahmadiono², Abdul Rokhim³

^{1,2,3}UIN Kiai Haji Achmad Siddiq Jember

Email: khoirulpixel@gmail.com¹, ahmadiono1976@gmail.com²,
cakrokhim73@gmail.com³

Abstract:

Banks as financial institutions that rely on customer trust are obliged to continually improve service quality in order to maintain their role. In carrying out its business activities, banks have three main functions, including accepting money deposits, lending money, and providing money transfer services. One way to find out the condition of a company can be done by analyzing the annual financial reports made by the company. Financial reports are prepared with the aim of providing an overview of periodic progress reports *carried* out by the management of the company concerned. This research aims to find out the influence of equity, assets and liabilities on share prices with profitability as an intervening variable at PT Bank Syariah Indonesia in 2020-2022 . Sampling is a part of an overall population that is carefully selected to be representative of that population. The sampling technique used in this research is a time *series* . The *purposive sampling* method is the selection of samples that meet certain criteria determined by the researcher. The analysis used uses *path analysis* using SPSS V22 software. From the results of the data tests in this research, it is clear that equity has an effect on profitability. Assets have no effect on profitability. Liabilities affect profitability. Equity influences share prices. Assets have no effect on share prices. Liabilities affect share prices. Profitability influences share prices. The conclusion of the final hypothesis states that profitability has not been able to partially mediate the influence between equity, assets and liabilities on share prices.

Keywords: Equity, Assets, Liabilities, Profitability, Share Price

INTRODUCTION

The world of banking is a fundamental area in developing a country's economy. This is because banking is an intermediation institution whose main activity is collecting, distributing funds back to the community as well as selling other services (Kasmir, 2015). Banks as financial institutions that rely on customer trust are obliged to continually improve

service quality in order to maintain their role. In carrying out its business activities, banks have three main functions, including accepting money deposits, lending money, and providing money transfer services.

Sharia financial institutions are a sector that supports economic growth in Indonesia, namely through sharia banking. Sharia banking is needed and needed by the community to support the transaction process because the sharia banking system is based on sharia principles, namely in accordance with the Al-Qur'an and Hadith, sharia banking which is different from conventional institutions. Apart from being based on principles, the difference in profits obtained from Islamic banks is based on profit sharing or distribution of profits, not from bank interest (Maulana Yusuf, 2022).

The development of Covid-19 conditions in Indonesia continues to increase from time to time. The central government collaborates with regional governments to always find effective solutions to problems. There is a social distancing policy that must be implemented, by reducing the mobilization of people, rules for maintaining distance, and reducing crowds of people who are at risk of increasing the spread of Covid-19, for example everything done at home starting from school, study, work and worship is done in in order to reduce the level of spread of Covid-19 while maintaining services to the community, whether in meeting basic needs, health services and other public services (Ashinta, 2021)

Islamic banks as financial institutions are required to carry out their activities for the community in the midst of the Covid-19 pandemic. Islamic banks in their role can support economic and business activities, services and financing as well as the economic activities of a country. Islamic banks must be able to adapt and carry out innovative and creative strategies during the Covid 19 pandemic. Islamic banks are able to develop very rapidly in Indonesia (Annisa, 2021).

Sharia banking during Covid-19 has several goals that are not easy to achieve. Sharia banking has objectives, including: the ability to obtain maximum profits, the ability to minimize company losses, the ability to pay off both short-term and long-term obligations and other goals that must be achieved by the company. Only companies that have excellence at the global level are able to satisfy or fulfill consumer needs and are able to produce quality and *cost effective products* (Febe, 2021);(Saebah & Asikin, 2022).

One way to find out the condition of a company can be done by analyzing the annual financial reports made by the company. Financial reports are prepared with the aim of providing an overview of periodic progress reports *carried* out by the management of the company concerned. The nature of the financial report in question is to present historical and comprehensive information consisting of data which is the result of a combination of recorded facts, management principles and angles, financial report analysis is used to help

Influence Equity, Assets and Liabilities to Stock Price With Profitability as an Intervening Variable at PT Bank Syariah Indonesia

anticipate future conditions, and more important, as a starting point for planning actions that will influence future events (Anita, 2019).

PT Bank Syariah Indonesia Tbk (hereinafter referred to as BSI). BSI is the largest sharia bank in Indonesia resulting from the merger of three sharia banks from the Association of State-Owned Banks (Himbara), namely: PT Bank BRI Syariah (BRIS), PT Bank Syariah Mandiri (BSM), and PT Bank BNI Syariah (BNIS) . It is hoped that the government's policy breakthrough to merge three Islamic banks will provide new financial institution options for the Indonesian people while simultaneously boosting the national economy (Sukma, 2022).

Company performance is a description of the financial condition of a company which is analyzed using financial analysis tools, so that it can be known about the good and bad financial condition of a company which reflects work performance in a certain period (Irham, 2014). Second, stock returns. Return is one of the factors that motivates investors to invest and is also a reward for the investor's courage to bear the risks of the investment they make (Eduard, 2014). Brigham, believes that stock return or stock rate of return is the difference between the amount received and the amount invested, divided by the amount invested (Brigham, 2014).

