THE EFFECT OF MURABAHAH, MUDHARABAH, MUSYARAKAH AND CAPITAL ADEQUACY RATIO FINANCING ON PROFITABILITY OF SHARIA COMMERCIAL BANKS IN INDONESIA WITH NON PERFORMING FINANCING RATIO AS MODERATING VARIABLES

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Abstract: The purpose of this study was to determine the effect of murabahah, mudharabah, musyarakah, and capital adequacy ratios partially and simultaneously on profitability in Islamic Commercial Banks in Indonesia. In addition, this study also aims to test whether non-performing financing variables are able to moderate the relationship between each of the murabahah, mudharabah, musyarakah and capital adequacy ratio variables to profitability in Islamic Commercial Banks in Indonesia. The population of this research is as many as 13 Sharia Commercial Banks with years of observation starting from 2008 to 2017. Samples were selected using the purposive sampling method. The method of data analysis uses multiple regression and moderating regression analysis. The results of this study indicate that murabahah financing and capital adequacy ratios have a positive and significant effect on profitability. Mudharabah financing has a positive and not significant effect on profitability. While Musyarakah financing has a negative and not significant effect on profitability. The results of the moderating variable indicate that non-performing financing has a significant effect as a moderating variable both between murabahah, mudharabah and musyarakah financing towards profitability. Conversely, non-performing financing does not have a significant effect as a moderating variable between capital adequacy ratio to profitability.

Keywords: Murabahah, Mudharabah, Musyarakah, Capital Adequacy Ratio, Non Performing Financing, Profitability.

1. Introduction
The economy must have something to do with the world of finance and banking. The existence of Islamic banks in the midst of conventional banking is to offer a banking system for Muslims in need. With the progress of its impressive development, which has achieved an average asset growth of more than 65% per year in the last five years, it is expected that the role of the Islamic banking industry in supporting the national economy will be increasingly significant (OJK, 2017). Asset growth shows that Islamic Commercial Banks in Indonesia are growing rapidly. However, the controversy is that there is a phenomenon that Sharia Commercial Banks have lower ROA values than Conventional Commercial Banks.
Based on Figure 1, changes in the numbers of profitability ratios achieved by Conventional Commercial Banks and Islamic Commercial Banks use indicators of ROA (Return On Assets) obtained from 2013-2017. The value of ROA in Islamic Commercial Banks in 2013 was 2% and decreased in 2014 by 0.8% and then increased by 1.15% in 2015 and 2016 by 1.2% and again increased in 2017 by 1.55%. Figure 1 also shows the value of ROA of Conventional Commercial Banks in 2013 of 3.13% then continued to decline from 2014 (3.08%), 2015 (2.85%), 2016 (2.32%) and 2017 (2.23%). Although the ROA for Conventional Commercial Banks decreases annually in 2013-2017, ROA for Sharia Commercial Banks is lower than Conventional Commercial Banks. This shows that Islamic banks in Indonesia are not good at managing assets owned to generate profits. The decline in ROA in Indonesian sharia banking will certainly have an impact on decreasing earnings income in the banking industry in Indonesia.

In the use of assets and the operation of Islamic banks as well as conventional banks, it functions to mobilize funds from the community and channel the funds back to the public by utilizing the productive assets owned by the bank. One of the earning assets owned by Islamic banks is financing. Financing is a business product of Islamic banks that is able to generate profits. In the well-known financing Islamic finance services, namely financing with the principle of profit sharing including mudharabah financing and musyarakah financing and there are also financing with the principle of buying and selling, among others, murabahah financing.

Murabahah uses the principle of buying and selling where the bank behaves as a seller and customer as a buyer. Benefits are agreed upon when the transaction is carried out. Financing with the principle of profit sharing with mudharabah contract is a contract of business cooperation between the bank as the owner of the fund (Shahibul maal) and the customer as an entrepreneur or fund manager (mudharib), to conduct business with profit sharing according to the agreement in advance. (Nabhan, 2008). Financing with other profit sharing principles, namely financing with the Musyarakah contract, is a form of trade cooperation agreement between several capital owners to include their capital in a business, where each party has the right to participate in the implementation of the business management.

