
THE EFFECT OF MUSYARAKAH, MUDHARABAH, AND MURABAHAH FINANCING ON THE FINANCIAL PERFORMANCE OF SHARIA COMMERCIAL BANKS IN INDONESIA

Yosa Afrizal¹, Aliamin², M. Shabri³

Satuan Polisi Pamong Praja dan Wilayatul Hisbah, Aceh, Indonesia¹

Universitas Syiah Kuala, Banda Aceh, Indonesia^{2,3}

Tanahbara12345@gmail.com

ABSTRACT

This study aims to determine the effect of musharakah, mudharabah, and murabahah financing on the financial performance of Sharia Commercial Banks in Indonesia. This type of research is quantitative research. This research uses secondary data in the form of annual financial reports of Sharia Commercial Banks in Indonesia for the period 2010-2019 sourced from the Financial Services Authority (OJK) website. Through purposive sampling technique, 11 bank samples were obtained which produced 96 observational data. The results of the analysis show that musharakah financing does not affect the financial performance (ROA) of Sharia Commercial Banks in Indonesia, while mudharabah and murabahah financing has a positive and significant effect on the financial performance (ROA) of Sharia Commercial Banks in Indonesia. It is concluded that the greater the value of musharakah financing distributed is not a guarantee that financial performance (ROA) will increase. This is because musharakah financing is financing with a profit-sharing system that has a very high risk where if the company experiences losses, the bank will also bear the loss of business run by entrepreneurs. Nevertheless, Islamic banking is expected to maintain and increase the amount of profit-sharing based financing such as musharakah.

Keyword: musyarakah, mudharabah, murabahah, financial performance.

Corresponding Author: Yosa Afrizal
E-mail: Tanahbara12345@gmail.com



INTRODUCTION

The development of Islamic banking in Indonesia has begun to increase with a marked increase in volume, transaction value, types of instruments traded, and assets owned by Islamic banks (Taga et al., 2019). However, in its journey, each Islamic bank has different financial conditions (Fianto et al., 2019). Through financial performance reports, stakeholders can determine the bank's financial performance, which can help them make decisions. Every Islamic bank also has different conditions, with good, concerning, and mediocre ones, so it is necessary to strengthen capital, maintain liquidity, and increase efficiency (Alshater et al., 2022). Based on Sharia Banking Statistical data from the Financial Services Authority (OJK), the non-performing loans (NPF) conditions for Islamic banking are still much higher than in conventional banking (Suryanto & Susanti, 2020). This can be seen at the end of March 2018, which showed that the NPF of conventional banking was at the level of 2.5%, while the previous period at the end of 2017 had a higher value which reached 4.76% and 4.42% in 2016. This has affected the profitability of sharia banking, which only recorded IDR 5.12 trillion in the 2018 period with an asset level of IDR 316.691 trillion, so the Return on Assets (ROA) was only 1.28%, while conventional banking ROA touched 2.55% at the end of December 2018

(Cnbcindonesia.com, 2019). These facts illustrate that the performance of Islamic banking is dynamic. Namely, there is an increase or decrease (Rahmaniah & Wibowo, 2015). The soundness level of a bank can be assessed by looking at the financial ratios based on its financial reports.

This research is a development of several previous studies to conduct a more in-depth study of the effect of musyarakah, mudharabah and murabahah financing on the financial performance of Islamic banking, such as the time of research, the number of research objects, and the method of analysis. This is supported by previous research. There are different research results regarding the effect of financing on the financial performance of banks. The variables taken are buying and selling financing, profit sharing financing, and intellectual capital. Research find, Profitability of Islamic Commercial Banks is influenced by buying and selling financing, profit sharing financing and NPF (Agustina & Harun, 2014). According to research, Profitability of Commercial Banks in Indonesia is influenced by murabahah financing, Istishna, and Ijarah financing. so that this research was updated by taking the number of research objects for all BUS in Indonesia with a long period of 10 years through different analytical methods (Faradilla et al., 2017). This is done in order to obtain better research results with the accuracy of the research data in order to obtain a more representative estimate of the effect of musyarakah financing, mudharabah financing, murabahah financing on the financial performance of Islamic Commercial Banks in Indonesia (Liem, 2023). Financial performance is an analysis to see how far a company has performed using proper and correct financial implementation rules (Dewi, 2017). The Indonesian Institute of Accountants (IAI) defines financial performance as a company's ability to manage and control its resources (Wiguna, 2015).

