

The Variables Effects of *Murābahah* in Islamic Commercial Banks

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Abstract:

Murā baḥa financing is a type of financing that dominates the financing contract on Islamic banking in Indonesia. This shows that financing on the basis of sale (murā baḥa) has a greater contribution than the financing of the basis for the profit and loss sharing (muḍā raba and muṣā raka). The purpose of this study is to determine the factors that affect the financing of murā baḥa in the Islamic Commercial Banking in Indonesia by using variables Third Party Fund (DPK), Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), Non-Performing Financing (NPF) and Return on Assets (ROA). The population in this study is the performance of Islamic Commercial Banks in Indonesia in the period of January 2014 to June 2016. The data used in this research is secondary data and sample selection by using purposive sampling method. The analytical tool used in this research is multiple linear regression analysis at significantly the rate of 5%. The results of this study indicate that the variable DPK, CAR, FDR, NPF, and ROA simultaneously have an influence on Murā baḥa. Coefficient determination test results show that the five independent variables affect the dependent variable amounted to 87.6% and the remaining 12.4% is influenced by other variables. Partially DPK, CAR, FDR, and ROA have a positive and significant effect on the financing Murā baḥa. While the NPF has no influence on Murā baḥa financing.

Keywords: *Islamic Economic, Murā baḥah financing, Deposit Ratio, Capital Ratio.*

A. INTRODUCTION

The economy of a country is built on two sectors, namely real and monetary sectors. The real sector is the economic sector that relies on manufacturing and services sectors. While the monetary sector relies on the banking sector (Adeusi and Aluko, 2015). The banking system in Indonesia is divided into two systems (Lindsey, 2012). First, the conventional banking system oriented interest or usury system that is in addition to the value of the loan principal. The second is the Islamic banking system that operates based on Islamic principles of Islam based on the Qur'an and Hadith are identical to the profit and loss sharing (Agustin, Rus, and Mohd, 2013; Cf., Medyawati, and Yunanto, 2011; Rafay and Sadiq, 2015).

Islamic banking is essentially a development of the concept of Islamic economics, especially in the financial sector that was developed as a response to the Muslim economists and banking practitioners who seek to accommodate pressure from various parties who want the financial transaction services are executed with moral values and principled sharia (Islam and

Ashrafuzzaman, 2015). The concept of Islam in the economy is maintaining a balance between the real sectors to the financial sectors, so that the growth of financing will not be separated from the growth of the real sector to be financed (Cf., Athoillah and Al-Hakim, 2013). Therefore, financing factor is applied to the Islamic banking plays a very important position to maintain the stability of the real sector development is closely associated with middle-class society (Anjum, 2012; Anam, Bin Hasan, Huda, Uddin, and Hossain, 2012; Muharam, 2012).

According to Nasirudin (2005), *murābahah* is to buy and sell at the original price with the added advantage that the agreed. *Murābahah* financing is still the dominant financing for Islamic banking in the world (Aggarwal and Yousef, 2000), despite a lot of criticism leveled at the Islamic banking in problem determination of the profit margin. This, because the *murābahah* financing product is a product that is similar to the flat interest credit financing product in conventional banks (Hanif, 2011; Cf., Brown Jr., 2015).

Since the beginning of the development of Islamic banking in Indonesia in terms of financing, *murābahah* financing dominate in Islamic commercial banking (Shofawati, 2014; Havidz and Setiawan, 2015). Currently, the financing contract for such a based profit and loss sharing in Indonesia does not have such a large portion of the *murābahah* financing. Whereas the contract with the sharing system is to apply the principle of justice, in accordance with the concept of Islamic banks (Wibowo, 2012). In fact, what happened today is financing of non-profit and loss sharing more dominant. Here is a table of the composition of the financing provided to the public of Islamic Commercial Banking:

Table 1
The Composition of Financing Islamic Commercial Banks
In the Period of January 2014 to June 2016

Contract Type	Financing In 2014 (Billion)	Financing In 2015 (Billion)	Financing In June 2016 (Billion)
Mudharaba	14,027	14,869	14,564
Musharaka	45,148	54,620	57,454
Murābahah	113,507	118,397	117,463
Salam	-	-	-
Istisna	587	695	779
Ijara	10,730	11,287	8,428
Qardh	7,473	4,766	3,639
Other	-	-	-
Total Pembiayaan	191,472	215,719	210,672

