

## MUDHARABAH, MUSYARAKAH, AND MURABAHAH AS DETERMINING FACTORS OF PROFITABILITY IN ISLAMIC COMMERCIAL BANKS

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**Abstract:** This study aims to analyze and assess the impact of mudharabah, musyarakah, and murabahah financing on the profitability of Islamic Commercial Banks (ICBs) in Indonesia, both individually (partially) and collectively (simultaneously). The research focuses on Islamic Commercial Banks registered with the Financial Services Authority (OJK) during 2019–2021. Using linear regression analysis, a quantitative research approach is employed to investigate the influence of mudharabah, musyarakah, and murabahah financing on profitability. The sampling technique used in this study is purposive sampling. At the same time, the dataset consists of secondary data in the form of quarterly financial reports obtained from the official websites of Islamic Commercial Banks for the 2019–2021 period. The analytical methods applied include multiple regression analysis, classical assumption testing, and hypothesis testing. The findings indicate that the independent variables collectively (simultaneously) influence profitability (measured by Return on Assets/ROA). However, when examined individually (partially), mudharabah financing does not exhibit a significant effect, whereas musyarakah and murabahah financing significantly negatively impact ROA.

**Keywords:** mudharabah, musyarakah, murabahah, profitability

### INTRODUCTION

Indonesia is a country with a Muslim majority population, which allows its people to follow the development of Islamic economics at the global level. Most Indonesian people are engaged in the trade and business sectors. Currently, the banking industry in Indonesia is experiencing rapid growth, which is in line with the increasing public understanding of the Islamic banking system, which is free from interest (riba). The establishment of Islamic banking institutions in Indonesia was

triggered by the high demand from the Muslim community, which wanted to avoid banking transactions that were considered to contain elements of usury. The prohibition of usury in Islamic teachings is the main principle in Islamic banks' operation, so every debt contract between Islamic banks and customers must be based on an interest-free system. The Islamic banking mechanism implements the Islamic economic system, which aims to apply Islamic values and ethics to economic paradigms and practices.

The Indonesian Banking Law, Law No. 7 of 1992, which was later amended by Law No. 10 of 1998, classifies banks based on their type of business activities into conventional and sharia banks. Sharia banks operate based on Islamic principles and reject the interest system, which is considered a representation of usury. In addition, Sharia banks must also be free from gharar (uncertainty) and may (speculation). In contrast, conventional banks rely heavily on the interest rate system, which is used to indicate customer creditworthiness and as a primary instrument in monetary policy.

Islamic banks have the main task of collecting and distributing funds to the community through credit or other schemes per Sharia principles. In addition, Islamic banks also carry out various business activities such as financing, loans, and the provision of banking services. The main types of financing in Islamic banks include mudharabah, musyarakah, and murabahah which play a role in influencing bank profitability. Islamic banks rely on the effectiveness of fund management through various financing schemes to increase profits. The performance of Islamic banks can be measured by their profitability, where optimal financing positively impacts profits. If the bank can maintain good performance every year, its profitability will increase. As an intermediary institution, Islamic banks play a role in managing funds as a place to store and distribute funds so that they can benefit the community. The financial performance of Islamic Commercial Banks in 2019-2021 had a Return On Assets (ROA) value that fluctuated and tended to decline. Meanwhile, the ROA value below the Bank Indonesia standard is sourced from the Indonesian Circular Letter No. 4 6/23/DPNP dated May 31, 2004, of 1.5%. The data above shows that in several periods, almost all Islamic commercial banks, especially Bank Muamalat Indonesia, experienced problems in terms of financial performance.