The ratio used to measure a bank's financial performance to Islamic bank financing in this study used the Return on Assets (ROA) ratio. The ROA provisions according to Bank Indonesia Regulation (PBI) No.14/18/PBI/2012 are as follows:

Table 1. ROA According to BI

ROA rate	Predicate
Above 1.22%	Healthy
0.99% - 1.22%	Healthy Enough
0.77% - 0.99%	Unwell
Below 0.77%	Not healthy

Source: (PBI) No.14/18/PBI/2012

Financing is funding provided by a party to another party to support planned investments, either by themselves or by an institution (Ilyas, 2015). In Islamic banks, financing is the product banks offer customers or people who need it to support economic activities or meet their needs (Chadziq, 2017). Musyarakah financing is a collaboration of two or more entrepreneurs who work together as business partners in a business where each party includes their capital and participates in managing the business. Profits and losses will be shared based on the percentage of equity participation. Mudharabah financing is an investment transaction based on trust, namely, trust between the owner of the funds and the fund manager, or can also be termed trust financing (Azka, 2021). Murabahah is a transaction of selling goods by stating the acquisition price and profit (margin) agreed upon by the seller and the buyer. Where the difference between Murabaha and ordinary

buying and selling is that the seller informs the buyer how much the cost of the goods is and how much profit is desired (Setiady, 2014).

Based on the background above, this study aims to determine the effect of musyarakah, mudharabah, and Murabaha financing on the financial performance of Islamic Commercial Banks in Indonesia.

METHODS

The population in this study are Islamic Commercial Banks registered in Islamic Banking Statistics with an observation period of 2010-2019 with a total population of 14 Islamic Commercial Banks, namely PT. Bank Muamalat Indonesia, PT. Bank Victoria Syariah, PT. Bank BRI Syariah, PT. Bank Jabar Banten Syariah, PT. Bank BNI Syariah, PT. Mandiri Syariah Bank, PT. Bank Mega Syariah, PT. Bank Panin Dubai Sharia, PT. Bukopin Sharia Bank, PT. BCA Syariah, PT. Maybank Syariah, PT. Sharia National Pension Savings Bank, PT. Bank Aceh Syariah, and PT. BPD Nusa Tenggara Barat Syariah. So, the sample in this study is the annual financial report (annual report) of Islamic Commercial Banks in Indonesia for the 2010-2019 period. However, PT. Sharia National Pension Savings Bank, PT. Bank Aceh Syariah, and PT. BPD Nusa Tenggara Barat Syariah needs to have complete financial reports, which were audited during the 2010-2019 observation period. Then those who meet the requirements to be the sample in this study are 11 Islamic Commercial Banks with a total observation of 96 data: (ojk.go.id, 2020). This study uses secondary data and data collection techniques through documentation studies where the data are documents. In addition, literature studies are also used in journals, books, and other documents that are relevant to the research objectives. The analytical method used is panel data regression analysis. The variable used in this study is the dependent variable, namely the financial performance of Indonesian Islamic Commercial Banks, which consists of the ROA ratio. In contrast, the independent variables are musyarakah financing, mudharabah financing, and murabahah financing.

RESULTS AND DISCUSSION

Descriptive statistics

Descriptive statistical results of the data used in this study can be seen in Table.