Source: OJK (proceed)

From Table 1 it can be seen that the financing *murābahah* is dominate financing of the Islamic banking in Indonesia. In 2014, *murābahah* financing amounted to 113.5 trillion. While *mudharaba* financing amounting 14.02 trillion, and *musharaka* financing in the amount of 45.1 trillion. In 2015, *murābahah* financing amounted to 118.3 trillion. While *mudharaba* financing in the amount of 14.8 trillion, and the *musharaka* financing in the amount of 54.6 trillion. In June 2016, a total of 117.4 billion *murābahah* financing. While *mudharaba* financing in the amount of 14.5 trillion, and the *musharaka* financing in the amount of 57.4 trillion. This shows that the *murābahah* financing have a bigger contribution compared with the financing on the basis of profit sharing that *mudharaba* and *musharaka*.

Bambang Rianto (2013) argued that many factors affect the banks in distribution of funding, both factors are derived from the bank's internal and external factors originating from the bank. To view the company's internal condition, usually the bank refers to the bank's financial statements are indicated by various financial ratios. Internal factors also affect the amount of *murābahah* financing

disbursed (Cf., Said, 2015). The financial ratios are often used to assess the internal condition of the company, among others: Third Party Fund (DPK), Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), Non-Performing Financing (NPF) and Return on Assets (ROA).

According to Anto (2012), the Third-Party Funds (DPK) is a source of bank funds raised from the public as customers in the form of demand deposits, savings and time deposits. Then, in another sense, the Third-Party Funds (DPK) or deposits are funds entrusted by the public to the bank based on deposit agreement funds in the form of demand deposits, time deposits, and savings and other form that is equivalent to them (Act No. 10 of 1998). Pratama (2010) said, Capital Adequacy Ratio (CAR) is a ratio that shows how much the total assets of the bank that contains an element of risk (credit, investments, securities, bills to other banks) who took part financed from its own capital in addition to obtaining funds from sources outside the bank. In other words, the Capital Adequacy Ratio is the ratio of performance to measure the capital adequacy of banks owned bank to support assets that contain or produce a risk.

According to Sugiyarso (2005), Financing to Deposit Ratio (FDR) is the ratio between the financing granted by banks to third party funds collected by the bank. FDR ratio is the ratio used to measure the level of liquidity the bank showing the bank's ability to meet the demand for credit by using the total assets of banks. FDR value that is allowed by Bank Indonesia is in the range of 78% to 100%.

Selamet Riyadi (2006) argued that Non-Performing Financing the bank management's ability to manage financing problems resulting from the customer. So, the higher this ratio the more the worse the quality of bank loans that caused the greater number of problem loans, the possibility of a bank in the greater problematic conditions. Loans in this case are loans granted to third parties excluding loans to other banks. Non-performing loans are loans classified as substandard, doubtful and loss.

Return on Assets (ROA) is a ratio used to measure the ability of the bank's management to obtain an overall profit. The greater Return on Assets (ROA), the greater the level of profit achieved the bank and shows the company's performance is getting better. Return on Assets (ROA) was chosen as an indicator measuring financial performance of banks as Return on Assets (ROA) was used to measure the effectiveness of the company in generating profits by exploiting its assets (Yadiati, 2006). Return on Assets (ROA) is a ratio of profit before tax to average total assets. The larger the ROA, the greater the profit level achieved bank.

Nasirudin (2005), mentions that the bidding behavior of credit, banking in addition affected by available funds sourced from Third Party Funds (DPK), also influenced by the perception of banks on the prospects of the debtor's business and the banking system itself such as capital or CAR (Capital Adequacy Ratio), the number of bad loans or NPF (Non-Performing Financing) and FDR (Financing to Deposit Ratio). Other aspects that influence the bank's decision to extend credit to the debtor is a profitability or rate of profit which is reflected in the Return on Assets (ROA).

Some studies related to *murābahah* financing is much done. Research conducted by Luh Gedhe Meydianawati (2010) using a variable Third Party Fund (DPK), Capital Adequacy Ratio (CAR), Non-Performing Loan (NPL), and Return on Assets (ROA). The analysis showed that the variables of Third Party Fund (DPK), CAR, ROA positive and significant effect on credit supply of investment and working capital loans by commercial banks to the SME sector. While variable NPL negative effect on credit supply of investment and working capital loans by commercial banks to the SME sector.

