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THE EFFECT OF *MURABAHAH*, *MUSYARAKAH*, AND *IJARAH* FINANCING ON PROFITABILITY WITH NON-PERFORMING FINANCING AS A MODERATION VARIABLE IN ISLAMIC COMMERCIAL BANKS FOR THE 2016-2020 PERIOD

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Abstract

This study aims to examine the effect of Murabahah, Musyarakah and Ijarah financing on Profitability with Non-Performing Financing (NPF) as a moderating variable at Islamic Commercial Banks in Indonesia registered with the Financial Services Authority (OJK) in the 2016-2020 period. This type of research is quantitative. Data is obtained by accessing financial reports and annual reports through the website of each Islamic Commercial Bank. The sampling method used is purposive sampling method using criteria so that a sample of 8 (eight) companies can be obtained for 5 (five) years of observation. This research was conducted using an analysis that includes descriptive statistical tests, capital estimation approach tests, panel data regression models, classical assumption tests, coefficients of determination (R^2) tests, partial tests, simultaneous tests and moderated analysis regression (MRA) tests through software Eviews 10. The results of this study indicate that murabahah financing has a positive and significant effect on the profitability of Islamic commercial banks as measured by ROA, musyarakah financing has a negative and significant effect on the profitability of Islamic commercial banks as measured by ROA and ijarah financing has no negative and significant effect on profitability. Islamic Commercial Banks as measured by ROA. Non-performing financing moderates murabaha financing on the profitability of Islamic commercial banks in Indonesia, Non-performing financing does not moderate musyarakah financing on the profitability of Islamic commercial banks in Indonesia and Non-performing Financing does not moderate Ijarah financing on the profitability of Islamic commercial banks in Indonesia.

Keywords: *Ijarah, Murabahah Financing, Musyarakah, Non Performing Finance (NPF), Profitability*

1. INTRODUCTION

Islamic banks are essentially a form of intermediation banking. This implies that the extra funds collected by the community are returned to them in the form of loans and other forms of financing (Syachfuddin & Rosyidi, 2017). As intermediaries in the financial sector, banks play a vital role in a nation's economic growth. The importance of financial intermediation in the banking industry is undeniable and directly correlated with the economic performance of all nations, including Indonesia. It is undeniable that the operational liquidity of Islamic banking is connected to its role as a financial intermediary. Typically, the profit rate of a bank is determined by the profit, yield, or return on a given sum of money. This research focuses on Islamic commercial banks that comprise Islamic financial institutions. Without a doubt, these banks contribute significantly to the distribution of wealth among their customers. In the five years between 2016 and 2020, the profitability of Islamic commercial banks increased. Following is a graph of Islamic commercial banks' net income:

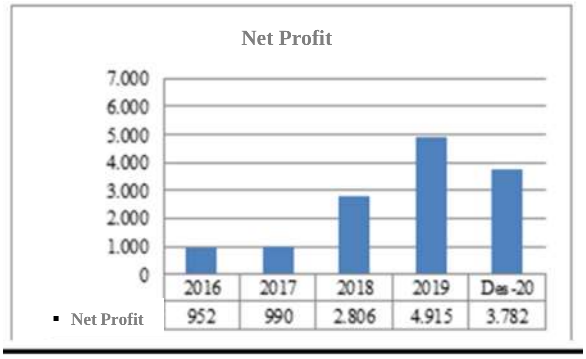


Figure 1 Net Profit of Islamic Banking (in billion Rupiah)
Source: Financial Services Authority (Data Processed, 2021)

As shown in Figure 1, Islamic bank net profit statistics tend to rise and fall in 2020, making it imperative to adhere to Sharia regulations and consider profit-generating factors. Several numbers influence the net profit of Islamic banks. important elements, including financing through *murabahah*, *musyarakah*, and *ijarah*. Profit is an indicator of a company's performance. Profits have declined as a result of the company's deteriorating performance. The more money a bank has, the more successful it is (Saraswati et al., 2020). If the financing is handed over to the customer and returned to the bank without issuing each period, the bank's profits will be stable; however, if the financing is delayed, the bank's profits will also be unstable. Profits contribute to the bank's expansion. Valuable securities This facilitates the capability of Islamic banks to compete for substantial assets (El Adawiya, 2020).

The primary objective of Islamic banks as a business unit responsible for distribution and financing is, of course, to maximize profits. Utilizing productive assets is one method for a bank to maximize revenue and boost profitability. One of the productive assets is funding (Dwiarti & Hasibuan, 2019). The Financial Services Authority (OJK) publishes the following information regarding the financing structure of Islamic banks from 2016 to 2020.