Table 2. Descriptive Statistics Results

Variable	N	Minimum	Maximum	Means	std. Deviation
ROA	96	,00	3.48	,90	,60
Musyarakah Financing (PMUSY)	96	,00	91.41	23,37	22.71
Mudharabah Financing (PMUDH)	96	,00	38,71	5,12	6,57
Murabahah Financing (PMURA)	96	,00	100.00	50,41	26,17

Source: Data processed by Eviews (2021)

Based on table 2, it can be seen that: The results of the descriptive analysis of the musyarakah variable show that the level of musyarakah financing is N valid 96, mean 23.37, minimum 0.00, maximum 91.41 and has a standard deviation value of 22.71. The results of the descriptive statistical analysis of the mudharabah variable show that the financing level of mudharabah N is valid at 96, with a mean of 5.12, a minimum of 0.00, a maximum of 38.71, and a standard deviation of 6.57. The

results of the descriptive statistical analysis of the murabahah variable show that the murabahah N level is valid at 96, the mean is 50.41, the minimum is 0.00, the maximum is 100, and the standard deviation of 26.17. The descriptive statistical analysis results of the financial performance variable (ROA) show that the N valid financial performance level (ROA) is 96, the mean is 0.90, the minimum is 0.00, the maximum is 3.48, and it has a standard deviation of 0.60.

Based on the data obtained, it can be seen that:

- The highest musyarakah financing was Bank Panin Dubai Syariah at 91.41% in 2019, and the lowest was Maybank Syariah at 0.02% in 2019.
- The highest mudharabah financing was Bank Panin Dubai Syariah at 38.71% in 2011, and the lowest was Bank Mega Syariah at 0.03% in 2011.
- The highest murabahah financing was Bank Syariah Bukopin at 100% in 2010, 2011, and 2012 and Bank Jabar Banten Syariah in 2013. The lowest was Bank Jabar Banten Syariah at 0.02% in 2011.

Classical Assumption Testing Results

Based on the normality test results, the significance value is 0.211 or ($0.211 > 0.05$), which means that the data is normally distributed. While the tolerance number for the independent variable has a value of more than 0.10 with a VIF value of below 10, it can be concluded that the independent variable regression model does not contain multicollinearity and meets the assumptions of the multicollinearity test.

As for the test numbers, Heteroscedasticity indicates that the data is spread randomly, so it can be ascertained that there is no heteroscedasticity problem. The results of the Durbin Watson (DW) test used for autocorrelation show that the DW is 2.04, this value is between Du of 1.76 and 4-Du of 2.23, so the conclusion is that the data does not have autocorrelation and the regression model has been fulfilled.

Hypothesis Testing Results

The results of testing this hypothesis can be seen in table 3.

Table 3. Common Effect Test Results

Variable	coefficient	std. Error	t-Statistics	Prob.
C	0.35	0.15	2.27	0.02
PMUSY	-0.00	0.00	-1.23	0.21
PMUDH	0.04	0.00	5.82	0.00
PMURA	0.00	0.00	3.52	0.00
R-squared	0.33	Mean dependent var		0.90
Adjusted R-squared	0.31	SD dependent var		0.60
SE of regression	0.49	Akaike info criterion		1.48
Sum squared residue	22.88	Schwarz criterion		1.59
Likelihood logs	-67.39	Hannan-Quinn criteria.		1.53
F-statistics	15.49	Durbin-Watson stat		2.20
Prob (F-statistic)	0.00			

Source: Data processed with Eviews (2021)

The Effect of Musyarakah Financing on Financial Performance

Testing the effect of musyarakah financing on Islamic banking financial performance (ROA) yields a statistical t value of -1.23 with a significance level (probability) = 0.21 or ($0.21 > 0.05$).

Because the probability value is $> \alpha$ (5%), it means that musyarakah financing does not affect the financial performance (ROA) of Islamic Commercial Banks. This can be seen in Table 3.

These results indicate that H_0 is not rejected and H_a is rejected. This can be interpreted that partially musyarakah financing does not affect the financial performance (ROA) of Islamic Commercial Banks.

