The Influence of Third-Party Funds, Non-Performing Finance, and Return on Assets on Murabahah Financing in Islamic Commercial Banks During the Period 2018-2022

Layla Nurkhasanah[1], Setiyawan Gunardi[2], Edo Segara Gustanto[3*], M. Arif Kurniawan[4]

[1,3,4]Faculty of Islamic Economics and Business, Institute of Quranic Sciences An Nur Yogyakarta, Indonesia
[2]Universitas Sains Islam Malaysia, Malaysia
Corresponding Author: edo_lpg@yahoo.com

Abstract

This study aims to determine the effect of Third Party Funds, Non-Performing Finance, and Return On Assets on Murabahah Financing at Sharia Commercial Banks for the period 201 8-2022. Using quantitative research methods with the object of research at Sharia Commercial Banks. Sampling using purposive sampling with a total of 50 samples. The data analysis technique used is multiple linear regression analysis with hypothesis tests by t-test (partial) and F-test (simultaneous). Testing in this study used SPSS 26. The results showed that DPK had a significant positive effect on Murabahah Financing with tcount 6.235 > t-table of 1.67866, NPF had no effect and was not significant on Murabahah Financing with tcount 0.494 > t-table of 1.67866, and ROA has a positive and significant effect on Murabahah Financing with tcount 2.047 < t-table of 1.67866. Simultaneously, DPK, NPF, and ROA affect Murabahah Financing with Fcount 19.008 > Ftable of 2.81. Then based on the results of the Adjusted R Square of 0.524 shows that the ability of the independent variable in explaining the dependent variable is 52.4%, and the remaining 47.6% is explained by other variables that are not included in this study.

Keywords:
Murabahah Financing; Thirds-Party Funds; NPF; ROA

How to cite:

Layla Nurkhasanah, Setiyawan Gunardi, Edo Segara Gustanto, & M. Arif Kurniawan. (2023). The Influence of Third-Party Funds, Non Performing Finance, And Return On Assets on Murabahah Financing in Islamic Commercial Banks During the Period 2018-2022. *Mutanaqishah : Journal of Islamic Banking*, 3(2), 86–96. **https://doi.org/10.54045/mutanaqishah.v3i2.1537**

1. Introduction

Islamic financial institutions, especially Sharia banking, have had a significant impact on the Indonesian society following the implementation of the Sharia Banking Act. Sharia banking has been improving its performance to achieve profits that are nearly on par with conventional banks. Despite its superior profitability compared to conventional banks, Sharia banks are competitive in terms of product quality, which attracts customers. As of January 2023, based on Sharia banking statistics, there are 13 Islamic Commercial Banks, including PT. Bank Aceh Sharia, PT. BPD Riau Kepri Sharia, PT. BPD Nusa Tenggara Barat Sharia, PT. Bank Muamalat Indonesia Tbk., PT. Bank Victoria Sharia, PT. Bank Jabar Banten Sharia, PT. Bank Mega Sharia, PT. Bank Panin Dubai Sharia, Tbk., PT. Bank Sharia Bukopin, PT. BCA Sharia, PT. Bank Tabungan Pensiunan Nasional Sharia, Tbk., PT. Bank Aladin Sharia, PT. Bank Sharia Indonesia, Tbk (OJK, 2023).

The operational activities of Sharia banking are regulated under the Sharia Banking Act, and there are various financial products that must be managed by Sharia banks, including financing. Sharia banks manage various types of financing, such as mudharabah, musyarakah, murabahah, ijarah, istishna, and qardh. The most widely issued financing is murabahah financing, as evidenced in the Sharia banking statistical table below:

Table 1. Composition of Financing in Islamic Commercial Banks (In Billions Rp.)