Capital Adequacy Ratio (CAR) is a ratio that shows how far all bank assets that contain risks (credit, participation, securities, bills on other banks). In other words CAR is a bank’s performance ratio to measure the capital adequacy of a bank.
to support assets that contain or produce risks. The high risk of financing is reflected in the problematic financing ratio, often known as Non Performing Financing (NPF). Non-Performing Financing means financing which in its implementation has not reached or fulfilled the desired target of the bank such as the return of principal or the share of the problematic results.

Table 1 Number of Funds Distributed

<table>
<thead>
<tr>
<th>Year</th>
<th>Murabahah Financing</th>
<th>Mudharabah Financing</th>
<th>Musyarakah Financing</th>
<th>CAR %</th>
<th>NPF %</th>
<th>ROA %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3,546,361</td>
<td>106,851</td>
<td>426,528</td>
<td>22.08</td>
<td>6.50</td>
<td>2.79</td>
</tr>
<tr>
<td>2014</td>
<td>3,965,543</td>
<td>122,467</td>
<td>567,658</td>
<td>22.77</td>
<td>7.89</td>
<td>2.26</td>
</tr>
<tr>
<td>2015</td>
<td>4,491,697</td>
<td>168,516</td>
<td>652,316</td>
<td>21.47</td>
<td>8.20</td>
<td>2.20</td>
</tr>
<tr>
<td>2016</td>
<td>5,053,764</td>
<td>156,256</td>
<td>774,949</td>
<td>21.73</td>
<td>8.63</td>
<td>2.27</td>
</tr>
<tr>
<td>2017</td>
<td>5,904,751</td>
<td>124,497</td>
<td>776,696</td>
<td>20.81</td>
<td>9.68</td>
<td>2.55</td>
</tr>
</tbody>
</table>

Source: 2017 Financial Services Authority

Based on Table 1, the most dominant financing in Islamic banking is murabahah financing, then musyarakah financing, and finally mudharabah financing. Realization is always expected of course if financing rises, then ROA and CAR increase, NPF decreases. Can be seen in 2013 until 2017 ROA has decreased and increased fluctuatively. Increasing funding has not been able to make the percentage of ROA increase. ROA in 2013 decreased by 0.53% and percentage CAR ratio increased by 0.69%, while NPF increased by 1.39%. This indicates that the increasing amount of financing turned out to provide a potential for increased CAR and ROA and it turned out to also provide a potential financing problem (NPF) which also increased.

2. Literature Review

2.1. Monopoly Theory of Profit

This theory says that some companies with monopoly powers can limit output and set a higher price than if the company operates in perfect competitive conditions. Thus the company enjoys profits. Companies with monopoly powers limit output and impose higher prices than under perfect competition. This causes the above profits to be normally obtained by monopolistic companies. Profit as a predictive tool that helps in future profit forecasting and upcoming economic events. Profit can be seen as a measure of efficiency. Profit is a measure of management (stewardship) management of the resources of a unit and a measure of management efficiency in running a business.

2.2. Signalling Theory

Signalling theory suggests how a company should signal to financial statement users. This signal is in the form of information about what management has done to realize the owner. Signalling theorists explain why companies have the incentive to provide financial statement information to external parties. The company encourages to provide information because there is information asymmetry between the company and outside parties because the company knows
more about the company and future prospects than outside parties (investors and creditors). The use of signalling theory, information in the form of ROA or the rate of return on assets or also how much profit earned from assets is used, thus if ROA is high it will be a good signal for investors, because with high ROA the performance of the company is good then investors will be interested in investing funds in the form of securities or shares.