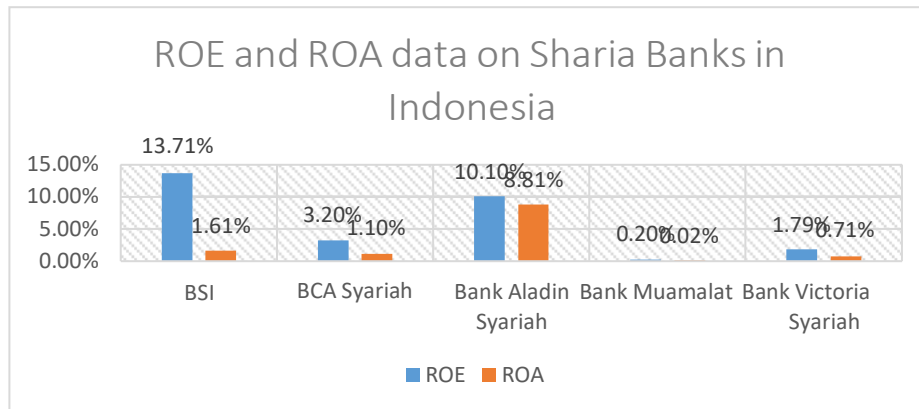
Equity, Assets, Liabilities and Income Data BSI Bank Net 2019-2022 (in millions of rupiah)

YEAR	EQUITY	ASSET	LIABILITIES	NET INCOME
2019	5,088,036	43,123,488	38,035,452	67,870
2020	5,444,288	57,715,586	52,271,298	255,242
2021	24,665,336	256,597,271	231,931,935	2,818,539
2022	28,264,950	283,954,810	255,699,860	4,008,067

Source: *Financial Report* PT Bank Syariah Indonesia

Based on the table above, it can be seen that total liabilities have increased from year to year. In 2019, total liabilities increased by 31.81 percent, followed by profit by 38.79 percent. And in 2018, total liabilities increased by 7.1 percent, while profits decreased by 40.60 percent. Liabilities are a source of capital for companies to fund the company, so that it can continue to develop its business activities and can help the company realize its goal, namely maximizing the owner's wealth through maximizing profits. Debt is divided into two types, namely short-term debt and long-term debt.

ROE and ROA of Sharia Banks in Indonesia



The ROE and ROA data in the picture above shows that in 2021, of the five sharia banks in Indonesia, BSI has an ROE of 13.71% and an ROA of 1.61%, while BCA Syariah has an ROE of 3.20% and an ROA of 1.10%, continued at Bank Aladin sharia 10.10% and 8.81%, Bank Muamalat 0.20% and 0.02%, finally Bank Victoria Syariah 1.79% and 0.71.

RESEARCH METHODS

The research approach used in this research is a quantitative research method. Quantitative research is research that uses numbers which are added up as data which is then analyzed. Quantitative research methods are research methods that are intended to explain phenomena using numerical data, then analyzed, generally using statistics.

This type of research is associative research because this research wants to know the effect of financial performance on stock prices through profitability as an intervening variable.

Population is all objects that will/want to be researched. This population is often also called the universe. In this research, the population that will be the research object is the financial report of PT Bank Syariah Indonesia for 2020-2022. A sample is a part of an overall population that is carefully selected to represent that population. The sample in this research is all members of the population.

Data Collection Techniques and Instruments This section explains how researchers will carry out data collection and explains the facilities or tools used in data collection methods (questionnaires, interviews, checklists, observations and so on) or the tools and materials used in the research. Obtaining data is the main goal of research. Therefore, in this study the researcher determined the data source, namely secondary data, with data collection techniques using the documentary method.

The documentation method in research is carried out by collecting secondary data in the form of equity, assets, liabilities and profitability data from *annual reports*. Meanwhile, share price data was obtained from *the Indonesia Stock Exchange IDX*. Apart from that, data and information collection was carried out by taking it from the internet, articles, journals, and studying library books that supported this research process.

1. Data Analysis

a. Descriptive statistics

Descriptive statistics are statistics that are used to analyze data by describing and illustrating the data that has been collected without intending to make general conclusions or generalizations.

b. Path Analysis (*Path Analysis*)

Path analysis is a technique that can analyze cause and effect relationships between variables both directly and indirectly. This research uses *Path analysis* with the aim of finding out how much influence the intervening variable (Profitability) has as an intermediary variable in providing influence between the independent variables (Equity, Assets and Liabilities) on the dependent variable (Share Price). An indirect relationship can occur when an intervening variable is able to act as a bridge between the independent variable and the dependent variable, while a direct relationship when the independent variable (Equity, Assets and Liabilities) can influence the level of a third variable that is related to these two variables.

Trimming Theory

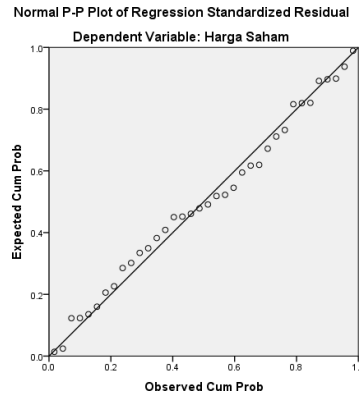
Trimming model is a model used to improve a path analysis structural model by removing from the model exogenous variables whose path coefficients are not significant. So model trimming occurs when the path coefficient is tested as a whole and it turns out that there are variables that are not significant. Even if there are one, two, or more variables that are not significant. Researchers need to improve the hypothesized path analysis model. The way to use the trimming model is to recalculate the path coefficient without including exogenous variables whose path coefficient is not significant.