Akad	2018	2019	2020	2021	2022
Mudharabah	5.477	5.413	4.098	3.629	3.623
Musyarakah	68..644	84.582	92.279	95.986	121.389
Murabahah	118.134	122.725	136.990	144.180	183.286
Qardh	6.848	9.276	10.425	10.396	11.486
Istishna	15	11	21	4	3
Ijarah	3.180	3.138	2.720	2.024	2.833

Sources: Islamic Banking Statistics (SPS) December 2022

As shown in Table 1, murabahah financing has the highest expenditure figures, amounting to Rp 118,134 million in 2018, Rp 122,725 million in 2019, Rp 136,990 million in 2020, Rp 144,180 million in 2021, and Rp 183,286 million in 2022. From these figures, there are several factors that influence them, including Third-Party Funds, Non-Performing Finance, and Return On Assets. In addition to the data above, the background of this research is the existence of a gap or research gap from previous research results. According to research by Liana Sari and Wirman (2021), Third-Party Funds have a significantly positive influence on murabahah financing. Meanwhile, in the study by Merlin et al. (2022), it was mentioned that Third-Party Funds do not have an impact on murabahah financing. According to Amirah Ahmad Nahwari's research (2017), Non-Performing Finance has a significant impact on murabahah financing. On the other hand, Hesty Erviani Zulaecha and Fitri Yulistiana (2020) found that Non-Performing Finance does not have a significant impact on the margin of murabahah financing.

2. Method

This research employs a quantitative descriptive approach. The population for this study comprises all time series data of Islamic Commercial Banks registered with the OJK for the period 2018-2022. The sampling technique used in this research is purposive sampling. In this technique, samples are chosen based on specific considerations and criteria, which are as follows:

1. Islamic Commercial Banks registered with the OJK for the period 2018-2022.
2. Islamic Commercial Banks that have published annual reports on the OJK website or their company's website for five consecutive years.

Based on these criteria, the research sample consists of 10 Islamic Commercial Banks during the research period. The selection process is explained as follows:

Table 2. Research Sample Criteria

No.	Criteria	Total	
		Appropriate	Not appropriate
	The Number of Islamic Commercial Banks in Indonesia	**16**	
1.	The bank that has been consecutively registered with the OJK between 2018 and 2022.	10	**(6)**
2.	A bank that consistently reports financial statements for 5 years.	10	**(6)**
	Total sample	**10**	

Sources : Secondary data processed in 2023

Operational Definition and Measurement of Murabahah Financing Variable

Murabahah Financing is a situation where a bank provides funds or money to finance transactions that involve the purchase and sale of commodities with an agreed-upon margin of profit, as determined by the customer, who then pays within a specified time frame (Umam, 2017).

Third-Party Funds (DPK)

Third-Party Funds (DPK) are funds collected by the bank from the public in the form of savings, current accounts, and deposits, which are then used by the bank for various purposes. DPK encompasses the total of savings or deposits, current accounts, and deposits (Supiah, 2021).

Non-Performing Finance (NPF)

NPF refers to a situation in which a customer is unable to fulfill all or part of their contractual obligations to the bank. NPF is also known as non-performing financing. Non-performing financing includes financing categorized as less liquid (KL), doubtful (D), and bad debt (M).

Return On Assets (ROA)

ROA is the bank's ability to generate profit from all of its assets. The assets used include all the assets listed in the bank's financial statements (Pandia, 2012). The profit referred to is the net profit after taxes. The ROA ratio should be between 1.25% and 1.5% to meet the criteria for a healthy predicate.

Data Collection Techniques

The data collection method in this research uses secondary data obtained from literature studies from books and journals related to and supportive of the research. Secondary data is collected using the documentation method and tracing historical data.

Descriptive Statistical Analysis

Descriptive statistics is a statistical method used to describe the research variables obtained from test results and measurements using numerical values. Descriptive statistics include values such as mean, standard deviation, variation, maximum, minimum, total, range, kurtosis, and skewness (Ghozali, 2021). Descriptive statistics in this research provide an overview or description of the impact of Third-Party Funds, Non-Performing Finance, and Return On Assets on Murabahah Financing in Islamic Commercial Banks during the period 2018-2022.

Assumption Testing - Normality Test

The normality test is conducted to determine whether the existing residuals are normally distributed. This test uses the Kolmogorov-Smirnov method, with a significance value > 0.05 when the data is normally distributed, and vice versa.

