

## THE ROLE OF FINANCIAL VALUE ADDED IN THE ISLAMIC BANKING SECTOR

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### ABSTRACT

The objective of this study is to determine the proper implementation of Value Added Finance in the sharia banking industry. The underlying issue in this study is the consistent upward trajectory of the Financial Value Added (FVA) in the sharia banking industry during the last five years, especially from 2018 to 2022. This study aims to systematically examine the sharia banking financial sector. as shown from the computation of Financial Value Added. The present study employs quantitative descriptive methodologies. This study was carried out in the Islamic banking financial industry, specifically via the Islamic banking financial website. The data for this study was gathered by applying documentation methods to sharia banking financial reports obtained from the sharia banking website. Based on Financial Value Added, the study findings indicate that the financial performance of Sharia Banking during the last five years (2018-2022) may be classified as satisfactory.

**Keywords:** Financial Vallue Added, Economic Vallue Added

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### INTRODUCTION

In the age of globalisation, the level of competitiveness in the banking industry is increasing sharply. There are other variables that contribute to this phenomenon, such as the fast availability of information and the sophisticated technology that facilitates bank operations (Indra, Nurulia, and Dewi n.d.; Rakotoariso & Hajaina, 2023). Two contemporary Islamic renaissance movements, neo-revivalist and modernist, have formed the foundation of Islamic banking since its establishment. Enabling Muslims to base all areas of their economic life on the Qur'an and Sunnah is the main objective of creating this ethically oriented financial organisation (Kasim and Bukido 2018). Islamic Banking in Indonesia is a crucial component of the national banking system's growth, operating under the Indonesian Banking Architecture (API) framework

(Naveed et al. 2013). Sharia banking is a financial organisation that serves as a mediator between affiliated entities, using Sharia rules as its operating basis (Salfarini and Rosnani 2021). Banks also serve as middlemen, linking those with excess cash (financial surplus) to others with a financial shortfall. The bank's responsibility is to establish and manage the connection between these parties (Fahmi, 2015; Erin Ismiawati, 2019).

Financial performance is the result of banking operations presented in the form of financial figures (Abdullahi Sule & Abdujalil, 2023). The results of the current banking period must be compared with the previous period's financial performance, balance sheet and profit and loss budget, as well as the average financial performance of similar banks (Kirana and Galuh 2023). Financial performance is an evaluation of a

bank's success, that may be seen by the capacity of Islamic banks to produce profits. Enhancing the performance of Islamic banking is important for its survival in a fiercely competitive commercial landscape. Accurate evaluation of banking performance requires pertinent data and suitable instruments for measuring financial performance (Vifin 2008; Indra, Nurulia, and Dewi n.d.; Kaira, 2023).

Financial performance, as defined by Indriyo Gitosudarmo and Basri, refers to a sequence of financial operations conducted within a certain timeframe, which are documented in financial statements such as the income statement and balance sheet (Makatita 2016). Financial statements provide the essential data for evaluating financial performance. Through the examination of banking financial statements, one may get insight into the financial progress and acquire precise and comprehensive data on the financial performance of Islamic banks (Kurniawati, 2016).

Financial performance analysis is conducted to determine the liquidity level in meeting financial obligations due at a specified time (Baeti 2017). Profitability is a crucial factor in determining a bank's success and is a good performance indicator (Ahmad Shakir & Iqbal Khan, 2023). Both internal and external parties focus on bank profitability, as profit is a financial report component used to assess overall banking performance (Kurnia, Rahmat, and Adif 2023). Financial Value Added (FVA) is one of the tools used to measure a company's financial performance. Understanding a bank's position and performance is crucial for identifying its strengths and weaknesses (Andika and Witiastuti 2017). Suci Kurniawati (2016) of STIEI conducted a study on the financial performance measurement of BNI Syariah by analyzing financial statements using the Economic Value Added (EVA) analysis. The study, covering five years (2010-2014), showed that BNI Syariah's financial performance, based on EVA analysis, was good, with  $EVA > 0$ . During

this period, BNI Syariah was able to create economic value added of IDR 15,165.1 in 2010 and IDR 72,613.8 in 2022.

Nurhayat Indra, Nisa Nurulia, and Lely Safitri Dewi (2022) from Universitas Koperasi Indonesia reviewed financial statements using Financial Value Added (FVA) analysis to assess the financial performance of firms in the cosmetics and home appliances sub-sector. The research conducted over a period of five years (2015-2019) revealed very low FVA and ROA values and inefficient OR, which may be ascribed to intense competition and inadequate market reaction. A study conducted by Eki Tiyas Nuruliyah (2018) from Universitas Muhammadiyah Lampung examined the financial performance of Islamic and conventional banks by the use of Financial Value Added (FVA) and Economic Value Added (EVA) analysis. Analysis conducted between 2007 and 2012 revealed a rise in the Financial worth Added (FVA) of both Islamic and conventional banks. This suggests that the fixed assets of these banks had a role in enhancing their financial worth.

The financial performance of PT. Perkebunan Nusantara III (Persero) Medan was investigated by Edisah Putra and Lisa Liyanti (2016) from Universitas Muhammadiyah Sumut utilising EVA and FVA analysis. The results indicated that the firm generated a positive Financial Value Added (FVA) between 2010 and 2014, suggesting effective financial value generation by the management. The Financial Services Authority (OJK) data reveals that the assets of Islamic banking in Indonesia have shown continuous and favourable expansion throughout the last five years. Specifically, the assets have increased from IDR 646.9 trillion in 2018 to IDR 2,375.84 trillion in 2022, with an average annual growth rate of 15.31%. During the year 2022, the Islamic banking assets in Indonesia accounted for 6.58% of the total assets in the national banking sector, exceeding the overall growth rate of 12.18% in the sector.

## LITERATURE REVIEW

### Islamic Banking

Islamic banking refers to a financial system that prioritises the avoidance of *riba* obligations. Hence, the Islamic world is today confronted with the difficulty of avoiding interest, often known as *riba*. Significantly, Muslim economists have recently focused on identifying methods to substitute the interest system in banking and financial transactions with one that is more in line with Islamic principles. (Wilardjo, 2019).

Islamic banking functions according to Sharia principles, which are agreements established by Islamic law between the bank and entities for the purpose of storing money and/or funding commercial operations or other activities that are considered to be in accordance with Sharia. The first Islamic bank was established in 1963 as a trial initiative as a rural savings bank in the little town of Mit Ghamr, Egypt. The subsequent experiment took place in Pakistan in 1965, with the establishment of a cooperative bank. Subsequently, the Islamic banking movement saw a resurgence in the mid-1970s. On October 20, 1975, the Islamic Development Bank was established as an international Islamic multilateral financial institution. This event set the stage for the development of fully-fledged Islamic banks in different countries, including Dubai Islamic Bank in Dubai (March 1975), Faisal Islamic Bank in Egypt and Sudan (1977), and Kuwait Finance House in Kuwait (1977).

The operational basis of Islamic banks, often referred to as Islamic banks in other countries, is fundamentally distinct from that of regular banks. Islamic banks function on a profit-sharing model, complemented by trade and leasing, in contrast to conventional banks which base their operations on interest. This argument is based on the notion that interest includes aspects of *riba*, which is forbidden in Islam. From an Islamic perspective, the interest system is intrinsically unfair since it mandates borrowers to return a greater amount than they borrowed, irrespective of whether the borrower earns profit or suffers losses. In contrast, the profit-sharing mechanism used by Islamic banks entails the mutual sharing of risks and profits between borrowers and lenders, according

to a predetermined ratio, therefore guaranteeing that neither party is unjustly disadvantaged..

### Financial Performance

Measuring financial performance is crucial as a means to improve banking operational activities. Improved operational performance is expected to lead to better financial growth and enable banks to compete more effectively (Nurapiah, Cahyo Sucipto, and Ahadiyat Suryana 2021).

An essential determinant in evaluating the overall success of banking institutions is the financial performance of banks. This encompasses the assessment of assets, liabilities, liquidity, and other crucial financial indicators. Evaluation of a bank's performance may be conducted via the examination of its financial statements. Financial performance is the systematic assessment of a bank's financial results according to predetermined objectives, criteria, and benchmarks. Financial analysis is the evaluation of future financial situations and the quantification of performance superiority to quantify financial performance. The financial performance of banks may be assessed by examining financial statements, which provide insights into both historical and present performances.

Financial ratios are mathematical measures that establish a relationship between two financial data points, such as the balance sheet and income statement, in order to evaluate financial performance. The values of these financial measures are then compared to predetermined benchmarks..

### Economic Value Added (EVA)

the concept of Economic Value Added (EVA) was first formulated by Stewart & Stern, financial analysts employed at Stern Stewart & Co, in the year 1993. Within Indonesia, the term used to refer to EVA is NITAMI (Nilai Tambah Ekonomi) (Iramani and Febrian, 2005). Economic Value Added (EVA) is a financial analysis technique used to assess the financial performance of banks by aggregating the value of acquisitions and associated expenditures to derive the additional value. The primary objective of performance assessment using EVA is to generate value.

Evaluating financial performance using EVA prompts management to focus on aspects aligned with investors' interests. With EVA calculations, managers are expected to think like investors, investing to maximize returns while minimizing the cost of capital, thereby enhancing the bank's value (Hanifah, 2019; Alan Firmansyah, Handajani, and Mariadi, 2023)

EVA is a method that can be used to measure the added value generated by a bank after considering its capital costs (Yusuf Sukman, 2017). EVA encourages management to focus more on banking activities that add value and reduce non-value-adding activities, thus improving banking operations (Sambuaga and Astrella 2020).

**Financial Value Added (FVA)**

Financial Value Added (FVA) is a metric used to evaluate the financial surplus of a bank by taking into account the impact of fixed assets on the generation of nett profits (Zahriana, Wardany, and Listya, 2022). Fixed Asset Value Analysis (FVA) is a novel approach used to assess the performance and value provided by banks, including the role of fixed assets in producing nett profits (Muliati, 2016). First Variance Adjustment (FVA) is the discrepancy between Nett Operating Profit

After Tax (NOPAT) and the corresponding depreciation. By doing this, banks have the potential to augment their returns on capital, thereby bolstering the wealth of their shareholders (Melinda Sarapi, Pangemanan, and T Gerungai 2022).

Financial Value Added (FVA) is a quantitative approach used to assess the performance of banks by taking into account the cost of capital in creating financial value. The idea of FVA seeks to quantify the efficiency with which banks use their existing capital to produce profits that exceed the capital expenses they have paid. Financial Value Added (FVA) is determined by deducting the cost of capital from the nett operational profit produced by the bank. The cost of capital refers to the needed sacrifice made by capital owners in order to supply funds for the bank. Typically, the cost of capital is determined by calculating the Weighted Average Cost of Capital (WACC) from both loan and equity sources (Study and Vosviewer, 2018).

**METHODS**

The present study is a quantitative investigation that examines secondary data. Quantitative research is a research approach

<p style="text-align: center;"><math>FVA = NOPAT - (ED - D)</math></p> <p>Where:  <math>FVA = \text{Financial Value Added}</math>  <math>NOPAT = \text{Net Operating Profit After Tax}</math>  <math>ED = \text{Equivalent Depreciation}</math>  <math>D = \text{Depreciation}</math></p>	<p>Formula WACC =  <math>[ (D \times rd) (1 - Tax) + (E \times re) ]</math></p> <p>Description:  <math>D = \frac{\text{Total Debt}}{\text{Total Debt} + \text{Equity}} \times 100\%</math></p>
<p>To calculate NOPAT (Net Operating Profit After Tax)</p> <p style="text-align: center;"><math>NOPAT = \text{Net profit or loss} - \text{Tax}</math></p>	<p><math>rd = \frac{\text{Interest Expenses}}{\text{Total Debt}} \times 100\%</math></p> <p><math>\text{Tax} = \frac{\text{Tax Expenses}}{\text{Net Profit Before Tax}} \times 100\%</math></p>
<p>To calculate ED</p> <p style="text-align: center;"><math>ED = K \times TR</math></p> <p><math>K = \text{Weighted Average Cost of Capital (WACC)}</math></p>	<p><math>E = \frac{\text{Total Equity}}{\text{Total Debt} + \text{Equity}} \times 100\%</math></p> <p><math>re = \frac{\text{Net Profit After Tax}}{\text{Total Equity}} \times 100\%</math></p> <p><math>TR = \text{Long-term Debt} + \text{Total Equity}</math></p>

grounded in positivist philosophy, used to study certain target groups or samples, usually using random sampling methods. Data collection is carried out using research tools, and the data analysis is quantitative or statistical, with the objective of evaluating the predetermined hypotheses. The study's

De-script ion	2018	2019	2020	2021	2022
NOP AT	422.2 78.71 5	427.3 61.48 5	296.6 75.29 7	360.7 70.92 4	391.3 60.54 1
WA CC (k)	6,97 %	6,00 %	5,27 %	5,24 %	5,61 %
TR	19.64 1.796	21.79 6.665	23.05 0.392	25.44 1.650	24.59 0.478
ED	1.369 .033	1.307 .800	1.214 .756	1.333 .142	1.379. 526
Cash FVA	420.9 09.68 2	426.0 5368 5	295.4 60.54 1	359.4 37.78 2	389.9 81.01 5

data include quantitative data derived from the financial reports of Islamic banks in Indonesia, the official websites of each Islamic bank, and other sources including publications, the internet, and other relevant materials. The present work involves the extraction and subsequent analysis of data derived from the annual financial reports of Islamic institutions. This research employs

De-scri ptio n	2018	2019	2020	2021	2022
NO P A T	304.4 04.00 0	287.3 46.00 0	422. 423. 000	348. 977. 000	183.11 3.000
WA CC (k)	3,92 %	2,81 %	4,99 %	4,04 %	3,59 %
TR	19.90 7.062	22.92 2.345	25.2 22.2 52	28.8 02.8 92	29.170 .081
ED	680.8 22.00 0	813.7 43.00 0	960. 968. 000	976. 418. 000	606.73 0.000
Cas h FV A	- 376.4 18.00 0	- 526.3 97.00 0	- 538. 545. 000	- 627. 441. 000	- 423.61 7.000

the Financial Value Added (FVA) data

analysis approach, which utilises the following formula on table 4.

## RESULTS AND DISCUSSION

The following are the results of the

Table 4 FVA Calculation for BPD NTB Syariah

De-script ion	2018	2019	2020	2021	2022
NOP AT	31.01 6.288	49.86 8.478	120.2 90.40 9	119.4 41.03 0	157.6 76.40 5
WA CC (k)	1,52 %	4,20 %	3,45 %	3,78 %	4,01 %
TR	6.657 .670	8.166 .116	8.740 .110	9.540 .689	11.22 2.825
ED	101.1 96.54 3	342.9 76.89 9	301.5 33.82 1	301.5 33.82 1	450.0 35.24 6
Cash FVA	- 70.18 0.255	- 293.1 08.42 1	- 181.2 43.41 2	- 182.0 92.79 1	- 292.3 58.84 1

Source: Processed data (2024)

Financial Value Added (FVA) analysis for 12 Islamic Commercial Banks in Indonesia from 2018-2022:

The table above shows that Bank Aceh Syariah has a positive FVA (Financial

Table 5 FVA Calculation for Bank Muamalat

De-scri ptio n	2018	2019	2020	2021	2022
NOP AT	45.82 5.872	26.16 6.398	15.01 8.035	12.51 3.740	52.2 70.8 77
WAC C (k)	3,08 %	1,95 %	1,77 %	1,64 %	1,07 %
TR	43.52 7.096	40.93 2.635	41.72 3.214	27.34 4.529	50.7 98.9 14
ED	1.340 .635	798.1 86	738.5 01	776.4 50	543. 548
Cash FVA	44.48 5.237	25.36 8.212	14.27 9.534	11.73 7.290	51.7 27.3 29

Source: Processed data (2024)

Value Added) value. This indicates that the bank has created financial value added for its stakeholders, including shareholders, employees, customers and the wider community.

Based on the data table of the Finan-

De- scripti on	2018	2019	2020	2021	2022
NOP AT	5.898. 509	10.99 3.951	23.45 5.678	17.57 7.243	620.5 41.36 9
WACC (k)	8,187 3 %	0,078 76 %	0,005 067 %	0,058 02%	0,035 88%
TR	532.7 36.94 4	572.6 21.16 3	598.0 29.86 5	382.2 75.75 2	1.207. 935
ED	43.61 6.771	450.9 96	30.30 2	221.7 96	433
Cash FVA	- 37.71 8.262	10.54 2.955	23.42 5.376	17.35 5.446	620.5 40.93 6

Source: Processed data (2024)

cial Value Added (FVA) analysis of Bank Riau Kepri Syariah for the period 2018-2022, it can be concluded that the financial performance of the Islamic bank during this period was considered unsatisfactory. This can be seen from the FVA value which is consistently below 0 or negative. Based on

Descrip- tion	2018	2019	2020	2021	2022
NOPAT	304.4 04	287.3 46	422.4 23	348.9 77	183.1 13
WACC (k)	3,92 %	2,81 %	4,99 %	4,04 %	3,59 %
TR	19.90 7.062	22.92 2.345	25.22 2.252	28.80 2.892	29.17 0.081
ED	680.8 21	813.7 43	960.9 67	976.4 18	606.7 37
Cash FVA	- 376.4 17	- 526.3 97	- 538.5 44	- 627.4 41	- 423.6 24

Source: Processed data (2024)

the analysis of the tabular data you presented, it can be concluded that Bank NTB Syariah did not succeed in creating financial value added or even experienced a negative value. This conclusion is based on the main indicator, namely the FVA (Financial Value Added) value which is below 0. Based on the data in the table, there is a very significant increase in the Financial Value Added (FVA) value of Bank Muamalat from 2021 to 2022. FVA which was initially recorded at IDR 11,737,290 in 2021 jumped to IDR

De- scriptio n	2018	2019	2020	2021	2022
NOPA T	2.340.1 37	40.5 59.9 87	8.62 7.98 1	15.7 28.0 29	9.019. 739
WACC (k)	15,7%4	3,77 %	9,63 %	4,29 %	7,54 %
TR	33.617. 807	1.51 3.37 7.83 5	831. 829. 019	709. 820. 080	198.9 10.66 5
ED	672.35 6.014	302. 675. 567	409. 799. 760	527. 649. 090	610.2 95.79 8
Cash FVA	- 670.01 5.877	- 262. 075. 580	- 401. 171. 779	- 511. 921. 061	- 601.2 76.05 9

Source: Processed data (2024)

51,727,329 in 2022. This shows that Bank Muamalat managed to create a much greater financial value added in 2022 compared to the previous year.

De- scrip tion	2018	2019	2020	2021	2022
NOP AT	16.11 5.019	63.22 5.422	112.3 86.17 3	33.14 8.661	151.23 5.189
WA CC (k)	4,82 %	3,61 %	1,71% %	4,03 %	3,45% %
TR	30.87 2.342	34.98 6.311	56.43 0.246	38.78 0.777	8.647. 332
ED	160.2 15.03 7	418.5 46.44 8	783.7 00.69 0	526.7 42.92 1	400.44 8.307
Cash FVA	- 144.1 00.01 8	- 355.3 21.02 6	- 671.3 14.51 7	- 5.632 .116	- 249.21 3.118

Source: Processed data (2024)

Financial Value Added (FVA) analysis at Bank Victoria Syariah shows a very positive trend. There was a very significant increase from the FVA value of IDR 17,355,446 in 2021 to IDR 620,540,936 in 2022. An increase of this magnitude indicates that Bank Victoria Syariah has succeeded in creating significantly greater fi-

nancial added value for its shareholders within one year.

**Table 10 Calculation of FVA for Bank Syariah Bukopin**

De-scription	2018	2019	2020	2021	2022
NOPAT	18.2 29.3 08	57.8 89.7 20	62.2 92.3 63	77.3 67.2 72	118.2 82.20 9
WACC (k)	58,6 7%	22,6 1%	24,6 7%	12,7 9%	33,78 %
TR	8.29 2.33 0	3.31 0.20 0	11.2 06.8 89	14.2 43.7 80	9.201 .672
ED	6.21 0.33 9	9.20 1.28 8	11.3 38.3 28	81.7 29.1 66	98.17 8.290
Cash FVA	12.0 18.9 69	48.6 88.4 32	50.9 54.0 35	- 4.36 1.89 4	20.10 3.919

*Source: Processed data (2024)*

Based on the Financial Value Added (FVA) analysis table that you presented, it can be concluded that the financial performance of Bank Jabar Banten Syariah is not optimal. This can be seen from the negative FVA value, which indicates that the bank failed to create financial value added or even suffered economic losses.

**Table 11 Calculation of FVA for BCA Syariah**

De-scription	2018	2019	2020	2021	2022
NOPAT	14.02 6.384	46.11 7.625	10.48 6.104	83.00 2.000	119.5 85.25 1
WACC (k)	30,71 %	18,28 %	17,53 %	35,17 %	36,10 0%
TR	1.272 .785	2.338. 330	2.762 .289	2.851 .490	2.943. 288
ED	2.278 .946	19.49 8.000	16.10 2.000	48.46 0.074	49.70 2.833
Cash FVA	11.74 7.438	26.61 9.625	- 5.615 .896	34.54 1.926	69.88 2.418

*Source: Processed data (2024)*

Based on the table you analyzed, the results of the calculation of Financial Value Added (FVA) for Bank Mega Syariah show a negative value. This indicates that Bank

Mega Syariah has not succeeded in creating financial value added from its business activities during the analyzed period.

**Table 12 Calculation of FVA for Bank Tabungan Pensiun Nasional**

De-scription	2018	2019	2020	2021	2022
NOPAT	858.8 67.00 0	858.8 67.00 0	858.8 67.00 0	858.8 67.00 0	858.8 67.00 0
WACC (k)	19,07 %	18,85 %	16,50 %	18,09 %	18,78 %
TR	9.989 .792	9.989 .792	9.989 .792	9.989 .792	9.989 .792
ED	1.905 .053	2.439 .940	2.277 .348	2.894 .545	3.427 .585
Cash FVA	856.9 61.94 7	856.4 27.06 0	856.5 89.65 2	855.9 72.45 5	855.4 39.41 5

*Source: Processed data (2024)*

Based on the data in the table, the Financial Value Added (FVA) analysis results for Bank Panin Dubai Syariah show a value less than zero (FVA < 0). This indicates that the bank did not succeed in creating financial value added during the period analyzed, and even experienced financial losses.

**Table 13 Calculation of FVA for Bank Aladin Syariah**

De-scription	2018	2019	2020	2021	2022
NOPAT	2.750. 990	4.270. 360	16.449 .650	8.83 2.54 3	8.660 .435
WACC (k)	0.89%	12.50 %	8.23%	7.79 %	18.90 %
TR	28.667 .700	51.260 .665	2.547. 777	12.2 22.3 49	180.2 27.34 0
ED	220.43 1.290	613.64 0.760	70.667 .729	17.6 68.9 20	67.90 8.758
Cash FVA	- 217.68 0.300	- 609.37 0.400	- 54.218 .079	8.83 6.37 7	- 59.24 8.323

*Source: Processed data (2024)*

The negative FVA value in 2021 indicates that in that year, Bank Syariah Bukopin has not succeeded in creating the ex-

pected financial added value from the total capital invested by shareholders. The increase in the FVA value to positive in 2022 indicates a significant improvement in the financial performance of Bank Syariah Bukopin. This indicates that the bank has succeeded in creating the expected financial

in the value of Financial Value Added (FVA) of Bank BCA Syariah in the period 2018 to 2022. The most striking increase occurred in 2021, where the FVA value jumped from IDR 34,541,926 to IDR 69,882,418 in 2022. This shows that the FVA value at Bank BCA Syariah is positive and indicates financial value added.