The Effect of Mudharabah Financing on Financial Performance

Testing the effect of mudharabah financing on the financial performance (ROA) of Islamic Commercial Banks produces a statistical value of t of 5.82 with a significance level (probability) = 0.00 or $(0.00 < 0.05)$. Because the probability value is $< \alpha$ (5%), it means that mudharabah financing has a positive and significant effect on the financial performance (ROA) of Islamic Commercial Banks. This shows that hypothesis no. 2 is rejected because the estimated value of the mudharabah regression coefficient is $0.04 < \alpha$ 5%. This can indicate that each increase in mudharabah financing by 1% has increased the financial performance (ROA) of Islamic Commercial Banks by 0.46%. This is because the collectability quality of mudharabah financing is at level 1, so it can provide greater profits, even though the financing value is smaller (6.5%) compared to musyarakah and murabahah financing.

Effect of Murabaha Financing on Financial Performance

Testing the effect of murabahah financing on the financial performance (ROA) of Islamic Commercial Banks produces a statistical value of t of 3.52 with a significance level (probability) = 0.00 or $(0.00 < 0.05)$. Because the probability value is $< \alpha$ (5%), it means that Murabaha financing has a positive and significant effect on the financial performance (ROA) of Islamic Commercial Banks. This shows that hypothesis no. Three is rejected because the estimated value of the murabahah regression coefficient is $0.00 < \alpha$ 5%. This shows that each increase in murabahah financing by 1% has increased the financial performance of Islamic commercial banks by 0.76%. This is because murabahah financing is greater (63.8%) than mudharabah and musyarakah financing. This shows that Islamic banking is still reluctant to take financing risks because murabahah financing is a sale and purchase contract with a fixed margin agreed upon at the time of the contract.

CONCLUSION

Based on the results of the analysis and discussion that has been carried out, musyarakah financing does not affect the financial performance (ROA) of Islamic Commercial Banks in Indonesia. This means that any increase in musyarakah financing does not affect the financial performance (ROA) of Islamic Commercial Banks. Meanwhile, mudharabah financing and murabahah financing positively and significantly affect the financial performance (ROA) of Islamic Commercial Banks in Indonesia. This means that any increase in mudharabah financing and murabahah financing will improve Islamic Commercial Banks' financial performance (ROA).

Musyarakah financing does not affect the financial performance (ROA) of Islamic Commercial Banks. This means that the greater the value of the channeled musyarakah financing does not guarantee that the financial performance (ROA) will increase. This is because musyarakah financing is financing with a profit-sharing system with a very high risk where if the company suffers a loss, the bank will also bear the business the entrepreneur runs. Nonetheless, Islamic banking is expected to maintain and increase the amount of financing based on results such as musyarakah.

Profit-sharing-based financing shows that Islamic banking has carried out its core business in helping people to run an Islamic economic system. From the perspective of the Aceh government, this has been regulated in the Aceh Qanun Number 11 of 2018 concerning Islamic Financial Institutions. The qanun explains that financing disbursed by Islamic banks must prioritize profit-sharing-based contracts by taking into account the capabilities and needs of customers, which can be carried out in stages, namely at least 10% in 2020, 20% (in 2022) and 40% in 2024.