Assumption Testing - Multicollinearity Test

The multicollinearity test is performed to determine whether there is correlation among independent variables in the regression model. If the independent variables are correlated, then they are not orthogonal, and the correlation value is equal to zero. This test uses the Tolerance and VIF methods based on the following criteria:
    - If the Tolerance value is greater than > 0.10, it means there is no multicollinearity.
    - If the VIF value is smaller than < 10.00, it means there is no multicollinearity.

Assumption Testing - Heteroskedasticity Test

The heteroskedasticity test is conducted to determine whether there is unequal variance in the residuals from one observation to another in the regression model. This test uses the Glejser test method and is examined through plot graphs. When the significance value is greater than > 0.05, the model does not experience heteroskedasticity.

Assumption Testing - Autocorrelation Test

The autocorrelation test is performed to determine whether there is correlation between disturbance errors in a linear regression model in period t and period t-1.

Autocorrelation Test

The autocorrelation test is conducted to determine whether there is a correlation between disturbance errors in a multiple linear regression model in period t and the preceding period (the previous period). This test uses the Durbin-Watson test to measure the presence of autocorrelation with the condition that du < d < (4 - du).

Multiple Linear Regression Analysis

Multiple linear regression analysis is a tool used to predict the influence between two or more independent variables (X) on a single dependent variable (Y) (Ghozali, 2021). The results of multiple linear regression analysis will assess the extent of the influence of DPK, NPF, and ROA on Murabahah Financing.

Determination Test (R2)

The Coefficient of Determination (R2) essentially measures how well the model can explain the variation in the dependent variable. The value of the coefficient of determination is between zero and one.

Hypothesis Testing

Partial t-test

The t-test is used to determine whether each independent variable individually has a significant influence on the dependent variable. This test is conducted to examine the impact of three independent variables (DPK, NPF, and ROA) on the dependent variable (Murabahah Financing) individually.

Simultaneous F-test

The F-test is used to determine whether all independent variables collectively have a significant influence on the dependent variable. The F-test is employed to test the three independent variables (DPK, NPF, and ROA) on the dependent variable (Murabahah Financing) simultaneously.

3. Result and Discussion

Descriptive Statistical Analysis

Descriptive statistics is a statistical method used to describe research data, such as the relationship between independent and dependent variables, in a way that makes the information easy to understand.

Table 3. Results of Descriptive Statistical Analysis

Descriptive Statistics					
	N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Murabahah Financing	50	4.92	7.19	6.3377	.63860
DPK	50	5.91	7.67	6.9108	.39487
NPF	50	.01	4.95	1.6418	1.57574
ROA	50	-6.72	4.08	.6242	1.69563
Valid N (listwise)	50				

Source: Secondary data processed in 2023

Based on Table 3, it is shown that the total number (N) of data is 50. This figure is derived from the number of research periods, which corresponds to the financial reports or annual reports. The results of the descriptive analysis for each variable are as follows: (1) Murabahah Financing variable (Y) has a minimum value of 4.92, a maximum value of 7.19, a mean value of 6.3377, and a standard deviation of 0.63860. (2) Third-Party Funds (DPK) variable (X1) has a minimum value of 5.91, a maximum value of 7.67, a mean value of 6.9108, and a standard deviation of 0.39487. (3) Non-Performing Finance (NPF) variable (X2) has a minimum value of 0.01, a maximum value of 4.95, a mean value of 1.6418, and a standard deviation of 1.57574. (4) Return On Assets (ROA) variable (X3) has a minimum value of -6.72, a maximum value of 4.08, a mean value of 0.6242, and a standard deviation of 1.69593.

Classical Assumption Tests

Normality Test: The results of this test indicate that the research data follows a normal distribution and satisfies the normality assumption. Based on the Kolmogorov-Smirnov test, it can be observed that the residual significance value is greater than the significance level, which is 0.084 > 0.05. Thus, it can be concluded that the data in this study follows a normal distribution. Multicollinearity Test: The results of this test show that the Tolerance values for all independent variables are > 0.10, and the VIF is < 10.0. This indicates that there is no correlation between the independent variables in this study.

