Analysis of Corporate Governance, Intellectual Capital, and Financial Performance Using Conventional Methods and Maqashid Sharia Index (MSI) on the Implementation of Sustainable Finance in Sharia Banking in Indonesia

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Abstract: The banking industry certainly has a role to play in the success of this initiative through a sustainable finance program. Sustainable finance is a global trend that represents a new paradigm in the world of banking and other financial institutions that help implement sustainable development. Sustainable development is a development effort based on three directions: benefits, society, and protection of natural resources and the environment. In this study, the authors use traditional methods and the Makassid Shariah Index (MSI) to assess the impact of corporate governance, intellectual capital, and financial performance on sustainable financial practices in the Indonesian Islamic financial services industry. 2017-2021 (5 years). The sample of this research is processed from the annual report data of Islamic banks in Indonesia by using the panel data regression analysis method. Based on this research, the influence of corporate governance, intellectual capital, and financial performance using traditional methods and the Makassid Shariah Index (MSI) is shown in the practice of sustainable finance. The independent variable, GCG, is determined by the composite self-assessment score of each Islamic bank, value added intellectual capital (VAIC), financial performance and return on investment (ROA), net funding (NPF), and the Makassid Shariah Index (MSI) and the dependent variable, sustainable financing, is approximated by the Financial Sustainability Ratio (FSR). A study of Islamic banks in Indonesia also shows that the GCG, VAIC, ROA, NPF, and MSI variables all have a positive effect on the FSR variable, with an R-squared model value of 0.9959. variables in this study.

Keywords: Financial Sustainability, Good Corporate Governance, Intellectual Capital, Financial Performance, Maqashid Syariah Index (MSI).

INTRODUCTION

At a meeting of the G20 countries held in Pittsburgh in 2009, Indonesia has agreed on a commitment to reduce the impact of greenhouse emissions. In a statement of commitment made in the Public Action Plan for Nursery Development, Indonesia will reduce the emanation effect of nurseries by 26% and with global assistance by 41%. The arrangement states that a 26% reduction in the release of ozone-depleting substances will be obtained from ranger and peatland services by half, transportation and energy by 3.8%, horticulture by 18%, industry by 1.8%, and waste by 5%. ,9%. In addition, the public authorities have established an appropriate improvement system consisting of financial perspective, social point of view, natural point of view and institutional point of view in the Medium and Long Term Improvement Plans.

Business finance undoubtedly plays a role in the outcome of this responsibility through practical money programs. Manageable Money is a worldwide pattern that represents another worldview in banking and other monetary foundations that upholds the implementation of a practical turn of events. Practical improvement is an effort to progress in three perspectives, into specific benefits (benefits), local areas (social relations), and normal asset security and climate.

The demands for sustainable development and calls for industry to have a positive impact on the environment have made the United Nations Environment Program (UNEP) recognize the important role of financial institutions. Islamic financial institutions can interact with environmental issues: as investors, innovators, appraisers and as powerful stakeholders (Ahmad, 2005).

Currently the development of the Islamic finance industry or the Islamic finance industry is growing rapidly, including in Indonesia. Until now, Islamic finance is still led by the Middle East, namely the Gulf region or commonly referred to as the GCC (Gulf Cooperation Council) which consists of six countries, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE. Then followed by the MESA Region (Middle East & South Asia) which consists of Afghanistan, Bangladesh, Iran, Iraq, Jordan, Lebanon, Maldives, Palestine, Pakistan, and Sri Lanka as well as ASEAN. (IFSB, 2020).

The government in Indonesia also has the same goal as the world market, with the mega merger of state-owned Islamic banks into one bank entity to achieve the target of becoming the world's Islamic financial center (Kompas.com, 2020). Not only so that Islamic financial institutions can answer the challenge of becoming a sustainable Islamic financial institution, but Islamic financial institutions must also support businesses that favor sustainable development in accordance with sharia principles, namely in order to provide broad benefits for the environment.

Maintenance is a guide to the human-planet-benefit balance, known as the Triple Primary concern (TBL) idea. Management lies at the intersection of three socio-social points of view; planetary climate; and monetary gains (Elkington, 1998). The monetary administration industry upholds controlled development by adjusting these three aspects. At a basic level, these three perspectives produce energy and products that are harmless to the ecosystem. Along these lines, financial assets and social management can be maintained. The result is a framework that can achieve uniformity, equity, development and responsibility, which in the long run are closely linked to Shariah values. In Indonesia, Practical money is characterized as the general aid of the monetary administration industry for proper development in accordance with financial, social and natural benefits. The Monetary Administration Authority (OJK) submitted the 2015-2019 Appropriate Money Guide on 5 December 2014 to assist in the preparation of the Improvement Plan (RPJP) and the Medium-Term Development Plan (RPJMn). This guide outlines the work plan of the Money Economy

Program for the Monetary Administration Industry, particularly Banking, Capital Business Sector and Non-Bank Monetary Business (ICNB), including Sharia Banks managed by OJK.

Islamic banks are basically institutions that collect funds from the public in the form of loans, which perform the function of financial intermediation. OJK continues to encourage the Islamic banking sector which currently only 33% is listed on the stock exchange. (www.cnbcindonesia.com). With the encouragement from the government of the Islamic banking industry to be listed on the stock exchange and become an industry that plays a role in sustainable finance, Islamic banking in Indonesia must know what factors can support the Islamic banking industry so that it can implement sustainable finance.

Researchers to date have conducted a number of studies and research on bank internal valuations based on various financial indicators. There are three ratios of these indicators, namely, portfolio quality, operational effectiveness, and the sustainable capability of banks (Andriyan, 2016). However, of the three ratios, the sustainable capability ratio represented by the Financial Sustainability Ratio (FSR) is often used to predict the soundness of a bank. The continuation of the potential of Islamic banks can be predicted in the future with FSR. FSR can also be implemented to signal a decline in performance in a bank that will have an impact on the company's existence. If the company's performance increases, it can be indicated that the company is healthy.

To support the sustainable finance program, collaboration with various parties is carried out to create financial support for industries that apply the principles of sustainable finance. Good Corporate Governance (GCG) is one of the components that support the performance of Islamic banking which by definition is a concept that regulates and controls a company that creates value-added for all stakeholders, so that performance has been supported by good corporate governance. If it is good, then the performance of Islamic banking will increase and will be able to implement a sustainable financial program (financial sustainability).

In addition to GCG, the intellectual capital factor is also a factor that affects the company's financial performance which is a short-term measure both now and in the future. The results of several previous studies reveal that intellectual capital has a positive & significant effect on the company's financial performance in the future, such as research conducted by (Rahma, 2018); (Ulum et al., 2008); (Nawaz & Haniffa, 2017); (Ramadan et al., 2019), considering that the company's financial performance is very influential on sustainability where one aspect of sustainability is sustainability profit. Then there is research showing that Islamic intellectual capital has a significant impact on sustainable financial & business performance. This is reinforced by the opinion (Pulic, 1998) that the main goal in a knowledge-based economy is to create VA. To be able to create a VA requires the right measure of physical capital and intellectual potential. Given the company's financial performance is very influential on sustainability, where one aspect of sustainability is the sustainability of profits.