Classic Assumption Test

1. Normality Test

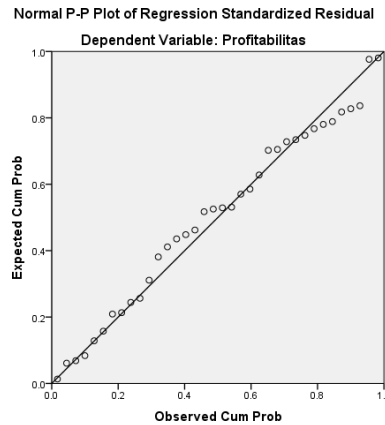
The normality test is testing data to see whether the residual values are normally distributed or not. One way to detect residual data that is normally distributed or not is to look at the probability plot graph, namely the plot points are located around the diagonal line and the data does not extend beyond the diagonal line, so it can be concluded that the data is normally distributed. Figure-- shows the results of the normality test using SPSS 22.

Model 1 *P-Plot* Normality Test



From the normal test results of *P-Plot* model 1 above, it can be seen that the points are spread around the diagonal line and are not far wider than the diagonal line. This shows that the data in this study is normally distributed. Next, the normal *P-Plot* for model 2 regression analysis will be displayed.

P-Plot Model 2 Normality Test



From the results of the normal *P-Plot* model 2 test above, it can be seen that the points are spread around the diagonal line and are not far wider than the diagonal line. This shows that the data in this study is normally distributed.

Kolmogorov-Smirnov Test Model 1 Normality Test Results One-Sample *Kolmogorov-Smirnov* Test

Influence Equity, Assets and Liabilities to
Stock Price With Profitability as an Intervening Variable at PT Bank Syariah Indonesia

		Unstandardiz ed Residuals
N		36
Normal Parameters ^{a, b}	Mean	.0000000
	Std.	383.0142138
	Deviation	0
Most Extreme Differences	Absolute	,070
	Positive	,070
	Negative	-.059
Statistical Tests		,070
Asymp. Sig. (2-tailed)		,200 ^{c, d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

To confirm the results of the *probability plot graph*, the *Kolmogorov-Smirnov Test* was carried out with the results as shown in the table above that the residual data for this study was normally distributed with *Asymp. Sig.* equal to $0.200 > 0.05$. Next the results of the *Kolmogorov-Smirnov Test Model 2 Normality Test* will be displayed

Kolmogorov-Smirnov Test Model 2 Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardiz ed Residuals
N		36
Normal Parameters ^{a, b}	Mean	.0000000
	Std.	1.75472312
	Deviation	0
Most Extreme Differences	Absolute	,093
	Positive	,093
	Negative	-.075
Statistical Tests		,093
Asymp. Sig. (2-tailed)		,200 ^{c, d}

a. Test distribution is Normal.

b. Calculated from data.

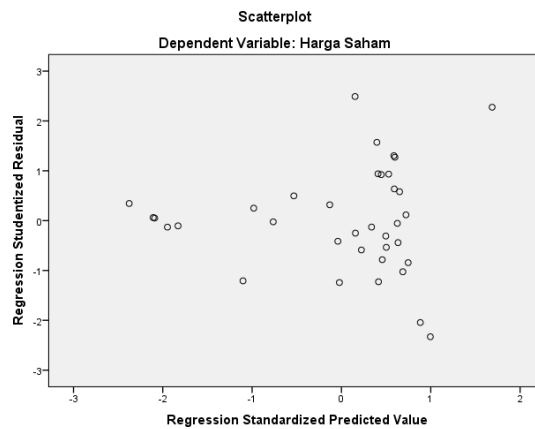
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Kolmogorov-Smirnov Normality Test Model 2 show that the residual data in this study is normally distributed with *Asymp.Sig.* equal to $0.200 > 0.05$

2. Heteroscedasticity Test

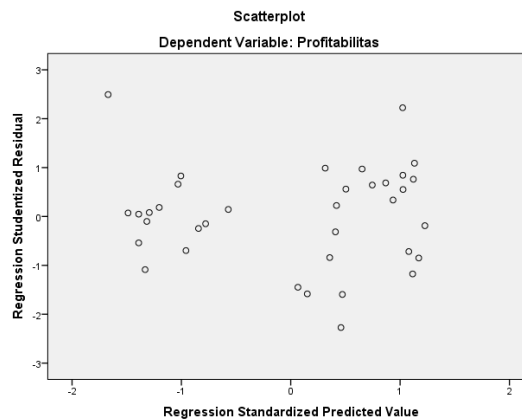
To detect heteroscedasticity problems, graphic analysis methods can be used. The graphic analysis method is carried out by observing a scatterplot where the horizontal axis depicts the predicted standardized value while the vertical axis depicts the studentized residual value. If the scatterplot forms a certain pattern, this indicates that there is a heteroscedasticity problem in the regression model being formed. Meanwhile, if the scatterplot spreads randomly then this shows that there is no heteroscedasticity problem in the regression model being formed.

Model 1 Heteroscedasticity Test



The image above shows that the plot is evenly distributed above and below the 0 axis and does not form a pattern, so it is stated that it does not contain symptoms of heteroscedasticity.

Model 2 Heteroscedasticity Test



The image of the Heteroscedasticity Test model 2 above shows that the plot is evenly distributed above and below the 0 axis and does not form a pattern, so it is stated that it does not contain symptoms of heteroscedasticity. However, it is necessary to test using the Glejser test to confirm whether or not there are symptoms of heteroscedasticity in this study. The following is a heteroscedasticity test using the Glejser test in SPSS Version 22 which is shown in the table below.