Heteroskedasticity Test: The results of this test reveal that the significance values for all independent variables are > 0.05. Therefore, it can be inferred that this regression model does not exhibit heteroskedasticity. Autocorrelation Test: The results of this test show a Durbin-Watson value of 1.816. Using the formula du < d < (4-du), we obtain values of 1.673 < 2.137 < 2.327, which means that there is no autocorrelation.

Multiple Linear Regression Analysis

The results of this multiple linear regression analysis are essential for assessing the significance used in answering the existing hypotheses. This study utilizes the regression equation model as follows:

$$Y = a + b1\ X1 + b2\ X2 + b3\ X3 + e$$

The regression equation can be seen from the coefficients table, revealing that the formed equation is as follows:

$$Y = -0.974 + 1.056X1 - 0.022X2 + 0.082X3 + e$$

Table 4. Results of Multiple Linear Analysis

		Unstandardized Coefficients		**Standardized Coefficients**	**t**	**Sig.**
Model		B	Std. Error	Beta		
1	(Constant)	-.974	1.197		-.813	.420
	DPK	1.056	.169	.653	6.235	.000
	NPF	-.022	.045	-.055	-.494	.623
	ROA	.082	.040	.219	2.047	.046

a. Dependent Variable: Murabahah Financing

Source: Secondary data processed in 2023

Based on the data in Table 5, it can be determined that the percentage of the influence of the variables DPK, NPF, and ROA on Murabahah Financing is 52.4%, with the remaining 47.6% being influenced by other variables not included in this study.

Hypothesis Testing

Partial t-Test

A t-test is considered to have a significant impact if the significance value is < 0.05. The following are the results of the partial t-test in this study:

Table 6. t-Test Results (*Parsial*)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.974	1.197		-.813	.420
	DPK	1.056	.169	.653	6.235	.000
	NPF	-.022	.045	-.055	-.494	.623
	ROA	.082	.040	.219	2.047	.046

a. Dependent Variable: Murabahah Financing

Source: Secondary data processed in 2023

Based on the results of the t-test in Table 6, it can be observed that the influence of the DPK variable on Murabahah Financing is significant, as indicated by the significance value of 0.000 < 0.05. This means that the DPK variable has a significant positive effect on Murabahah Financing with a t-value of 6.235, which is greater than the t-table value of 1.67866. Regarding the influence of NPF on Murabahah Financing, the NPF variable has a significance value of 0.623 > 0.05. This implies that the NPF variable does not have a negative and significant influence on Murabahah Financing, with a t-value of -0.494 > the t-table value of 1.67866. As for the influence of ROA on Murabahah Financing, the ROA variable has a significance value of 0.046 < 0.05. This indicates that the ROA variable has a significant influence on Murabahah Financing, with a t-value of 2.047 > 1.67866.

Simultaneous F-Test

The simultaneous F-test is used to determine whether the DPK, NPF, and ROA variables collectively have a significant impact on Murabahah Financing. The following are the results of the simultaneous F-test:

Table 7. F-Test Results (*Simultan*)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.061	3	3.687	19.008	.000b
	Residual	8.922	46	.194		

Total	19.983	49

a. Dependent Variable: Murabahah receivable

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

Source: Secondary data processed in 2023

Based on Table 7, it can be seen that the obtained F-value is 19.008 with a significance of 0.000. This means that the DPK, NPF, and ROA variables collectively have a significant impact on Murabahah Financing.

Discussion of the Influence of Third-Party Funds on Murabahah Financing

Table 8. Results of DPK Variable

Variabel	t-hitung	Sign	t-tabel	Explanation
DPK (X1)	6,235	0,000	1,67866	Has a significant positive influence

Source: Secondary data processed in 2023

Based on Table 8, the results of this study indicate that Third-Party Funds (DPK) have a significantly positive influence on Murabahah Financing. This is evident from the t-test results, which yield a t-value of 6.235 > the t-table value of 1.67866, and a significance value of 0.000 < 0.05. This means that H01 is rejected, and Ha1 is accepted, indicating that Third-Party Funds (DPK) have a significantly positive influence on Murabahah Financing.

