

## Analysis of the Implementation of the Wadiah Contract System and Financial Report Performance on Bank Management Strategy (Case Study of Indonesian Sharia Banks for the 2021-2023 Period)

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### ***Abstract***

#### **Keywords:**

*Wadiah Contract, Islamic Bank, Financial Performance, Management Strategy, Third-Party Funds.*

*This study aims to analyze the influence of the wadiah contract system and financial report performance on the management strategy of Bank Syariah Indonesia (BSI). A qualitative descriptive approach was employed using secondary data, including financial reports, regulatory documents, and academic literature. The results show that the wadiah contract plays a significant role in third-party fund collection through savings and checking products that are free from interest elements. This contract contributes to the bank's cost of fund efficiency due to the absence of profit-sharing obligations and supports liquidity enhancement. Furthermore, BSI's financial performance, reflected in ROA, CAR, and FDR indicators, demonstrates stable and sound managerial capacity. The integration of sharia-based contract practices and strong financial performance strengthens BSI's position in the competitive Islamic banking industry. This study enriches the discourse on the integration of sharia principles into sustainable bank financial management strategies.*

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## INTRODUCTION

The global Islamic banking industry has consistently shown a positive growth trend over the past few decades. The 2023 Islamic Finance Development Indicator (IFDI) report noted that global Islamic financial assets have surpassed USD 4 trillion, driven by demand for ethical, transparent, and Islamic-compliant financial products (Refinitiv, 2023). In Indonesia, the world's largest Muslim-majority country, the development of Islamic banking has also experienced significant acceleration, particularly following the formation of Bank Syariah Indonesia (BSI) as a strategic merger between three state-owned Islamic banks (OJK, 2021). This development reflects growing public trust in the Islamic financial system, which offers a non-riba alternative and adheres to the principle of fairness in transactions. However, the main challenge facing Islamic banks, including BSI, is how to maintain product competitiveness and increase customer loyalty in a highly competitive and dynamic financial ecosystem (Anwar & Mulyawan, 2022).

One of the most widely used contracts for fundraising in Islamic banks is the wadiah or deposit contract. This contract offers flexibility for customers without the obligation to share profits, but it poses a challenge for banks due to its less economically attractive nature than the mudharabah contract (Azizah et al., 2020). The wadiah contract itself is a form of trust-based contract that emphasizes trust, security, and ethical fund management (Afandi, 2021; DSN-MUI, 2020). Previous studies have shown that wadiah-based deposit products play a significant role in

building short-term liquidity and bank funding stability, especially amid market volatility (Hasanah & Nugroho, 2021). However, the non-remunerative nature of this contract makes it less competitive than yield-based products. Therefore, Islamic banks need to implement effective management strategies to maintain the continuity of these contracts as an integral part of the Islamic funding system (Sholikhin et al., 2023). In addition to contracts, financial reporting performance is also a crucial determinant in supporting Islamic bank management strategies. Healthy financial reports reflect efficient asset management, profitability levels, and optimal funding structures (Rachman & Dewi, 2020). Ratios such as Return on Assets (ROA), Capital Adequacy Ratio (CAR), and Financing to Deposit Ratio (FDR) are often used to measure this performance and form the basis for formulating strategic bank policies (Amelia & Zulfikar, 2022).

In practice, there is a close relationship between the structure of fundraising contracts and the achievement of bank financial performance. While the wadiah contract does not generate direct profit sharing, it has been shown to positively contribute to financial stability through its low cost of funds (Puspitasari et al., 2022). With the right management strategy, this product can be used as a strategic instrument to support productive financing and strengthen the bank's intermediation function (Basir & Rijal, 2021). Bank Syariah Indonesia (BSI) is an interesting example to study in this context. As the largest Islamic bank in Indonesia, BSI applies the wadiah contract extensively in its current account and savings products. Quantitative data from 2021–2023 shows an increase in wadiah-based fundraising, despite fluctuations due to dynamic customer needs (BSI, 2023). Therefore, it is relevant to analyze how the implementation of the wadiah contract and financial reporting performance contribute to BSI's management strategy. With this introduction, this study aims to empirically analyze the impact of the wadiah contract system implementation and financial report performance on bank management strategies at Bank Syariah Indonesia for the 2021-2023 period. This research is expected to provide theoretical and practical contributions to the development of Islamic banking management science and serve as a reference for future strategic policies. Based on this introductory description, the research problem is formulated as to how the wadiah contract is implemented in the management of third-party funds (DPK) at Bank Syariah Indonesia (BSI), and its impact on bank management strategies in maintaining customer trust and improving financial performance sustainably, particularly in facing the increasingly competitive dynamics of the Islamic banking industry and demanding service innovations based on Islamic principles.

## **METHODS**

This research uses a descriptive qualitative approach, which aims to systematically and factually describe the phenomena occurring in the context of the application of wadiah contracts and financial reporting performance in relation to the management strategy of Bank Syariah Indonesia (BSI). This approach was chosen to deeply understand the practices and policies implemented in the context of Islamic financial management and to provide interpretations of existing data and information. This type of research is a library research and documentation study, where the researcher does not collect primary data directly, but analyzes secondary data sourced from official documents, financial reports, regulations, and relevant academic literature. The object of this research is Bank Syariah Indonesia (BSI), as the largest Islamic financial entity in Indonesia,

which is the focus of the case study, specifically regarding the application of the wadiah contract system and financial reporting in supporting the bank's management strategy. The research location is not carried out physically but through document analysis and secondary data obtained from official institutional sources such as the Financial Services Authority (OJK), BSI, DSN-MUI, and other academic publications.

The data used in this study is secondary data, that is, data that has been collected and published by other parties. Secondary data sources used include the annual financial reports of Bank Syariah Indonesia for 2021–2023, the performance report of the Islamic banking industry from the Financial Services Authority (OJK), fatwas from the National Sharia Council (DSN-MUI) regarding wadiah contracts and other Islamic banking products, Islamic Financial Accounting Standards (PSAK) No. 101, 105, and 107, scientific articles, national and international journals, and related documents from the official websites of the Ministry of Finance, Bappenas, and the Refinitiv Islamic Finance Development Report. Data collection techniques were carried out through documentation studies, namely by reviewing and collecting relevant documents such as BSI financial reports, internal bank SOPs, OJK regulations, and fatwas from the DSN-MUI. Literature study, by reviewing academic literature, scientific journals, theses/dissertations, and other official publications related to wadiah contracts, Islamic bank management, and Islamic financial reporting. The collected data were analyzed using content analysis and qualitative descriptive analysis techniques, namely by identifying and grouping information according to the research theme: wadiah contracts, financial performance, and management strategies. Comparing the findings obtained from documents and literature with applicable standard provisions (e.g., PSAK Syariah and DSN-MUI fatwas). Compiling interpretations and meanings of the data based on relevant theoretical approaches, such as the theory of Islamic strategic management and the principle of prudence in Islamic banking. The analysis process was carried out inductively, namely from empirical facts and actual policies in the field, then compiled into conclusions that are theoretical and reflective of existing practices. To maintain the validity of the data, source triangulation techniques were used by comparing several different secondary data sources, both from official bank reports, government regulations, and previous research results. Content validity is also strengthened by using references from accredited scientific journals and the latest policies from authoritative institutions such as the OJK and DSN-MUI.

## **RESULTS AND DISCUSSION**

### **Results**

#### **Implementation of the Wadiah Contract System at Indonesian Sharia Banks**

Based on secondary data obtained from Bank Syariah Indonesia's annual report (2021–2023), the wadiah contract is one of the most commonly used contracts in savings and checking products. Products such as Wadiah Checking Accounts and Easy Wadiah Savings are designed to attract third-party funds under the principle of trust (trust), managed without any obligation to provide a fixed return.

Dalam praktiknya, BSI tetap memberikan bonus sukarela (athaya) kepada nasabah, meskipun tidak diperjanjikan sejak awal, sebagai bentuk penghargaan atas kepercayaan nasabah terhadap bank. Hal ini sejalan dengan ketentuan dalam Fatwa DSN-MUI No. 01/DSN-MUI/IV/2000 tentang Giro dan No. 02/DSN-MUI/IV/2000 tentang Tabungan, yang menyatakan bahwa produk berbasis wadiah tidak diperbolehkan memberikan imbal hasil yang dijanjikan.

Penerapan akad ini juga terlihat dari peningkatan penggunaan produk wadiah secara nasional. Prinsip dasar akad wadiah dalam sistem perbankan syariah bertujuan pada prinsip kepercayaan atau Amanah hal ini selaras dengan dengan kandungan Q.S Al-Baqorah ayat 283 yang berbunyi.

وَإِنْ كُنْتُمْ عَلَىٰ سَفَرٍ وَلَمْ تَجِدُوا كَاتِبًا فَرِهْنَ مَقْبُوضَةٌ فَإِنْ أَمِنَ بَعْضُكُم بَعْضًا فَلْيُؤَدِّ الَّذِي أُؤْتِمِنَ أَمَانَتَهُ وَلْيَتَّقِ اللَّهَ رَبَّهُ وَلَا تَكُونُوا الشَّاهِدَةَ وَمَنْ يَكْتُمْهَا فَإِنَّهُ إِنَّمْ قَلْبُهُ بِاللَّهِ بِمَا تَعْمَلُونَ عَلَيْهِمْ

□ Artinya: “Dan jika kamu dalam perjalanan sedang kamu tidak mendapatkan seorang penulis, maka hendaklah ada barang jaminan yang dipegang. Tetapi, jika sebagian kamu memercayai sebagian yang lain, hendaklah yang dipercayai itu menunaikan amanatnya (utangnya) dan hendaklah dia bertakwa kepada Allah, Tuhannya. Dan janganlah kamu menyembunyikan kesaksian karena barang siapa menyembunyikannya, sungguh, hatinya kotor (berdosa). Allah Maha Mengetahui apa yang kamu kerjakan.

Dalam ayat ini di jelaskan dalam praktik perbankan, lembaga keuangan sebagai penerima atau titipan wajib mengelola dana nasabah secara jujur dan transparan, serta memastikan pengembalian dana tanpa adanya penyimpangan dari prinsip syariah. Sebagai pelengkap dari landasan AL-Qur’an, hadis Rasulullah saw yang menjadi pengingat sekaligus penguat prinsip Amanah dalam akad wadiah sebagai berikut :

عَنْ أَبِي هُرَيْرَةَ، قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ إِذِ الْأَمَانَةَ إِلَىٰ مَنْ ائْتَمَنَكَ، وَلَا تَخُنْ مَنْ خَانَكَ:

“Tunaikanlah Amanah kepada orang yang mempercayakan sesuatu kepadamu, dan janganlah kamu mengkhianati orang yang mengkhianatimu” (HR, Abu Dawud, no. 3535)

Dalam konteks ini perbankan syariah, hadis ini merefleksikan bahwa setiap bentuk titipan yang dipercayakan kepada pihak lain, termasuk Lembaga keuangan, wajib dijaga, dikelola, dan di kembalikan sesuai syariat, tanpa adanya penghianatan atau penyimpangan.

Bank Syariah Indonesia (BSI) menggunakan akad wadiah dalam produk penghimpunan dana seperti Tabungan Easy Wadiah dan Giro Wadiah. Produk ini menjadi alternatif tabungan yang fleksibel dan bebas dari unsur riba, sesuai prinsip syariah. Karakteristik akad wadiah adalah titipan tanpa imbal hasil yang dijanjikan, namun bank dapat memberikan bonus sukarela (athaya) sesuai kebijakan internal.

Menurut **Laporan Tahunan BSI 2023**, nilai dana berbasis wadiah mengalami tren peningkatan selama tiga tahun terakhir:

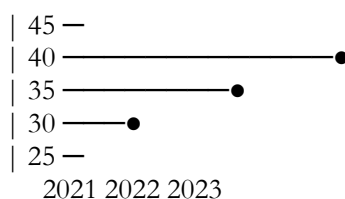
Tabel 1. Perkembangan Dana Wadiah Nasional di BSI

Tahun	Dana Wadiah (Triliun Rp)
2021	32
2022	35
2023	40.2

(Source: BSI Annual Report 2023, p. 198)

This trend shows that public trust in wadiah products is increasing, even though they do not provide explicit financial benefits.

Chart 1. Wadiah Fund Growth Trend at BSI (2021–2023)



Source: Annual Financial Report of PT Bank Syariah Indonesia Tbk (2021-2023)

This data demonstrates that wadiah funds are a strategic instrument for raising low-cost funds and supporting cost efficiency. "Low-cost financial products, such as wadiah-based savings, continue to show positive growth. In 2023, wadiah funds reached IDR 40.2 trillion, a 15% increase from the previous year."  
 (BSI Annual Report 2023, p. 198)

The implementation of wadiah contracts at BSI has followed sharia regulations as stated in the DSN-MUI Fatwa No. 01/DSN-MUI/IV/2000 (Giro), DSN-MUI Fatwa No. 02/DSN-MUI/IV/2000 (Savings), and Sharia PSAK No. 101 & 105 from the reporting side. Sharia PSAK No. 101 regulates the presentation of financial reports in general, and PSAK 105 specifically regulates mudharabah accounting, but the principles of accuracy and transparency in wadiah contracts still refer to the sharia principles that have been explained in the PSAK, especially regarding the recognition, measurement, and disclosure of deposit funds (wadiah).

### Financial Report Performance of Bank Syariah Indonesia

The following table shows the differences in financial report performance between banks and non-bank companies.

Table 2. Performance Equation

No.	Financial Report Performance in Banks and Financial Report Performance in Companies
1.	Have the same financial reporting structure
2.	Building financial ratios to assess performance
3.	Compiled periodically and audited

Source: Indonesian Institute of Accountants (2023) Accounting Standards as of January 1, 2023. IAI. Financial Services Authority. (2022), POJK No. 13/POJK/2021 concerning Financial Reporting of Commercial Banks. Harapan, SS (2022) Critical Analysis of Financial Statements.

Table 3. Performance differences

No.	Financial Report Performance at Banks	Financial Report Performance in Companies
1.	Third Party Funds (Savings, Current Accounts, Deposits)	Own capital product/service assessment
2.	Assessing Intermediation Health & Financing Efficiency	Assessing Profitability, Efficiency, Production/Sales

3.	Minimum Reserve Requirement, Liquidity Ratio	No Reserve Requirement
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Source: Harapan, SS (2022). Critical Analysis of Financial Statements. OJK. (2022). POJK NO. 13/POJK/2021 concerning Financial Reporting of Commercial Banks. IAI. (2023). Financial Accounting Standards.

BSI recorded positive financial performance during the 2021–2023 period. Data from BSI's 2023 annual report shows:

Table 4. Main Financial Performance Indicators of Bank Syariah Indonesia

Financial Indicators	2021	2022	2023
Return on Assets (ROA)	1.85%	2.05%	2.10%
Capital Adequacy Ratio (CAR)	19.50%	16.70%	14.20%
Financing to Deposit Ratio (FDR)	77.10%	79.80%	78.00%
Third Party Funds (TPF)	Rp. 223 trillion	Rp. 258 T	Rp. 293 T
Wadiah Fund (Estimate)	Rp. 32 trillion	Rp. 35 trillion	Rp. 40.2 trillion

Source: BSI Annual Report (2023)

ROA increased from 1.85% to 2.10% over the last three years, indicating increased efficiency in the use of capital. CAR has been adjusted but remains above the minimum threshold set by the Financial Services Authority (OJK) (8%), indicating strong capitalization. A stable FDR of around 78% demonstrates a balance between fund collection and distribution. Wadiah funds have continued to increase from IDR 32 trillion (2021) to over IDR 40 trillion (2023), indicating customer confidence in this contract.

On the other hand, third-party funds (TPF) from wadiah products also significantly contribute to funding stability. This demonstrates that, despite being non-profit-oriented, wadiah products still rely on and actively use them due to the values of security, practicality, and flexibility they offer.

The financial report also shows that BSI's funding structure large communities are supported by cheap funds, especially from wadiah-based sharia, thereby helping to increase the cost of funds and strengthening the competitiveness of banks.

### Contribution to Bank Management Strategy

The impact on bank management strategies includes increasing liquidity through the placement of wadiah funds as stable sharia. Strengthening cost efficiency, because wadiah funds do not incur operational costs such as profit margins or asyar. Expanding Islamic financial inclusion, as this product is attractive to the Islamic financial segment. people who avoid interest and want security of funds.

Table 5. Impact of the Implementation of Wadiah Contracts on Management Strategy

Managerial Aspects	Impact of Wadiah Implementation
Liquidity	Increased, because funds can be used at any time
Cost of Fund	Decreasing, because it is not mandatory to share profits
Financial Inclusion	Increasing, because it is suitable for micro and beginner segments

Long Term Strategy	Strengthening the low-cost funding base and financing efficiency
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Source: Processed by the author based on the results of literature analysis and BSI financial report data (2021–2023).