Glejser Model 1 Test Results
Coefficients ^a

Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	678,195	487.021		-1,393	.173
	Equity	1.259E-5	,000	,516	1,023	,314
	Asset	-1.186E-6	,000	-.510	-1,021	,315
	DER	101,972	56,439	,327	1,807	,080

a. Dependent Variable: Profitability

In the Glejser test results of model 1 above, it can be seen that all independent variables have a sig t value > 0.05, so the model does not have symptoms of heteroscedasticity.

Glejser Model 2 Test Results
Coefficients ^a

Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,526	2,729		1,292	,206
	Equity	-6.521E-8	,000	-.613	-1,139	,263
	Asset	8.540E-9	,000	,843	1,681	.103
	Liabilities	-.394	,341	-.291	-1,158	,256
	Profitability	,001	,000	,516	1,790	,083

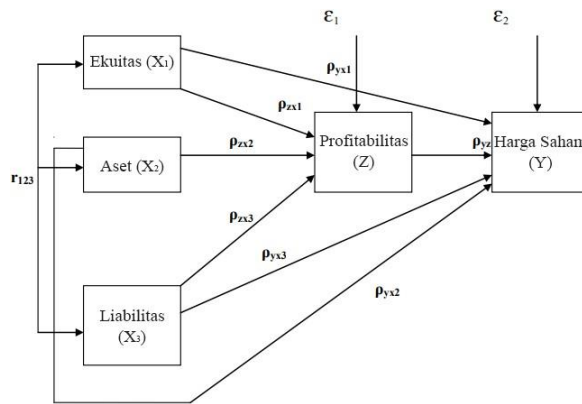
a. Dependent Variable: Stock Price

In the Glejser test results of model 2 above, it can be seen that all independent variables have a sig t value > 0.05, so the model does not have symptoms of heteroscedasticity.

RESULTS AND DISCUSSION

Research Result

This test is used to test the influence of equity (X1), assets (X2), and liabilities (X3) on share prices (Y) through profitability (Z). The structural equation used in this research states the relationship between variables as follows :



Path Analysis (Path analysis)

In this sub-chapter we will explain the relationship between one variable and another variable and how the independent variables influence the dependent variable either directly or through intervening variables. The influence between these variables will be tested using paths that have been previously formulated using path *analysis* . The path tested will show the direct influence of the equity, asset, liability variables and the indirect influence through the profitability variable as an intervening variable. Analysis of each path will provide an answer to whether the research hypothesis is accepted or rejected. The *path coefficients* results are shown in the table below.

Path Coefficients Values (Path Coefficients)

Variable	Path Coefficient
Equity (X1) -> ROE (Z)	0.779

Influence Equity, Assets and Liabilities to
Stock Price With Profitability as an Intervening Variable at PT Bank Syariah Indonesia

Equity (X1) -> Share Price (Y)	0.847
Assets (X2) -> ROE (Z)	0.190
Assets (X2) -> Share Price (Y)	0.549
Liabilities (X3) -> ROE (Z)	0.319
Liabilities (X3) -> Share Price (Y)	0.632
ROE (Z) -> Share Price (Y)	0.407

The path analysis model in this research is described in the following equation: $Z = 0.779 X_1 + 0.190 X_2 + 0.319 X_3 + Y = 0.847$

Partial T Test

Variable	Path Coefficient	Sig
Equity (X1) -> ROE (Z)	0.779	0.009
Equity (X1) -> Share Price (Y)	0.847	0.007
Assets (X2) -> ROE (Z)	0.190	0.472
Assets (X2) -> Share Price (Y)	0.549	0.069
Liabilities (X3) -> ROE (Z)	0.319	0.021
Liabilities (X3) -> Share Price (Y)	0.632	0,000
ROE (Z) -> Share Price (Y)	-0.407	0.011

Based on the data in the table above, it can be described as follows:

a. Influence of Equity Variables on ROE Variables

Based on the data in the table above, it is known that the sig value of the equity variable on ROE is 0.009. This shows that the sig value is smaller than α or 0.009 < 0.05. So H₀ is rejected. These results indicate that equity partially has a significant effect on ROE.

b. Influence of Asset Variables on ROE Variables

Based on the data in the table above, it is known that the sig value of the equity variable on ROE is 0.472. This shows that the sig value is greater than α or 0.472 > 0.05. So H₀ is accepted. These results indicate that assets partially have no significant effect on ROE.

c. The influence of the DER variable on the ROE variable

Based on the data in the table above, it is known that the sig value of the DER variable on ROE is 0.021. This shows that the sig value is smaller than α or 0.021 < 0.05. So H₀ is rejected. These results indicate that liabilities partially have a significant effect on profitability.

d. The Influence of Equity Variables on Stock Price Variables

Based on the data in the table above, it is known that the sig value of the equity variable on share prices is 0.007. This shows that the sig value is smaller than α or $0.007 < 0.05$. So H_0 is rejected. These results indicate that equity partially has a significant effect on stock prices.

e. Influence of Asset Variables on Stock Price Variables

Based on the data in the table above, it is known that the sig value of the asset variable on share prices is 0.069. This shows that the sig value is greater than α or $0.069 > 0.05$. So H_0 is accepted. These results indicate that assets partially have no significant effect on stock prices.