Pratin and Akhyar Adnan (2011), concluded that the percentage of revenue share and mark up gains against the financing of Islamic banking. The results of this study are deposits have a positive and significant relationship to the financing while the other variables do not have a significant relationship. DPK variable has a significant positive relationship to finance. Equity variable has a positive relationship is not significant to the financing. Variable margin has no significant negative relation to financing, while the NPF variables have a positive relationship is not significant to the financing (Cf., Ghenimi and Omri, 2015; Akhtar, Ali, and Sadaqat, 2011).

Khodijah Hadiyyatul Maula (2008), in her research entitled Effect of Deposits (Deposits), Equity, Profit Margin and NPF (Non-Performing Financing) against *murābahah* at Bank Syariah Mandiri indicates that the variable deposits negatively affect *murābahah* financing. For variable equity and profit margin positive and significant impact on the *murābahah* financing. And NPF negative and significant effect on the *murābahah* financing.

From the description of the background as mentioned above, as well as the differences in results from previous studies of related variables, emerging interest to examine the variables that affect the distribution of *murābahah* financing on Islamic Commercial Banks in Indonesia with independent variables namely DPK, CAR, FDR, NPF and ROA. While the dependent variable is *murābahah* financing to the timeframe used from January 2014 to June 2016. Thus, the hypothesis proposed in this study are as follows:

- H₁: Third Party Fund (DPK) positive and significant impact on the *murābahah* financing Islamic Commercial Banks in the period of January 2014-June 2016;
- H₂: Capital Adequacy Ratio (CAR) positive and significant impact on the *murābahah* financing Islamic Commercial Banks in the period of January 2014-June 2016;
- H₃: Financing to Deposit Ratio (FDR) positive and significant impact on the *murābahah* financing Islamic Commercial Banks in the period of January 2014-June 2016;
- H₄: Non-Performing Financing (NPF) negative and no significant impact on the *murābahah* financing Islamic Commercial Banks in the period of January 2014-June 2016;
- H₅: Return on Assets (ROA) positive and significant impact on the *murābahah* financing Islamic Commercial Banks in the January 2014-June 2016.

B. METHODS

1. Population

This study uses census method where the financial performance reports Islamic Commercial Banks serve as the object of research. The study used 30 times of observation (N = 30) from January 2014 to June 2016.

2. Data Collection Methods

Data collection method used is to study the documentation. Study documentation is the data collected through the written heritage, especially in the form of archives and includes books on the opinion, the argument relating to the problem investigation (Algifari, 2000). The data collected is a Third-Party Fund (DPK), Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), Non-Performing Financing (NPF), Return on Assets (ROA) and *murābahah* of financial performance reports Islamic Commercial Bank in Indonesia in 2014-June 2016.

3. Data Analysis Methods

To achieve the objectives in this study, the test is conducted prior classical assumptions, to ascertain whether the multiple linear regression model is used there is no problem normality, multicollinearity, heteroscedasticity and autocorrelation. The aim is to provide assurance that the regression equation obtained has accuracy in estimation, unbiased and consistent (Dani Darmawan, 2013).

4. Hypothesis Testing

Significance test (real effect) independent variables (X_1) to the dependent variable (Y) either together or partially on the hypothesis 1 (H_1) until hypothesis 5 (H_5) is done with F-test and t-test at the level of 5% ($\alpha = 0.05$).

5. Regression Analysis

To test the determinant variables (DPK, CAR, FDR, NPF and ROA) of *murābahah* financing, the use of multiple regression analysis with the following model:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

Description:

Y = *Murābahah* financing in Islamic Commercial Banks period t

X_1 = DPK in Islamic Commercial Banks period t

X_2 = CAR in Islamic Commercial Banks period t

X_3 = FDR in Islamic Commercial Banks period t

X_4 = NPF in Islamic Commercial Banks period t

X_5 = ROA in Islamic Commercial Banks period t

The amount reflected in the constant "a" and the magnitude of the regression coefficient of each independent variable indicated by b_1 , b_2 , b_3 , b_4 and b_5 .

