

ANALYZE THE EFFECT OF THIRD PARTY FUND (TPF), NON-PERFORMING FINANCING (NPF), FINANCING TO DEPOSIT RATIO (FDR) AND PROFIT MARGIN ON MURABAHAH FINANCING OF SHARIA COMMERCIAL BANK

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Abstract

The purpose of this study is to analyze the effect of each variable, Deposits of Third Party Fund (TPF) (X1), Non-Performing Financing (NPF) (X2), Financing to Deposit Ratio (FDR) (X3) and Profit Margin (X4) on Murabahah Financing (Y1). The population of this study was conducted on eleven Sharia Commercial Banks in Indonesia, namely Bank Muamalat, Bank Victoria Syariah, Bank BRI Syariah, Bank BNI Syariah, Bank Syariah Mandiri, Bank Syariah Mega Indonesia, Bank Panin Syariah, Bank Syariah Bukopin, Bank BCA Syariah and Bank Maybank Syariah Indonesia. The sample taken was the annual financial report for five periods, namely 2011-2015 periods. The analysis technique used panel data regression analysis was tested by F-test and T-test, with a significant value of 5%. Based on the results of the T-test and F-test, it can be known that TPF, FDR and Profit Margin simultaneously have a significant positive effect and the NPF partially have no effect of murabahah financing on Sharia Commercial Banks. Adjusted R Square value of 0.275352 indicates that the independent variable could give effect the dependent variable of 0.000429%.

Keywords: *Murabahah, Non-Performing Financing, Third Party Fund, NF*

INTRODUCTION

Sharia bank is established with the aim of promoting and developing the application of Islamic principles, sharia and its traditions into financial transactions and banking and other businesses (Antonio, 2009:3). Until 2015, the Sharia banking industry had a network of 12 Sharia Commercial Bank or Bank Umum Syariah (BUS), 22 Sharia Business Unit or Unit Usaha Syariah (UUS), and 161 Sharia Rural Credit Bank or Bank Perkreditan Rakyat Syariah (BPRS). Therefore, the Sharia banking

industry is dubbed as the 'fastest growing industry'.

Financing products with a profit-sharing system seem to be powerless to become a companion to sharia banking operations. So, the financing with a buying and selling system becomes a substitute as the core product of operating Sharia banks, such as *murabahah*, *salam* and *istishna*. The phenomenon of the dominance of *murabahah* financing not only of Sharia banking in Indonesia, it generally occurs in Islamic banks in the world. Since the

beginning of 1984, *murabahah* financing in Pakistan has reached 87% from total financing in deposit investment profit and loss sharing. In Dubai Islamic Bank was the earliest bank in the private sector, *murabahah* financing reached 82% from total financing during 1989. Even though, the Islamic Development Bank (IDB) for approximately ten years the financing period 73% of all financing is a *murabahah* contract in the form of foreign trade financing.

Deposits from third-party funds are funds channelled to banks and become the most significant assets by Sharia banks. The higher of the third party fund held by Sharia banks, the more funds will be channelled to the public by banks in the form of financing.

Problematic financing can be seen from the level of Non-Performing Financing (NPF). Problematic financing is a loan that has difficulty repayment due to intentional factors and or to external factors beyond the ability or control of borrowers (Siamat, 2005:174). So, the size of the NPF shows the performance of a bank in managing the funds distributed. If the enlarged portion of financing problems, then it is ultimately reducing the amount of income earned bank (Rochmanika, 2011).

According to Dendawijaya (2009) Financing to Deposit Ratio (FDR) The primary function of a bank is as a financial intermediary or financial intermediary. The Financing can indicate this intermediation function to Deposit Ratio (FDR). According to Dendawijaya (2009) Financing to Deposit Ratio is the ratio between the total amount of

credit given by the bank and the funds received by the bank. Whiles, according to Kasmir (2007) Financing to Deposit Ratio is a ratio to measure the composition of the amount of credit given compared to the number of public funds and the capital used.

Profit margins are profits derived from the results of financing allocations in the form of *murabahah* sale and purchase with an agreement between the seller and the buyer, in this case, the bank as the seller and the customer as the buyer. Profit margins in *murabahah* can be set in such a way as to ensure that the bank can obtain benefits comparable to the profits of interest-based banks that rival Islamic banks (Muhammad, 2004:94). In other words, the profit margin is the primary income from *murabahah* financing. Profit margins have a positive influence on *murabahah* financing. The higher a bank obtained the profit margin, the higher the ability of banks to channel financing.