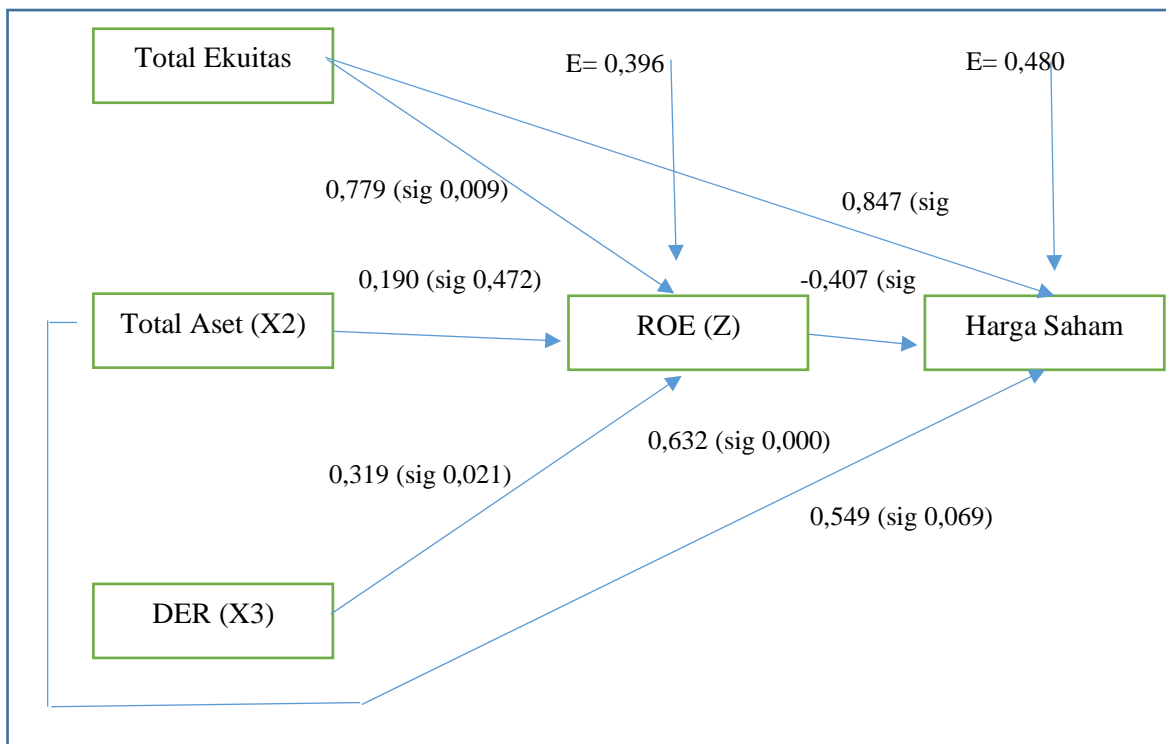
f. The Influence of the DER Variable on the Stock Price Variable

Based on the data in the table above, it is known that the sig value of the DER variable on share prices is 0.000. This shows that the sig value is smaller than α or $0.000 < 0.05$. So H_0 is rejected. These results indicate that liabilities partially have a significant effect on share prices.

g. The Influence of the ROE Variable on the Stock Price Variable

Based on the data in the table above, it is known that the sig value of the profitability variable on share prices is 0.011. This shows that the sig value is smaller than α or $0.011 < 0.05$. So H_0 is rejected. These results indicate that partial profitability has a significant effect on stock prices.

Path Analysis Model Image (Path Analysis)



Trimming Theory

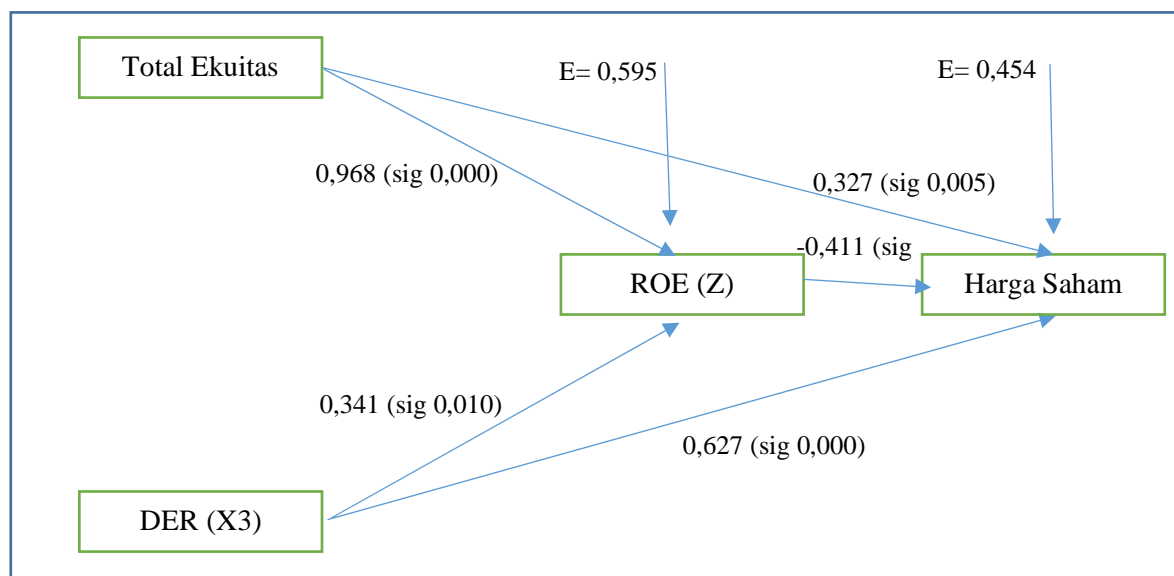
After testing the hypothesis, it is known that there is a variable that is not significant, namely Aser (X2). If there is a path that is not insignificant, trimming needs to be done. The purpose of trimming is to improve the path. The way to use trimming theory is to recalculate the path coefficient without including independent variables whose coefficients are not significant. The results of the path analysis after carrying out the trimming method are shown in the table below.