The performance of Islamic banks shows the efficiency and effectiveness of Islamic banks in managing existing resources. The instability of the performance of Islamic banks can also affect the decline in the existence of the company. The decline in the company's performance will lead to a bad perspective because the company's performance is an important indicator in the company. The fall in the company's performance can be indicated that the company cannot carry out its duties properly and cannot protect all elements of the company for the sake of mutual prosperity. If poor performance is not immediately corrected, it will also impact the ability of Islamic banking to assist and support financially sustainable financial activities (financial sustainability).

Bank performance assessment can be carried out internally, namely looking at the ability of banks to generate profits or what is commonly referred to as the profitability ratio as measured by ROA (return on assets). seen from the percentage of NPF (non performing

financing). However, there are some differences in the results of the research from the explanation of the theory above. Financial performance represented by ROA has a significant impact on financial sustainability in several previous studies such as research (Amouzesh et al., 2011; Notoatmojo, 2016; Saputri, 2019; Saputro & Purwanto, 2013; Sholikah, 2021; Wahyuni & Fakhruddin, 2014), while the research conducted by (Almilia et al., 2009; Daraba et al., 2021; Nabwonya et al., 2016; Puspitasari, 2019; Sarwono & Sunarko, 2015) shows that ROA does not affect financial sustainability.

Meanwhile, the Financial Performance represented by the NPF also has differences in the results of research such as research conducted by (Saputri, 2019); (Notoatmojo, 2016); and (Almilia et al., 2009) shows that the negative NPF has a significant effect on financial sustainability. The research conducted by (Wahyuni & Fakhruddin, 2014) found that NPF has no effect on financial sustainability.

Islamic finance execution can be estimated using conventional bank assessment tools, and Islamic financial execution can also be estimated using one of the Transport estimation tools, namely Maqashid Syariah File (MSI). I can make it happen. The need for FSR is estimated using an appropriate meter. MSI can be one of the more helpful estimation tools for FSR implementation. Through Transport in Indonesia, you can do other things to help your area. So that Transportation in Indonesia can consistently assess the consequences of FSR. The results of the assessment are used to address blunders and errors that may occur when ensuring FSR in Transport. Later, Transport actually wants to compete with conventional banks in terms of quality, quantity and implementation. Both local and global. The advantages of Sharia will be felt to increase significantly from before. The Maqashid List approach can be an important choice as a Transport estimation instrument. This approach offers positive benefits, showing the public that Islamic finance works in general and can be applied effectively and decisively (Al Ghifari et al., 2015). An example is to achieve the target of Islamic money saving with comprehensively coordinated procedures and strategies. This file allows the controller (government) to control the activities of Islamic banks. Islamic banks looking for gold, also focus on the profit factor included. Of course we also know the impression of obligations and commitments expected from Islamic banks (Antonio, 2002).

Based on the described basis, the authors will also dissect the impact of corporate administration, scientific capital, and monetary execution with ordinary techniques and Islamic maqashid records (MSI) on supporting money execution in the Islamic monetary administration industry. in Indonesia. The curiosity in this study is that the creators used the following year's research and used a more disparate study of factors and clues to track their impact on financial support than previous research. Also, with updates in the examples of information used and various factors and markers, it is believed that this exploration could have direct consequences for the Islamic finance industry in carrying out monetary support and could make the consequences of this review as the latest result in relation to the examination of corporate administration, scientific capital, and execution. finance with the monetary management of Islamic banking in Indonesia.

Given the description of the foundation above, in this study the analyst has detailed the accompanying problems.
1. Is the application of financial sustainability in the Islamic financial services industry sector influenced by corporate governance, intellectual capital, and financial performance with conventional methods and the maqashid sharia index (MSI).
2. The extent to which corporate governance, intellectual capital, and financial performance with conventional methods and the maqashid sharia index (MSI) affect the implementation of financial sustainability in the Islamic financial services industry sector in Indonesia.

3. How is corporate governance, intellectual capital, financial performance with conventional methods and maqashid sharia index (MSI), and financial sustainability of the Islamic financial services industry sector in Indonesia.

LITERATURE REVIEW

Sharia Banking

Islamic banks are financial institutions that operate by applying Islamic Sharia principles(Al Arif, 2021). The operational activities of this Islamic bank are guided by the Qur'an and Al-Hadith and fulfill the provisions contained therein. This is certainly not true, nor is it based on usury in Islamic banking operations. The activities of Islamic banks are based on sharia principles. When transactions are made between Islamic banks and other parties in the process of depositing funds, issuing or distributing funds, etc., they must still refer to the contractual rules in Islamic and Sharia law. Hopefully Islamic banks do not try and fall into usury in the Muammara process. This has a positive impact on society. The importance of implementing sharia principles is due to the system of activities carried out by banks: prohibition of interest (riba), lack of transparency of funds (gharar) and the emergence of speculation (maisir). (Jundiani, 2009). Sharia banking includes all matters relating to sharia banking, sharia entities including institutions, banking in the form of transactions, as well as procedures and activities during business processes. (Popita, 2013). In addition, Islamic banks have several types of financing. These include Mudharabah, Wadiah, Musyarakah, Murabahah, Salam, Istishna, Ijarah and Qardh Agreements (Giannini, 2013).

Financial Sustainability Ratio

According to(Jeucken, 2010)Sustainable Finance is the implementation of credit management or the provision of financing and investment in all sectors of the financial services industry by incorporating economic, social, and environmental risk factors in a sustainable manner, where the policy has become part of the portfolio of the relevant financial services industry. Sustainable finance is a series of contributions from elements in the financial services business in a sustainable manner that has an impact on the economic, social and environmental sectors (OJK, 2014).

Financial Sustainability Ratio (FSR) is the ability to act as a tool to recover all costs from revenue, generating a margin that is used to fund growth (Ayayi & Sene, 2010). This FSR is used as a measure of bank sustainability. In addition, FSR is a self-financing target (Almilia et al., 2009). Banks use FSR to conduct independent assessments as a proactive form of banking. In addition, the use of FSR must also be one of the determining factors for the bank's next steps. Enables the bank to run its business in accordance with existing operational standards by trying to adequately support daily business activities. This of course must be done by contributing to the bank's income accordingly, and the media being the focal point for banks to communicate financial sustainability. (Rianasari & Pangestuti, 2016).

This focus consists mainly of three items: the amount of income or debt, the budget balance, and the annual revenue growth rate. Achieving profitability is itself a bank goal, if it works well with the three focus areas above. Therefore, a bank can operate effectively and efficiently if it considers and reduces the risks that may arise and manages to maintain the quality of its performance in a sustainable and sustainable manner. FSR is important to determine the potential for the sustainability of Islamic banking in the future. In addition, FSR is applied to signal poor performance in the form of main expenses (expenses) and income (income). An FSR score of 100% or higher is a good score because it is financially sustainable. This means that the total costs incurred must be less than the bank's total income. It can also be interpreted by the size of the FSR value obtained from the total financial income. This is

inversely proportional to the total financial burden listed on the income statement (Alim & Sina, 2020). The formula available for FSR is(Fakhiroh & Hariasih, 2021).