According to Karim (Dinar et al., 2021), mudharabah financing is a contract between the capital owner and the business manager, where the capital owner entrusts funds to the second party to be managed to obtain mutual profit. Meanwhile, musyarakah financing is a form of cooperation between two or more parties in running a business, where each party contributes based on an agreement and shares profits and losses according to the agreed portion of capital. According to Nurhayati and Wasilah (Faiz & Toni, 2019), murabahah is a sale and purchase transaction in which the seller states the cost of goods and sets a profit margin agreed upon with the buyer. In Islamic banking, the bank acts as the seller and the customer as the buyer. Mudharabah, musyarakah, and murabahah financing are essential parts of Islamic bank operations and impact their profitability level. This study replicates the research of Pratama et al. (2017), which tested the effect of mudharabah financing, musyarakah financing, and ijarah leasing on profitability but changed the independent variable of ijarah leasing with murabahah financing with the object of Islamic Commercial Banks in Indonesia for the period 2019-2021.

## **METHODS**

### **Types of Research**

This type of research uses quantitative descriptive research. Quantitative data is a type of data that can be measured (measurable) or calculated directly as a variable number or number. The numbers obtained will be analyzed further in data analysis. This study uses secondary data 44 sourced in the form of financial reports of Islamic general banks registered with the OJK for 2019 - 2021. Data obtained from the website [www.ojk.go.id](http://www.ojk.go.id).

### **Operational Definition of Profitability**

Return On Asset (ROA) is one form of ratio used in the profitability ratio to measure how much the company is capable of with all the funding sources that have been used for the company's operations in generating a company's profit, with the formula:

$$ROA = ( \text{net profit} / \text{Total Asset} ) \times 100\%$$

### Mudharabah Financing

According to PSAK 105 defines Mudharabah. Mudharabah is a business cooperation contract between two parties in which the first party (fund owner or shahibul maal) provides all funds. In contrast, the second party (investment manager or mudharib) acts as a manager. The profits are divided between them according to the agreement, while financial losses are only borne by the fund owner. The maharajah is calculated using the formula:

$$MDH = ( \text{Mudharabah Profit Sharing Income} / \text{Total Financing} ) \times 100\%$$

### Musyarakah Financing

According to PSAK 106, musyarakah is a cooperation contract between two or more parties for a particular business in which each party contributes funds with the provision that profits are shared by agreement. At the same time, losses are based on the contribution of funds. As for musyarakah, it is calculated using the formula:

$$MSH = ( \text{Musyarakah Profit Sharing Income} / \text{Total Financing} ) \times 100\%$$

### Murabahah Financing

In PSAK 102 Accounting, murabahah is a sale and purchase agreement for goods with a selling price of the acquisition cost plus an agreed profit, and the seller must disclose the acquisition cost of the goods to the buyer. According to Neneng et al. (2020), murabahah is selling goods with a selling price of the acquisition cost plus an agreed profit, and the seller must disclose the acquisition price of the goods to the buyer. The goods traded are called murabahah assets, namely assets obtained to be resold using a murabahah contract. The formula is:

$$MUR = ( \text{Murabahah Income} / \text{Total Financing} ) \times 100\%$$

### Population and Sample

The population of this study is the financial statements of Islamic Commercial Banks in the period 2019–2021. Sampling using purposive sampling with the following criteria:

- Sharia Commercial Banks (BUS) registered with the OJK in 2019 – 2021.
- Islamic General Banks (BUS) that publish financial and quarterly reports for 2019 – 2021.
- Islamic Commercial Banks (BUS) that did not experience losses during the 2019 – 2021 period.
- Islamic Commercial Banks (BUS) that have complete data on the variables studied, namely mudharabah, musyarakah, and murabahah financing. The sample used was 48 data, including 4 Islamic Commercial Banks: Bank Muamalat Indonesia, Bank Victoria Syariah, Bank Jabar Banten Syariah, and Bank BCA Syariah.

### Analysis Methods

This study uses multiple linear regression data analysis. Descriptive statistics describe data with statistics that refer to the average value (mean), standard deviation, and minimum and maximum values of all variables in the study (Imeh & Nana, 2021). Previously, a series of classical assumption tests will be carried out first. The multiple linear regression equation is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Information:

- Y : Profitability
- $\alpha$  : Constant
- $\beta$  : Regression Coefficient
- X1 : Mudharabah Financing
- X2 : Musyarakah Financing
- X3 : Murabahah Financing
- e : Standard Error

## Hypothesis Test Analysis

### 1. Simultaneous Test (F Test)

Variable testing not only carries out partial testing but also simultaneous testing or F-tests. A simultaneous Test or F-test is used to test how much influence the independent variable has on the dependent variable, with a significant value of 0.05 ( $\alpha = 5\%$ ) (Dinar et al., 2021).