Analysis Results After Trimming

Variable	Path Coefficient	Sig
Equity (X1) -> ROE (Z)	0.968	0,000
Equity (X1) -> Share Price (Y)	0.327	0.005
Liabilities (X3) -> ROE (Z)	0.342	0.010
Liabilities (X3) -> Share Price (Y)	0.627	0,000
ROE (Z) -> Share Price (Y)	-0.441	0.004

Based on the table above, it explains that the independent variables have significant path coefficients. In calculating the path analysis after trimming, it proves that Equity has an effect on ROE, Equity has an effect on Stock Prices, DER has an effect on ROE, DER has an effect on Stock Prices, Profitability has an effect on Stock Prices.

Image of the Path Analysis Model *after* trimming



Calculating Path Value

The path calculation explains the equity and DER variables both directly and indirectly on share prices through the intervening variable, namely profitability. If all paths are significant then direct and indirect influences are carried out.

a. Direct Effect (Direct Effect)

- 1) The direct influence of the Equity variable on ROE was obtained at 96.8%
- 2) The direct effect of the DER variable on ROE was 34.2%
- 3) Direct influence of Equity variables on Share Prices 32.7%
- 4) The direct influence of the DER variable on share prices was obtained at 62.7%
- 5) The direct effect of the Profitability variable on Share Prices is -41.1%, which is 41.1% in a negative direction

b. Indirect influence (Indirect Effect)

The indirect effects of the variables are as follows:

- 1) The indirect effect of the Equity variable through profitability on share prices is -42.6%
- 2) The indirect effect of the DER variable through profitability on share prices is -15%

Discussion

A. Effect of Equity on ROE

In the analysis results in the table above, it shows that the equity variable has a significant effect on ROE at Bank Syariah Indonesia in 2020-2022. Therefore, the first hypothesis which states that equity has an effect on ROE, is proven. This means that the higher the equity of a bank, the greater the profitability of Bank Syariah Indonesia will increase.

Equity is the right or part owned by the owner of the company which is shown in the capital (share capital), surplus and retained earnings. It can also be interpreted as the excess value of assets owned by the company over all its debts. Sharia Bank's total equity until the end of the 2021 financial year was IDR 25.0 trillion, an increase of 15.04% compared to the 2020 financial year which amounted to IDR 21.7 trillion. The increase in equity came from achieving profit with an increase in retained earnings of IDR 2.8 trillion or 41.80%. This positive growth was the result of an increase in income from disbursement of funds of IDR 878.8 billion or 5.19% and a decrease in profit sharing expenses of IDR 878.8 billion or 5.19%. IDR 625.4 billion or -12.50 %.. Bank Syariah Indonesia's equity continues to grow, to IDR 33.5 trillion in 2022, from IDR 25.0 trillion in the previous year.

The research results are in line with research conducted by Amini (2021) which states that there is a positive and significant influence between equity and profitability in banking companies.

B. Influence of Assets on ROE

The analysis of Bank Syariah Indonesia's performance from 2020 to 2022 indicates that the asset variable does not significantly impact profitability, contradicting the hypothesis that higher or lower asset values affect profitability. This outcome is inconsistent with the common theory suggesting that greater assets lead to more effective utilization, resulting in better overall company performance.

The observed relationship between Total Assets and Return on Equity during this period is attributed to a low asset turnover, contributing to lower net profits. The banking industry, including Bank Syariah Indonesia (BSI), faced challenges during 2021 due to two spikes in COVID-19 cases, leading to government-imposed restrictions (PPKM) that hindered economic and social activities. This situation, coupled with the rise of digital banks and financial technology (Fintech), accelerated the digitalization of banking services.

Increased customer demand for reliable digital services, accelerated by the pandemic, resulted in a surge in online banking transactions. Internally, BSI encountered challenges in operational integration processes, covering networks, services, products, information technology, infrastructure, human resources, and company culture. Additionally, global and domestic economic dynamics, including the Russia-Ukraine war and disruptions to supply chains, posed obstacles to the bank in 2022.

The global economic recovery post-COVID-19 faced challenges, notably from the war's impact on supply chains and soaring commodity prices. This presented risks for customers engaged in import-export activities. Inflationary pressures due to global geopolitical conditions prompted changes in monetary policies across several countries, including Indonesia. These research findings align with Devy Siswyna Arpy Elfanika's and are supported by Rizki Adriani Pongrangga's conclusions.

C. The influence of DER on ROE

The table above indicates a significant impact of the liability variable on the Return on Equity (ROE) at Bank Syariah Indonesia from 2020 to 2022. This confirms the validity of the third hypothesis, establishing that liabilities affect profitability. The company benefits from loans, utilizing liabilities for its operations. Higher debt correlates with increased profit potential, as it serves as working capital. A crucial metric, the Debt-to-Equity Ratio (DER), reflects a company's ability to pay debts using its capital. A higher DER implies poorly managed debt, suggesting a higher risk of bankruptcy. Conversely, a lower DER indicates effective debt management, reducing bankruptcy risk.

Bank Syariah Indonesia seems to struggle with debt management, potentially diminishing its value. As of December 31, 2021, the bank's total liabilities were IDR 61.9 trillion, a 6.29% decrease from the previous year. This decline resulted from a reduction in Wadiah Giro savings from IDR 30.8 trillion in 2020 to IDR 22.4 trillion in 2021. Despite this, Wadiah savings increased by IDR 5.3 trillion due to improved rental liabilities payments.

