

THE EFFECT OF MURABAHAH, MUSYARAKAH AND MUDHARABAH FINANCING TO THE PROFITABILITY LEVEL OF SHARIA COMMERCIAL BANKS IN THE 2015-2019 PERIOD

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Abstract – *The purpose of this study is to analyze the Effect of Murabahah, Musyarakah and Mudharabah Financing on Profitability Levels in Islamic Commercial Banks. The method used in this study is a quantitative method with secondary data. In this study, data were obtained from quarterly Islamic financing reports and quarterly reports of Return on Assets at the Financial Services Authority for the 2015-2019 period. Output data in this study were processed using the Stata application version 12.0. Based on statistical tests, this study shows that murabahah and musyarakah financing in Islamic banking do not have a significant positive effect on the profitability of Islamic banks, while mudharabah financing Islamic banking has a significant positive effect on the profitability of Islamic banks. The results of the study simultaneously show that murabahah, musyarakah and mudharabah financing have a positive and significant effect on the profitability of Islamic banks. Based on the results of the R Squared test, the magnitude of the influence of financing on the profitability of Islamic Banks is 74.32%.*

Keywords: *Murabahah, Musyarakah, Mudharabah, Profitability, Return on Assets*

I. INTRODUCTION

Financing is an agreement between a bank and a customer who needs funds to finance a certain activity (Putra, 2018). Agreements in sharia financing provided to customers can be differentiated based on the contract used. Contracts on sharia financing can be classified into several types, including mudharabah, musyarakah, murabaha, ijarah, istishna, qardh and salam (Harahap et al., 2009).

Based on Bank Indonesia statistics, murabaha contracts dominate financing channeled by Islamic banks, followed by mudharabah and musyarakah contracts. Through income earned from channeled financing, bank profitability is expected to improve, this is reflected in increased profits (Firdaus, 2009).

Profitability ratio, is a ratio that tries to measure the capacity of a business to generate profits at a certain level of sales, assets, and share capital. There are three measures, namely profit margin, return on assets, and return on equity that are often used. Return On Assets (ROA) is also often referred to as economic profitability which is a measure of a company's ability to generate profits with all the assets owned by the company. In this case the profit generated is profit before tax or earnings before interest and tax (Sutrisno, 2013).

Kuncoro (2008) states that the ability of bank management to manage available assets to generate net profit is shown by the bank's ROA. Meanwhile Siamat (2008) argues that ROA is a measure that shows how effectively a bank manages its business operations because ROA shows how much profit can usually be generated from each rupiah of assets. Business performance increases when ROA increases because the profits generated are higher.

Based on data for the first semester of 2019, the Financial Services Authority (OJK) stated that currently there is a slowdown in growth in sharia banking. This is because it is difficult for Islamic finance industry players to find financing customers. Until the first half of 2019, the financing to deposit ratio of Islamic banks was recorded at 80 percent. The low ratio shows the amount of Islamic bank funds or capital that is not channeled into financing. Meanwhile, the asset value of the sharia banking industry until July 2019 reached IDR 494.04 trillion. The market share for sharia banking is only 5.87 percent of the total banking market in Indonesia (Tempo.co, 28 October 2019).

The development of murabahah and musyarakah financing at Islamic Commercial Banks from 2015 to 2019 has increased. Whereas in mudharabah financing in 2015 amounted to IDR 7,979 billion, but it continues to decrease every year. In contrast, the Return on Assets (ROA) from 2015 to 2016 has increased, but from 2016 to 2017 it has not shown any change, namely 0.63%, and continues to increase in the following year as shown in Table 1.1 below.

Tabel 1. 1 Perkembangan Pembiayaan Murabahah, Musyarakah, Mudharabah dan Tingkat Return On Asset (ROA) pada Bank Umum Syariah

Tahun	Pembiayaan Murabahah (Miliar Rupiah)	Pembiayaan Musyarakah (Miliar Rupiah)	Pembiayaan Mudharabah (Miliar Rupiah)	Return On Asset (ROA) (%)
2015	93.642	47.357	7.979	0,49
2016	110.063	54.052	7.577	0,63
2017	114.494	60.465	6.584	0,63
2018	118.134	68.644	5.477	1,28
2019	122.725	84.582	5.413	1,73
Jumlah	559.058	315.100	33.030	4,76

Sumber: Laporan Tahunan OJK

Based on the data above, it can be concluded that there is a phenomenon where from 2015 to 2019 Mudharabah Financing has decreased, and from 2016 to 2017 Return on Assets (ROA) at Islamic Commercial Banks has not shown any change.