### 2. Partial Test (t-Test)

According to Mualimah and Rimi (2019), in explaining multiple linear regression analysis, the partial Test (t-test) tests the partial influence of each independent variable on the dependent variable.

### 3. Coefficient of Determination ( $R^2$ ) Test

The coefficient of determination ( $R^2$ ) measures how far the model can explain the variation of the dependent variable. The coefficient of determination is between zero and one; if the value is small or close to zero, then the variation of the dependent variable is minimal. Meanwhile, if the value is significant or close to one, then almost all the information is needed to predict the dependent variable. The coefficient of determination value is between 0 and 1 (Ditha et al., 2017).

## FINDING AND DISCUSSIONS

### Description of Research Object

This study aims to examine the effect of Mudharabah, Musyarakah, and Murabahah Financing on the Level of Profitability, namely Return on Assets (ROA) of Islamic Commercial Banks (BUS) registered with the Financial Services Authority (OJK). The research period is 2019-2021.

**Table 1.** Sampling Process

No	Information	Amount
1.	BUS registered with OJK during the period 2019 – 2021.	12
2.	BUS did not publish financial reports and quarterly reports for the 2019–2021 period.	(1)
3.	BUS that experienced losses during the 2019–2021 period.	(2)
4.	BUS does not have complete data on the variables studied, namely mudharabah, musyarakah, and Murabaha.	(5)
<b>Companies that meet the criteria</b>		<b>4</b>
<b>Research Period and Quarterly Financial Reports (3x4)</b>		<b>12</b>
<b>Total Samples (4 Companies x 12)</b>		<b>48</b>

Source: Secondary data from OJK financial reports processed, 2023

### Descriptive Statistical Analysis

**Table 2.** Results of Descriptive Statistical Analysis

	Descriptive Statistics					
	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
Return On Assets	48	.0002	.0115	.004656	.0005766	.0039949
Mudharabah	48	.0035	.1200	.042958	.0045478	.0315080
Musyarakah	48	.1911	.7980	.501473	.0263510	.1825649
Murabahah	48	.1932	.7734	.455569	.0272166	.1885620
Valid N (listwise)	48					

Source: SPSS 23 output, processed data 2023

Table 2 above shows the number of samples, as many as 48. ROA has the lowest value of 0.0002 at Bank Muamalat Indonesia in 2019 and 2021. At the same time, the highest value (maximum) was 0.0115 at Bank BCA Syariah in 2019. Overall, the mean ROA value is 0.004656, which means that the average BUS has an ROA of 0.004656 with a standard deviation of 0.0039949, which shows that the data deviation is relatively small because the standard deviation value is smaller than the average value (mean). It is known that the Mudharabah (MUD) variable has the lowest value (minimum) of 0.0035 at Bank Victoria Syariah in 2021. The highest value (maximum) is 0.1200 at Bank BCA Syariah in 2021. The average Mudharabah value is 0.042958, which means that the average BUS has a Mudharabah of 0.042958 with a standard deviation of 0.0315080, which shows a relatively small data deviation because the standard deviation value is smaller than the average value.

It is known that Musyarakah (MUS) has the lowest (minimum) value of 0.1911 at Bank Jabar Banten Syariah in 2020. The highest (maximum) value was 0.7980 at Bank Victoria Syariah in 2020. The average (mean) value of Musyarakah is 0.501473, meaning that the average BUS has a Musyarakah of 0.501473 with a standard deviation of 0.1825649, which shows that the data deviation is relatively small because the standard deviation value is smaller than the average (mean) value.