C. RESULT AND DISCUSSIONS

1. Result

a. DPK, CAR, FDR, NPF, ROA, and *Murābahah* Financing Data

Table 2
DPK, CAR, FDR, NPF, ROA, and *Murābahah* Financing Islamic Commercial Banks Data
Period of January 2014 to June 2016

Month	DPK (Billion) X_1	CAR (%) X_2	FDR (%) X_3	NPF (%) X_4	ROA (%) X_5	<i>Murābahah</i> Financing (Billion) Y
Jan-14	177,930	16.78	100.07	3.01	0.08	109,803
Feb-14	178,154	16.71	102.03	3.53	0.13	110,047
Mar-14	180,945	16.2	102.22	3.22	1.16	111,727
Apr-14	185,508	16.68	95.5	3.48	1.09	112,288
May-14	190,783	16.85	99.43	4.02	1.13	112,820
Jun-14	191,470	16.21	100.8	3.9	1.12	114,322
Jul-14	194,299	15.62	99.89	4.31	1.05	114,128

Aug-14	195,959	14.73	98.99	4.58	0.93	114,002
Sep-14	197,141	14.54	99.71	4.67	0.97	114,891
Oct-14	207,121	15.25	98.99	4.58	0.92	115,088
Nov-14	209,644	15.66	94.62	4.86	0.87	115,602
Dec-14	217,858	15.74	91.5	4.33	0.8	117,371
Jan-15	210,761	14.16	88.85	8.97	0.88	109,547
Feb-15	210,297	14.38	89.37	9.11	0.78	109,756
Mar-15	212,988	14.43	89.15	10.36	0.69	110,862
Apr-15	213,973	14.5	89.57	9.33	0.62	110,800
May-15	215,339	14.37	90.05	9.38	0.63	111,278
Jun-15	213,477	14.09	92.56	9.24	0.5	112,203
Jul-15	216,083	14.47	90.13	5.3	0.5	111,509
Aug-15	216,358	15.05	90.72	5.3	0.46	111,823
Sep-15	219,313	15.15	90.82	5.14	0.49	112,013
Oct-15	219,478	14.96	90.67	5.16	0.51	112,757
Nov-15	220,175	15.31	90.26	5.13	0.52	113,762
Dec-15	231,175	15.02	88.03	4.84	0.49	115,605
Jan-16	229,094	15.11	87.86	5.46	1.01	115,853
Feb-16	231,820	15.44	87.3	5.59	0.81	115,932
Mar-16	232,657	14.9	87.52	5.35	0.88	116,429
Apr-16	233,808	15.43	88.11	5.48	0.8	117,375
May-16	238,366	14.78	89.31	6.17	0.16	118,588
Jun-16	241,336	14.72	89.32	5.68	0.73	120,600

Source: OJK (Proceed)

Based on table 2, data showed that in 2014 the highest number of Third Party Funds in December with 217.8 trillion, while the lowest value was in January with 177.9 trillion. While the highest value at the level of CAR 15:31% in November and the lowest in June with 14:09%. FDR highest value is at its highest level in June with 100.8% and the lowest level of 91.4% in December. NPF highest value in November to 4.86% and the lowest in January with 3:01%. ROA experienced fluctuating value, the highest value ROA stood at 1.16% in March and the lowest level of 0.08% in January. While on *murābahah* financing highest amount issued reached 117.3 trillion in December and the lowest in January with 109.8 trillion.

In 2015, the highest number of Third Party Funds in December with 231.1 trillion, while the lowest value was in February with 210.2 trillion. While the highest value at the level of CAR 15:31% in November and the lowest in June with 14:09%. FDR highest value is the highest level in August to 90.72% and the lowest level of 88.03% in December. NPF highest value in March by 10:36% and lowest in December to 4.84%. ROA experienced fluctuating value, the highest value ROA stood at 0.88% in January and the lowest level of 0:46% in August. While on *murābahah* financing highest amount issued reached 115.6 trillion in December and the lowest in January with 109.5 trillion.