The research related to "The Effect of Murabahah, Musyarakah and Mudharabah Financing on Profitability Levels in Islamic Commercial Banks" has been carried out by several researchers, one of which is Nurfajri and Priyanto (2019). They used the classical assumption test data analysis method, and stated that from testing the hypothesis of the murabaha variable and the musyarakah variable, it showed a significant negative impact on profitability, so that the more murabaha and musyarakah financing was carried out, the lower the profitability obtained by Islamic Commercial Banks. This is inversely proportional to the hypothesis of the mudharabah variable on profitability, the results of the study show a significant positive effect, which indicates that the effect of mudharabah financing is directly proportional to profitability, namely the increasing volume of mudharabah financing, it will increase the profitability obtained by Islamic Commercial Banks, and so does conversely if mudharabah financing decreases, then the level of profitability will also decrease. Another study was conducted by Sirat et al (2018) using the multiple linear regression data analysis method which stated that murabahah and musyarakah financing had a significant positive effect on profitability proxied by ROA. This is inversely proportional to mudharabah financing which has a significant negative effect on profitability proxied by ROA. While research conducted by Faradilla, et al (2017) using the panel data regression analysis method with Eviews states that murabahah financing has a positive and significant effect on profitability. This is inversely proportional to musyarakah financing which has a negative and significant effect on profitability, and mudharabah has no effect on the profitability of Islamic Commercial Banks in Indonesia. From some of the previous research results above, it shows that there is a research gap or is inconsistent regarding profitability with respect to the variables that influence it, namely murabahah,

musyarakah, and mudharabah financing. Therefore, through this research will be tested and analyzed the factors that affect profitability in Islamic Commercial Banks.

II. METHODS

This study intends to provide an explanation of how the influence of the independent variables to be examined, namely murabahah, musyarakah and mudharabah financing on the dependent variable, namely the level of profitability (ROA) and then conclusions are drawn. The population used in this study are Islamic Commercial Banks (BUS) in Indonesia which are registered with the Financial Services Authority (OJK). The sampling method in this study is a purposive sampling technique. The sample used in this study is the 2015-2019 Financial Services Authority (OJK) Statistical Report.

Data analysis in this study is a quantitative analysis with an inferential statistical approach. The data analysis method used in this study is the multiple linear regression method where the data used has a year period from 2015-2019 and uses the Stata 12.0 tool to analyze the data.

III. RESULTS AND DISCUSSION

The development of Islamic Banks in the last five years has achieved very good results. This can be seen from the Indonesian banking statistics published by the OJK that the profits of Islamic banks have always increased every year, reaching Rp. 9 trillion in December 2019, which was previously only around Rp. 3.4 trillion in 2015. Overall, the amount disbursed financing has also increased from IDR 152 trillion in 2015 to IDR 222 trillion at the end of 2019.

Tabel 4.1.1 Pembiayaan Murabahah Perbankan Syariah Periode 2015-2019 (dalam miliar)

Tahun	Q1	Q2	Q3	Q4
2015	272,395.0	274,829.0	274,895.0	277,923.0
2016	279,006.0	282,340.0	298,037.0	327,415.0
2017	329,719.0	336,339.0	337,002.0	342,897.0
2018	342,509.0	344,750.0	347,098.0	355,071.0
2019	353,646.0	358,548.0	363,135.0	366,225.0

Sumber: (Otoritas Jasa Keuangan, 2019)

Tabel 4.1.2 Pembiayaan Musyarakah Perbankan Syariah Periode 2015-2019 (dalam miliar)

Tahun	Q1	Q2	Q3	Q4
2015	122,013.0	127,977.0	132,246.0	137,819.0
2016	141,121.0	146,610.0	148,431.0	157,945.0
2017	157,708.0	166,474.0	174,103.0	175,301.0
2018	177,518.0	182,448.0	190,114.0	199,046.0
2019	208,759.0	223,216.0	230,472.0	245,992.0

Sumber: (Otoritas Jasa Keuangan, 2019)

Tabel 4.1.3 Pembiayaan Mudharabah Perbankan Syariah Periode 2015-2019 (dalam miliar)

Tahun	Q1	Q2	Q3	Q4
2015	24,216.0	24,644.0	25,427.0	24,196.0
2016	22,971.0	24,086.0	24,007.0	23,145.0
2017	21,748.0	22,092.0	22,878.0	20,586.0
2018	18,480.0	19,154.0	17,494.0	17,045.0
2019	15,739.0	15,934.0	15,315.0	15,410.0