It is known that Murabahah (MUR) had a minimum of 0.1932 at Bank Victoria Syariah in 2020. The highest (maximum) value was 0.7734 at Bank Jabar Banten Syariah in 2020. The mean Murabahah value of 0.455569 means that the average BUS has a Murabahah of 0.455569 with a standard deviation of 0.1885620, which shows that the data deviation is relatively small because the standard deviation value is smaller than the average value (mean).

### Results of the Classical Assumption Test Normality Test

**Table 3.** Normality Test Results  
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		48
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	1.38591415
Most Extreme Differences	Absolute	.113
	Positive	.113
	Negative	-.084
Test Statistic		.113
Asymp. Sig. (2-tailed)		.167 <sup>c</sup>

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

Source: SPSS 23 output, processed data 2023

Based on Table 3 above, after transforming to LN on all independent and dependent variables of the SPSS output, the significance value of Asymp. Sig (2-tailed) of 0.167 is more significant than 0.05. So, according to the basis for decision-making in the Kolmogorov-Smirnov normality test above, the data is usually distributed.

### Multicollinearity Test

**Table 4.** Multicollinearity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Correlations			Collinearity Statistics		
		B	Std. Error	Beta				Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	-11.914	2.788			-4.273	.000						
	Mudharabah	.300	.244	.170		1.228	.226	.261	.182	.165	.941	1.062	
	Musyarakah	-4.280	1.563	-1.145		-2.738	.009	-.093	-.382	-.368	.103	9.695	
	Murabahah	-4.007	1.473	-1.132		-2.719	.009	-.049	-.379	-.365	.104	9.612	

a. Dependent Variable: Return On Assets

Source: SPSS 23 output, processed data 2023

Based on Table 4 above, after being transformed to LN on all independent and dependent variables, the results of the multicollinearity test show that all independent variables, including mudharabah, musyarakah, and murabahah, have a tolerance value of >0.10 and a VIF value of <10.00. This can be shown by the maharajah tolerance value of 0.941 and the VIF value of 1.062, while the musyarakah tolerance value is 0.103 and the VIF value is 9.695, and the tolerance value is 0.104, and the VIF value is 9.612. It can be concluded that in the regression model of this study, the data is usually distributed, and there is no multicollinearity in the independent variables.

## Heteroscedasticity Test

**Table 5. Heteroscedasticity Test Results**

			Correlations			
			Mudharabah	Musyarakah	Murabahah	Unstandardized Residual
Spearman's rho	Mudharabah	Correlation Coefficient	1.000	.026	-.142	.109
		Sig. (2-tailed)	.	.858	.335	.463
		N	48	48	48	48
	Musyarakah	Correlation Coefficient	.026	1.000	-.987**	.052
		Sig. (2-tailed)	.858	.	.000	.726
		N	48	48	48	48
	Murabahah	Correlation Coefficient	-.142	-.987**	1.000	-.015
		Sig. (2-tailed)	.335	.000	.	.919
		N	48	48	48	48
	Unstandardized Residual	Correlation Coefficient	.109	.052	-.015	1.000
		Sig. (2-tailed)	.463	.726	.919	.
		N	48	48	48	48

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS 23 output, processed data 2023

Based on Table 5, the results of the heteroscedasticity test can be seen in the Sig. (2-tailed) value for the independent variables partially shown in the Unstandardized Residual shows the value of the mudharabah variable of 0.463 more than 0.05, while the value of the musyarakah variable is 0.726 more than 0.05, and the value of murabahah is 0.919 more than 0.05. So, this study does not show symptoms of heteroscedasticity.

## Autocorrelation Test

**Table 6. Autocorrelation Test Results**

Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.454 <sup>a</sup>	.206	.152	1.43238	1.532

a. Predictors: (Constant), Murabahah, Mudharabah, Musyarakah

b. Dependent Variable: Return On Assets

Source: SPSS 23 output, processed data 2023

Based on Table 6, the autocorrelation test results obtained a DW value of 1.532. This value will then be compared with the table value using a significance value of 5% (0.05), a sample size of 48 (n), and several independent variables of 3 (k-3); then, in the Durbin Watson table, a value of 1.4064 will be obtained. The existing numbers are entered into the decision-making formula for the presence or absence of autocorrelation, namely:  $DU < DW < 4 - DU$ , so  $1.4064 < 1.532 < 4 - 1.4064$ . From this formula, it can be seen that  $DU < DW$ , so it can be concluded that the hypothesis is accepted or there is no autocorrelation.