2.3. Profitability

Profitability (profit) is the result of the wisdom taken by management. Profit ratio to measure how much the level of profit that can be obtained by the company. The greater the level of profit shows the better management in managing the company (Biegel, John E., 1992). This ability is carried out in a period. A healthy bank is a bank that is measured by profitability or profitability which continues to increase above the standard set. Profitability ratio can be measured by Return On Asset. This profitability ratio simultaneously describes the efficiency of the performance of the bank concerned. The greater the Return on Assets (ROA) of a bank, the greater the level of profit achieved by the bank, and the better the position of the bank in terms of asset use.

2.4. Murabahah Financing

Bai 'al-murabahah is basically a sale and purchase transaction of goods with agreed-upon additional profits, to meet the needs of goods by its customers, the bank buys goods from suppliers according to the specifications of goods ordered or needed by the customer, then the bank resells the item to the customer by obtaining agreed profit margin.

2.5. Mudharabah Financing

Mudharabah is a form of cooperation between two parties or more where the capital owner (Shahib al-mal) entrusts a certain amount of capital to the manager (mudharib) with a profit agreement. The amount of capital submitted to customers as capital managers must be submitted in cash and can be in the form of money or goods which are stated in units of money. If capital is submitted in stages, the stages must be clear and agreed upon. The results of managing mudharabah financing can be calculated in a way, namely: calculation of project revenue (revenue sharing) calculation of project profits (profit sharing).

2.6. Musyarakah Financing

Musyarakah is cooperation between the two parties or more for a particular business where each party contributes funds with benefits and risks to be borne together in accordance with the agreement. Musharakah transactions are based on the desire of the parties working together to increase the value of the assets they have together. All forms of business involving two or more parties where they jointly integrate all forms of resources both tangible and intangible.
2.7. Capital Adequacy Ratio (CAR)

CAR is a capital adequacy ratio that must be provided to guarantee depositors' funds. The aim is that the liquidity / ability of banks to pay to depositors is quite guaranteed (Koncoro, 2002). Capital is one of the important factors in the context of developing a business and accommodating the risk of loss, the higher the CAR, the stronger the bank's ability to bear the risk of any credit / productive assets at risk. The calculation of minimum capital provision or bank capital adequacy (capital adequacy) is based on the ratio or comparison between the capital owned by the bank and the number of Risk Weighted Assets (RWA).

The results of the calculation of the bank's capital ratio are then compared to the minimum capital provision obligations (i.e. 8%). Based on the comparison, it can be known whether the bank in question has fulfilled the capital adequacy provisions or not.

2.8. Non Performing Financing (NPF)

Non Performing Loans (NPL) at conventional banks or at Sharia banks are called Non Performing Financing (NPF), which are financial ratios related to the risk of financing provided by banks, so this ratio shows the ability of bank management to manage troubled financing provided by banks to customers. The higher the NPF ratio, the worse the quality of bank credit that causes the number of problem loans to increase, the greater the likelihood of a bank in problematic conditions.

Total financing in this case is the financing given to third parties not including financing to other banks. Problematic financing is financing with substandard, doubtful, and loss quality. Muhammad (2005, 265). The ratio is intended to measure the level of financing problems faced by Islamic banks.

2.9. Hypothesis

This study measures murabahah financing, mudharabah financing, musyarakah financing, capital adequacy ratio to the profitability of sharia commercial banks with moderate non-performing financing ratios. This research was measured through public financial reports and annual reports. Good disclosure by Islamic banks is expected to be able to answer the expectations of depositors regarding sources of funds to carry out operations and management of funds in accordance with the rules of sharia rules. The response from depositors to the disclosure in the annual report is transparency of management to the public. Company size is a characteristic that is no less important. The larger the firm size the greater the profitability.

Based on theoretical and conceptual frameworks, the research hypothesis is as follows:

H1: Effect of Murabahah Financing on the profitability of Sharia Commercial Banks in Indonesia.
H2: Effect of Mudharabah Financing on the profitability of Sharia Commercial Banks in Indonesia.
H3: Effect of Musharaka Financing on the profitability of Sharia Commercial Banks in Indonesia.
H4: Effect of Capital Adequacy Ratio on profitability of Sharia Commercial Banks in Indonesia.
H7: Effect of Relationship on Non-Performing Financing Ratio Moderating the Effect of Musharaka Financing on Profitability of Sharia Commercial Banks in Indonesia.
H8: Effect of Relationship on Non Performing Financing Ratio Moderating the Effect of Capital Adequacy Ratio on Profitability of Islamic Commercial Banks in Indonesia.