Sumber: (Otoritas Jasa Keuangan, 2019)

Tabel 4.1.4 Return On Asset (ROA) Perbankan Syariah Periode 2015-2019 (dalam persen)

Tahun	Q1	Q2	Q3	Q4
2015	2,35	1,75	1,45	1,52
2016	2,7	1,69	1,7	1,76
2017	3,13	3,31	3,02	2,06
2018	2,39	3,91	4,11	3,8
2019	4,29	4,69	4,92	5,05

Sumber: (Otoritas Jasa Keuangan, 2019)

H1: Murabahah Financing Affects Profitability of Islamic Banks

The first hypothesis in this study states that murabaha financing has a significant effect on the profitability of Islamic banks is rejected, as evidenced in the regression coefficient t-test. This indicates that the regression coefficient of 0.545 has a meaning that cannot be interpreted. A value greater than $\alpha=0.05$ indicates that the growth of murabaha financing has no effect on the profitability of Islamic banks. When the growth of murabahah financing increases or decreases, it will not affect the value of the profitability of the Islamic Bank.

H2: Musyarakah Financing Affects Profitability of Islamic Banks

The second hypothesis in this study states that musyarakah financing has a significant effect on the profitability of Islamic banks is rejected, as evidenced in the multicollinearity test. This indicates that the regression coefficient has a value of $VIF \geq 10$ which means that the variable contains multicollinearity. Therefore the musyarakah financing variable is excluded from the regression model. VIF value ≥ 10 indicates that the growth of musyarakah financing has no effect on the profitability of Islamic banks. When the growth of musyarakah financing increases or decreases, it will not affect the value of the profitability of the Islamic Bank.

H3: Mudharabah Financing Affects Profitability of Islamic Banks

The third hypothesis in this study states that mudharabah financing has a significant effect on the profitability of Islamic banks is accepted, as evidenced in the regression coefficient t-test. This indicates that the regression coefficient of 0.000 has a meaning that can be interpreted. The positive value indicates that the growth of mudharabah financing has a positive effect on the profitability of Islamic banks. When the growth of mudharabah financing increases, the profitability of Islamic banks also increases. Likewise, if the growth of mudharabah financing has decreased, the profitability of Islamic banks has also decreased. The elasticity of the effect of mudharabah financing growth on profitability is shown through the mudharabah variable coefficient value of minus 1.718. When the growth of mudharabah financing increases by 1 percent, it will reduce the profitability of Islamic banks by 1.718 percent. And conversely, when the growth of bank mudharabah financing decreases by 1 percent, bank profitability will increase by 1.718 percent. This empirical finding is in line with the third hypothesis which states that the higher the mudharabah financing, the more it will increase the profitability of Islamic banks.

The t-statistical test is used to determine whether there is influence of each independent variable individually on the dependent variable. The results of the t statistical test in this study are as follows:

Tabel 4.2.3.1 Uji Parsial (Uji t)

Y	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
lnX1	0.5454773	0.4674536	1.17	0.248	-0.3905824	1.481537
lnX3	-1.717975	0.2856941	-6.01	0.000	-2.290068	-1.145882
_cons	26.03655	17.64675	1.48	0.146	-9.300457	61.37356

a. The significance value of the Murabahah variable (LnX1) is 0.248 which is greater than $\alpha = 0.05$. Then the Murabahah variable has no significant effect on ROA. The coefficient value of the Murabahah variable (LnX1) is 0.545.

b. The significance value of the Mudharabah variable (LnX3) is 0.000 which is smaller than $\alpha = 0.05$. Then the Mudharabah variable has a significant effect on ROA. The coefficient value of the Mudharabah variable (LnX3) is -1,718, meaning that every 1% increase in Mudharabah will reduce ROA by 1,718% with other variables considered constant.

Simultaneous Test (F Test) The hypothesis is: H0: All independent variables have no significant effect on the ROA variable (Y). H1: There is at least one independent variable that has a significant effect on the ROA variable (Y).

Tabel 4.2.3.2 Uji Simultan (Uji F)

Source	SS	df	MS	Number of obs =	60
Model	7.49445609	2	3.74722804	F(2, 57) =	82.49
Residual	2.58927725	57	0.045425917	Prob > F =	0.0000
				R-squared =	0.7432
				Adj R-squared =	0.7342
Total	10.0837333	59	0.170910734	Root MSE =	.21313

From the results of the ANOVA above, it can be seen that the Prob > F value is $0.000 < 0.05$ so reject H0. In other words, it can be concluded that there is at least one independent variable that has a significant effect on the ROA (Y) variable.