## Multiple Linear Regression Analysis

**Table 7. Multiple Linear Regression Analysis**

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-11.914	2.788		-4.273	.000
	Mudharabah	.300	.244	.170	1.228	.226
	Musyarakah	-4.280	1.563	-1.145	-2.738	.009
	Murabahah	-4.007	1.473	-1.132	-2.719	.009

a. Dependent Variable: Return On Assets

Source: SPSS 23 output, processed data 2023

Based on Table 7, the results of the multiple linear regression analysis above, the regression equation model obtained is as follows:

$$ROA = -11,914 + 0.300 MUD - 4,280 MUS - 4,007 MUR + e$$

The SPSS output results in Table 7 show that there are variables with negative signs, namely musyarakah and murabahah, and there are variables with positive signs, namely mudharabah. A negative sign can be interpreted as the fact that if the independent variable decreases, the related variable will decrease if the other variables are considered constant. Conversely, a positive sign if the variable increases, the related variable will increase if the other variables are considered constant. Based on these results, it can be seen in the regression equation as follows:

- a. The constant value shows a negative influence, meaning that if the independent variable has a constant value, the ROA value will automatically change by the continuous value, namely -11.914.
- b. The Maharajah coefficient value shows a positive value of 0.300. The maharajah value increases and other variables are considered constant, so the profitability value (ROA) will also increase.
- c. The musyarakah coefficient value shows a negative value of 4.280. The musyarakah value increases and other variables are considered constant; then, the profitability value (ROA) decreases.
- d. The murabahah coefficient value shows a negative value of 4.007. The murabahah value increases and other variables are considered constant; then, the profitability value (ROA) will decrease.

### Hypothesis Test Results

**Table 8. t-Test Results**  
Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-11.914	2.788		-4.273	.000
	Mudharabah	.300	.244	.170	1.228	.226
	Musyarakah	-4.280	1.563	-1.145	-2.738	.009
	Murabahah	-4.007	1.473	-1.132	-2.719	.009

a. Dependent Variable: Return On Assets

Source: SPSS 23 output, processed data 2023

Based on Table 8, the results of the t-statistic Test of the equation model show the following results:

a. Mudharabah

The first hypothesis test of mudharabah financing from the t-test results above shows a calculated T value of 1.228 with a significance value of 0.226 > 0.05. Thus, H0 is accepted, and H1 is rejected. It can be concluded that the mudharabah variable does not significantly affect the profitability variable (ROA). Thus, hypothesis one (H1) is rejected.

b. Musyarakah

The second hypothesis test of musyarakah financing from the t-test results above shows a calculated T value of -2.738 with a significance value of 0.009 < 0.05. Thus, H0 is rejected, and H2 is accepted. It can be concluded that the musyarakah variable significantly affects the profitability variable (ROA). Therefore, hypothesis one (H2) is accepted.

c. Murabahah

The third hypothesis test of murabahah financing from the t-test results above shows a calculated T value of -2.719 with a significance value of 0.009 < 0.05. Thus, H0 is rejected, and H3 is accepted. It can be concluded that the murabahah variable significantly affects the profitability variable (ROA). Therefore, the third hypothesis (H3) is accepted.

**Table 9. F Test Results**  
ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.451	3	7.817	3.810	.016 <sup>b</sup>
	Residual	90.276	44	2.052		
	Total	113.727	47			

a. Dependent Variable: Return On Assets

b. Predictors: (Constant), Murabahah, Mudharabah, Musyarakah

Source: SPSS 23 output, processed data 2023

Based on Table 9, it can be seen that there was a significant number of 0.016. So, it can be concluded that the considerable number of 0.016 is smaller than the significant level  $\alpha$  of 0.05. So, it can be concluded that the variables of mudharabah, musyarakah, and murabahah simultaneously influence profitability (ROA).