REFERENCES

- Agustina, Y., & Harun, A. R. (2014). *Pengaruh Pembiayaan Jual Beli, Pembiayaan Bagi Hasil Dan Rasio Non Performing Financing (NPF) Terhadap Profitabilitas (ROA) Bank Umum Syariah Di Indonesia Periode 2008-2012 Skripsi*. Universitas Muhammadiyah Surakarta.
- Alshater, M. M., Saba, I., Supriani, I., & Rabbani, M. R. (2022). Fintech in islamic finance literature: A review. *Heliyon*, 8(9), e10385. <https://doi.org/https://doi.org/10.1016/j.heliyon.2022.e10385>
- Azka, M. (2021). *Analisis Penerapan Akad Mudharabah Pada Pembiayaan Modal Kerja Di USPPS Koperasi Harapan Sejahtera IAIN Syekh Nurjati Cirebon*. Perbankan Syariah IAIN Syekh Nurjati.
- Chadziq, A. L. (2017). Manajemen Pembiayaan Bank Syariah: Sebuah Perkenalan. *JES (Jurnal Ekonomi Syariah)*, 2(2). <http://dx.doi.org/10.30736/jesa.v2i2.27>
- Cnbcindonesia.com. (2019). *Perbankan Syariah Masih Sulit Bersaing Dengan Konvensional*. Cnbcindonesia.Com. <https://www.cnbcindonesia.com/syariah/20190607133414-29-77037/perbankan-syariah-masih-sulit-bersaing-dengan-konvensional>
- Dewi, M. (2017). Penilaian kinerja keuangan perusahaan dengan menggunakan metode EVA (economic value added)(studi kasus pada PT. Krakatau Steel Tbk Periode 2012-2016). *Jurnal Manajemen Dan Keuangan*, 6(1), 648–659.
- Faradilla, C., Arfan, M., & Shabri, M. (2017). Pengaruh pembiayaan murabahah, istishna, ijarah, mudharabah dan musyarakah terhadap profitabilitas bank umum syariah di indonesia. *Jurnal Administrasi Akuntansi: Program Pascasarjana Unsyiah*, 6(3).
- Fianto, B. A., Maulida, H., & Laila, N. (2019). Determining factors of non-performing financing in Islamic microfinance institutions. *Heliyon*, 5(8), e02301. <https://doi.org/https://doi.org/10.1016/j.heliyon.2019.e02301>
- Ilyas, R. (2015). Konsep pembiayaan Dalam perbankan syari'ah. *Jurnal Penelitian*, 9(1). <http://dx.doi.org/10.21043/jupe.v9i1.859>
- Liem, A. S. (2023). Pengaruh Diversitas Dewan Komisaris Terhadap Kinerja Perbankan yang Terdaftar di Bursa Efek Indonesia. *Journal of Economics and Business UBS*, 12(3), 1445–1459. <https://doi.org/10.52644/joeb.v12i3.241>
- Rahmaniah, M., & Wibowo, H. (2015). analisis potensi terjadinya financial distress pada bank umum syariah (BUS) di Indonesia. *Jurnal Ekonomi Dan Perbankan Syariah*, 3(1), 1–20. <https://doi.org/10.46899/jeps.v3i1.151>
- Setiady, T. (2014). Pembiayaan Murabahah Dalam Perspektif Fiqh Islam, Hukum Positif Dan Hukum Syariah. *Fiat Justitia Jurnal Ilmu Hukum*, 8(3), 520. <https://doi.org/10.25041/fiatjustitia.v8no3.311>
- Suryanto, D. A., & Susanti, S. (2020). Analisis Net Operating Margin (NOM), Non Performing Financing (NPF), Financing to Debt Ratio (FDR) dan Pengaruhnya Pada Efisiensi Perbankan Syariah di Indonesia. *Jurnal Riset Akuntansi Dan Keuangan*, 8(1).
- Taga, A. A., Nawawi, K. L., & Kosim, A. M. (2019). Perkembangan perbankan syariah sebelum dan sesudah spin-off. *TAFACQUH: Jurnal Hukum Ekonomi Syariah Dan Ahwal Syahsiyah*, 4(1), 78–110.

Wiguna, R. T. (2015). *Pengaruh Profitabilitas dan Likuiditas Terhadap Kinerja Keuangan Perusahaan (Studi Kasus Pada Perusahaan Transportasi yang Terdaftar Di Bursa Efek Indonesia Periode 20011-2013)*.



© 2023 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY SA) license (<https://creativecommons.org/licenses/by-sa/4.0/>).