Until June 2016, the highest number in deposits in June to 241.3 trillion, while the lowest value was in January with 229.0 trillion. While the highest value at the level of CAR 15:44% in February and the lowest in June with 14.72%. FDR highest value is the highest level in June with 89.32% and the lowest level of 87.3% in the month of February. NPF value highest in May with 6:17% and the lowest in March at 5:35%. ROA experienced fluctuating value, the highest value ROA stood at

1:01% in January and the lowest at 0:16% level in May. While on *murābahah* financing highest amount issued reached 120.6 trillion in June and the lowest in January with 115.8 trillion.

b. Descriptive Analysis of DPK, CAR, FDR, NPF, ROA, and *Murābahah* Financing

Based on the data processing obtained maximum value, minimum, average (mean) and standard deviation of each study variable as follows:

Table 3
Descriptive Statistic

		DPK	CAR	FDR	NPF	ROA	<i>Murābahah</i> Financing
N	Valid	30	30	30	30	30	30
	Missing	0	0	0	0	0	0
	Mean	211110,33	15,2413	93,1117	5,6493	,7237	113626,03
	Median	213725,00	15,0800	90,6950	5,1500	,7900	113291,00
	Mode	177930 ^a	14,09 ^a	98,99	4,58 ^a	,49 ^a	109547 ^a
	Std. Deviation	18023,803	,81007	5,10390	2,05806	,29599	2823,951
	Variance	324857482,920	,656	26,050	4,236	,088	7974700,792
	Range	63406	2,76	14,92	7,35	1,08	11053
	Minimum	177930	14,09	87,30	3,01	,08	109547
	Maximum	241336	16,85	102,22	10,36	1,16	120600
	Sum	6333310	457,24	2793,35	169,48	21,71	3408781

Source: Author (2016)

Based on table 3 it can be seen that N = 30 time observations, the independent variable Third Party Fund (DPK) has a minimum value of 177.9 trillion, the maximum value of 241.3 trillion standard deviation scores of 18.0 trillion and the value of average (mean) of 211.1 trillion. The average value (mean) greater than the value of the standard deviation indicates that the data is properly distributed.

The independent variable Capital Adequacy Ratio (CAR) has a minimum value of 14.09%, the maximum value of 16.85%, the standard deviation scores of 0.81% and the value of average (mean) of 15.24%. The average value (mean) greater than the value of the standard deviation indicates that the data is properly distributed.

The independent variable Financing to Deposit Ratio (FDR) has a minimum value of 87.30%, the maximum value of 102.22%, the standard deviation scores of 5.10% and the average (mean) of 93.11%. The average value (mean) greater than the value of the standard deviation indicates that the data is properly distributed.

The independent variable Non-Performing Financing (NPF) has a minimum value of 3.01%, the maximum value of 10.36%, the standard deviation scores of 2.05% and the average (mean) of 5.6%. The average value (mean) greater than the value of the standard deviation indicates that the data is properly distributed.

The independent variables Return on Assets (ROA) has a minimum value of 0.08%, the maximum value of 1.16%, the standard deviation scores of 0.2% and the average (mean) of 0.7%. The average value (mean) greater than the value of the standard deviation indicates that the data is properly distributed.

The dependent variable *murābahah* financing has a minimum value of 109.5 trillion, the maximum value of 120.6 trillion standard deviation scores of 2.8 trillion and the value of the average (mean)

of 113.6 trillion. The average value (mean) greater than the value of the standard deviation indicates that the data is properly distributed.

c. Hypotesis Testing

1) F-test

Based F-test was obtained influences together or simultaneous five independent variables DPK, CAR, FDR, NPF, and ROA to the dependent variable *murābahah* financing as follows:

Table 4
ANOVA^a

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	202694446,460	5	40538889,292	34,052	,000 ^b
	Residual	28571876,506	24	1190494,854		
	Total	231266322,967	29			

a. Dependent Variable: pemb_ *murābahah*

b. Predictors: (Constant), ROA, CAR, DPK, NPF, FDR

Source: Author (2016)

Test-F is based on the result that the value of F-count of 34.052 at a significance level of 0.000. Because the level of significance of less than 0.05, and the value of the F-count (34.052) > F-table (2.62), the regression model can be used to predict the dependent variable *murābahah* or jointly independent variables DPK, CAR, FDR, NPF, and ROA effect on the dependent variable *murābahah*.