Table 1 Composition of Sharia Banking Profit Sharing Financing (in billion Rupiah)

No	Type of Financing	2016	2017	2018	2019	2020
1	*Mudharabah*	7.577	6,584	5.477	5.413	4098
2	*Musharakah*	54.052	60,465	68,644	84,582	92,279
3	*Murabaha*	110,063	114,458	118.134	122.725	136,990
4	*Qard*	3,883	-	6,848	9,276	10,425
5	*istishna*	25	18	15	11	21
6	*Ijarah*	1,882	2,778	3.180	3.138	2,720
7	Regards	0	0	0	0	0

Source: Financial Services Authority (Data Processed 2021)

Based on the information in Table 1 of the Islamic Banking Financial Services Authority, the availability of loan products at Islamic commercial banks cannot be controlled by distributing *ijarah* loans. *Ijarah* is defined by Syayid Sabiq Fiqh Sunnah as an agreement to transfer the results (income) of a product or service within a predetermined period of time without further transfer of ownership of the goods themselves.

Banks prefer the *Murabahah* scheme, also known as the buying and selling scheme, in which the bank purchases goods from customers in exchange for a profit margin. This scheme dominates the financing of Islamic banks (Setiaji, et al., 2018). In addition, bank *murabahah* contracts and customer installment security systems are regarded as posing a low risk (Agustina, 2019). Another reason is the financing characteristics of buying and selling contracts (also known as *Murabahah*), as well as the fact that the concept of buying and selling is simple to calculate and comprehend for customers. Alternatively, the calculation of profit-sharing funds is more complex, and *musyarakah* will continue to rise annually from 2016 to 2020. Murabaha contracts provide the greatest amount of financing, followed by profit-sharing schemes, namely *musyarakah* and *ijarah* financing. This *ijarah* financing has not yet been able to claim itself in terms of fund distribution.

According to the 2018 data from the Indonesian Bankers Association, nonperforming loans can be categorized as substandard loans, doubtful loans, and bad loans. If your NPF score is high, there is a high likelihood that you will not receive a refund, whereas if it is low, the risk is low (Cokrohadisumarto, et al., 2016). Bank Indonesia has established a maximum NPF value of 5 percent as the threshold for acceptable bank health.

Table 2 Percentage of Non-performing financing at Islamic Commercial Banks

Year	NPF (%)
2016	4.42
2017	4.76
2018	3.26
2019	3.23
2020	3.13

Source: Sharia Banking Statistics December 2021 (www.ojk.go.id)

From Table 2, it can be seen that the level of Non-performing financing (NPF) increased from 4.42% in 2016 to 4.76% in 2017; this suggests that non-performing loans in Islamic banking are quite poor, but are still in the process of improvement. Because the percentage is below 5%, the tolerance limit is met. From 2016 to 2020, the NPF level continued to decrease, from 2018's 3.26% to 3.23% in 2019 and 3.13% in 2020. This indicates that nonperforming loans in Islamic banking are beneficial, and banks will experience greater profits if the NPF level is reduced, as a low NPF level indicates a low risk of funds not being returned.

All banking institutions' primary objective is to maximize profits. Return on Assets (ROA) indicates a bank's ability to generate revenue from its holdings. ROA ratio measures the ability of banks to manage assets and generate return on assets (Aminah, 2021). Using this indicator, Islamic banks can manage all productive assets independently. With the increased ROA, the bank will utilize its assets more effectively. The lower the obtained ROA, the less efficiently banks manage production assets (Pertiwi & Suryaningsih, 2018).

According to the study by Faradilla et al. (2017), murabaha financing has an impact on profitability. According to the research findings of Primary et al. (2017), *musyarakah* funding has a significant impact on profitability. According to the research of Paisal Muhammad Fikri and Wirman, *musyarakah* financing has a negative and substantial effect on profitability (ROA). The research was conducted by Putra and Hasanah in 2018, and its findings indicate that *Ijarah* finance significantly increases ROE profitability. Similarly, funding via *ijarah*, *mudharabah*, *musyarakah*, and *murabaha* all have a very positive effect on profitability. Although NPF can moderate the impact of *ijarah* and *murabahah* financing on ROA, it cannot moderate the impact of mudharabah financing, according to Anjarwati (2020).

Based on the theoretical description and previous research above, this study aims to determine the effect of *murabahah*, *musyarakah*, and *ijarah* financing on profitability with non-performing financing as a moderating variable in Islamic commercial banks for the 2016-2020 period.