The coefficient of determination measures how far the ability of the research model to apply the regression model in explaining the effect of the independent variables to the dependent variable. In this study the independent variables used were Murabahah (LnX1) and Mudharabah (LnX3) variables with the dependent variable namely ROA (Y). The results of the Adjusted R Square coefficient test are presented as follows:

Tabel 4.2.3.3 Uji Koefisien Determinasi (R²)

Source	SS	df	MS	Number of obs = 60
				F(2, 57) = 82.49
Model	7.49445609	2	3.74722804	Prob > F = 0.0000
Residual	2.58927725	57	0.045425917	R-squared = 0.7432
				Adj R-squared = 0.7342
Total	10.0837333	59	0.170910734	Root MSE = .21313

In the modeling results with the dependent variable ROA has an Adjusted R Square value of 0.734. It can be concluded that the variables Murabahah (LnX1) and Mudharabah (LnX3) are able to explain the diversity of the ROA variable (Y) of 73.4%, while the rest is explained by other variables outside the model.

Discussion

The results of the study show that murabahah financing has a significant negative effect on BUS profitability. This result contradicts the existing theory that the higher the financing disbursed by a bank, the higher the profit potential that will be obtained by the bank assuming *ceteris paribus*. These results are corroborated by previous studies (Nurfajri and Priyanto, 2019) and (Reinissa, 2015) that murabaha financing has a significant negative effect on the profitability of Islamic banks. However, this is contrary to the findings of Sirat, et al (2018) where they found a significant positive effect on buying and selling financing. This difference is possible because of the number of research objects conducted in a number of Islamic Commercial Banks.

Musyarakah financing has a significant negative effect on the profitability of Islamic Commercial Banks. This result contradicts the existing theory, that the higher the financing disbursed by a bank, the higher the potential

profit to be obtained by the bank. It is suspected that this occurs because the risk of profit-sharing financing is greater than that of murabahah financing. These results are supported by the research of Nurfajri and Priyanto (2019) and Puteri, et al (2014), who previously conducted research stating that musyarakah financing has a negative effect on the profitability of Islamic banks. However, this research is not in line with the research of Sirat, et al (2018) stating that musyarakah financing has a significant positive effect on profitability. This could be due to differences in research objects.

Mudharabah financing has a significant positive effect on the profitability of Islamic Commercial Banks. This result is in accordance with the existing theory that the higher the financing disbursed by a bank, the higher the potential profit that will be obtained by the bank. These results are corroborated by previous studies (Nurfajri and Priyanto, 2019) and (Sari, 2015) that mudharabah financing has a significant positive effect on the profitability of Islamic banks. However, this is contrary to the findings of Faradilla, et al (2017) where they found no significant effect on mudharabah financing. This difference is possible because of the number of objects of research conducted. Murabahah, musyarakah and mudharabah financing simultaneously have a significant positive effect on the profitability of Islamic Commercial Banks. This result is in accordance with the existing theory that the higher the financing disbursed by a bank, the higher the potential profit that will be obtained by the bank. These results are corroborated by previous studies (Sa'adah, et al, 2018) and (Sari and Sulaeman, 2021) that murabahah, musyarakah and mudharabah financing simultaneously have a significant positive effect on the profitability of Islamic banks. However, this is contrary to the findings of Firdayati and Canggih (2020) where they did not find a significant effect on murabahah, musyarakah and mudharabah financing. This difference is possible because of the number of objects of research conducted

IV. CONCLUSION

There are several conclusions that can be drawn in this study. First Murabahah and Musyarakah financing have no significant effect on the profitability of Islamic Commercial Banks but Mudharabah financing does. Second, Murabahah, Musyarakah and Mudharabah financing simultaneously have a significant positive effect on the profitability of Islamic Commercial Banks.

Third several limitations in this research which could be for further research are the short observation period and the lack of research objects so that the results do not represent the depiction of the effect of financing on profitability in Islamic banks.

Fourth, it is recommended that Commercial Banks will be more selective in channeling financing to customers, bearing in mind that from year to year the financing distributed by Islamic Banks is increasingly in demand by people who want to invest according to Islamic law. Islamic banks must be more effective in managing operational efficiency in order to increase profitability

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