FSR = total pendapatan financial / total beban financial x 100%

Corporate Governance (GCG)

Good Corporate Governance (GCG) is definitively a system that regulates and controls companies that create added value for all stakeholders (Monks, 2003). Meanwhile, according to Daniri (2005), good corporate governance is the principle of how to properly regulate management actions in running their business. (Monks, 2003)"states that GCG is a system that regulates and regulates company activities to create added value for all interested parties in the company".

The assessment of the bank's GCG implementation considers the elements of a comprehensive and structured GCG assessment, including the governance structure, governance processes, and governance outcomes. Based on SE BI No.15/15/DPNP of 2013, the Bank uses the Risk Based Bank Rating (RBBR) approach of Bank Indonesia to assess the level of resilience of commercial banks based on the use of a risk approach. banks must self-assess the level of toughness (RBBR) Assessment of GCG implementation is based on five core principles consisting of three aspects of governance: governance structure, governance processes and governance results which are grouped into a governance system that is GCG assessment criteria (self-evaluation) is as follows.:

Rank 1 : VeryWell
Rank 2 : Well
Rank 3 : Pretty good
Rank 4 : Not enoughWell
Rank 5 : Not good
(Source: Bank Indonesia Circular No. 15/15/DPNP Year 2013)

Good Corporate Governance according to (John et al., 2008) In the case of corporate governance, there are 2 theories that can be used, namely management theory and agency theory. Management theory explains that philosophically humans have honesty and integrity, honesty and responsibility in every activity. So in theory, stewardship of a manager must be trusted to take the best policy or action for the benefit of society and shareholders. In subsequent developments, agency theory received a wider response because it was seen as more reflective of the existing reality. Various thoughts on corporate governance developed based on agency theory where management is carried out in full compliance with various applicable laws and regulations.

Maqashid Syariah Index (MSI)

Maqashid Index (MSI) is a method of measuring the performance of Islamic banks which was previously developed by Mustafa Omar Mohammed et al. Developed based on the theory of Abu Zahrah(Mohammed & Taib, 2016). According to MSI Syariah, Al Mukhasid has several meanings such as Al Haddad (Purpose), Al Galad (Purpose), Al Matrub (Things of Interest), or Al Gaya (ultimate goal) in Islamic law. (Auda, 2013). The difference in performance measurement of traditional banking and Islamic banking can be seen from the traditional performance indicators. Although it only focuses on financial measurement, the objectives of Islamic banking must follow Shariah or Shariah principles. The Makassid Index is one of the ways and steps to increase the level of stakeholder trust in Islamic banks in Indonesia. The emergence of the trustworthiness of stakeholders can only be achieved by honest banks by

developing good systems so that banks can operate, develop and write up-to-date history. The nature of stakeholder trust allows banks to use them to mobilize deposits, attract investment, provide and distribute funds to those in need, (Ferrare & Miller, 2020).

Economic development must be sustainable. In other words, the first is the economy, the environment and society. Sustainability must be able to produce goods and services, conserve economic resources and make systems work. A place where equality, justice, prosperity and even accountability can be achieved. Sustainability as a process that aims to find a balance between the economy and the environment is closely related to Makassid Sharia values in the long term (Mutia & Musfirah, 2017). In this study, the performance of Islamic banks is intended to be measured using the MSI method, including using the welfare dimension ratio (Mohammed & Taib, 2016):

Rasio Profit   = Pendapatan Net / Total Aset x 100%
Pendapatan personal   = Zakat/Total Aset x 100%
Rasio investasi di sektor rill   = Investasi Di Sektor Rill Ekonomi/Total Investasi x 100%

Intellectual Capital (VAIC)

Ulum (2013) reconstructed the Islamic Intellectual Capital (IIC) performance evaluation model for Islamic banks, namely the Islamic Bank Value Added Intellectual Capital Coefficient (iB-VAIC). The performance evaluation model also has three components: The first is (iB-VACA) - physical capital from the value added capital used by Islamic banks, the second is (iB-VAHU) - human capital variable from the value added human capital of Islamic banks, third is the structural value of the capital variable represented by (iB-STVA) - the value added structural capital of Islamic banks. Developing the Islamic Banking IC Performance Measurement Model (iB-VAIC) is important because the banking industry is one of the four IC intensive industrial sectors (Firer & Mitchell Williams, 2003). Banking is more homogeneous than other economic sectors ((Kubo & Saka, 2002).

Financial Performance
a. Profitability Ratio

Profitability is a ratio used to assess the company's ability to generate profits. This ratio is also a measure of the effectiveness of the management of a company. This is indicated by the profit you get from sales and investment income. The profitability of a company is one of the criteria to assess the health of a company. For this reason, an analytical tool is needed that can assess it. The analytical tools are financial indicators. Profitability ratios measure the effectiveness of management based on profits from sales and investments.

b. Return on Assets (ROA)

ROA is the ratio of net profit after tax to the total assets of the company. ROA also represents the rate of return on all company assets. ROA shows the company's ability to generate profits from the assets it uses. The calculation of return on assets reflects the earning power that a company can provide its common stockholders on its total assets.

c. Non-Performing Financing (NPF)

Non Performing Financing (NPF) is the ratio used to measure the ability of bank management in managing existing financing problems. This study considers the risk profile factors using the Non-Performing Financing (NPF) ratio to measure credit risk that will have an impact on banking financial performance.

Based on the background and theoretical study above, the conceptual framework of this research is as follows;
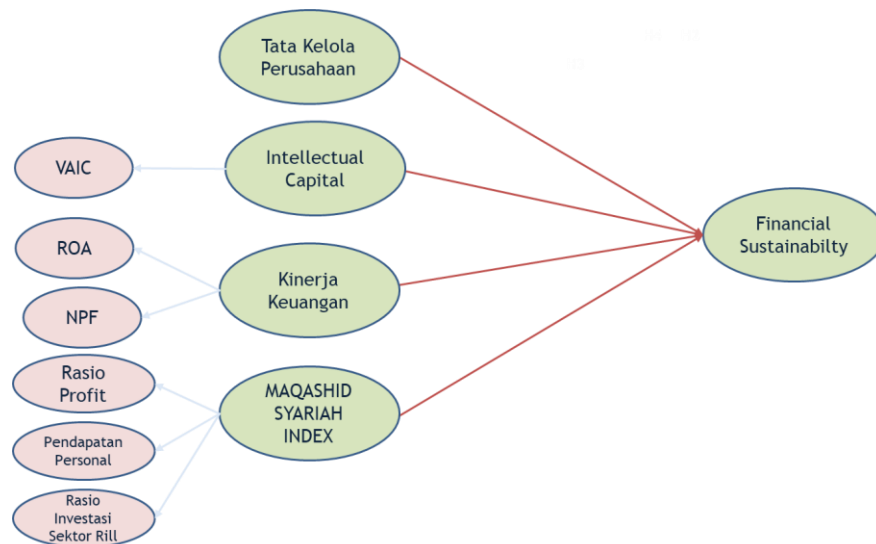
Figure 1. Research Conceptual Framework

RESEARCH METHODS

In this review, a quantitative examination will be carried out, particularly the relapse strategy by utilizing board information. The methodologies chosen for the board information recurrence check were the general impact model (CEM), the fixed impact model (FEM), and the irregular impact model (REM). Two stages were carried out to decide the best fit between these models. Namely, the Chow test to find out which model is outstanding between the general impact model (CEM) and the appropriate impact model (FEM). The Hausman test is directed to decide whether the appropriate impact model (FEM) or the arbitrary impact model (REM) is best used. The examination is carried out in a measurable manner by utilizing accessible information which is a combination of time series and cross-sectional information from Islamic banks in Indonesia during the 2017-2021 period.

