

## **The Role of the Rate of Profit Concept in Creating Economic Stability in Islamic Financial Market**

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**Abstract :** This study aims to establish a concept of rate of profit on Islamic banking that can create economic justice and stability in the Islamic Financial Market (Banking and Capital Markets). A rate of profit that creates economic justice and stability can be achieved through its role in maintaining the stability of the financial system in which there is an equitable distribution of income and wealth. To determine the role of the rate of profit as the basis of the profit sharing system implemented in the Islamic financial system, we can see the connection of rate of profit in creating financial stability, especially in the asset-liability management of financial institutions that generate a stable net margin or the rate of profit that is not affected by the ups and downs of the market risk factors, including indirect effect on interest rates. Furthermore, Islamic financial stability can be seen from the role of the rate of profit on the stability of the Islamic financial assets value that are measured from the Islamic financial asset price volatility in the Islamic Bond Market in the Capital Market.

**Keywords :** economic justice, equitable distribution of income, equitable distribution of wealth, rate of profit, stability in the financial system

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