2) T-test

Table 5
T-test Result
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-13185,054	20732,039		-,636	,531
	DPK	,277	,030	1,766	9,306	,000
	CAR	896,534	480,558	,257	1,866	,074
	FDR	582,048	108,871	1,052	5,346	,000
	NPF	-166,662	192,050	-,121	-,868	,394
	ROA	2036,832	704,358	,213	2,892	,008

a. Dependent Variable: pemb_ *murābahah*

Source: Author (2016)

From the table above can be composed of multiple linear regression equation as follows:

$$Y = -13185.054 + 0.277X_1 + 896.534X_2 + 582.048X_3 - 166.662X_4 + 2036.832X_5 + e$$

Based on the multiple linear regression equation above regression coefficient obtained in deposits amounted to (+) 0.277. The coefficient indicates a positive relationship between the variables DPK against *murābahah* financing. The regression coefficient CAR at (+) 896.534. The coefficient indicates a positive relationship between the variables CAR against *murābahah* financing. FDR regression coefficient of (+) 582.048. The coefficient indicates a positive relationship between the variables FDR against *murābahah* financing. NPF regression coefficient of (-) 166.662. The coefficient indicates a negative relationship between the variables NPF against *murābahah*

financing. Meanwhile, ROA regression coefficient of (+) 2036.832. The coefficient indicates a positive relationship between ROA against *murābahah* financing.

Based beta coefficient regression in table 5 it can be concluded that the ROA has the greatest influence on the *murābahah* financing with beta coefficient regression of (+) 2036.832, followed by variable CAR (+) 896 534, FDR (+) 582.048, NPF (-) 166.662 and DPK (+) 0.277.

From the results of t-test was performed discussion following hypothesis:

- H₁: Third Party Fund (DPK) positive and significant impact on *murābahah* financing on Islamic Banks, the results of multiple regression analysis showed that the DPK has the value t-count (9.306) > t-table (1.711) (df = 24, Pr = 0.05) which means that H₁ is accepted;
- H₂: Capital Adequacy Ratio (CAR) positive and significant impact on *murābahah* financing on Islamic Banks, the results of multiple regression analysis showed that the CAR has the value t-count (1.866) > t-table (1.711) (df = 24, Pr = 0.05) which means that H₂ is accepted;
- H₃: Financing to Deposit Ratio (FDR) positive and significant impact on *murābahah* financing on Islamic Banks, the results of multiple regression analysis showed that the FDR has a value t-count (5.346) > t-table (1.711) (df = 24, Pr = 0.05) which means the H₃ is accepted;
- H₄: Non-Performing Financing (NPF) and significant negative effect on the financing *murābahah* Islamic Banks, the results of multiple regression analysis showed that the NPF has a t-count value (-0.868) < t-table (1.711) (df = 24, Pr = 0.05) which means H₄ rejected;
- H₅: Return on Assets (ROA) positive and significant impact on *murābahah* financing on Islamic Banks, the results of multiple regression analysis showed that ROA has the value t-count (2.892) > t-table (1.711) (df = 24, Pr = 0.05) which means H₅ received.

3) Adjusted R₂

Table 6
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.936 ^a	.876	.851	1091,098

a. Predictors: (Constant), ROA, CAR, DPK, NPF, FDR

Source: Author (2016)

Based on the above table, the result that the value of adjusted R₂ of 0.851 this means that 85.1% of the variation of *murābahah* financing can be explained by the variation of the five independent variables DPK, CAR, FDR, NPF, and ROA. While the remaining of 14.9% is explained by other variables outside the model.

d. Multiple Linear Regression Analysis

Based on table 6, the result that the value of R Square of 0.876 this means that 87.6% of independent variables DPK, CAR, FDR, NPF, and ROA simultaneous effect on the dependent variable *murābahah* financing. While the rest of 12.4% is explained by other variables outside the model.