The test method used in this review is wet sample and is named unimaginable sample. In-depth inspection is a testing strategy that involves all individuals from the population as an example. In-depth checks are often carried out when the population is rather small, or when the reviewer needs to make speculations with minor errors. One more term for immersed testing is registration in which all individuals from the population are examined. This concentrate also takes community-level samples from 75 perceptions of 15 Islamic banks in Indonesia and generalizes with very little error. Using these data, this study examines the effect of two or more independent variables (descriptors) on the dependent variable given by the general formula:

Yit	$= \alpha + \beta_1 X_1 it + \beta_2 X_2\ it + \beta_3 X_3 it + \beta_4 X_4 it + \beta_5 X_5 it + e$
Yit	= Financial Sustainability Ratio (FSR)
A	= konstanta
X1it	= Nilai komposit hasil assesment
X2it	= Value added Intelectual capital (VAIC)
X3it	= Return on asset (ROA)
X4it	= Non performing financing (NPF)
X5it	= Maqashid Syariah Index (MSI)
b1,…,bn	= Koefisien regresi
e	= error term

In addition, to prove that the regression model in this study is superior, this study tested the conventional assumptions to ensure that the data used in this study were valid, unbiased, consistent, and efficient, and met the basic assumptions of regression in the panel data.

FINDINGS AND DISCUSSION
Description of the Unit of Analysis

Descriptive analysis in this study includes a description or description of the data. The data obtained from the results of descriptive analysis include explanations for the variables studied, both independent variables, namelycorporate governance as proxied by the composite value of the self-assessment of each Islamic bank, the soundness of the bank as proxied by the ratio of Non-performing financing (NPF), intellectual capital as proxied by Value added Intellectual capital (VAIC), and financial performance measured by proxy with Return on assets (ROA), and Maqashid Syariah Index (MSI) and the dependent variable is sustainable finance which will be measured by Financial Sustainability Ratio (FSR). Specifically, the mean, maximum, minimum, and standard deviation of these variables are described, the descriptive results for each of the variables in this study are as follows:

Table 1. Variable descriptive description for Islamic Banking in Indonesia.

	FSR	GCG	VAIC	ROA	NPF	RASIO PROFIT	PENDAPATAN PERSONAL	RASIO INVESTASI SEKTOR RILL
Mean	1.013623	2.028986	-25.88913	0.673478	2.352319	0.090290	0.008406	9.347971
Median	1.060000	2.000000	-0.600000	0.960000	1.490000	0.090000	0.000000	4.870000
Maximum	2.750000	3.000000	14.35000	11.15000	22.04000	0.210000	0.130000	52.06000
Minimum	-2.420000	1.000000	-729.8000	-10.77000	0.000000	0.020000	0.000000	0.000000
Std. Dev.	0.508261	0.568047	110.0101	3.057169	3.242188	0.030725	0.019525	10.73697
Skewness	-4.066737	0.007299	-5.499414	-1.109679	3.673915	1.409671	3.926823	2.218087
Kurtosis	33.27833	3.135598	32.82896	8.248076	21.45605	6.537291	23.07889	7.894816
Jarque-Bera	2825.925	0.053475	2905.881	93.34508	1134.522	58.82571	1336.420	125.4617
Probability	0.000000	0.973617	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	69.94000	140.0000	-1786.350	46.47000	162.3100	6.230000	0.580000	645.0100
Sum Sq. Dev.	17.56639	21.94203	822950.4	635.5472	714.8010	0.064194	0.025925	7839.211
Observations	69	69	69	69	69	69	69	69

Source: E views 8.0, data processed by the author

Based on the data of Islamic Banking in Indonesia in the period 2015-2018 there are 75 data but, due to the availability of data there will be 69 observational data which will be further analyzed in the table. 1 shows that Islamic Banking in Indonesia in 2017-2021 has an average value, FSR of 1.01, standard deviation of 0.50, GCG of 2.02, standard deviation of 0.56, VAIC of -25.88, standard deviation with a value of 110.01 ROA of 0.63, standard deviation of a value of 3.05, NPF of 2.35, standard deviation of a value of 3.24, FSR of 0.09, standard deviation with a value of 0.03, Personal Income of 0.008, standard deviation with a value of 0.01, Real Sector Investment of 9.34, standard deviation with a value of 10.73.

For the maximum value of FSR is at PT. Aladin Syariah Bank is 275%, GCG in several banks with a composite value of 1 which means very good, VAIC is at PT. Bank Victoria Syariah is 14.35, ROA is at PT. Aladin Syariah Bank is 11.15%, NPF is at PT. Bank Jabar Banten Syariah is 22.04, the Profit Ratio is at PT. BPD West Nusa Tenggara Syariah by 21%, personal income is at PT. Bank Mega Syariah by 0.13%, real sector investment is in PT. Bank Muamalat Indonesia, Tbk by 52.06%

And for the minimum value of FSR is at PT. Aladin Syariah Bank is 23%, GCG in several banks with a composite value of 3 which means it is quite good, VAIC is at PT. Bank Panin Dubai Syariah, Tbk of 729.80, ROA is at PT. Bank Panin Dubai Syariah, Tbk by

10.77%, the NPF is at PT. BCA Syariah is 0.01%, Profit Ratio is at PT. Bank Aladin Syariah by 2%, personal income is at PT. Bank Jabar Banten Syariah and PT. Bank Panin Dubai Syariah, Tbk by 0.01%, real sector investment is in PT. BRI Syariah Bank by 1.44%

Panel Data Regression Analysis

To test the extent to which GCG, NPF, VAIC, ROA, and MSI are used in FSR, this study uses an analytical method using panel data. To find the most efficient method using Eviews 8, test your panel data regression method on three equation models namely the Common Effects Model (CEM), Fixed Effects Model (FEM), and Random Effects Model (REM).

Table 2. Test Comparison Results

No.	Method	Test	Results
1	Chow Test	Common Effect vs Fixed Effect	Fixed Effect
2	Hausman Test	Random Effect vs Fixed Effect	Fixed Effect

Panel data regression models from the three panel data models draw conclusions from the test results. The aim is to strengthen the conclusions of the paired test, and from the test results, the fixed effect model is best analyzed further in this study.