In the 2021 fiscal year, dividend payments ceased, further impacting liabilities positively. By the end of the 2022 financial year, Bank Syariah Indonesia's total liabilities reached IDR 73.66 trillion, a 19.02% increase from the previous year. This growth is primarily attributed to a surge in Wadiah deposits by IDR 8.77 trillion and deposits from other banks by IDR 2.10 trillion, aligning with research findings by Evi Yolanda Arifin and supported by Rizki Adriani Pongrangga.

The Effect of Equity on Stock Prices

In the analysis results in the table above, it shows that the equity variable has a significant effect on the share price of Bank Syariah Indonesia in 2020-2022. Therefore, the fourth hypothesis which states that equity has an effect on stock prices, is proven. This influence exists because equity reflects the value of the company and then the value of the company is the economic net worth. Equity really determines the market price of the shares in question, thus influencing investors in making decisions to buy or sell shares.

The results of this research are in line with research conducted by Muhammad Jabir that equity influences share prices.

D. The Influence of Assets on Stock Prices

The results of the analysis in the table above show that the asset variable has no significant effect on the share price of Bank Syariah Indonesia in 2020-2022. This means that the fifth hypothesis which says that assets have an effect on share prices is rejected. Therefore, the higher or lower the asset value has no effect on the share price. Total assets are measured by sales volume, meaning that the ability of all assets to create sales may not necessarily increase profits because some of the profits are used to pay the company's debts. Therefore, in this case investors must look for other ratios that can be considered in predicting stock prices.

The Covid-19 pandemic and its handling colored the global economy throughout 2020. The pandemic had extraordinary effects on humanitarian, social, economic and financial aspects throughout the world. The pandemic has also limited individual mobility and caused a world economic recession as well as increasing the risk of uncertainty in financial markets. The cessation of business activities due to regional closures and restrictions on individual movement in a number of countries has caused the number of

unemployed to increase due to large layoffs. At the start of Covid-19, the closing price of Bank Syariah Indonesia shares was IDR 200/share. The BRIS share price decreased during the first 2 weeks after the Covid-19 outbreak, reaching IDR 135/share. Throughout 2022, the development of COVID-19 cases will increasingly slow down with the death rate decreasing and the distribution of vaccinations increasing. This shows that the economic situation continues to move towards recovery. However, in 2022 the global economy will face new challenges as a result of the Russia-Ukraine war. This event not only caused a spike in commodity prices in the energy and food sectors, but also triggered a spike in inflation at the global and domestic levels.

The results of this research are in line with research conducted by Azhari which stated that Total Assets had no effect and was not significant on share prices.

E. The effect of DER on share prices

The results of the analysis in the table above show that the liability variable has a significant effect on the share price of Bank Syariah Indonesia. Therefore, the sixth hypothesis which states that liabilities have an effect on profitability, shows that companies that have a large Debt to Equity Ratio value tend to lower share prices. This means that the total debt from its own capital is greater and the company has a greater responsibility to carry out its obligations to creditors. If DER has a low value, it will increase the level of investor confidence in the company, which can result in increased investor interest in investing in the capital market. The higher the DER value, the lower the share price. The results of this research conducted by Ari et al stated that the Debt to Equity Ratio had a positive effect on stock prices. These results are supported by Natasha Salamona Dewi.

F. The Effect of ROE on Share Prices

In the analysis results in the table above, it shows that the ROE variable has a significant effect on the share price of Bank Syariah Indonesia. Therefore, the seventh hypothesis which states that equity has an effect on profitability, is proven. ROE has a negative effect on share prices, this arises because even though ROE reflects the company's ability to generate profits from the capital owned by the company. Due to the low value while the aim of investing is to make a profit, this causes people to be disinterested in investing in buying shares in the company. Because this data shows that the company's ability to provide investment returns is quite low and has decreased, so in this case investors are not interested in investing, which will cause share prices to decline.

Even though a number of performance indicators recorded a decline, profit for the year for the Wholesale business segment in 2021 increased by 54.04% to IDR 259.6 billion compared to the previous year which amounted to IDR 168.6 billion. In 2022, BSI

will be able to show good performance, healthy and sustainable business growth, and good profitability. As of December 2022, BSI managed to record a net profit of IDR 4.3 trillion, achieving 108.75% of the set target or growing 40.68%. Throughout 2022, shares of PT Bank Syariah Indonesia Tbk will not experience or experience a trading halt on the Indonesian Stock Exchange.

The results of this research are in line with research conducted by Pande Widya Rahmadewi and Nyoman Abundanti whose results show that ROE has a negative effect on stock prices.

G. The role of profitability in mediating equity variables on share prices

From the results of data analysis in calculating the path value, it is clear that profitability partially mediates the influence of equity on share prices. That the equity variable has a direct effect on share prices of 0.327 (32.7%), while the indirect effect is -0.426 (-42.6%). So here it can be concluded that the direct influence of equity on share prices is smaller than the indirect influence because there is a profitability variable which is a mediating variable which causes the indirect influence to be greater.

H. The role of profitability in mediating liability variables on share prices

From the results of data analysis in calculating the path value, it is clear that profitability does not partially mediate the influence of liabilities on share prices. That the liability variable has a direct effect on share prices of 0.627 (62.7%), while the indirect effect is -0.150 (-15%). So here it can be concluded that the direct influence of liabilities on share prices is greater than the indirect influence.