The findings indicate that the implementation of wadiah contracts is not only an alternative to Islamic savings products but has become part of an integrated management strategy. With wadiah funds free from profit-sharing obligations, banks can channel funds more flexibly to productive sectors, such as MSME financing, halal infrastructure, and other real sectors that comply with Sharia principles.

The implementation of the wadiah contract system also aligns with the cost-efficiency strategy, as banks do not need to provide a profit margin as with mudharabah products. Therefore, this contract supports the bank's long-term strategy of maintaining profitability, increasing Islamic financial inclusion, and strengthening public trust in the Islamic financial system.

Meanwhile, successful financial management, reflected in key financial ratios, strengthens BSI's strategic position amidst the competitive national Islamic banking industry. Positive financial performance enables management to formulate expansion policies, such as developing Sharia-compliant digital services, improving service quality, and expanding its network to remote areas lacking financial services. The wadiah contract provides a strategic advantage in BSI's funding management because it does not incur profit-sharing obligations. The low-cost funds from wadiah products enable the bank to reduce its cost of funds and increase financing margins, particularly in productive sectors such as MSMEs and the halal industry.

## Discussion

The research results show that the wadiah contract plays a significant role in Bank Syariah Indonesia's (BSI) fundraising strategy. Within the Islamic banking system, various types of contracts are used according to product characteristics and customer needs. One of the most popular and widely implemented contracts by Bank Syariah Indonesia is the wadiah contract. This contract is a deposit contract in which customer funds are entrusted to the bank without any obligation to return or share profits. Although it does not provide direct financial benefits, wadiah-based products have a unique appeal because they prioritize the principles of security, flexibility, and transparency.

Compared to other contracts such as mudharabah, musyarakah, murabahah, or ijarah, wadiah tends to be simpler in implementation and carries minimal risk for both the customer and the bank. This is because the bank is fully responsible for the funds deposited and is required to return them in full, without the risk of business losses as is the case with investment contracts. Furthermore, banks can voluntarily provide bonuses to customers as a form of appreciation, even if this was not agreed upon initially. The importance of maintaining this trust was also emphasized by the Prophet Muhammad (peace be upon him).sawin his words:

*"No one betrays a trust, except that Allah takes away from him the spirit of faith."*  
 (Narrated by Ibn Hibban)

For customers who prioritize financial stability, convenience, and clarity of Sharia law, products with wadiah contracts are a safer choice and align with prudent values. To clarify the differences between wadiah contracts and other contracts in Islamic banking, the following table presents a comparison based on the type of contract, characteristics, and product examples implemented at Bank Syariah Indonesia. This table also contributes to cost efficiency and financial stability. This discussion will examine in depth how the implementation of wadiah contracts and financial reporting performance support bank management strategies and relate them to theory and previous research findings. The following table explains several differences between wadiah contracts and other contracts.

Table 6. Differences between Wadiah Contracts and Other Contracts in Islamic Banking Practices

Aspect	Wadiah	mudharabah	musharakah	murabahah	Ijarah
Type of contract	Deposit funds (tabarru')	Profit sharing (tijari)	Business capital partnership (tijari)	Buying and selling (tijari)	Rent (rent)
The main purpose	Entrusting funds (trust)	Customer fund investment	Joint capital cooperation	Purchase of goods with margin	Renting goods and services
Returns	Nothing, just a voluntary bonus	Profit sharing (ratio agreed from the start)	Profit sharing based on contribution and agreement	Fixed profit (markup)	Ujrah (rental costs)
risk	Minimum bank is required to return the balance in full	Customers are responsible for business risks, the bank only manages them	Risks are borne jointly according to the portion of capital	the risk of loss of goods is borne by the customer	Damage is the responsibility of the tenant (except force majeure)

Source: Processed from DSN-MUI Fatwa No. 01–04 2000, the book "Fiqh Muamalah" by Prof. Dr. Wahbah Zuhaili, and official product documents of PT Bank Syariah Indonesia Tbk

And examples of BSI products based on the contracts used include Wadiah Savings and Wadiah Giro (wadiah contract), Time Deposits and Mudharabah Deposits (mudharabah contract), Joint Business Project Financing (musarakah contract), Sharia KPR and Vehicle Financing (Murabahah contract), as well as equipment rental and house rental financing (ijarah contract).

### Bank Management Strategy Through Wadiah Contracts

The implementation of the wadiah contract has proven effective in supporting BSI's management strategy of providing a stable and low-cost source of funding. The main characteristics of this contract, namely the absence of profit-sharing obligations and the flexibility of customer withdrawals, make it an efficient instrument from a managerial perspective. In terms of cost of funds, wadiah-based funds impose a lighter burden than mudharabah contracts, which require sharing investment returns with customers.

This finding aligns with Azizah et al.'s (2020) assertion that wadiah products offer strategic advantages in improving the cost efficiency of Islamic banks. Furthermore, Puspitasari et al. (2022) also emphasized that wadiah products are a crucial component in third-party fund management due to their low risk and high customer loyalty, particularly in the micro-finance segment.

However, the main challenge with wadiah contracts is their limited appeal to customers seeking returns. Therefore, BSI's management strategy also includes providing voluntary bonuses and improving the quality of digital services to increase customer satisfaction and loyalty. These efforts align with a study by Wahyuni & Hafid (2023), which found that non-financial incentives and superior service are key factors in retaining customers for non-remunerative products like wadiah.

### Financial Performance as the Foundation of Management Strategy

Based on the financial report analysis, BSI demonstrated stable and positive performance. The ROA increased from 1.85% (2021) to 2.10% (2023), indicating increased efficiency in asset utilization. Meanwhile, the CAR remained above 14%, demonstrating the bank's ability to maintain capital adequacy amidst asset and financing growth. This performance serves as an important foundation for management

in formulating expansion and product innovation strategies. In accordance with Rachman & Dewi (2020), sound financial statements enable banks to reposition their business strategies, allocate funds for digital technology development, and enhance human resource capabilities.

Yusuf & Kamal's (2021) study also shows that digitalization of financial services supported by stable financial reports increases customer retention, especially among millennials and Gen Z, who are potential markets for future Islamic banking.

### **Relevance of Findings to Sharia Strategic Management Theory**

Theoretically, these findings reinforce the principles of Sharia strategic management, which emphasize efficiency, fairness, and sustainability. The wadiah contract, despite its simple structure, can become a strategic instrument when properly managed within a Sharia framework and prudent principles.

The alignment of the wadiah contract implementation with the DSN-MUI fatwa and the Sharia PSAK also demonstrates that BSI is not only focused on profitability but also on Sharia compliance. This is crucial for maintaining the bank's integrity and reputation as an Islamic financial institution, as emphasized by Afandi (2021) who stated that the alignment of bank operations with Sharia is one of the main indicators of the success of a Sharia bank's management strategy.

### **Comparison with Previous Research**

Compared with previous research, such as the study by Basir & Rijal (2021), which concluded that wadiah contracts were not yet optimally utilized by some Islamic banks, this study demonstrates that BSI has successfully integrated this contract as a key component of its fundraising strategy. The positive performance of wadiah-based third-party funds (DPK) and the support of digital technology are key differentiators that distinguish BSI from other Islamic banks. Therefore, the findings of this study enrich the literature on Islamic bank fund management strategies with a more contextual and practice-based approach.

## **CONCLUSION**

Based on research and analysis of secondary data, it can be concluded that the implementation of the wadiah contract at Bank Syariah Indonesia (BSI) has been carried out in accordance with sharia principles established by the DSN-MUI and refers to the provisions of the Sharia PSAK. Funding products such as Easy Wadiah Savings and Wadiah Current Accounts have successfully attracted customer interest through flexibility, fund security, and the provision of voluntary bonuses, although they do not offer fixed returns. The wadiah contract provides a strategic contribution to third-party fund (DPK) management by providing a stable and low-cost funding source. This supports the efficiency of the cost of funds, which ultimately strengthens the bank's overall financial structure. The financial performance of Bank Syariah Indonesia for the 2021–2023 period shows a positive trend, with indicators such as Return on Assets (ROA), Capital Adequacy Ratio

(CAR), and Financing to Deposit Ratio (FDR) remaining at healthy and stable levels. The increase in these values reflects management's ability to optimally manage assets, capital, and liquidity.

Overall, the integrated Islamic banking management strategy, coupled with the implementation of wadiah contracts and strong financial performance, enables Bank Syariah Indonesia to grow sustainably, expand its customer base, and enhance public trust in Islamic banking. These findings demonstrate that the combination of Sharia compliance, operational efficiency, and sound financial management is a crucial foundation for building a highly competitive Islamic banking strategy amidst the dynamics of the modern financial industry.

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