**Table 10. Coefficient of Determination Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.454 <sup>a</sup>	.206	.152	1.43238

a. Predictors: (Constant), Murabahah, Mudharabah, Musyarakah

Source: SPSS 23 output, processed data 2023

Based on Table 10, the coefficient of determination (Adjusted R<sup>2</sup>) value is 0.152. This means that the significant variation in the dependent variable of profitability (ROA) can be explained by the variation in mudharabah, musyarakah, and murabahah, which is 15.2%. Other variables outside this research model can explain the remaining 84.8%.

## Discussion

### The Influence of Mudharabah Financing on Profitability

The results of the multiple linear regression analysis that was carried out show that the multiple linear regression coefficient on mudharabah financing (MUD) is 0.300, with a t-test result of 1.228 and a significance value of 0.226. It can be concluded that the value of mudharabah financing (MUD) does not affect profitability (ROA). Thus, the first hypothesis (H1) is rejected. The results of this study reflect that maharajah financing does not affect profitability (ROA). This means that when Islamic banking has a high or low level of mudharabah financing, it does not significantly impact the financing decision to be used. In practice, mudharabah financing is still less attractive to banks in its distribution because of the uncertain level of profit in the mudharabah financing scheme, which uses the principle of profit and loss sharing so that the profits obtained depend on a customer's success. In addition, the significant risk in maharajah financing results in banks not getting profits but losses; the risk arising from mudharabah financing is more significant because the bank entirely owns the funds distributed and used by customer businesses, therefore the portion of mudharabah financing distributed is small in amount, so the profit contribution is also low. If a bank can manage the distribution of financing, especially mudharabah financing, well, of course, the profitability that the bank will receive will also be more significant because the high risk in mudharabah financing is directly proportional to the profits obtained. This is by the results of Muamela Resyarahma's (2021) study entitled The Effect of Mudharabah, Musyarakah, and Murabahah Financing on the Profitability of Islamic Commercial Banks in Indonesia in 2016-2019. States that mudharabah financing does not significantly affect profitability (ROA), which means that the uncertainty of profit income and a relatively high level of risk make banks less interested in distributing mudharabah financing. However, this is in contrast to research by Heikal et al. (2020), which states that maharajah financing significantly affects profitability (ROA).

### The Influence of Musyarakah Financing on Profitability

Based on the results of the multiple linear regression analysis that has been carried out, it shows that the multiple linear regression coefficient on musyarakah financing (MUS) is -4.280 with a t-test result of -2.738 and a significance value of 0.009. It can be concluded that the value of musyarakah financing (MUS) significantly affects profitability (ROA). Thus, the second hypothesis (H2) is accepted. The results of the study above reflect that musyarakah financing has a significant adverse effect on profitability (ROA), which means that the increasing volume of musyarakah financing will reduce the profitability obtained by Islamic Commercial Banks. Musharaka financing is a type of financing contract widely used in Islamic commercial banks, and its use has increased yearly. However, the results of the statistical tests showed that musharaka financing has a significant adverse effect on profitability. This can be caused by poor management of musharaka financing, so the financing quality is not optimal, and the profit sharing received also decreases. Thus, less-than-optimal management can cause profitability to decrease. In addition, this adverse effect can be caused by the risk of musharaka financing, which is quite large,

so it affects the profits obtained. This is based on the results of a study by Faiz and Toni (2019) entitled *The Effect of Murabahah, Musharaka, Mudharabah, and Ijarah on the Profitability of Islamic Commercial Banks in Indonesia*. States that musharaka financing has a significant adverse effect on profitability (ROA), which means that the increasing volume of musharaka financing will reduce the profitability obtained by Islamic Commercial Banks. However, this is in contrast to research by Muamela Resyarahma (2021), which states that the murabahah variable has a significant positive effect on profitability (ROA).