Classic assumption test

Some data have been converted to logarithmic form to avoid violating classical assumptions, leading to the following results;

a. Data Normality Test

Normality is a test that aims to determine whether the data used exists or is normally distributed. That is, it can represent a normally distributed population. This test uses the histogram graph method and the Jarque-Bera statistical test (JB test).
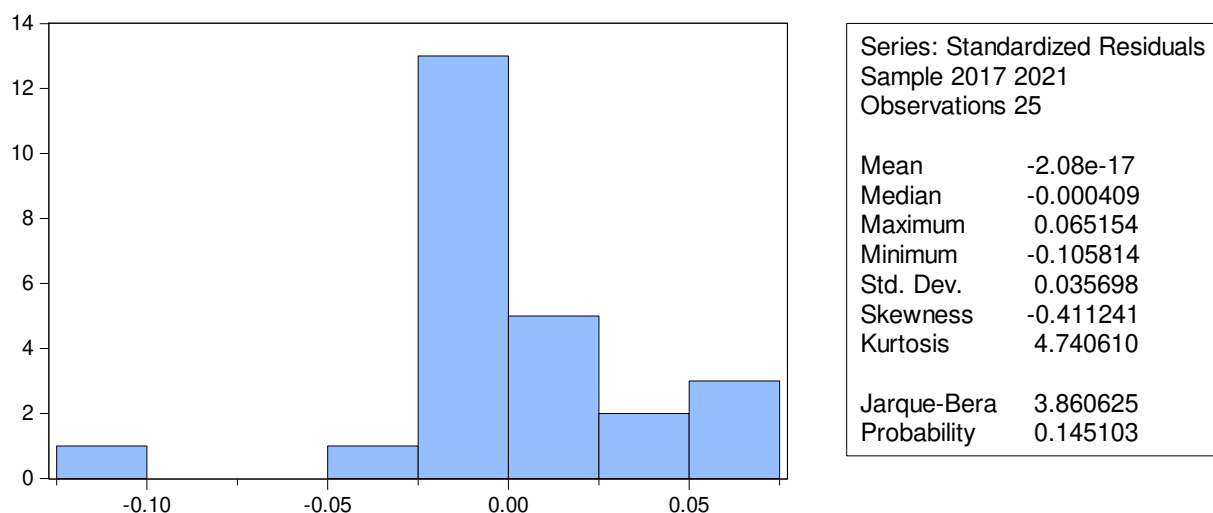

Series: Standardized Residuals	
Sample 2017 2021	
Observations 25	
Mean	-2.08e-17
Median	-0.000409
Maximum	0.065154
Minimum	-0.105814
Std. Dev.	0.035698
Skewness	-0.411241
Kurtosis	4.740610
Jarque-Bera	3.860625
Probability	0.145103

Figure 2. Graph of Data Normality Test Results
Source: Data processed with Eviews 8.0

b. Multicollinearity Test

The purpose of this multicollinearity test is to find a regression model and test whether there is a correlation between the independent variables in the processed data. The multicollinearity problem can be seen from the results of testing the values of the correlation matrix. This can be seen in the following table:

Table 3. Correlation Matrix Calculation Results

	LOG(GCG)	LOG(NPF)	LOG(VAIC)	ROA	RASIOPROFIT	PENDAPATAN PERSONAL	RASIO INVESTASI SEKTOR RILL
LOG(GCG)	1.000000	0.133350	0.335379	-0.218630	0.268946	-0.092639	0.039288
LOG(NPF)	0.133350	1.000000	0.554596	-0.368191	-0.028954	0.170212	0.240715
LOG(VAIC)	0.335379	0.554596	1.000000	-0.218167	0.277748	0.137121	-0.167304
ROA	-0.218630	-0.368191	-0.218167	1.000000	0.176267	0.236157	0.065022
RASIO PROFIT	0.268946	-0.028954	0.277748	0.176267	1.000000	-0.032325	-0.165097
PENDAPATAN PERSONAL	-0.092639	0.170212	0.137121	0.236157	-0.032325	1.000000	0.240605
RASIOINVESTASI SEKTORRILL	0.039288	0.240715	-0.167304	0.065022	-0.165097	0.240605	1.000000

Source: Data processed with Eviews 8.0

Based on the table above, it can be seen that the value of the correlation coefficient between the independent variables is less than 0.80. This can be interpreted that the data in the study does not occur multicollinearity problems between independent variables, namely corporate governance which is proxied by the composite value of the self-assessment results of each Islamic bank, the soundness of the bank is proxied by the ratio of Non-performing financing (NPF), intellectual capital which is proxied by Value added Intellectual capital (VAIC), and financial performance as proxied by Return on assets (ROA), and Maqashid Syariah Index (MSI) and the dependent variable is sustainable finance which will be measured by Financial Sustainability Ratio (FSR) in Banking Sharia in Indonesia for the 2017-2021 period can use this model.

c. Autocorrelation Test

Table 4. Autocorrelation Test Results

R-squared	0.969913	Mean dependent var	0.106607
Adjusted R-squared	0.957524	S.D. dependent var	0.205803
S.E. of regression	0.042415	Akaike info criterion	-3.228282
Sum squared resid	0.030584	Schwarz criterion	-2.838242
Log likelihood	48.35352	Hannan-Quinn criter.	-3.120101
F-statistic	78.29015	Durbin-Watson stat	1.058766
Prob(F-statistic)	0.000000		

Source: Data processed with Eviews 8.0

In this study, the autocorrelation test was carried out using the Durbin-Watson (DW) method. From the table above, it can be seen that the DW value of the regression equation formed is 1.058766 while the Durbin-Watson table value with n = 75 and k = 6, then the value of dL = 1.4577 and dU = 1.8013, so the value of 4–d= 4– 1.058766 = 2.9412, If (4 – d) > dU where 2.9412 > 1.8013, then there is no negative autocorrelation If d > dU where 1.8013> 1.058766, then there is no positive autocorrelation, so in the regression analysis there is no positive autocorrelation and there is no negative autocorrelation so it can be concluded that there is absolutely no autocorrelation.

d. Heteroscedasticity Test

Heteroscedasticity test was conducted to test whether the regression model formed showed inequality in the logarithmic variance of the squared residuals of the regression model. If the data has homoscedasticity, it means that the data processed is good data. Park test is used to identify the problem of heteroscedasticity in the calculation results. Judging from the value of the regression coefficient of the independent variable, the logarithm of the dependent variable is not significant (residual ^ 2). The hypotheses used are:

H_0: There is no heteroscedasticity problem.

H_1: There is a problem with heteroscedasticity

Table 5. Heteroscedasticity Test Results

Dependent Variable: LOG(RESID^2)
Method: Panel Least Squares
Date: 08/12/22   Time: 15:52
Sample: 2017 2021
Periods included: 5
Cross-sections included: 9
Total panel (unbalanced) observations: 25

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-8.887431	3.727524	-2.384272	0.0290
LOG(GCG)	-0.085360	2.909461	-0.029339	0.9769
LOG(NPF)	0.104004	0.840228	0.123780	0.9029
LOG(VAIC)	0.906746	0.931312	0.973622	0.3439
ROA	0.063951	0.410710	0.155709	0.8781
RASIO PROFIT	-7.623804	27.46215	-0.277611	0.7847
PENDAPATAN PERSONAL	4.899000	35.27949	0.138863	0.8912
RASIO INVESTASI SEKTOR RILL	0.143906	0.438032	0.328529	0.7465

R-squared	0.114645	Mean dependent var		-9.270075
Adjusted R-squared	-0.249913	S.D. dependent var		3.961744
S.E. of regression	4.429210	Akaike info criterion		6.068657
Sum squared resid	333.5044	Schwarz criterion		6.458697
Log likelihood	-67.85822	Hannan-Quinn criter.		6.176838
F-statistic	0.314476	Durbin-Watson stat		1.692406
Prob(F-statistic)	0.937294			

Source: Data processed with Eviews 8.0

Based on the results of data processing above, it can be concluded that the probability value for each independent variable is greater than alpha (0.9769; 0.9029; 0.3439; 0.8781; 0.7847; 0.8912; 0.7465 > 0.05) and that the meaning of H0 is acceptable, meaning that this data is accepted. . that is, the regression coefficient values of the independent variables GCG, NPF, VAIC, ROA, and MSI are not significant for the dependent variable LOG(RESID^2), so there is no heteroscedasticity problem in the regression model data for this study.

Hypothesis testing

a. *Correlation Analysis*

To find out how closely the relationship between the overall independent variables X1, X2, X3, X4, X5 with the dependent variable Y in this study using correlation analysis.

Table 6. Results of Fixed Effect Model (FEM)

Dependent Variable: LOG(FSR)
Method: Panel Least Squares
Date: 08/12/22   Time: 15:56
Sample: 2017 2021
Periods included: 5
Cross-sections included: 9
Total panel (unbalanced) observations: 25

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.105599	0.039548	2.670119	0.0256
LOG(GCG)	0.031082	0.035497	0.875620	0.4040
LOG(NPF)	-0.002016	0.009551	-0.211114	0.8375
LOG(VAIC)	0.024644	0.008816	2.795539	0.0209
ROA	-0.017999	0.018678	-0.963648	0.3604
RASIO PROFIT	-0.272799	0.392037	-0.695851	0.5041
PENDAPATAN PERSONAL	2.432779	0.462976	5.254655	0.0005
RASIO INVESTASI SEKTOR RILL	0.002816	0.010191	0.276374	0.7885

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.995985	Mean dependent var		0.106607
Adjusted R-squared	0.989293	S.D. dependent var		0.205803
S.E. of regression	0.021296	Akaike info criterion		-4.602264
Sum squared resid	0.004082	Schwarz criterion		-3.822183
Log likelihood	73.52829	Hannan-Quinn criter.		-4.385902
F-statistic	148.8293	Durbin-Watson stat		2.542118
Prob(F-statistic)	0.000000			

Source: Data processed with Eviews 8.0

The results obtained that the coefficient of determination R² (R-square) between DER, DAR and LTDR with ROE is 0.9959, then the R value is = 0.9979 using the Fixed Effect model in the table above.√0.9959.

b. *Multiple Linear Regression Equation Test*

Multiple regression analysis method was used to test the extent and direction of the influence of the independent variable on the dependent variable. In this study, the independent variables used were GCG, VAIC, ROA, NPF, and MSI. The dependent variable is financial sustainability (FSR). Based on the table results. In table 6, the results of the multiple regression equation obtained are as follows:

$$LFSR = -0,1055 + 0.0310\,LGCG - 0,0020\,LNPF + 0,0246\,LVAIC - 0,0179\,ROA$$
$$- 0,2727\,RasioProfit + 2,4327\,PendapatanPersonal$$
$$+ 0,0028\,RasioInvestasiSektorRill + \epsilon$$

Information:
FSR	: financial sustainability (FSR)
GCG	: Corporate governance
NPF	: Financial Performance Ratio
ROA	: Financial Performance Ratio
VAIC	: Intellectual Capital
Profit Ratio	: MSI Ratio
Personal Income	: MSI Ratio

Real Sector Investment Ratio : MSI Ratio
b   : Constant
e   : Error, Error Rate

By looking at the results of the multiple regression equation, you can analyze the effect of each independent variable on the dependent variable, such as:

1. For, FSR is -0.1055, which shows a constant which means that, if the values of GCG, NPF, ROA, VAIC, and MSI are constant, then the FSR is -0.1055
2. 0.0310 is the value of the GCG regression coefficient. This means that the independent variable and the dependent variable are positively related. This means that FSR increases by 0.0310 for every 1 time change in GCG. In this case, other factors are held constant.
3. The regression coefficient value for ROA has a negative relationship of 0.0179. This means that FSR decreases by 0.0179 every time the ROA value changes. In this case, other factors are held constant.
4. The NPF regression coefficient value has a negative relationship of 0.0020. This means that the FSR decreases by 0.0020, every time the NPF value changes. In this case, other factors are held constant.
5. A positive relationship of 0.0246 indicates the value of the VAIC regression coefficient. This means that the FSR increases by 0.0246 for every 1 change in VAIC. In this case, other factors are held constant.
6. Profit Ratio regression coefficient value has a negative relationship of 0.2727. This means that FSR decreases by 0.2727 every time the Profit Ratio value changes. In this case, other factors are held constant.
7. A positive relationship of 2.4327 indicates a regression coefficient for personal income. This means that FSR increases by 2.4327 for each change in personal income. In this case, other factors are held constant.
8. A positive relationship of 0.0028 indicates the value of the regression coefficient for the level of investment in the real sector. This means that FSR increases by 0.0028 every time the real sector investment level changes. In this case, other factors are held constant.

c. *Partial Regression Coefficient Test (t Test)*

The test used to determine whether an independent variable affects some of the dependent variable is also called the t-test. Looking at the appendix of the t-table added to the table t-statistics, with df = (nk-1) = (69-7-1) = 61 and degrees of freedom 0.05, the value of the t-table is 1.9996.

1. The results of GCG have no significant effect on FSR can be seen from table 6. This can be seen from the results of the partial regression test (t test) showing that the positive GCG regression coefficient value is 0.0310, the t statistic value is 0.8756, and the probability t statistic is of 0.4040 > 0.05.
2. The partial regression test (t test) based on the results from table 6, shows that the negative ROA regression coefficient value is 0.0179, the t statistic value is -0.9636, and the probability value of the t statistic is 0.3604> 0.05, then the ROA is not significant effect on FSR.
3. The partial regression test (t test) based on the results from table 6, shows that the negative NPF regression coefficient value is 0.0020, the t statistic value is -0.2111, and the probability value of the t statistic is 0.8375> 0.05, then NPF has no significant effect on FSR.
4. Based on the results in table 6, the partial regression test (t test) shows that the positive VAIC regression coefficient value is 0.0246, the t statistic value is 2.7955, and the

probability value t statistic is 0.0209 <0.05, then intellectual capital (VAIC) affects and is significant to financial sustainability (FSR).