3. Method
This study aims to test hypotheses and is a study that explains phenomena in the form of relationships between variables (Erlina, 2011). The type of data used is quantitative data. This research was conducted on Indonesian Sharia Commercial Banks registered with Bank Indonesia for the period 2008-2017. The population in this study is the annual financial statements regarding Islamic banking taken from the financial statements of each bank for the period 2008-2017. The research instrument is documentation guidelines. The data analysis technique used is multiple regression analysis and classical assumption test (normality, heterocedasticity, multicollinearity, autocorrelation) and significance tests (t test, F test, coefficient of determination). Selection of Estimation Method used to work with panel data, namely: Common Effect Model (CEM), Fixed Effect Model (FEM), Random Effect Model (REM). Testing of Moderating Variables with interaction tests.

4. Result and Discussion
4.1. Result
Based on the tests that have been done, the following are the results of multiple regression analysis, classic assumption tests and hypothesis testing.

Descriptive Statistics Analysis
Table 2 Descriptive Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>ROA (Y)</th>
<th>Murabahah (X1)</th>
<th>Mudharabah (X2)</th>
<th>Musyarakah (X3)</th>
<th>CAR (X4)</th>
<th>NPF (Z)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Min</td>
<td>-20.13</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Max</td>
<td>12.49</td>
<td>2176053</td>
<td>1723618</td>
<td>4444876</td>
<td>195.14</td>
<td>4.93</td>
</tr>
<tr>
<td>Mean</td>
<td>1.09</td>
<td>124311.66</td>
<td>205715.31</td>
<td>245444.27</td>
<td>19.96</td>
<td>1.52</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>3.05</td>
<td>307835.65</td>
<td>365388.74</td>
<td>553111.75</td>
<td>23.60</td>
<td>1.59</td>
</tr>
</tbody>
</table>

The average value is far lower than the maximum value, meaning that financing from 13 banks for 11 years has not been able to reach or maintain the max value that has ever been obtained. The value of this financing has been unstable for
11 years, which indicates that this funding has not gone well. The average value of CAR is considered to be quite good because it is above 12% according to the soundness of the bank. The average value of NPF is considered to be quite good because it is below 2% according to the soundness of the bank. The average value of ROA is said to be quite healthy but still far compared to the bank's health level above 1.25%.

**Classic assumption test**

Normality test in this study, using Jarque-Bera test (J-B). In this study, the significance level used was $\alpha = 0.05$. If the probability value $p \geq 0.05$, then the assumption of normality is fulfilled. If the probability is $<0.05$, then the assumption of normality is not fulfilled. It is known that the probability value of the J-B statistic is 0.184832. Because the probability value $p$, which is 0.184832 is greater than the significance level, which is 0.05. This means that the assumption of normality is fulfilled.

Multicollinearity test in this study, can be seen from the correlation value between variables contained in the correlation matrix. Ghozali (2013) states that if there is a high correlation between independent variables, which is above 0.9, then this is an indication of multicollinearity.

<table>
<thead>
<tr>
<th></th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>1.000000</td>
<td>0.746939</td>
<td>0.784320</td>
<td>0.537558</td>
</tr>
<tr>
<td>X2</td>
<td>0.746939</td>
<td>1.000000</td>
<td>0.775871</td>
<td>0.430845</td>
</tr>
<tr>
<td>X3</td>
<td>0.784320</td>
<td>0.775871</td>
<td>1.000000</td>
<td>0.523540</td>
</tr>
<tr>
<td>X4</td>
<td>0.537558</td>
<td>0.430845</td>
<td>0.523540</td>
<td>1.000000</td>
</tr>
</tbody>
</table>

The results of multicollinearity testing, it can be concluded that there are no symptoms of multicollinearity between independent variables. This is because the correlation value between independent variables is not more than 0.9.

The autocorrelation test in this study, can be seen from the assumptions about the independence of residuals (non-autocorrelation) can be tested using the Durbin-Watson test (Field, 2009). The statistical value of the Durbin-Watson test ranges between 0 and 4. The value of the Durbin-Watson statistic in this study is 1.048024. The Durbin-Watson statistical value lies between 1 and 3, which is 1 <1.048024 <3, so the assumption of non-autocorrelation is fulfilled.

Heteroscedasticity test in this study, can be seen from the presence or absence of heteroscedasticity. To find out there are symptoms of heteroscedasticity can be done by the Breusch-Pagan test. Obs * R-Squared Prob Value in this study was 0.0753 > 0.05, which means there is no heteroscedasticity.

**Determination of the Estimation Model**

Determination of Estimation Model between Common Effect Model (CEM) and Fixed Effect Model (FEM) with Chow Test. Known $H_0$: The CEM model is better than the FEM model. $H_1$: The FEM model is better than the CEM model. The Chi-square cross-section probability value can be $<0.05$, then $H_0$ is rejected and $H_1$ is accepted. Then the estimation model chosen is FEM.
Determination of Estimation Model between Fixed Effect Model (FEM) and Random Effect Model (REM) with Hausman Test. Based on the results of the Hausman test, it is known that the probability value is 0.0024. Because the probability value is 0.0024 <0.05, the estimation model used is the fixed effect model (FEM) model.

**Hypothesis testing**

In testing the hypothesis, the coefficient of determination analysis will be carried out, testing for simultaneous influence (F test), and testing for partial influence (t test).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1?</td>
<td>0.048269</td>
<td>0.023030</td>
<td>2.095951</td>
<td>0.0381</td>
</tr>
<tr>
<td>X2?</td>
<td>-0.036230</td>
<td>0.020017</td>
<td>-1.809955</td>
<td>0.0727</td>
</tr>
<tr>
<td>X3?</td>
<td>0.003334</td>
<td>0.021134</td>
<td>0.157758</td>
<td>0.8749</td>
</tr>
<tr>
<td>X4?</td>
<td>0.415152</td>
<td>0.041224</td>
<td>10.07064</td>
<td>0.0000</td>
</tr>
<tr>
<td>C</td>
<td>-0.930744</td>
<td>0.106459</td>
<td>-8.742757</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

Coefficient of determination analysis. The coefficient of determination (Adjusted R-squared) is equal to R² = 0.5926. This value can be interpreted as murabahah, mudharabah, musyarakah, CAR simultaneously or jointly affecting ROA of 59.26%, the remaining 40.74% is influenced by other factors.

Significance test of simultaneous influence (Test F). The Prob value is known. (F-statistics), which is 0.0000 <0.05, it can be concluded that all independent variables, namely murabahah, mudharabah, musyarakah, CAR simultaneously, have a significant effect on the ROA variable.

Test of Significance of Partial Influence (Test t). Murabahah variable has regression coefficient value of 0.048 and probability value of 0.0381, it is concluded that murabahah has a positive and significant effect on profitability. Mudharabah variable has regression coefficient value of -0.036 and probability value of 0.0727, it is concluded that mudharabah has a negative and not significant effect on profitability. Musyarakah variable has regression coefficient value of 0.003 and probability value is 0.8749, it is concluded musyarakah has a positive and not significant effect on profitability. Variable Capital Adequacy Ratio has a regression coefficient of 0.415 and a probability value of 0.000, it is concluded that Capital Adequacy Ratio has a positive and significant effect on profitability.

**Moderation Significance Test (Interaction Test)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.024539</td>
<td>0.020690</td>
<td>1.186015</td>
<td>0.2376</td>
</tr>
<tr>
<td>Z</td>
<td>0.456310</td>
<td>0.103366</td>
<td>4.414513</td>
<td>0.0000</td>
</tr>
<tr>
<td>X1Z</td>
<td>-0.058938</td>
<td>0.012032</td>
<td>-4.898494</td>
<td>0.0000</td>
</tr>
<tr>
<td>C</td>
<td>0.081864</td>
<td>0.190430</td>
<td>0.429892</td>
<td>0.6679</td>
</tr>
</tbody>
</table>
In testing moderation with an interaction test approach, the Prob value for X1Z is 0.0000 < 0.05, then it is concluded that NPF is significant in moderating the effect of murabahah on profitability.

Table 6 NPF Significance Test in Moderating the Effects of Mudharabah on Profitability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X2</td>
<td>-0.006008</td>
<td>0.017595</td>
<td>-0.341466</td>
<td>0.7333</td>
</tr>
<tr>
<td>Z</td>
<td>0.450841</td>
<td>0.094476</td>
<td>4.772019</td>
<td>0.0000</td>
</tr>
<tr>
<td>X2Z</td>
<td>-0.051399</td>
<td>0.011219</td>
<td>-4.581513</td>
<td><strong>0.0000</strong></td>
</tr>
<tr>
<td>C</td>
<td>0.283682</td>
<td>0.168916</td>
<td>1.679430</td>
<td>0.0953</td>
</tr>
</tbody>
</table>

Y = 0.283 - 0.006X2 + 0.450Z - 0.05X2Z + ε

In testing moderation with an interaction test approach, the Prob value for X1Z is 0.0000 < 0.05, then it is concluded that NPF is significant in moderating the effect of murabahah on profitability.

Table 7 NPF Significance Test in Moderating the Effects of Mudharabah on Profitability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X3</td>
<td>0.024694</td>
<td>0.018807</td>
<td>1.313027</td>
<td>0.1913</td>
</tr>
<tr>
<td>Z</td>
<td>0.330777</td>
<td>0.099385</td>
<td>3.328223</td>
<td>0.0011</td>
</tr>
<tr>
<td>X3Z</td>
<td>-0.045978</td>
<td>0.012431</td>
<td>-3.698601</td>
<td><strong>0.0003</strong></td>
</tr>
<tr>
<td>C</td>
<td>0.085866</td>
<td>0.183739</td>
<td>0.467327</td>
<td>0.6410</td>
</tr>
</tbody>
</table>

Y = 0.24 + 0.024X3 + 0.330Z - 0.04X3Z + ε

In testing moderation with an interaction test approach, the Prob value for X3Z is 0.0003 < 0.05, so NPF is concluded to be significant in moderating the influence of musharaka on profitability.

Table 8 NPF Significance Test in Moderating the Effect of CAR on Profitability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X4</td>
<td>0.324437</td>
<td>0.176529</td>
<td>1.837873</td>
<td>0.0682</td>
</tr>
<tr>
<td>Z</td>
<td>-0.035048</td>
<td>0.225870</td>
<td>-0.155168</td>
<td>0.8769</td>
</tr>
<tr>
<td>X4Z</td>
<td>-0.067312</td>
<td>0.079887</td>
<td>-0.842591</td>
<td><strong>0.4009</strong></td>
</tr>
<tr>
<td>C</td>
<td>-0.564345</td>
<td>0.523184</td>
<td>-1.078675</td>
<td>0.2826</td>
</tr>
</tbody>
</table>

Y = -0.56 + 0.32X4 - 0.03Z - 0.06X4Z + ε

In testing moderation with an interaction test approach, the Prob value for X4Z is 0.4009 > 0.05, then it is concluded that NPF is not significant in moderating the effect of CAR on profitability.

4.2. Discussion
The Effect of Murabahah Financing on Profitability

Hypothesis test results show that murabahah financing variables have a positive and significant effect partially on the variable profitability (ROA). This is in line with the research conducted by (Wicaksana, 2011) which shows that
murabahah financing has a positive and significant effect on profitability. The results of this study indicate that the higher the murabahah financing, which is one type of sale and purchase financing, the higher the profitability of sharia commercial banks proxied by Return on Asset. The increase in the distribution of murabahah financing had an impact on the increase in bank profits. In addition, murabahah financing is the largest financing channelled by sharia commercial banks.

The Effect of Mudharabah Financing on profitability

The results of hypothesis testing indicate that the mudharabah financing variable has a negative and not significant effect on profitability. This is in line with the research conducted by (Novi Kurnia, 2016) which shows that partially mudharabah financing does not have a significant effect on profitability (ROA). This study shows that the management of mudharabah financing is more difficult than other types of financing. Costs incurred in managing this financing are also higher than other types of financing. The income obtained from this financing may still not run optimally so that it has not been able to offset the costs incurred. Therefore, the contribution of income from this financing is still not able to optimize the ability of Islamic banks to generate profits.

The Effect of Musyarakah Financing on profitability

The results of hypothesis testing indicate that the musyarakah financing variable has a positive and not significant effect on profitability. This is in line with the research conducted (Yunita, Darwanto, 2017) showing that musharaka has a positive and insignificant effect. This study shows that Musharaka financing has a positive effect on profitability because musyarakah financing is far more widely used than mudharabah.

This product from Musyarakah financing is widely used because it is classified as more successful than mudharabah, where in the misguided financing both parties contribute to the provision of capital and each of them also comes down directly together in the management process. When getting a profit it will be divided based on the agreed profit sharing ratio at the beginning in proportion to the size of the capital used. Therefore, when customers and banks jointly carry out business activities, the results obtained are far more optimal than customers only providing capital as is the procedure in murabahah financing.

The Effect of Capital Adequacy Ratio (CAR) on profitability

The results of hypothesis testing indicate that the CAR variable has a positive and significant effect on profitability. This is in line with the research conducted by (Fauzul Imam, 2017) which shows that the capital adequacy ratio, has a positive and significant effect on return on assets. This study shows that the greater the CAR, the higher the bank profits. In other words, the smaller the risk of a bank, the greater the profit the bank gets. With sufficient CAR or fulfilling requirements, the bank can operate so that profits are created. In other words, the higher the CAR, the better the performance of a bank. Optimal credit distribution, assuming no traffic jams will increase profits which will ultimately increase ROA.
The Effect of The Relationship Between Non Performing Financing Ratio Moderates The Effect of Murabahah Financing on Profitability

The results of the moderation test with interaction tests show that NPF is significant in moderating the effect of murabahah on profitability. This is in line with research conducted by Novi Kurnia Putri (2016) which states that NPF in this study is stated as a moderating variable that can strengthen or even weaken the influence of TPF, murabahah financing collected from the public on profitability (ROA), the increasing ratio of NPF, the effect on murabahah financing will decrease. This statement also said that the bank intermediary function in collecting funds and channeling them back to the public had not been able to run optimally, resulting in a decrease in bank funds turnover, and reducing Islamic banks to get profits in channeling financing or credit.

The Effect of The Relationship Between Non Performing Financing Ratio Moderates The Effect of Mudharabah Financing on Profitability

The results of the moderation test with interaction tests show that NPF is significant in moderating the effect of mudharabah. This is in line with the research conducted by Putri (2016) which states that NPF in this study is stated as a moderating variable that can strengthen or even weaken the influence of TPF, mudharabah financing collected from the public on profitability (ROA). NPF moderates the effect of mudharabah profit-based financing on the performance of sharia commercial banks that are proxied by ROA. In the profit sharing financing contract, Islamic commercial banks have an obligation to share the investment risk that may have a high level of risk. This can lead to agency theory between sharia commercial banks and mudarib (customers) as business managers.

The Effect of The Relationship Between Non Performing Financing Ratio Moderates The Effect of Musyarakah Financing on Profitability

The results of the moderation test with interaction tests show that NPF is significant in moderating the influence of musharaka on profitability. This is in line with the research conducted by Putri (2016) which states that NPF in this study is stated as a moderating variable that can strengthen or even weaken the influence of TPF, musyarakah financing collected from the public on profitability (ROA). In general, the increasing ratio of NPF, the effect on the value of ROA, mudharabah financing and musyarakah financing will decrease. This statement also said that the bank intermediary function in collecting funds and channeling them back to the public had not been able to run optimally, resulting in a decrease in bank funds turnover, and reducing Islamic banks to get profits in channeling financing or credit. In addition, if the NPF value of a bank is more than 5%, the bank must have a number of reserve funds to maintain the value of the bank's liquidity and solvency in order to be able to protect depositors.

The Effect of The Relationship Between Non Performing Financing Ratio Moderates Capital Adequacy Ratio To Profitability

The results of the moderation test with interaction tests show that NPF is not significant in moderating the effect of CAR on profitability. This is in line with the
research conducted by Muhammad Taufik (2017) which states that NPF in this study NPF does not moderate the effect of CAR on ROA. The results of this study are not in accordance with the theory because according to the theory the increasing ratio of NPF, the effect on the Capital Adequacy Ratio (CAR) will decrease. In this study found different results that NPF is not significant in moderating the effect of CAR on ROA because each Islamic bank that operates does not optimize existing capital. This happened because of the regulations of the Financial Services Authority which required each bank to have a minimum CAR value of 8% to be said to be healthy. This is what causes Islamic banks to always try to keep the CARs owned in accordance with the provisions set by the government.

5. Conclusions And Suggestions

5.1. Conclusion

Based on the results of research and hypothesis testing that has been done, some conclusions can be taken as follows:

1. Murabahah has a positive and significant effect on ROA.
2. Mudharabah has a negative effect on ROA, but it is not significant.
3. Musyarakah has a positive effect on ROA, but it is not significant.
4. CAR has a positive and significant effect on ROA.
5. NPF is significant in moderating the effect of murabahah, on ROA
6. NPF is significant in moderating the effect of mudharabah on ROA
7. NPF is significant in moderating the influence of musyarakah on ROA,
8. NPF is not significant in moderating the effect of CAR on ROA.

5.2. Research Limitations

The researcher realized that there were limitations in this study, including:

1. This condition of the banking sector which tends to be different causes a considerable range of numbers, between banks. This condition is caused by internal factors owned by each bank.
2. Independent variables used by researchers in this study there are only four variables that are limited.
3. The time period used is 2008 to 2017 using annual financial report data because there are still many Islamic banks that have not operated under 2008.
4. In terms of the object of this research, it is still quite limited, only using Islamic Commercial Banks.
5. The variables used in this study are only murabahah, mudharabah, musyarakah, and car financing, so this variable is only able to explain 59% of its effect on Return On Assets.

Suggestion

1. For the bank management by referring to this research, it is expected to always maintain the level of capital adequacy, so that in the end with sufficient levels of capital adequacy, the bank's financial performance will increase. In addition, the operational efficiency of a bank is the most factor to be considered in relation to increasing the profit of a bank. due to the
function of the bank as an intermediary, the bank's operational efficiency greatly influences the size of the profits obtained by the bank. the more efficient the bank's operations, the greater the profit the bank will get. Thus, for bank management it is very important to pay attention and control the movement of this ratio so that the bank is always at a level of efficiency that can produce optimal profits.

2. For investors, it is necessary to pay attention to the operational efficiency ratio. If this ratio is low then it can be seen that the bank's operations are more efficient and as investors can expect the bank to generate greater profits. Then the capital adequacy can be used by investors as a material consideration to determine its investment strategy. Because the bigger the capital adequacy ratio of a bank, the higher the return on assets that the bank will get.

3. For the next researcher, it is expected to be able to replace the CAR variable with other variables because the NPF moderation variable in this study is not able to moderate the effect of CAR on ROA.

4. For the next researcher, it is expected to be able to add other independent variables such as FDR, BOPO as x variables because the value of the determination coefficient in this study is only 59.26%. With the existence of other independent variables expected to increase the value of coefficient of determination to be higher.

Reference
Antonio, Muhammad Syafi'i. (2001). Islamic Banks from Theory to Practice. Jakarta: Gema Insani