Influence of Non-Performing Finance on Murabahah Financing

Table 9. Results of NPF Variable

Variabel	t-hitung	Sign	t-tabel	Explanation
NPF (X2)	-0,494	0,623	1,67866	No Significant Impact

Source: Secondary data processed in 2023

Based on Table 9, the results of this study indicate that Non-Performing Finance (NPF) does not have a negative and significant influence on Murabahah Financing. This is evidenced by the t-test results, which yield a t-value of -0.494 < the t-table value of 1.67866. Therefore, the research hypothesis stating that the NPF variable does not have a significant negative influence on Murabahah Financing is accepted. This is further supported by the significance value of the NPF variable, which is 0.623 > 0.05. Hence, it can be concluded that NPF does not have a negative and significant influence on Murabahah Financing.

Influence of Return On Assets on Murabahah Financing

Table 10. Results of ROA Variable

Variabel	t-hitung	Sign	t-tabel	Explanation
ROA (X3)	2,047	0,046	1,67866	Has a significant positive influence

Source: Secondary data processed in 2023

Based on Table 10, the results of this study show that ROA has an influence on Murabahah Financing. This can be observed from the t-value of 2.047, which is less than the t-table value of

1.67866, and the significance value of 2.047 > 0.05. This means that the hypothesis stating that the ROA variable has an influence on Murabahah Financing is accepted. Therefore, it can be concluded that the inflation rate has a significantly positive influence on Murabahah Financing.

Influence of DPK, NPF, and ROA on Murabahah Financing

Table 11. Results of DPK, NPF, and ROA Variables

Variabel	F-hitung	Sign	F-tabel	Explanation
DPK, NPF, dan ROA	19,008	0,000	2,81	Significant Effect

Source: Secondary data processed in 2023

Based on Table 11, the results of this study indicate that DPK, NPF, and ROA collectively have an influence on Murabahah Financing. The obtained F-value is 19.008, which is greater than the F-table value of 2.81. Therefore, it can be concluded that DPK, NPF, and ROA have a significant influence on Murabahah Financing. Simultaneously, the significance value is 0.000, which is less than 0.05, meaning that the variables DPK, NPF, and ROA collectively have an influence on Murabahah Financing. Furthermore, the Adjusted R Square value is 0.524, indicating that the percentage of the influence of DPK, NPF, and ROA on Murabahah Financing is 52.4%, while 47.6% is influenced by other variables.

4. Conclusion

Based on the data processing results from the research conducted in the thesis titled "The Influence of Third-Party Funds, Non-Performing Finance, and Return On Assets on Murabahah Financing in Islamic Commercial Banks During the Period 2018-2022," the following conclusions can be drawn based on the partial t-test:

1. The variable DPK has a significantly positive influence on Murabahah Financing in Islamic Commercial Banks during the period 2018-2022, as indicated by a t-value of 6.235, which is greater than the t-table value of 1.67866.
2. The variable NPF does not have a significantly negative influence on Murabahah Financing in Islamic Commercial Banks during the period 2018-2022, with a t-value of -0.494, which is less than the t-table value of 1.67866.
3. The variable ROA has a significant influence on Murabahah Financing in Islamic Commercial Banks during the period 2018-2022, as shown by a t-value of 2.047, which is less than the t-table value of 1.67866.
4. Collectively, the variables DPK, NPF, and ROA have a significant influence on Murabahah Financing in Islamic Commercial Banks during the period 2018-2022, as indicated by an F-value of 19.008, which is greater than the F-table value of 2.81.

References

Afrida, Y. (2016). Analysis of Murabahah Financing at Baitul Maal Wat Tanwil (BMT). Journal of Islamic Economics and Business, Vol. 1 No. 2.

Ahmad Samhan Yanis, d. (2015). Factors Affecting Murabahah Financing in Indonesian Islamic Banking. Journal of Accounting and Accounting Research, Vol. 4 No. 8.

Anisa Octaviani Noegraha, N. D. (2021). The Impact of FDR, NPF, and CAR on Murabahah Financing: A Case Study of Sharia Commercial Banks in Indonesia for the Period 2015-2019. Axiomatic Accounting Research Journal, 78.

Antonio, M. d. (2006). Islamic Banks: Strengths, Weaknesses, Opportunities, and Threats. Yogyakarta: Ekonisia.