### **The Impact of Murabahah Financing on Profitability**

Based on the results of the multiple linear regression analysis that has been carried out, it shows that the multiple linear regression coefficient on murabahah financing (MUR) is -4.007 with a t-test result of -2.719 and a significance value of 0.009. It can be concluded that the value of murabahah financing (MUR) significantly affects profitability (ROA). Thus, the second hypothesis (H3) is accepted. The results of the study above reflect that murabahah financing has a significant adverse effect on profitability (ROA), meaning that the increasing volume of murabahah financing will reduce the profitability obtained by Islamic Commercial Banks. Murabahah is the most widely used financing method by Islamic commercial banks and is the most significant financing method compared to other financing methods. However, murabahah has a substantial adverse effect on profitability because the income Islamic banks receive from murabahah financing is in the form of a profit margin added to the acquisition price. In its payment, customers can make payments in cash after receiving the goods or in a deferred manner (installments). Most customers will choose to make their debt payments in installments. In deferred payments through installments, Islamic banks can increase their income by increasing profit margins.

In other words, the longer the payment period, the greater the margin set by Islamic banks, but the profits are received in stages. If the repayment is accelerated, Islamic banks' income will be less than optimal, impacting profitability. Another factor that causes profitability to decrease is the risk of customer default. The larger the murabahah contract made, the higher the risk of default. This is by the results of a study by Faiz and Toni (2019) entitled *The Influence of Murabahah, Musyarakah, Mudharabah, and Ijarah on the Profitability of Islamic Commercial Banks in Indonesia*. States that murabahah financing has a significant adverse effect on profitability (ROA), which means that the greater the volume of murabahah financing, the lower the profitability obtained by Islamic Commercial Banks. However, this is in contrast to the research of Muamela Resyarahma (2021), which states that the murabahah variable has a negative but insignificant effect on profitability (ROA).

### **CONCLUSION**

Based on the objectives of this study are to test mudharabah, musyarakah, and murabahah financing on profitability at Islamic Commercial Banks registered with the Financial Services Authority (OJK) in 2019-2021, which have been explained in the previous chapters so that this study can be concluded as follows, the mudharabah variable partially has a positive and insignificant effect on the level of profitability at Islamic Commercial Banks for the period 2019 - 2021. The musyarakah variable partially has a negative and significant impact on the level of profitability at Islamic Commercial Banks for 2019 - 2021. The murabahah variable partially has a negative and significant effect on the level of profitability at Islamic Commercial Banks for 2019 - 2021.

Based on the results of the research conducted, the advice that can be given is that for Islamic banking, Islamic general banks should be more careful in choosing customers who will cooperate using profit-sharing and buying and selling financing because profit-sharing financing has a higher risk. The bank must be able to minimize the risks in the funding. While in buying and selling financing, it is emphasized that customers are more punctual in returning funds. In the future, Islamic banking should further develop mudharabah, musyarakah, and murabahah funding to attract customers' interest in working together, thus affecting the income received by the bank. For investors who want to invest their shares in Islamic general banks, it is expected to provide information and consideration regarding the factors that influence the right decision in investing.

Indicators in the study can be replaced with other proxies or added with other variables that affect ROA in Islamic commercial banks. This study can also be developed by expanding the previous research model. Using more complete and accurate methods and test tools to obtain more valid conclusions. Expanding the study by extending the research period by adding years of research, increasing samples for future research, and also changing the research sample using samples from Islamic Business Units in Indonesia. Some limitations in this study that can and need to be used as material for improvement in further research are the relatively short research period, namely from 2019 - 2021, so it does not show the influence of financial ratios on the actual profitability of banking companies. In the research, the Adjusted R square of the independent variable on the dependent variable could only explain 15.2 percent. Other factors outside this research model are also included in the comparison. Influenced the remaining 84.8 percent 3After conducting research and testing on the research variables, there was one variable, namely mudharabah, which did not affect profitability (ROA).

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