Some of the reasons for *murabahah* financing dominate the distribution of funds in Sharia banking. Namely: (1) *Murabahah* financing is relatively easier to operate compared to the types of financing for profit sharing; (2) Mark-up in *murabahah* can be determined in such a way as to ensure that the bank can obtain benefits comparable to the profits of interest-based banks are rivals of Islamic banks; (3) *Murabahah* financing avoids the uncertainty attached to obtaining a business based on a profit and loss sharing system; (4) *Murabahah* financing does not allow Islamic banks to interfere in business management

because banks are not partners with clients but its relationship based on murabaha are a creditor and a debtor (Saeed, 2003:140)

Nationally, Sharia Banking in Indonesia currently uses murabahah contracts as one of the main products of its financing. This caused to the system and the calculation techniques that more accessible to digest, both of the customer and the bank. So, the simplicity is more advanced. Through DSN Fatwa No.04/DSN-MUI/IV/2000 concerning Murabahah, the National Sharia Council has granted operational licenses in sharia to murabahah financing products. The spirit of Surat al-Baqarah: 275 states that Allah justifies buying and selling and prohibiting usury, and several other ayat contained in the Qur'an. Murabahah is the key to all customer needs for Sharia financing products (www.republika.co.id).

The research results of Bank Indonesia found that there were still many Islamic banks in determining the murabahah margin level using the calculation of interest is flat. Thus, the murabahah margin will be more expensive than the interest of a conventional bank or at least the same as the interest of the conventional bank. Furthermore, to determine the murabahah margin Islamic banks still include bonus giro, savings and deposit profit sharing is the cost of funds. Consequently, the murabahah margin taken by Sharia banks will be more expensive or equal to the loan interest.

LITERATURE REVIEW

Financing

Financing is always related to business activities. Business is an activity that leads to increasing good value added in carrying out production activities such as agriculture, plantations, animal husbandry, food and beverage management, and distribution activities such as trade or in the field of services, such as transportation, health and so on. To starting a business like that requires capital although a little. Sometimes people get capital from savings or families and colleagues. If not available, the role of financial institutions becomes very important because it can provide capital for people who want to try in the form of credit or financing (Antonio, 2009:169).

Financing is one of the bank's main tasks, namely the provision of facilities to provide funds to fulfil the needs of the parties which constitute a deficit of the unit (Antonio, 2009:160). According to Muhammad (2005:17) understanding of financing is funding provided by a party to other parties to support investments that have been planned, both carried out by themselves and the institution. In other words, financing is funding that is spent to support planned investments (Muhammad, 2005:17).

Understanding of financing according to Law No.21 of 2008 concerning Sharia Banking, Article 1 number 25 states that Financing is the provision of funds or equivalent claims in

the form of (a) profit sharing transactions in the form of Mudharabah and Musyarakah, (b) sale and leaseback transactions in the form of Ijarah or lease purchase in the form of Ijarah Muntahiya Bittamlik, (c) buying and selling transactions in the form of Murabahah receivables, Salam and Isthisna, (d) lending and borrowing transactions in the form of Qardh receivables, (e) sale and leaseback transactions services in the form of Ijarah for multi-purpose transactions.

Based on the agreement between Sharia banks or UUS and other parties requiring parties to be financed and given funds to repay the funds after a certain period in return for ujah, without compensation or profit sharing. Most of the bank funds are channelled in the form of financing, which if managed carefully will provide excellent results both for the bank and for the national economy (Imanayati, 2010:137).

Third Party Fund (TPF)

The third-party fund (deposits) described in Law No.10 of 1998 concerning Banking explain Banking is funds entrusted by the public to banks based on funds deposit agreements in the form of demand deposits, deposits, certificates of deposit, savings and other forms that are presented with that.

According to Kasmir in the book *Banking Management* (2002:64), third-party funds are fund originating from the wider community, the most important source of funds for a bank's operational activities and a measure of the bank's success if it can finance its operations

from these funding sources. According to Law No.10 of 1998 concerning Banking, the intended source of funds as follows:

- a. Giro account is a deposit that withdrawn at any time by using check and other payment facilities or by transferring books
- b. Deposit is a deposit that withdrawn only made at certain times based on the agreement of the depositor with the bank.

Saving is a deposit that withdrawn can only be made according to certain agreed conditions, but it cannot be withdrawn by check and other tools that equated with it.

Non-Performing Financing (NPF)

Non-Performing Financing is a situation where the customer is no longer can pay some or all of obligations to the bank as has agreed (Kuncoro & Suharjono, 2002:462). If not handled properly, problem financing is a source of potential losses for the bank. Therefore, it requires systematic and sustainable handling (Mahmoeddin, 2004:51).

According to Dendawijaya (2009), the congestion of credit facilities is caused by two factors, namely: the banking sector, in this case, the credit analyst is not thorough both in checking the truth and authenticity of the document or in calculating the ratios. The result, what should have happened, was not predicted. From the Customer side, the credit congestion caused by customers is caused by two things, namely: the element of intentionality and the existence of an unexpected element.

Financing to Deposit Ratio (FDR)

The primary function of the bank is as a financial intermediary. This intermediation function can be indicated by the Financing to deposit ratio (FDR). According to Dendawijaya (2009), Financing to deposit ratio (FDR) is the ratio between the total amount of credit given by the bank and the funds received by the bank. While, according to Kasmir (2007), Financing to deposit ratio is a ratio to measure the composition of the amount of credit given compared to the number of public funds and the capital used.

FDR describes the ability of banks to repay withdrawals made by depositors' customers by relying on loans provided as a source of liquidity. The ratio was higher, then the bank's liquidity capability is lower. This caused loan is one of the goals of collecting bank funds, which also provides the most significant revenue contribution to the bank. The more credit channelled, then the more illiquid a bank is because all funds collected have been channeled in the form of credit. So, there is no excess fund to be loaned again or to be invested.

Profit Margin

Profit margins are profits derived from the results of financing allocations in the form of murabahah sale and purchase with an agreement between the seller and the buyer. In this case the bank as the seller and the customer as the buyer. Murabahah profit margins can be set in such a way as to ensure that the bank can obtain benefits comparable to the profits of interest-based banks that rival

Islamic banks (Muhammad, 2004:94). In other words, the profit margin is the primary income from murabahah financing. The bank can increase the murabahah financing for the month by looking at how many profit margins the previous month ($t-1$).

If the previous year the bank could earn high-profit margin banks would increasingly enhance the murabaha financing amount in the current year. So, the profit margin has a positive effect on murabahah financing. The higher the profit margin obtained by a bank, the more the ability of banks to channel financing.

Murabahah

The jurists define Murabahah as the sale of the cost of the plus the agreed markup or profit margin. The murabahah characteristic is that the seller must notify the buyer about the product purchase price and state the amount of profit added to the cost (Wiroso, 2005).

In the glossary of books, the set of DSN fatwa explained about Murabahah (DSN, 2003 in Wiroso 2005) is to sell an item by confirming its purchase price to the buyer and the buyer pays it for more as profit.

According to Muhammad (2000), Murabahah is a sale and purchase contract for a particular item, in which the seller explicitly states the item being traded, including the purchase price of the item to the buyer, and then requires a certain amount of profit. Murabahah is a type of fund distribution from Sharia banks that use the principle of buying and selling. Now, the type of murabahah

transaction is very dominant run by sharia financial institutions.

RESEARCH METHODS

This research was conducted in Sharia Commercial Banks Indonesia and carry out in 2016. The method used in this study was quantitative research because a series of observations (measurements) are expressed in numbers (Soeratno and Arsyad, 1995:69).

The object in this study was all Sharia Commercial Banks and carry out in Sharia Commercial Banks by looking at the level of murabahah financing and in monthly financial reports. This research can represent the actual situation regarding the factors that can affect murabahah financing in Sharia Commercial Banks.

In this study the independent variables were used third-party funds (X1), non-performing financing (X2), financing to deposit ratio (X3), profit margins (X4) and the dependent variable was used the amount of murabahah financing distributed Sharia Commercial Bank (Y). The data used in this study are secondary data.

This research is associative or relationship that aims to determine the relationship between two or more variables. From this research can be built a theory that serves to explain, predict and control an economic turmoil (Sugiyono, 2004:29). In addition to the associative nature, this research also descriptive analytic, which explains the extent of the relationship between TPF, NPF, FDR and profit margins on

murabahah financing on Sharia Commercial Banks of the 2011-2015 period.

RESEARCH RESULTS AND DISCUSSIONS

Panel Data Regression Test

Table 1. Panel Data Regression Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DPK	-0.279730	0.086548	-3.232062	0.0022
NPF	-0.025247	0.152630	-0.165416	0.8693
FDR	0.019415	0.008446	2.298636	0.0257
MARGIN	-0.566692	0.197117	-2.874908	0.0059
C	44.44319	5.210366	8.529764	0.0000
R-squared	0.329030	Mean dependent var	25.37281	
Adjusted R-squared	0.275352	S.D. dependent var	2.464931	
S.E. of regression	2.098304	Akaike info criterion	4.406644	
Sum squared resid	220.1439	Schwarz criterion	4.589128	
Log likelihood	-116.1827	Hannan-Quinn criter.	4.477212	
F-statistic	6.129731	Durbin-Watson stat	0.837888	
Prob(F-statistic)	0.000429			

Sumber : E-views 9 (Data Diolah)

Based on table 7 above, the overall panel data regression equation of Sharia Commercial Banks shows that the variables of third-party funds deposits, financing to deposit ratio and profit margins affect the murabahah financing. Based on the value of the variable probability of third-party fund saving was 0.0022, the probability value of the financing to deposit ratio variable was 0.0257, and the probability value of the variable profit margin was 0.0059 where the value < 0.05.

From on table 7 above, the constant value of 44.44319 shows that if the Third Party Funds Deposit (X1), Non Performing Financing (X2), Financing to Deposit Ratio (X3) and Profit Margin (X4) were zero or constant then the Profitability value was proxy on Murabahah Financing (Y) of 45.37982.

The regression coefficient value of Third Party Funds (X1) was -0.279730. It means that if the DPK value increases of 1 point. Then, it would reduce on the Murabahah Financing was amounted to 0.279730 with the assumption that other variables are constant or fixed.

The regression coefficient value of Non-Performing Financing (X2) was -0.025247. It means that if the NPF value increases of 1 point. Then, it would reduce on the Murabahah Financing was amounted to 0.025247 with the assumption that other variables are constant or fixed.

The coefficient regression value of Financing to Deposit Ratio (X3) was 0.019415. It means that if the value of FDR increases of 1 point. Then, it would increase on the Murabahah Financing was amounted of 0.019415 with the assumption that other variables are constant or fixed.

The regression coefficient value of the Profit Margin (X4) was -0.566692. It means that if the value of the Profit Margin increases of 1 point. Then, it would reduce on the Murabahah Financing was amounted to 0.566692 with the assumption that other variables are constant or fixed.

Hypothesis Test (t-test)

Table 2. T-test results

Dependent Variable: MURABAHAH
Method: Panel Least Squares
Date: 03/01/17 Time: 13:39
Sample: 2011 2015
Periods included: 5
Cross-sections included: 11
Total panel (balanced) observations: 55

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DPK	-0.279730	0.086548	-3.232062	0.0022
NPF	-0.025247	0.152630	-0.165416	0.8693
FDR	0.019415	0.008446	2.298636	0.0257
MARGIN	-0.566692	0.197117	-2.874908	0.0059
C	44.44319	5.210366	8.529764	0.0000

Sumber : E-views 9 (Data Diolah)

Based on table 8 above, this test was carried out to see the significant effect of Third Party Fund Deposit (TPF), Non-Performing Financing (NPF), Financing Deposit Ratio (FDR) and Profit Margin on murabahah financing of Sharia Commercial Banks registered at Bank Indonesia for 2011-2015 periods.

1. Deposits of Third Party Funds

H_0 : *Third Party Funds affect on financing murabahah*

H_a : *Third Party Funds affects murabahah financing*

Based on table 8 at above, it can be seen that the probability value of Third Party Fund deposits was 0.0022. It means, the lower than the value of $\alpha = 0.05$. Thus, it can be concluded that H_0 is rejected, it means that the variable of third-party funds deposits affects murabahah financing.

2. Non-Performing Financing

H_0 : *Non-Performing Financing affect on financing murabahah*

H_a : *Non-Performing Financing affect on financing murabahah*

Based on table 8 above, it can be seen that the probability value of *Non-Performing Financing* was 0.8693. It means that is higher than the value of $\alpha = 0.05$. Thus, it can be concluded that H_a is rejected; it means that the variable *non-performing financing* affects *murabahah* financing.

3. Financing to Deposit Ratio

H_0 : Financing to Deposit Ratio affect on murabahah financing

H_a : Financing to Deposit Ratio affect on murabahah financing

In table 8 above, it can be seen that the probability value of Financing to Deposit Ratio was 0.0257, it means that the lower than the value of $\alpha = 0.05$. Thus, it can be concluded that H_0 is rejected, it means that the financing to deposit ratio variable affects murabahah financing.

4. Profit Margin

H_0 : Profit Margin effect on murabahah financing

H_a : Profit margin effect on murabahah financing

In Table 8 above, it can be seen that the probability of profit margin was 0.0059. It means, the lower than the value of $\alpha = 0.05$. Thus, it can be concluded that H_0 is rejected; it means that the profit margin variable affects the murabahah financing.

Test F

Table 3. Test Result F

R-squared	0.329030	Mean dependent var	25.37281
Adjusted R-squared	0.275352	S.D. dependent var	2.464931
S.E. of regression	2.098304	Akaike info criterion	4.406644
Sum squared resid	220.1439	Schwarz criterion	4.589128
Log likelihood	-116.1827	Hannan-Quinn criter.	4.477212
F-statistic	6.129731	Durbin-Watson stat	0.837888
Prob(F-statistic)	0.000429		

Sumber : E-views 9 (Data Diolah)

Based on table 9 above, the F-statistic result was 6.129731 with a significance level of 0.000429. The level of significance was lower than 0.05. Thus, it can be concluded that Third Party Funds Deposits, Non-Performing Financing, Financing to Deposit Ratio and

Profit Margin simultaneously affect Murabahah Financing of Sharia Commercial Banks.

Determination Coefficient Test

Table 4. Determination Coefficient Test Results

R-squared	0.329030	Mean dependent var	25.37281
Adjusted R-squared	0.275352	S.D. dependent var	2.464931
S.E. of regression	2.098304	Akaike info criterion	4.406644
Sum squared resid	220.1439	Schwarz criterion	4.589128
Log likelihood	-116.1827	Hannan-Quinn criter.	4.477212
F-statistic	6.129731	Durbin-Watson stat	0.837888
Prob(F-statistic)	0.000429		

Sumber : Eviews 9 (Data Diolah)

Based on table 10 above, Random Effect Model can be seen that the value of Adjusted R-Square formed in this study was 27.54 %. This shows that the ability of independent variables (Third Party Funds (TPF), Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR) and Profit Margin) in explaining the dependent variable on (Murabahah Financing of Sharia Commercial Banks) amounted to 27.54%. Whiles, the remaining 72.46% was influenced by other independent variables not used in this study such as the Capital Adequacy Ratio (CAR), ROA, ROE, BOPO, and others.

Interpretation of Research Results

The panel data regression analysis that has been carried out aims to determine Third Party Funds (DPK), Non-Performing Financing (NPF), Financing Deposit Ratio (FDR) and Profit Margin on murabahah financing of Sharia Commercial Banks which registered with Bank Indonesia for 2011-2015 periods. Based on the chow test, the test is to determine the model that more suitable between Common Effect, Fixed Effect or

Random Effect; the chosen model was the estimated Fixed Effect model. Based on the selected estimation model, the regression equation as formed:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

$$Y = \beta_0 + \beta_1 \text{TPF} + \beta_3 \text{FDR} + \beta_4 \text{Margin} + \varepsilon$$

$$\text{Murabahah Financing} = 44.44319 - 0.279730 X_1 + 0.019415 X_3 - 0.566692 X_4 + \varepsilon$$

Based on the result of panel data regression analysis above, explain that effect of the relationship between independent variables on Murabahah Financing as follows:

a. The Effect of Third Party Fund (TPF) on Murabahah Financing

Based on the results of the study using the application of Eviews 9 described above, it can be seen that the DPK variable affects Murabahah Financing. Based on the table above, the probability value of the DPK variable was 0.0022, the probability value lower than 0.05 of significance level. So, it can be concluded this variable affects Murabahah Financing.

This explains that if a deposit were higher, then deposits that will exist in banks would increase. With the increase in bank deposit funds, the bank's performance will increase. Therefore the size of deposits will affect the Financing of Murabahah. The results of this study support the research conducted by Andreany (2011), indicating that deposits of the third party fund have a positive and significant effect on financing volume, the profit sharing rate has a positive and significant

effect on the volume of financing, non-performing financing has a negative effect on financing volume.

Ferial Nurbaya (2013) shows that CAR has a positive and significant effect on murabahah financing, ROA has a positive and significant effect on murabahah financing, FDR has a positive and significant effect on murabahah financing, and TPF has a positive and significant effect on murabahah financing. Herni Ali (2014) shows that deposits of the third-party fund have a positive and significant effect on financing based on profit sharing, non-performing financing has a negative effect on financing based on profit sharing, and credit interest rates have a negative and significant effect on financing based on profit sharing. SamhanYanis (2015), shows that DER, DPK, FDR, CR and ROA have a positive and significant effect on murabahah financing.

b. The Effect of Financing Deposit Ratio (FDR) on Murabahah Financing

Based on the result of the study using the application of Eviews 9 described above, it can be seen that the FDR variable affects Murabahah Financing. This statement can be proven by looking at table 4.8, the probability value of DPK variable was 0.0257 probability value lower than 0.05 of significance level. So, it can be ascertained that this variable affects Murabahah Financing.

This explains that if FDR higher, then the profits that on the bank would increase. The increase FDR of the bank, the bank's performance would increase. Therefore, the

size of the FDR affects Murabaha Financing. The results of this study support the research conducted by Ferial Nurbaya (2013) the research entitled "Analysis of the Effect of CAR, ROA, FDR and TPF on Murabahah Financing." The results showed that financing and deposit ratios partially and simultaneously influenced murabahah financing.

c. **The Effect of Profit Margin on Murabahah Financing**

Based on the result of research using application of Eviews 9 explained above, it can be seen that the variable profit margin affects Murabaha Financing. It can be seen from the table above, the probability value of the profit margin variable was 0.0059 the probability value lower than 0.05 of significance level. So, it can be ascertained that this variable affects Murabahah financing.

This explains that if the profit margin higher, then the profit on the bank also increases. The increasing profit margins, then bank performance would increase. Therefore, the size of the profit margin will affect the Murabahah Financing. The results of this study support the research conducted by Khodijah Hidayyatul Maula (2011) the research entitled "The Effect of TPF, Ownership, Profit Margin and NPF on Murabahah Financing." The results showed that TPF has no definite and significant effect on murabahah financing, capital has a positive and significant effect on murabahah financing, NPF has a negative and significant effect on murabahah financing, profit margin has a positive and significant effect on murabahah financing.

CONCLUSIONS

Based on the analysis and discussion of research results by testing hypotheses using panel data regression analysis, conclusions can be taken as follows:

Based on the results of the individual test, Deposit of Third Party Fund (TPF) has a positive effect on the murabahah financing of Sharia Commercial Banks. Thus, H_1 states that Third Party Fund has a positive and significant effect on Murabahah Financing.

Based on the individual test results, Non-Performing Financing (NPF) affects the murabahah financing of Sharia Commercial Banks. Thus, H_2 states that Non-Performing Financing has not to effect on Murabahah Financing.

Based on the results of the individual test, Financing Deposit Ratio (FDR) has a positive effect on the murabahah financing of Sharia Commercial Banks. Thus, H_3 states that the Financing Deposit Ratio has a positive and significant effect on Murabahah Financing.

Based on the results of the individual test, Profit Margin has a positive effect on the murabahah financing of Sharia Commercial Banks. Thus, H_4 states that the Profit Margin has a positive and significant effect on Murabahah Financing.

Variables of Third Party Fund deposits, Non-Performing Financing, Financing to Deposit Ratio and Profit Margin simultaneously affect the Murabahah Financing of Sharia Commercial Banks.

The results of this study are expected to be a significant input for investors and contribute to the thinking of the world economy in determining its operational policies. The information obtained in this study was expected to be a reference for consideration of analysis before making a decision. This research can be used as consideration in investing funds or investments in particular with Bank Sharia. This research can add literature in the field of Islamic Bank management and can be used as reading material to add insight and knowledge. For the further researcher, it is better to add more statistically significant variables and add a more updated period, so the data will be more representative and more complete than current research.

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