5. The results of financial performance using the MSI method with the Profit Ratio indicator have no significant effect on FSR can be seen from table 6. This can be seen from the results of the partial regression test (t test) showing that the regression coefficient value of the Profit Ratio is negative 0.2727, the t statistic value is 0.2727. 0.6958, and the probability value of t statistic is 0.5041 > 0.05.

6. The results of financial performance using the MSI method with indicators of Personal Income have a significant effect on FSR can be seen from table 6. This can be seen from the results of the partial regression test (t test) showing that the personal income regression coefficient value is positive at 2.4327, the t statistic value is 5 .2546, and the probability value of t statistic is 0.0005 < 0.05.

7. The results of financial performance using the MSI method with the indicator Real sector Investment Ratio have no significant effect on FSR can be seen from table 6. This can be seen from the results of the partial regression test (t test) showing that the regression coefficient value of the Real sector Investment Ratio is positive at 0.0028, the value of the t statistic is 0.2763, and the probability value of the t statistic is 0.7885 > 0.05.

d. *Joint Regression Coefficient Test (F Test)*

The statistical F test was used to test the significance of the regression parameters simultaneously. This test shows whether all the independent variables in the model affect the dependent variable simultaneously. In Table F, the statistics are 148.82, the table F value is 2.15, and from Table F attachment df 1 = (k-1) = (8-1) = 7, df 2 = (nk) = (69- 4) = 65. The significance value is 0.0000 <0.05 (5%) based on the results of the F-statistics test.

e. *Coefficient of Determination*

By utilizing the assurance coefficient, the level of influence of GCG, VAIC, ROA, NPF and MSI on the FSR variable can be known. Based on the results from table 6, it can be seen that together the GCG, VAIC, ROA, NPF and MSI factors have a reasonable commitment to the FSR of 98.92%, while the excess of 1.08% (100 percent 98.92%) is understood by various factors not considered or excluded from this review. This can be seen from the changed R-squared value, which is 0.9892.

Discussion of Research Results

By testing the speculation utilizing the autonomous factors of GCG, VAIC, ROA, NPF and MSI and the dependent variable FSR, and utilizing the Eviews program with board information, it can very well be decided that the best model in this review is the Eligible Impact Model. (CEM). The continued effect of exploration on each variable slightly or at the same time can be interpreted as follows:

a. Effect of GCG on FSR

The results of the t test are based on the table. 6 is on the GCG variable to FSR, it can be seen that the value of the FSR is equal to a coefficient of 0.0310, the t statistic value is 0.8756 and the probability t statistic is 0.4040 > 0.05. Then H1 is rejected and H0 is accepted, meaning that GCG has no significant effect on FSR, which means that for every 1 GCG change, FSR is not affected because of the GCG change, in this case other factors are considered constant.

This result is in line with the statement (Monks, 2003), which states that Good Corporate Governance (GCG) is definitively a system that regulates and controls companies that create value added for all stakeholders The banking industry certainly has a role in the

success of this commitment. through a sustainable finance program. GCG is carried out in collaboration with various parties to create financial support for industries that apply the principles of sustainable finance. The sustainable finance program not only seeks to increase the portion of financing but also increases resilience, competitiveness of financial service institutions, and company value. Which means that financial sustainability will affect the governance of a company,

The implication of the results of this study is that Islamic banking in Indonesia has other factors that can affect its financial sustainability because Islamic banking tends to have different conditions and company goals that are not only profit-oriented but more to benefit others and improve welfare for many parties. This is what makes GCG not a factor that affects sustainable finance in Islamic banking because several previous studies of GCG affect the financial performance of companies that are more profit-oriented.

b. Effect of VAIC on FSR

The results of the t test are based on the table. 6 is the VAIC variable on FSR, it can be seen that the value of the FSR is equal to a positive coefficient of 0.0246, the t statistic value is 2.7955 and the probability t statistic is 0.0209 <0.05. Then H1 is accepted and H0 is rejected, meaning that intellectual capital proxied by VAIC has a significant effect on FSR, which means that for every 1 VAIC change, FSR will increase by 0.0246, other factors in this case are considered constant.

This is in accordance with previous research revealing that intellectual capital has a positive & significant effect on the company's financial performance in the future, as research conducted by(Rahma, 2018);(Ulum et al., 2008);(Nawaz & Haniffa, 2017);(Ramadan et al., 2019), considering that the company's financial performance is very influential on sustainability where one aspect of sustainability is sustainability profit. Then there is research that shows that Islamic intellectual capital has a significant impact on sustainable financial & business performance. This is reinforced by the opinion(Pulic, 2000)that the main goal in a knowledge-based economy is to create VA. To be able to create a VA requires the right measure of physical capital and intellectual potential.(Ramadan et al., 2019), considering that the company's financial performance is very influential on sustainability, where one aspect of sustainability is profit sustainability.

The implication of the results of this study is that in Islamic Banking in Indonesia VAIC as an indicator or proxy of Intellectual Capital takes into account the total investment in employees such as salaries, benefits, etc. as well as components of intangible assets are factors that can affect financial sustainability because Islamic banking tends to have different conditions and conditions. different company goals that are not only profit-oriented but more to benefit others and improve welfare for many parties. This is what intellectual capital is a factor that affects sustainable finance in Islamic banking.

c. Effect of ROA on FSR

The results of the t test are based on the table. 6 is on the ROA variable to FSR, it can be seen that the value of the FSR is equal to a negative coefficient of 0.0179, the value of t statistic is -0.9636 and the probability of t statistic is 0.8375 > 0.05. Then H1 is rejected and H0 is accepted, meaning that ROA has no significant effect on FSR, which means that for every 1 ROA change, FSR is not affected because of the change in ROA, in this case other factors are considered constant.

The results of the research carried out are in line with the research conducted by research conducted by(Almilia et al., 2009; Daraba et al., 2021; Nabwonya et al., 2016; Puspitasari, 2019; Sarwono & Sunarko, 2015)which states that ROA does not affect financial sustainability.

The results of research conducted on Islamic Banking in Indonesia recorded in 2017-2021 is that there is no significant effect between ROA and FSR, this is because Islamic Banking in Indonesia has other factors that can affect sustainable finance because Islamic banking tends to have conditions and different company goals that are not only profit-oriented but more to benefit others and improve welfare for many parties according to sharia or sharia principles. This is why ROA is not a factor that affects sustainable finance in Islamic banking because several previous studies ROA affects the financial performance of companies that are more profit-oriented.

d. Effect of NPF on FSR

The results of the t test are based on the table. 6 is on the variable NPF to FSR, it can be seen that the value of the FSR is equal to a negative coefficient of 0.0020, the value of t statistic is -0.9636 and the probability of t statistic is 0.2111> 0.05. Then H1 is rejected and H0 is accepted, meaning that NPF has no significant effect on FSR, which means that for every 1 NPF change, FSR is not affected because of the NPF change, in this case other factors are considered constant. This is in line with research conducted by(Wahyuni & Fakhruddin, 2014)which states that NPF has no effect on financial sustainability.