Table 14 Summary of FVA Calculations for General Sharia Banks for the Years 2018-2022

Bank Name	2018	2019	2020	2021	2022
PT.Bank Aceh syariah	420.909.682	426.053.685	295.460.541	359.437.782	389.981.015
PT.BPD Riau kepri syariah	-376.418.000	-526.397.000	-538.545.000	-627.441.000	-423.617.000
PT.BPD nusa Tenggara barat syariaah	-70.180.255	-293.108.421	-181.243.412	-182.092.791	-292.358.841
PT.Bank muamalat indonesia	44.485.237	25.368.212	14.279.534	11.737.290	51.727.329
PT.Bank Victoria Syariah	-37.718.262	10.542.955	23.425.576	17.355.446	620.540.936
PT.Bank Jabar Banten Syariah	-376.417	-526.397	-538.544	-627.441	-423.624
PT.Bank Mega Syariah	-670.015.887	-262.075.580	-401.171.779	-511.921.061	-601.276.059
PT.Bank Panin Dubai Syariah .Tbk	-144.100.018	-355.321.026	-671.314.517	-493.594.260	-249.213.118
PT.Bank Syariah Bukopin	12.018.969	48.688.432	50.954.035	-4.361.894	20.103.919
PT.BCA Syariah	11.747.438	26.619.625	-5.615.896	34.541.926	69.882.418
PT.Bank Tabungan Pensiun Nasional	856.961.947	856.427.060	856.589.652	855.972.455	855.439.415
PT.Bank Aladin Syariah,Tbk	-217.680.300	-609.370.400	-54.218.079	-8.836.377	-59.248.323

Source: Processed data (2024)

value added from the invested capital.

Based on the table above, it can be seen that there is a significant upward trend

Based on the table presented, the results of the Financial Value Added (FVA) analysis of the National Pension Savings Bank (BTPN) show a decrease in value



from the 2021 period of IDR 855,972,455 to IDR 855,439,415 in the following period (period not mentioned). Despite the decline, it is important to underline that BTPN still managed to create positive value added. This is shown by the FVA value that remains above zero ( $FVA > 0$ ).

From the table above, it can be concluded that Bank Aladin Syariah experienced poor financial performance during the period 2018-2022. This is evident from the Financial Value Added (FVA) analysis, which shows an FVA less than 0. This means the bank failed to create financial value addition. Based on the above calculations, the summary of the results is as follows:

The FVA calculation results indicate that PT.Bank Aceh Syariah experienced an increase from 2018 to 2019 by Rp.5,144,003, followed by a decrease from 2019 to 2020 amounting to Rp.130,593,144. There was an increase again in 2021 by Rp.63,977,241, and a significant increase in 2022 by Rp.30,543,233. For PT.BPD Riau Kepri Syariah, the FVA value increased by Rp.149,979,000 from 2018 to 2019, with another notable increase in 2020 by Rp.12,148,000. However, there was a decrease in 2021 by Rp.88,896,000, followed by a further decrease in 2022 by Rp.203,824,000.

The table illustrates the FVA values for PT.BPD Nusa Tenggara Barat Syariah, showing an increase of Rp.292,407,166 from 2018 to 2019, followed by a decrease of Rp.111,865,009 in 2019-2020. There was a substantial increase in 2021 by Rp.849,379, and a continued increase in 2022 by Rp.110,266,050, indicating significant FVA growth. PT.Bank Muamalat Indonesia's FVA values depicted in the table show a decrease of Rp.19,117,116 from 2018 to 2019, followed by a decrease of Rp.11,088,585 in 2019-2020. There was another decrease in 2021 by Rp.2,542,244, but an increase in 2022 by Rp.39,990,039.

PT.Bank Victoria Syariah, as shown in the table, experienced a decrease of Rp.27,175,307 from 2018 to 2019, followed by an increase of Rp.12,882,621 in 2019-2020. However, there was a decrease in 2021 by Rp.6,070,130. A significant increase was observed in 2022 by Rp.603,185,490. PT.Bank Jabar Banten Syariah's table demonstrates an increase of Rp.149,980 from 2018 to 2019, with a further increase in 2019-2020 by Rp.12,147. There was an increase in 2021 by Rp.88,897, but a decrease in 2022 by Rp.203,817.

PT.Bank Mega Syariah, seen in the table, experienced a decrease of Rp.407,940,307 from 2018 to 2019, followed by an increase of Rp.139,096,199 in 2019-2020. There was an increase in 2021 by Rp.110,749,282, and in 2022 by Rp.89,354,998. PT.Bank Panin Dubai Syariah.Tbk, shown in the table, saw an increase of Rp.211,221,008 from 2018 to 2019, followed by another increase in 2019-2020 by Rp.315,993,491. There was a decrease in 2021 by Rp.177,720,257, and a further decrease in 2022 by Rp.244,381,142.

PT.Bank Syariah Bukopin, as depicted in the table, experienced an increase of Rp.5,855,706 from 2018 to 2019, followed by an increase of Rp.4,652,580 in 2019-2020. There was an increase in 2021 by Rp.31,010,863, and in 2022 by Rp.26,430,161. The table also explains the FVA values for PT.BCA Syariah, showing an increase of Rp.14,872,187 from 2018 to 2019. However, there was a significant decrease in 2019-2020, indicating an unhealthy FVA for that year. There was an increase in 2021 by Rp.28,926,030, and a further increase in 2022 by Rp.35,340,492.

PT.Bank Tabungan Pensiun Nasional, as seen in the table, experienced a decrease of Rp.134,805 from 2018 to 2019, followed by an increase of Rp.5,552 in 2019-2020. There was a decrease in 2021 by Rp.88,896, and an increase in 2022 by Rp.308,516. The

table also describes the FVA values for PT. Bank Aladin Syariah, Tbk, showing an increase of Rp.391,690,100 from 2018 to 2019. However, there was a decrease in 2019-2020 by Rp.555,151,321, followed by a decrease in 2021 by Rp.45,381,702. There was an increase again in 2022 by Rp.50,441,946.

## CONCLUSIONS

From the Financial Value Added (FVA) calculations of several discussed Islamic banks, several conclusions can be drawn:

PT. Bank Aceh Syariah: This bank experienced an increase in FVA in 2018-2019 and 2021 but a decrease in 2019-2020 and 2022. PT. BPD Riau Kepri Syariah: This bank saw an increase in FVA in 2018-2019, 2019-2020, and 2021 but a decrease in 2022. PT. BPD Nusa Tenggara Barat Syariah: This bank experienced an increase in FVA in 2018-2019, a decrease in 2019-2020, and another increase in 2021-2022. PT. Bank Muamalat Indonesia: This bank saw a decrease in FVA in 2018-2019, 2019-2020, and 2021 but an increase in 2022. PT. Bank Victoria Syariah: This bank experienced a decrease in FVA in 2018-2019, an increase in 2019-2020, a decrease in 2021, and a significant increase in 2022. PT. Bank Jabar Banten Syariah: This bank saw an increase in FVA in 2018-2019, 2019-2020, and 2021 but a decrease in 2022. PT. Bank Mega Syariah: This bank experienced a decrease in FVA in 2018-2019, an increase in 2019-2020, and another increase in 2021-2022. PT. Bank Panin Dubai Syariah, Tbk: This bank saw an increase in FVA in 2018-2019 and 2019-2020 but a decrease in 2021-2022. PT. Bank Syariah Bukopin: This bank experienced an increase in FVA in 2018-2019, 2019-2020, and 2021-2022. PT. Bank BCA Syariah: This bank saw a decrease in FVA in 2018-2019, an increase in 2019-2020 and 2021, and a larger increase in 2022. PT. Bank Tabungan Pensiun Na-

sional: This bank experienced a decrease in FVA in 2018-2019 and 2021 but an increase in 2019-2020 and 2022. PT. Bank Aladin Syariah, Tbk: This bank saw an increase in FVA in 2018-2019, a decrease in 2019-2020 and 2021, and another increase in 2022. From these conclusions, it can be inferred that the performance of FVA in these Islamic banks is not consistent year-to-year. Some banks showed significant FVA increases, while others experienced decreases.

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