Antonio, M. S. (2001). Islamic Banks: From Theory to Practice. Jakarta: Gema Insani Press.

Amirah Ahmad Nahwari, The Influence of Capital Adequacy Ratio (CAR), Return On Assets (ROA), and Non-Performing Financing (NPF) on Murabahah Financing in BNI Syariah, Homepage Journal, Vol. 2 No. 2, April 2017, p. 176. https://doi.org/10.21070/perisai.v1i2.881.

Ghozali, I. (2021). Application of Multivariate Analysis with IBM SPSS 26, 10th Edition. Semarang: Universitas Diponegoro Publisher.

Hesty Erviani Zulaecha and Firlia Yulistiana, The Influence of Capital Adequacy Ratio, Third-Party Funds, Financing To Deposit Ratio, and Non-Performing Financing on Murabahah Financing, Journal of Accounting and Finance, Vol. 4 No. 1, 2020, p. 63. http://dx.doi.org/10.31000/c.v4i1.2319.

OJK (Financial Services Authority of Indonesia). (2023, March 14). Islamic Banking Statistics. Retrieved from OJK: Statistik Perbankan Syariah (ojk.go.id).

Uus Ahmad Huseini, Analysis of the Impact of Third-Party Funds and Non-Performing Financing on Return On Assets in Islamic People's Credit Banks (BPRS) in Indonesia, Equilibrium: Journal of Islamic Economics, Volume 5, Number 1, 2017, pp. 1-16. http://dx.doi.org/10.21043/equilibrium.v5i1.2462.

Nahwari, A. A. (2017). The Influence of Capital Adequacy Ratio (CAR), Return On Assets (ROA), and Non-Performing Financing (NPF) on Murabahah Financing in BNI Syariah. Homepage Journal, Vol. 2 No. 2.

Pandia, F. (2012). Fund Management and Bank Health. Jakarta: PT Rineka Cipta.

Supiah, N. (2021). The Impact of Third-Party Funds in Conventional Banks and Islamic Banks on Economic Growth in Indonesia. West Java: Widina Bhakti Persada Bandung.

Utomo, K. U. (2017). Islamic Banking: Fundamentals and Dynamics of Development in Indonesia. Jakarta: PT Raja Grafindo.

Liana Sari and Wirman, "The Influence of Third-Party Funds (DPK) and Equity on Murabahah Financing in Islamic Commercial Banks for the Period 2016-2019," JOURNAL OF ECONOMICS AND BUSINESS Vol. 20 (June 30, 2021): 31-40, https://doi.org/10.32722/eb.v20i1.4057.

_____, A. P. (2021). The Impact of CAR, ROA, and NPF on Murabahah Financing. Journal of Accounting and Finance, Vol. 4 No. 1.

Mutammimah, S. N. (2010). External and Internal Analysis in Determining Non-Performing Financing in Islamic Commercial Banks in Indonesia. Business and Economic Journal, 51.

Pratami, W. A. (2011). Analysis of the Impact of Third-Party Funds (DPK), Capital Adequacy Ratio (CAR), Non-Performing Financing (NPF), and Return On Assets (ROA) on Financing in Islamic Banking. Economics Journal, 55.

Rikka Sri Ariani, d. (2022). The Impact of Third-Party Funds (DPK), Financing To Deposit Ratio (FDR), Non-Performing Finance (NPF), and Return On Assets (ROA) on the Total Assets of Islamic Banking in Indonesia. Journal of Islamic Banking and Finance, 36.

Rosidqah, E. (2017). The Impact of Financing To Deposit Ratio on Non-Performing Financing in Islamic Banking in Indonesia. Accounting Journal, 128.

Yulistiana, H. E. (2020). The Influence of Capital Adequacy Ratio, Third-Party Funds, Financing To Deposit Ratio, and Non-Performing Financing on Murabahah Financing. Journal of Accounting and Finance, Vol. 4 No. 1.

Zuhri, H. L. (2022). Implications of Third-Party Funds, Loans, and Non-Performing Loans on Bank Profitability IV. Management and Banking Journal, Vol 9 Edition 1.