The results of research conducted on Islamic Banking in Indonesia recorded in 2017-2021 is that there is no significant effect between ROA and FSR, this is because Islamic Banking in Indonesia has other factors that can affect sustainable finance because Islamic banking tends to have conditions and different company goals that are not only profit-oriented but more to benefit others and improve welfare for many parties with sharia or sharia principles. This is why ROA is not a factor that affects sustainable finance in Islamic banking because several previous studies ROA affects the financial performance of companies that are more profit-oriented.

e. Effect of Profit Ratio (MSI) on FSR

The results of the t test are based on the table. 6 is the financial performance variable using the MSI method with the concept of welfare with the indicator Profit Ratio to FSR, it can be seen that the value of the FSR is equal to a negative coefficient of 0.2727, the t statistic value is 0.6958 and the probability t statistic is 0.5041 > 0, 05. Then H1 is rejected and H0 is accepted, meaning that the Profit Ratio has no significant effect on FSR, which means that every change in 1 Profit Ratio, then FSR is not affected because of the change in the Profit Ratio, in this case other factors are considered constant.

The results of research conducted on Islamic Banking in Indonesia recorded in 2017-2021 are that there is no significant effect between Profit Ratio (MSI) and FSR, this is because Islamic Banking in Indonesia has other factors that can affect sustainable finance because banking sharia tends to have different conditions and company goals that are not only profit-oriented but more aimed at providing benefits to many parties and increasing welfare according to sharia or sharia principles, this is what the Profit Ratio (MSI) is not a factor that affects sustainable finance in banking sharia.

f. Effect of Personal Income on FSR

The results of the t test are based on the table. 6 is the financial performance variable using the MSI method with the concept of welfare with the Personal Income indicator on FSR, it can be seen that the value of the FSR is equal to a positive coefficient of 2.4327, the t statistic value is 5.2546 and the probability t statistic is 0.0005 <0, 05. Then H1 is accepted and H0 is rejected, meaning that the financial performance variable using the MSI method with the Personal Income indicator has a significant effect on FSR, which means that for

every 1 change in Personal Income, FSR will increase by 2.4327, other factors in this case are considered constant.

The results of this study indicate that the MSI approach can be implemented as an alternative strategic approach(Shaukat & FerosKhan, 2018). MSI provides a more universal picture of performance and can be implemented in the form of comprehensive strategies and policies. MSI does not only pursue profit, but also pays attention to the profit contained in it. Furthermore, it is a reflection of the responsibilities and obligations expected of the BUS(Wahid et al., 2018). MSI has shown that the concept of benefit, especially with the personal income indicator, can have a large positive influence on FSR for BUS in Indonesia. One theory states that it is important to apply Maqoshid Sharia to be the controller of all economic and financial transactions. Ensuring that FSR moves with the times, maintains the viability of the company and adheres to the core principles of Sharia.

g. Effect of Real Sector Investment Ratio on FSR

The results of the t test are based on the table. 6 is the financial performance variable using the MSI method with the concept of welfare with the indicator Real Sector Investment Ratio to FSR, it can be seen that the value of FSR is 0.0028 positive coefficient, t statistic value is 0.2763 and probability t statistic is 0.7885 > 0.05. Then H1 is rejected and H0 is accepted, meaning that the Real Sector Investment Ratio has no significant effect on FSR, which means that every 1 change in the Real Sector Investment Ratio, FSR is not affected because of the change in the Real Sector Investment Ratio, in this case other factors are considered constant.

The results of research conducted on Islamic Banking in Indonesia, which were recorded in 2017-2021, are that there is no significant effect between the Real Sector Investment Ratio (MSI) and FSR, this is because Islamic Banking in Indonesia has other factors that can affect sustainable finance. because Islamic banking tends to have different conditions and company goals that are not only profit-oriented but more aimed at providing benefits for many parties and increasing welfare according to sharia or sharia principles, this is what the Real Sector Investment Ratio (MSI) does not become a factor influencing sustainable finance in Islamic banking.

h. The Effect of GCG, VAIC, ROA, NPF and MSI Together on FSR

By performing the F statistical test of the Fixed Effect model output above, it can be concluded that together the GCG, VAIC, ROA, NPF and MSI variables have a positive effect on the FSR variable. This is because the F statistic regression output is 0.0000 < 0.05 (5%) meaning that it simultaneously shows that there is a significant effect between GCG, VAIC, ROA, NPF and MSI on FSR.

This is in accordance with previous research, namely the company's financial performance is very influential on sustainability where one aspect of sustainability is sustainability profit. Then there is a study conducted by (Siswanti et al., 2017) which means that intellectual capital, GCG, ROA, NPF and MSI with welfare dimensions have a significant impact on sustainable financial & business performance.

The implication of the results of this study is that in Islamic banking factors such as intellectual capital, GCG, ROA, NPF and MSI with the welfare dimension together can affect financial sustainability because Islamic banking tends to have different conditions and companies that are not only oriented towards profit but rather to benefit others and improve welfare for many parties in accordance with sharia or sharia principles.

CONCLUSION AND RECOMMENDATION

Conclusion

The results of the research and discussion of this study can be concluded that there is no significant effect of GCG, NPF, financial performance variables using the MSI method with indicators of Profit Ratio and Real Sector Investment Ratio on FSR, which means every change in GCG, NPF, financial performance variables using the MSI method with the Profit Ratio and Real Sector Investment Ratio indicators, then FSR is not affected due to changes in GCG, NPF, financial performance variables using the MSI method with the Profit Ratio and Real Sector Investment Ratio indicators, in this case other factors are considered constant.

And in the variable between intellectual capital proxied by VAIC there is a significant positive effect on FSR, which means that for every 1 VAIC change, FSR will increase by 0.0246, other factors in this case are considered constant, as well as financial performance variables with the method MSI with Personal Income indicator has a positive significant effect on FSR, which means that for every 1 change in Personal Income, FSR will increase by 2.4327, other factors in this case are considered constant, and simultaneously the variables GCG, VAIC, ROA, NPF and MSI has a positive effect on the financial sustainability (FSR) variable in the Islamic Banking sector in Indonesia.

Recommendation

Islamic banking in Indonesia is expected to pay more attention to and increase the intellectual capital factor that is proxied by VAIC with components in it such as total investment in employees including salary costs, benefits, etc. as well as components of intangible assets. This is because these factors can affect financial sustainability because Islamic banking tends to have different conditions and company goals that are not only profit-oriented but more to benefit others and improve welfare for many parties. This is what intellectual capital is a factor that affects sustainable finance in Islamic banking.

The MSI approach can be used as a strategic alternative approach. MSI provides a more universal picture of performance and can be implemented in the form of comprehensive strategies and policies. MSI does not only pursue profit, but also pays attention to the profit contained in it. MSI in particular with the concept of welfare with personal income indicators is able to have a significant positive effect on FSR in Islamic Banking in Indonesia. Therefore, it is expected that Islamic banking can always maintain stability and improve financial performance with the MSI approach, especially with personal income indicators for financial sustainability in Islamic banking. And Islamic Banking is also expected to maintain the stability of factors such as Intellectual Capital, GCG, and ROA.

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