2. Discussion

a. The Variable of Third Party Fund (DPK)

The results of this study indicate that an increase or decrease in Third Party Funds (DPK) during the study period and significant positive effect on the distribution of funding (H₁: DPK positive and significant impact on *murābahah* financing in Islamic Commercial Banks, accepted). Variable coefficient Third Party Fund (DPK) is positive, so the development of Third Party Fund (DPK) is proportional to the development of *murābahah* financing. This is in line with the bank's function as financial intermediaries. From the results of this study can explain that Islamic Commercial Banks capable intermediary function properly (Cf., Jarhi, 2014) because the distribution of funding to grow along with the growth of Third Party Funds (Cf., Reid and Rea, 2003).

b. The Variable of Capital Adequacy Ratio (CAR)

The results of the study indicate that the increase or decrease in the Capital Adequacy Ratio (CAR) during the study period positive and significant effect on the *murābahah* financing (H₂: CAR positive and significant effect on the *murābahah* financing Islamic Commercial Banks, accepted). Variable coefficient Capital Adequacy Ratio (CAR) is positive, so the development of the Capital Adequacy Ratio (CAR) following the development of financing (Cf., Ansary and Hafez, 2015).

c. The Variable of Financing to Deposit Ratio (FDR)

The results of the study indicate that an increase or decrease in Financing to Deposit Ratio (FDR) during the study period positive and significant effect on the *murābahah* financing (H₃: FDR positive and significant effect on the *murābahah* financing Islamic Commercial Banks, accepted). Variable coefficient Financing to Deposit Ratio (FDR) is positive, so the development of the Financing to Deposit Ratio (FDR) is proportional to development financing. In principle, the higher the Financing to Deposit Ratio (FDR) show riskier bank liquidity, so the Financing to Deposit Ratio (FDR) that the higher will be able to lower the finance portfolio. However, that occurs in different Islamic Commercial Banks, the higher the Financing to Deposit Ratio (FDR) did not dampen the Islamic Banks to continue to improve its financing outstanding (Cf., Purbaningsih, 2014). This, due to be offset by the development of the Third-Party Funds (TPF), which are also growing significantly, so that Islamic Commercial Banks are not concerned with the conditions continue to improve its liquidity and finance portfolio during the study period. This shows that the Islamic Commercial Banks are able to manage Third Party Funds (DPK) optimally to be distributed in the form of financing to the public (Cf., Setyawati, Kartini, Rachman, and Febrian, 2015).

d. The Variable of Non-Performing Financing (NPF)

The results of the study, indicating that an increase or decrease in Non-Performing Financing (NPF) during the study period and no significant negative effect on the *murābahah* financing (H₄: The NPF negative and significant effect on the *murābahah* financing Islamic Commercial Banks, rejected). Variable coefficient Non-Performing Financing (NPF) is negative, so the development of NPF is inversely proportional to the development of the finance portfolio. The analysis showed that Non-Performing Financing (NPF) and no significant negative effect on the development of *murābahah* financing Islamic Commercial Banks. This, because the Islamic Commercial Banks have Non-Performing Financing (NPF) is small relatively, below the tolerance limit provisions of Bank Indonesia, so the ups and downs of Non-Performing Financing (NPF) in Islamic Commercial

Banks not significant effect on the distribution of funding continues to grow during the study period. This shows that the Islamic Commercial Banks have good management skills in managing the financing portfolio, so as to minimize the occurrence of financing problems (Cf., Malim, 2015).

e. The Variable of Return on Asset (ROA)

The results of the study indicate that an increase or decrease in return on assets (ROA) over the study period positive and significant effect on the *murābaḥa* financing (H₅: ROA positive and significant effect on the *murābaḥa* financing Islamic Commercial Banks, accepted). Variable coefficient Return on Assets (ROA) is positive, so the development of the Return on Assets (ROA) follow the development of *murābaḥa* financing (Cf., Youssef and Samir, 2015; Gazzar, 2014).

D. CONCLUSION

This study found the conclusion as follows: Variable Third Party Fund (DPK) partially positive and significant effect on the variable *murābaḥa* financing, so the first hypothesis is accepted; Variable Capital Adequacy Ratio (CAR) partially positive and significant effect on the variable *murābaḥa* financing, so the second hypothesis is accepted; Variable Financing to Deposit Ratio (FDR) partially positive and significant effect on the variable *murābaḥa* financing, so the hypothesis 3 is received; Variable Non Performing Financing (NPF) partially negative and not significant to the variable *murābaḥa* financing, so the hypothesis 4 is accepted; Variable Return on Assets (ROA) partially positive and significant effect on the variable *murābaḥa* financing, so the hypothesis is accepted 5; Variable Third Party Fund (DPK), Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), Non Performing Financing (NPF) and Return on Assets (ROA) simultaneously significant effect on the variable *murābaḥa* financing.

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