CONCLUSION

Based on the results of the overall discussion, the conclusions in this research are as follows: (1) The influence of equity on profitability is 96.8%, while the sig value is 0%, so equity has a partial and significant effect on profitability at Bank Syariah Indonesia in 2020-2022. (2) The influence of assets on profitability is 19%, while the sig value is 47.2%, so assets have a partial but not significant effect on profitability at Bank Syariah Indonesia in 2020-2022. (3) The influence of liabilities on profitability is 34.2%, while the sig value is 10%, so liabilities partially and significantly influence profitability at Bank Syariah Indonesia in 2020-2022. (4) The influence of equity on share prices is 32.7%, while the sig value is 5%, so equity has a partial and significant influence on share prices in Bank Syariah Indonesia in 2020-2022. (5) The influence of assets on share prices is 54.9%, while the sig value is 69%, so assets have a partial but not significant effect on share prices at Bank Syariah Indonesia in 2020-2022. (6) The influence of liabilities on share prices is 62.7%, while the sig value is 0%, so liabilities partially and significantly influence share prices in Bank Syariah Indonesia in 2020-2022. (7) The influence of profitability on share prices is -44.1%, while the sig value

is 4%, so profitability has a partial and significant influence on share prices at Bank Syariah Indonesia in 2020-2022. (8) As for calculating the path between equity variables and share prices through profitability, the value of direct effect > Indirect effect is 32.7% < -42.6%, so profitability can be a mediating variable. As for calculating the path between the liability variable and share prices through profitability, it gets a direct effect < Indirect effect value, namely 62.7% > -15%, so profitability cannot be a mediating variable. The conclusion of the eighth hypothesis states that profitability cannot partially mediate the influence between equity and liability labels on share prices at Bank Syariah Indonesia in 2020-2022.

BIBLIOGRAPHY

- Anggraeny, Galuh. 2017. "Learning and Implementation of Islamic Business Ethics: Study of Sharia Accounting Students at IAIN Surakarta," *Academica* 1, no. 2.
- Dwinarko. 2022. "Gojek and Tokopedia Merger Strategy Through Corporate Communication in Framing Online Media News in the Covid-19 Pandemic Era" *Signal Journal* Volume 10, No. 1. Ernst, David Bleeke, Joel and, *The Death of Predator*, in
- Bleeke, Joel and David Ernst *Collaborating to Compete: Using Strategic Alliances and Acquisitions in the Global Marketplace*, 1993 Fahmi, Irham. 2014. *Financial Report Analysis*, (Bandung: Alfabeta. *Financial Report PT Bank Syariah Indonesia*
- Fikri, Hoerul and Sumarni. 2018. "The Effect of Accounts Payable and Working Capital on Net Profit Listed on the Indonesian Stock Exchange" *Accounting Journal*, Volume 12, No. 1.
- Hasanuddin, Agus Ismaya, *Accounting Theory* (Yogyakarta: Cetta Media, 2018), p. 30
- JF, Brigham, EF & Houston, *Basics of Financial Management*, (Jakarta: Salemba Empat, 2014), 215. Kasmir, *Entrepreneurship* (Jakarta: PT. Raja Grafindo Persada, 2014)
- Ministry of Communication and Informatics, Human Resources Research and Development Agency, *Development of the Digital Economy in Indonesia, Strategy and Potential Sectors*. 2019
- Kuncoro, Engkos Ahmad and Riduwan. 2011. *Path Analysis* (path analysis). Bandung; Alfabet
- Norvadewi, "Business in an Islamic Perspective (Examination of Concepts, Principles and Normative Foundations," *Al-Tijary Journal* 1, no. 1 (2015) Compiler, Team. "National

Khoirul Anam, Ahmadiono, Abdul Rokhim

Movement of 1000 Digital Startups." Last modified 2019. [https:// 1000startupdigital .id/](https://1000startupdigital.id/) .

Priyatno, Duwi . , 2013. Correlation, Regression and Multivariate Analysis with SPSS Yogyakarta:

Gava Media. Sobana, Dadang Husen, Business Feasibility Study (Bandung: Pustaka Setia, 2018) Sidik,

Rangga. 2016. " Collaborative Information System Model in Inter-University Cooperation" Faculty of Engineering and Computer Science, Indonesian Computer University.

Saebah, Nur, & Asikin, Muhamad Zaenal. (2022). Efektivitas Pengembangan Digital Bisnis pada Gen-Z dengan Model Bisnis Canvas. *Jurnal Syntax Transformation*, 3(11), 1534–1540.

Sutrisno. 2017. "Financial Management Theory Concepts and Applications; Yogyakarta: Ekonisia Tandelilin, Eduardus, Portfolio and Investment, (Yogyakarta: Kanisius, 2014), 102.

Tazkiyyaturrohmah, Rifqy. Trends in Collaboration Business Models Between Startup Companies Islamic Business Perspective Drafting Team, 2021 BSI Annual Report, South Jakarta: PT. Bank Syariah Indonesia Tbk.

Wardiyah, Mia Lasmi, Intermediate Financial Accounting (Bandung: Pustaka Setia, 2016),

Wahyu Prastyaningtyas, Efa. The Impact of the Digital Economy on the Indonesian Economy. *Journal (Senmea) IV* (2019).

Copyright holders:

Khoirul Anam, Ahmadiono, Abdul Rokhim (2023)

First publication rights:

[Journal of Syntax Admiration](#)

This article is licensed under:

