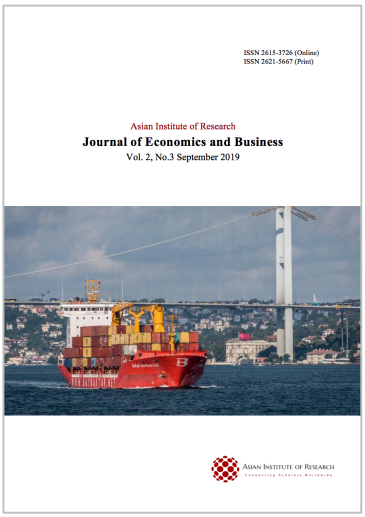

Journal of Economics and Business

Nurhasanah, and Melzatia, Shinta. (2019), Analysis of *Murabaha* Financing from Influence of Asset, Deposit Fund, and Profitability. In: *Journal of Economics and* Business, Vol.2, No.3, 618-626.

ISSN 2615-3726

DOI: 10.31014/aior.1992.02.03.113

The online version of this article can be found at:
https://www.asianinstituteofresearch.org/

Published by:
The Asian Institute of Research

The Asian Institute of Research *Journal of Economics and Business* is a peer-reviewed International Journal. The journal covers scholarly articles in the fields of Economics and Business, which includes, but not limited to, Business Economics (Micro and Macro), Finance, Management, Marketing, Business Law, Entrepreneurship, Behavioral and Health Economics, Government Taxation and Regulations, Financial Markets, International Economics, Investment, and Economic Development. As the journal is Open Access, it ensures high visibility and the increase of citations for all research articles published. The *Journal of Economics and Business* aims to facilitate scholarly work on recent theoretical and practical aspects of Economics and Business.

Asian Institute of Research
Connecting Scholars Worldwide

ASIAN INSTITUTE OF RESEARCH
Connecting Scholars Worldwide

The Asian Institute of Research
Journal of Economics and Business
Vol.2, No.3, 2019: 618-626
ISSN 2615-3726

DOI: 10.31014/aior.1992.02.03.113

Analysis of *Murabaha* Financing from Influence of Asset, Deposit Fund, and Profitability

Nurhasanah[1], Shinta Melzatia[2]

[1] Fakultas Ekonomi dan Bisnis Universitas Mercu Buana, Jakarta Indonesia. Email: nurhasanah@mercubuana.ac.id;
[2] Fakultas Ekonomi dan Bisnis Universitas Mercu Buana, Jakarta Indonesia. Email: Emailshinta_melzatia@mercubuana.ac.id

Correspondence: Nurhasanah, Fakultas Ekonomi dan Bisnis, Program Studi Akuntansi, Universitas Mercu Buana, Jakarta, Indonesia

Abstract
This study aims to determine the effect of financing to deposit ratio (FDR), DPK, return on assets (ROA), non performing financing (NPF), capital adequacy ratio (CAR), and operational efficiency ratio (BOPO) on *murabaha* financing (MF). The population in this study is an Islamic commercial bank during the period 2012-2017, from all populations, there are 11 Islamic commercial banks which have criteria to be used as research samples. Data used in this research are annual financial statements published on the official website of Islamic commercial bank. The analysis technique used in this research is multiple linear regression analysis. The results of this study indicate that the FDR has no significant effect on murabaha financing; DPK (DPK) has a significant positive effect on *MF*; ROA has no significant effect on MF; NPF has a significant positive effect on MF; CAR has no significant effect on MF; and BOPO has no significant effect on MF.

Keywords: FDR, DPK, ROA, NPF, CAR, Operational Efficiency Ratio, *Murabaha* Financing

1. Introduction

The economic of a country is built on two sectors, the real and monetary sectors. The real sector is the economic sector that depends on the manufacturing and service sectors, while the monetary sector depends on the banking sector (Adeusi, Aluko, & others, 2015). According to Alam, Gupta, & Shanmugam, (2017) bank that based on service payment systems are divided into two, namely "Banks based on interest payments (conventional) and banks based on payments in the form of profit-sharing (sharia)." Mansour, Ben Jedidia, & Majdoub (2015) explains that Islamic banks are "banks that operate by not trading interest. In other words, Islamic banks are financial institutions whose main business is providing financing and other services in the payment and circulation of money with their operations are adjusted to sharia principles". Islamic banking is the development of Islamic economic concepts, especially in the financial sector which was developed as a response to Muslim economists and banking

practitioners who try to accommodate pressure from various parties who want financial transaction services to be run with moral values and principled sharia (Islam & Ashrafuzzaman, 2015). The development of Islamic banking in Indonesia shows an increasing trend. Based on sharia banking statistics from year to year in quantity, the achievement of Islamic banking continues to increase. Regarding capital sources in Islamic Banks in Indonesia, all Islamic Banks are subsidiaries of Conventional Banks except Bank Muamalat (Nugroho, Utami, Doktoralina, & Husnadi, 2017), but there were differences in efficiency, asset quality, and stability between Islamic Banking and Conventional Banking where conventional banking more efficient, have better asset quality and more stability than sharia banking (Elsa et al., 2018).

With a variety of banking products and services, Islamic banking has become a popular choice among various groups of people. Starting from savings, checking and deposit funds, to financing services with the principles of mudaraba, *murabahah*, musyarakah, and other services (Harianto, Mizan, Al Amin, & Meilvinasvita, 2019). One of the most popular forms of Islamic Bank financing in the community is *MF*. Yaya, Martawireja, & Abdurahim (2014) explain that murabaha is a transaction of selling goods by stating the acquisition price and profit margin agreed upon by the seller and the buyer. Contract payments for buying and selling can be made in cash (*Bai 'Naqdan*) or respite (*Bai' Mu'ajjal / Bai 'Bi'tsaman Ajil*). Many criticisms aimed at Islamic banking in the matter of determining profit margins, because *MF* products are similar to flat interest credit financing products in conventional banks (Brown Jr, 2015).

Ali & Miftahurrohman, (2016) said that the *Murabaha* agreement allows different price quotes for different payment prices before the *murabahah* agreement is carried out. When the contract has been agreed upon, then there is only one price (price in the contract used). According to Anjani & Hasmarani (2016), the benefits that will be obtained for banks by the existence of *MF*, such in principle is a channel for channeling bank funds quickly and easily. The bank earns profit, to be specific margin from financing and obtains fee-based income (administration, insurance commission, and notary commission). Income earned from *MF* is called margin income. Margin in the world of Islamic banking is a term used to indicate income derived from the difference in selling prices and buying prices on a sale and purchase contract (Janwari, 2015). The following is a table that shows statistical financing data by Sharia Rural Banks:

Table 1 Financing Provided by Sharia Community Financing Banks
(In million Rupiah)

Akad	2014	2015	2016	2017
Mudharabah	122,467	168,516	156,256	124,497
Musyarakah	567,658	652,316	774,949	776,696
Murabahah	3,965,543	4,491,697	5,053,764	5,904,751
Salam	16	15	14	0
Istishna	12,881	11,135	9,423	21,426
Ijarah	5,179	6,175	6,763	22,316
Qardh	97,709	123,588	145,865	189,866
Lainnya	233,456	311,729	515,523	724,398
Total	5,004,909	5,765,171	6,662,556	7,763,950

Source: The Financial Services Authority (OJK); Sharia Banking Statistic 2017

From table 1 it can be seen that MF dominates the financing of Islamic banking in Indonesia. In 2016, *MF* amounted to Rp 5,053,764 million. While mudharabah financing is Rp 156,256 million, and musyarakah financing is Rp 774,949 million. In 2017, MF amounted to Rp 5,904,751 million, while mudharabah financing amounted to Rp 124,497 million, and musyarakah financing amounted to Rp 776,696 million. In addition to the high MFcompared to other financings, it turns out there are also sharia commercial banks whose MF products have

declined and tend to be lower than musyarakah and mudharabah financing. Based on data obtained from Bank Victoria Syariah, it can be seen that in 2017 the amount of musyarakah financing amounted to Rp 91,073,496,425 far higher than MF, which amounted to only Rp 25,332,378,995. The amount of Bank Panin Syariah's musyarakah financing in 2017 amounted to Rp 508,111,936,000, far higher than MF, which was only Rp 135,487,534,000. In 2014-2016, the number of Maybank Syariah MF decreased from Rp 23,302,000,000 to Rp 46,084,000,000. Bank Mega Syariah in 2013-2017 amounting to Rp 1,213,052,882,000, which decreased to Rp 505,321,921,000. Victoria Syariah Bank from 2014 to 2016 decreased from Rp 75,787,171,602 to Rp 29,043,474,457.

Siagian, Budiman, & Kismawadi (2017) argues that many factors influence banks in channeling financing, both internal and external factors. To see the internal conditions of the company, banks usually refer to the bank financial statements indicated by various financial ratios (Rustam, 2013). In this study, the independent variable uses factors originating from the internal company, which are the bank's financial ratios including: FDR, Third-party Funds (DPK), ROA, NPF, CAR, and BOPO.

According to Husaeni (2016), FDR is a ratio used to measure the level of bank liquidity that shows the ability of banks to fulfill loan demand using the bank's total assets. FDR is how much DPK Islamic banks are released for financing (Harianto et al., 2019), the value permitted by Bank Indonesia is in the range of 78% to 100% (Husaeni, 2016). Ali & Miftahurrohman, (2016) said that DPK are funds obtained from the community, in the sense that the community as individuals, companies, governments, households, cooperatives, foundations, etc. are either in rupiah or foreign currency. The source of funds from DPK collected is the largest funds that are most relied on by the bank from all funds managed by the bank (Fauzan, 2017). According to Alam, Gupta, & Shanmugam, (2017), DPK are a source of funds originating from the community collected through wadiah demand deposits, mudharabah savings, and mudharabah deposits. Any increase in DPK can increase the amount of funds channeled to the community (Pilbeam, 2018). Capital and profit have a significant influence in increasing financing expansion in Islamic Bank. Also, the price of the number of bad debts causes the lack of public confidence in the Islamic bank (Nugroho et al., 2017).

ROA is a ratio to measure the level of profit against assets used in generating profits. Or in other words, ROA is an indicator of a business unit to earn profits on a number of assets owned by the business unit (Huang, 2019). According to Pilbeam (2018), ROA is a ratio used to measure the ability of bank management to obtain overall profits. The greater the ROA, the greater the level of profit achieved by the bank, and the better the company's performance.

Yanti (2018) argue that NPF is an indicator used to show losses due to financing risks. The higher the NPF level in the bank, the bank will behave conservatively towards financing, and the impact is to reduce the amount of financing from the amount of financing previously channeled. Then, according to Ali & Miftahurrohman, (2016), in order to maintain the security of depositors' funds, the central bank requires commercial banks to provide reserves for eliminating non-performing loans. Thus, the greater the number of non-performing loans owned by banks, the greater the amount of reserve funds that must be immediately provided, and the greater the costs they must bear to hold the reserve funds. CAR is a bank's performance ratio to measure the capital adequacy of a bank to support assets that contain or produce risks, for example, the financing provided (Ali & Miftahurrohman, 2016). Ali & Miftahurrohman, (2016) states that the BOPO ratio is the ratio used to measure the level of efficiency of a bank, this ratio compares operational costs with operating income. The higher the BOPO ratio reflects the low level of efficiency of a bank. Operational costs are costs incurred by banks for bank operating costs, not including profit sharing from DPK. Operating income is the income received by the bank after deducting the distribution of income to DPK (Irwan, 2017).

Several studies related to MF have been carried out. Research conducted by Ali & Miftahurrohman, (2016) uses variable DPK, NPF, and ROA. The result shows that variable DPK and ROA give a positive significance influence to MF. Whereas NPF impacting the MF negatively. Yanis (2015) shows that DER, DPK, FDR, Current Ratio (CR), and ROA have a positive significance influence on *MF*.

Masudah (2017) proves that DPK, exchange rates, BOPO, and interest rates affect the volume of financing in Islamic banks. Another study proves that the level of problematic financing (NPF) and inflation did not affect the volume of sharia commercial bank financing. BOPO has no influence on the amount of financing distribution (Ali & Miftahurrohman, 2016). The results of research conducted by Husaeni (2017) state that there is a significant influence between FDR on MF. While Siagian et al., (2017) proves that the influence of FDR does not significantly influence MF, the results of research from Ali & Miftahurrohman, (2016) show that ROA has a positive effect on MF, whereas in Dyatama & Yuliadi, (2015) ROA had a negative effect on financing.

From the description of the background as mentioned above, as well as the differences in the results of previous studies, this study want to know the effect of FDR, DPK, ROA, NPF, CAR and BOPO on MF, with the data research period from 2012 to 2017.

2. Hypothesis

Judging from the problem from the background and the existence of differences from several previous studies, the hypothesis proposed in this study are as follows:
H_1: FDR gives a positive effect on MF.
H_2: DPK (DPK) gives a positive effect on MF.
H_3: Return On Assets (ROA gives a positive effect on MF.
H_4: Non-Performing Financing (NPF) gives a positive effect on MF.
H_5: Capital Adequacy Ratio (CAR) gives a positive effect on MF.
H_6: Operational Efficiency Ratio (BOPO) gives a positive effect on MF.

3. Method

The population in this study is Islamic commercial banks during the period 2012-2017, using 66 total research data because of the incorporation of time series data with cross-sections also called panel data (Ullah & Giles, 2016). The sample in this study was determined using purposive sampling which limits the selection of samples based on certain criteria: 1) Commercial Banks using sharia principles, 2) Sharia Commercial Banks that issues financial reports (in annual) for the period 2012-2017 and has been published in the website of Bank Indonesia, Service Authority Finance, or in the website of each Islamic banks, and 3) Having the availability of data related to the variables used for research. To achieve the objectives in this study, the classical assumption test was carried out, to ascertain whether multiple linear regression models were used with no problems of normality, multicolinearity, heteroscedasticity, and autocorrelation. The aim is to guarantee that the regression equation obtained has accuracy in estimation, is not biased and consistent (Darmawan, 2013). Test of significance (real effect) of independent variables (X_1) on the dependent variable (Y) either jointly or partially on hypothesis 1 (H_1) to hypothesis 6 (H_6) is done by F-test and t-test at the level of 5% ($\alpha = 0.05$).

3.1 Dependent Variable

3.1.1 Murabahah Financing

MF is the transaction of sale of goods by stating the acquisition price and profit (margin) agreed upon by the seller and the buyer.
Financing murabahah = Total murabahah margin income at the end of the year

3.2 Independent Variables

3.2.1 Financing to Deposit Ratio (FDR)

FDR is how much DPK Islamic banks are released for financing.

$$FDR = \frac{\text{Total Financing}}{\text{Total Third Fund Party}} \times 100\%$$

3.2.2 Third Party Fund (DPK)

DPK is funds obtained from the community, in the sense of the community as individuals, companies, governments, households, cooperatives, foundations, etc. both in rupiah or foreign currency.

DPK = Savings + Current + Deposits.

3.2.3 Return on Asset (ROA)

Asset reflected in ROA, which measures the effectiveness of companies in utilizing all resources to measure the ability to generate profits. The higher the ratio, the more effective the use of assets to earn income, and the better performance of the bank.

$$\text{ROA} = \frac{\text{Earning After Tax}}{\text{Average total asset}} \times 100\%$$

3.2.4 Non-Performing Financing (NPF)

Management showed by NPF, which measures non-performing loans consisting of loans classified as substandard, doubtful, or loss. The smaller this ratio it means that the bank's performance is getting better.

$$\text{NPF} = \frac{\text{Financing (KL,D,M)}}{\text{Total } Financing} \times 100\%$$

3.2.5 Capital Adequacy Ratio (CAR)

Capital has shown in CAR, the bank's ability to offset the decline in assets because losses on bank assets use their own capital. The greater the ratio means, the better the bank's CAR.

$$\text{CAR} = \frac{\text{Bank Capital}}{\text{Total ATMR}} \times 100\%$$

3.2.6 Rasio Efisiensi Operasional (BOPO)

Operating Cost/Expense to Operating Income Ratio (BOPO), often called the efficiency ratio, is used to measure the ability of bank management to control operational costs against operating income.

$$\text{BOPO} = \frac{\text{Operating Expense}}{\text{Operating Income}} \times 100\%$$

To test the determinant variabel (FDR, DPK, ROA, NPF, CAR dan BOPO) MF , use the multiple regression analysis with the following models:

PBM = α + β1FDR + β2DPK + β3ROA + βNPF + βCAR +BBOPO + e

Information:

PBM = Amount of MF
α = Constant
β1FDR = Financing to Deposit Ratio (FDR)
β2DPK = Third Party Fund (DPK)
β3ROA = Return on Asset (ROA)
β1NPF = Non Performing Financing (NPF)
β2CAR = Capital Adequacy Ratio (CAR)
β3BOPO = Operational Efficiency Ratio (BOPO)
e = Standard Error

4. Results and Discussion

4.1 Descriptive Statistics

Table 2 shows descriptive statistics for each research variable, MF, FDR, DPK, ROA, NPF, CAR, and BOPO.

Table 2 Descriptive Statistics

	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic
Murabahah	66	23.96	29.10	26.6750	1.47430
FDR	66	.719	1.977	.94712	.193654
DPK	66	26.38	31.83	29.3766	1.39685
ROA	66	-.201	.055	.00433	.034748
NPF	66	.000	.440	.04795	.067002
CAR	66	.111	.758	.22205	.131408
BOPO	66	.408	2.174	.94589	.256339
Valid N (listwise)	66				

Source: Data Processed

Table 2 shows that the number of data for each variable is 66. The maximum value for MF is 29.10 in Bank Syariah Mandiri in 2017 with the amount of Rp 4,335,905,000,000. The MF average shown in the table is 26.6750 and has a standard deviation or a deviation of 1.47430. This shows that the greater the MF carried out by a sharia commercial bank will affect the profit that will be generated by the Islamic bank. The high mean value compared to standard deviation shows that MF, which is used as a research sample, is well distributed. FDR shows that the mean is 0.94712, and the standard deviation is 0.193654. This shows that the greater the FDR, the higher the problematic financing, and high non-performing loans causes banks to be more careful in channeling financing.

The average third party fund owned is 29.3766. For maximum data of 31.83 in Bank Syariah Mandiri in 2017, the amount of Rp 66,719,098,000,000 shows that the level of public trust in Islamic Commercial Banks is increasing, so that DPK owned are also high. The average fund allocation in MF shows that the bank has been quite good in carrying out its intermediary function because in addition to mudharabah financing and musyarakah financing, collected deposits are also channeled in other forms of financing such as murabaha which occupies the largest portion of financing in Islamic banks.

It can be seen the mean ROA owned by 0.00433%, which means that the bank's profit is low. The greater the ROA owned by the company; the more efficient use of assets will increase profits. This also has a positive impact on the distribution of funds or financing issued by Islamic banks to the community, because the management of company assets can be carried out efficiently so that the company's assets can be managed in distributing revenue sharing funds to customers.

The value of NPF has a mean of 0.04795 which is below the maximum limit set by BI, which is above 5%, this indicates that Sharia Commercial Bank is included in the category of healthy banks. The smaller the NPF ratio, the better the health level of a bank. The lack of troubled financing proves that Islamic banks have been able to maintain the stability of their funds, whereas the high NPF indicates the lower ability of banks to collect back the expenditures.

From the results of testing descriptive statistics, the CAR variable has a minimum value of 0.111 for Bank Bukopin Syariah in 2013 because in that year Bank Bukopin experienced lower growth because foreign capital (long term) was lower than its own capital. While the maximum value is 0.758 for Bank Maybank Syariah in 2017 because long-term capital has increased significantly compared to the following year, which has declined because the proportion between long-term and equity in investment funding has increased. The average value of CAR is 0.22205, and the size of the data distribution is from the average (standard deviation) of 0. 131408. From the results of testing the descriptive statistics of BOPO has a minimum value of 0.408 in Bank Panin Syariah in 2012. The maximum value is 2,174 in Panin Syariah Bank in 2017. The average value is 0.94589, with a standard

deviation of 0.256339. It is seen that the average value is greater than the standard deviation value, it can be said that the BOPO variable has a large distribution so that it can be said to be good.

Based on the mean of all variables, it can be concluded that the results of the descriptive statistical tests show Islamic banking with high FDR, CAR, and Rasio Efisiensi Operasional (BOPO, Third Party fund (DPK), Return On Asset (ROA) and low NPF will offer large MF.

4.2 Classic Assumption Test

a. Multicollinearity Test. The tolerance value of all independent variables is greater than 0.10, so the VIF values are all less than 10. Thus, it can be concluded that the regression model does not indicate the presence of multicollinearity.
b. Autocorrelation Test. The Durbin-Watson value of the multiple regression equation is 0.826, where it is located between -2 to 2, so there is no autocorrelation.
c. Heteroscedasticity Test. Heteroscedasticity test is done by looking at scatterplot graph patterns that spread above and below number 0 on the Y-axis. The results of the scatterplot graph show no specific patterns, so it can be concluded that this study does not have heteroscedasticity.
d. Normality Test. This study uses the Kolmogorov-Smirnov statistical test with a Z value of 0.912 with Asymp.sig (2-tailed)> α. Then it can be concluded that the data has a normal distribution because the Kolmogorov-Smirnov value has a significance level of 0.401> 0.05.

4.3 Goodness of Fit

Goodness of fit used to test the effect of independent variables consisting of FDR, DPK, ROA, NPF, CAR, and BOPO towards MF in sharia commercial banks in Indonesia. The results of the model conformity test analysis, F count value is 55.681> F table 2.37 with a significance level of 0.000, because the probability of significance is much smaller than 0.05 (α = 5%), so the regression model can be used to predict MF.

4.4 Coefficient of Determination (R^2)

The coefficient of determination is used to determine the percentage contribution of independent variables consisting of FDR, DPK, ROA, NPF, CAR, and BOPO together to influence MF in Islamic banking in Indonesia. Based on the results of multiple linear regression calculations, the coefficient of determination (Adjusted R Square) is 0.835. This shows that 83.5% of MF variables can be explained by variations of the six independent variables FDR, DPK, ROA, NPF, CAR, and BOPO. And the remaining 16.5% is explained by other variables not found in this study.

4.5 Hypothesis Test Results (t-test)

Hypothesis testing in this study is used to test the significance of the influence of partially independent variables on the dependent variable. The results of hypothesis testing of each variable can be found through the table below:

Table 3 Hypothesis Testing Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-3.968	2.420		-1.639	.106
	FDR	.498	.519	.065	.960	.341
	DPK	1.025	.071	.971	14.430	.000
	ROA	7.486	6.079	.176	1.231	.223
	NPF	4.763	2.190	.216	2.175	.034
	CAR	.482	.871	.043	.553	.582
	BOPO	-.313	.671	-.054	-.466	.643

a. Dependent variable: Murabaha

Source: Data Processed

Based on the table it can be seen that FDR has a significance value of 0.341> 0.05 or the value of t count 0.960 <t table 1.997 so it can be concluded that the H_1 hypothesis is rejected or the FDR variable does not significantly influence MF. The increase or decrease in FDR during the study period did not have a significant effect on the amount of financing channeled.

Third-party fund variables have a value of t count 14,430> t table 1,997 with a significance level of 0.00 <0.05 so that it can be concluded that the H_2 hypothesis is accepted or the third party funding variable has a significant positive effect on MF. This means that every increase in the number of deposits deposited or collected in Islamic banks, the greater the MF will be channeled. This is because one of the bank's goals is to get a profit so that the bank will not just idle funds. Banks tend to channel their funds to the maximum extent possible to obtain maximum profits.

The ROA variable has a value of t count 1.231 <t table 1.997 with a significance level of 0.223> 0.05, so it can be concluded that the hypothesis H_3 is rejected or the variable ROA does not significantly influence MF. This means that the profits obtained by the bank are not channeled to MF because most of the funds channeled to MF come from DPK. Based on the results of the study, the average value of the ROA variable is 0.00238. This means that the small average value becomes a non-influential cause of Return on Asset towards MF.

The NPF variable has a value of t count 2.175> t table 1.997 with a significance level of 0.034 <0.05 so it can be concluded that the hypothesis H_4 is accepted or the variable NPF has a significant positive effect on MF. This means that NPF indicates that the lower the level of non-performing loans in bank credit processing it will increase the level of bank MF. If NPF is high, it can be seen that the bank is very weak in analyzing loan applications and credit monitoring systems.

Variable CAR has a value of t count 0.553<t table 1.997 with a significance level of 0.582> 0.05, so it can be concluded that the hypothesis H_5 is rejected or the variable CAR does not significantly influence MF. Characteristically, the management of Islamic banking in Indonesia is generally very careful in managing risks arising from assets. This means that when banks allocate more capital to protect risk-bearing assets, the portion for financing will decrease, and vice versa when there is not too much reserves for ATMR, the portion used for financing will be a lot.

The BOPO variable has a value of t count -0.466<t table 1.997 with a significance level of 0.643> 0.05 so it can be concluded that hypothesis H6 is rejected or the variable BOPO does not significantly influence MF. This is because the efficiency level of the bank in carrying out its operations affects the income generated by the bank. The size of the BOPO ratio is also due to the high cost of funds collected and the low-interest income from the investment of funds so that the greater the BOPO, the smaller the MF channeled.

5. Conclusion and Suggestion

Based on the results of analysis and discussion, the conclusions that can be taken are as follows: (1) FDR has no significant effect on MF. (2) DPK (DPK) have a positive and significant effect on MF. (3) ROA does not have a significant effect on MF. (4) NPF has a positive and significant effect on MF. (5) CAR has no significant effect on MF. (6) BOPO has no significant effect on MF. Based on the results of the discussion and conclusions of the research results, the suggestions that can be given to improve further research include: (1) Islamic banking needs to consider banking performance before deciding on an option in one of the Islamic banking in Indonesia by taking into account variable financial ratios in this study or those not included in the study. (2) Efforts need to be made to educate the public about products for raising funds in Islamic banking. This was done in order to increase the contribution of Islamic banking in driving the real sector while at the same time changing the perception of the public who thought those Islamic bank products were the same as conventional bank products.

Acknowledgements
We wish to thank Associate Profesor Dr. Wiwik Utami and Mr. Caturida Meiwanto Doktoralina for their continuous hard work by presenting workshops on publishing techniques in the journal and its suggestions. We

also wish to express our appreciation to the research center of Mercu Buana University, which has been very constructive at various stages in the development of this article.

References

Adeusi, S. O., Aluko, O. A., & others. (2015). Relevance of financial sector development on real sector productivity: 21st century evidence from Nigerian industrial sector. *International Journal of Academic Research in Business and Social Sciences*, *5*(6), 118–132.

Alam, N., Gupta, L., & Shanmugam, B. (2017). *Islamic Finance: A Practical Perspective*. Springer. https://doi.org/10.1007/978-3-319-66559-7-1

Ali, H., & Miftahurrohman, M. (2016). Determinan yang Mempengaruhi Pembiayaan Murabahah Pada Perbankan Syariah di Indonesia. *Esensi: Jurnal Bisnis Dan Manajemen*, *6*(1), 31–44.

Anjani, R., & Hasmarani, M. I. (2016). Pengaruh pembiayaan mudharabah, musyarakah dan murabahah terhadap profitabilitas BPRS di Indonesia periode 2012-2015. In *Seminar Nasional dan The 3rd Call for Syariah Paper* (pp. 175–183). Universitas Muhammadiyah Surakarta.

Brown Jr, J. R. (2015). Secularism, Sharia, and the Turkish financial markets. *Brooklyn Journal of International Law*, *40*(2), 408–463. Retrieved from https://digitalcommons.du.edu

Darmawan, D. (2013). *Metode Penelitian Kuantitatif* (Cetakan 1). Bandung, Indonesia: PT Remaja Rosdakarya.

Dyatama, A. N., & Yuliadi, I. (2015). Determinan Jumlah Pembiayaan Bank Syariah di Indonesia. *Jurnal Ekonomi & Studi Pembangunan*, *16*(1), 73–83.

Fauzan, M. (2017). Pengaruh Dana Pihak Ketiga dan Modal Sendiri Terhadap Pembiayaan Murabahah. *Jurnal Investasi Islam*, *2*(1), 1–20.

Harianto, S., Mizan, Al Amin, H., & Meilvinasvita, D. (2019). Determinan Pembiayaan Murabahah (Studi Pada Bank Pembiayaan Rakyat Syariah periode 2012-2017). *Jurnal Ekonomi Dan Bisnis*, *21*(1), 21–28.

Huang, R. (2019). Financial Situation and its Assessment in Wanda Group Company.

Husaeni, U. A. (2016). The Variables that Affect Murabaha Financing in Islamic Commercial Banks. *International Journal of Nusantara Islam*, *4*(2), 1–16.

Husaeni, U. A. (2017). Determinan Pembiayaan Pada Bank Pembiayaan Rakyat Syariah di Indonesia. *Esensi: Jurnal Bisnis Dan Manajemen*, *7*(1), 49–62.

Irwan, C. (2017). The Effect Of Financial Ratios On Islamic Rural Bank Performance In Indonesia. *International Journal*, *6*(8), 384–390.

Islam, M. T. U., & Ashrafuzzaman, M. (2015). A comparative study of Islamic and conventional banking in Bangladesh: Camel analysis. *Journal of Business and Technology (Dhaka)*, *10*(1), 73–91.

Janwari, Y. (2015). *Lembaga Keuangan Syariah* (Cetakan 1). Bandung, Jawa Barat Indonesia: Remaja Rosdakarya.

Mansour, W., Ben Jedidia, K., & Majdoub, J. (2015). How Ethical is I slamic Banking in the Light of the Objectives of I slamic Law? *Journal of Religious Ethics*, *43*(1), 51–77.

Masudah, M. (2017). Determinan Volume Pembiayaan Bank Umum Syariah Indonesia. *Ikonomika*, *2*(1), 53–62.

Nugroho, L., Utami, W., Doktoralina, C. M., & Husnadi, T. C. (2017). Islamic Banking Capital Challenges To Increase Business Expansion (Indonesia Cases). *International Journal of Commerce and Finance*, *3*(2), 1–10.

Pilbeam, K. (2018). *Finance & financial markets* (Fourth Edi). Macmillan International Higher Education.

Rustam, B. R. (2013). *Manajemen Risiko Perbankan Syariah di Indonesia*. Indonesia: Salemba Empat, Jakarta.

Siagian, Y. K., Budiman, I., & Kismawadi, E. R. (2017). Pengaruh Rasio Keuangan Terhadap Pembiayaan Murabahah di Bank Pembiayaan Rakyat Syariah Adeco Langsa Tahun 2013-2016. *Ihtiyath: Jurnal Manajemen Keuangan Syariah*, *1*(1), 56–78.

Ullah, A., & Giles, D. E. A. (2016). *Handbook of empirical economics and finance*. CRC Press.

Yanti, E. M. (2018). The Effect of DPK, Financing to Deposit Ratio and Non Performing Financing toward Financing and its Impact on Profitability of Indonesian Sharia Banking (Studies at Sharia Commercial Banks Period 2011-2015). *Account and Financial Management Journal*, *3*(01), 1240–1246. https://doi.org/10.18535/afmj/v3i1.03

Yaya, R., Martawireja, A. E., & Abdurahim, A. (2014). *Akuntansi Perbankan Syariah: Teori dan Praktik Kontemporer berdasarkan PAPSI 2013 edisi 2*. Indonesia: Salemba Empat.