2. THEORETICAL BASIS

2.1. Profitability

The ability of an organization to pursue profit is evaluated using the profitability ratios in Dalimunte & Prananti (2019). This ratio measures how well the company's management performs (Kasmir, 2018). The Return on Assets Ratio will be used in this study by the authors. The company's capacity to generate net income based on a certain level of assets is measured by its ROA. This ratio describes how effectively a business manages all of its asset (Kasmir, 2018).

2.2. *Murabahah* Financing

Murabahah is a form of financing used by the Bank to finance the acquisition and sale of goods to customers. To meet consumer demand in accordance with the intended needs, banks purchase goods from suppliers. After adding up the agreed purchase price of the two, the bank resells the goods to the consumer and makes a profit. The customer must choose the transaction method based on his ability in terms of the type of payment. Cash transactions, installment payments, and delayed payments are some of the transaction methods that can be used (Karim (2011) on (Fitriani et al., 2021)).

2.3. *Musharakah* Financing

Musyarakah financing is described as an agreement between two or more parties for a particular business provided that each party contributes money, provided that profits are divided according to the agreement, while losses are based on the contribution of funds (IAI, 2010) in (Fitriani et al., 2021).

2.4. *Ijarah* Financing

According to the Fatwa of the National Syarah Council No.09/DSN/MUI/IV/2000, *Ijarah* is a contract for the transfer of usufructuary rights (benefits) to an item or service within a certain time through payment of rent/wages, without being followed by the transfer of ownership of the goods themselves, with Thus in the *ijarah* contract there is no change in ownership, but only the transfer of usufructuary rights from the one who leases it to the lessee.

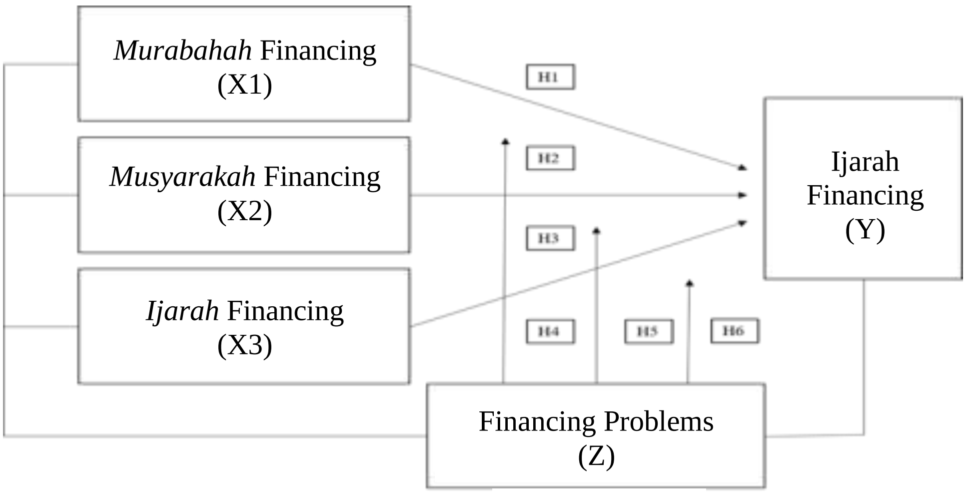
2.5. Non Performing Finance (NPF)

The need for prudence is very strongly mandated in Law no. 21 of 2008 concerning Islamic Banking. Non-Performing Financing shows the ability of bank management to manage non-performing financing provided by banks. So the higher this ratio, the worse the quality of bank credit, causing the number of bad loans, the more likely the bank is in increasingly problematic conditions. Loans in this case are loans given to third parties other than credit to other banks. Non-performing loans are loans with substandard, doubtful and loss quality (Utami, 2018).

3. RESEARCH METHOD

This type of research is quantitative research. This study uses secondary data to analyze, for 2016 to 2020, the effect of non-performing financing as a moderating variable on the profitability of *murabahah*, *musyarakah*, and *ijarah* financing in Islamic commercial banks. Secondary data is information that has been collected to help with current issues. Secondary data from the Financial Services Authority (OJK) or the website of each Islamic bank is used as a source of research data (annual reports). The number of data in the sample is 40 data. The data is based on the number of Islamic banks that have met the criteria, including 8 banks, namely Bank Muamalat Indonesia, Bank BNI Syariah, Bank BRI Syariah, Bank BCA Syariah, Bank Syariah Mandiri, Bank Syariah Bukopin,

The relationship between the independent variable, the dependent variable and the moderating variable can be illustrated by the following diagram:



Source: Self Processed (2021)

Figure 2 Relationship Between Independent, Dependent, and Moderating Variables

4. RESULT AND DISCUSSION

4.1. Research Result

Table 3 Descriptive Statistical Analysis Result

	X1	X2	X3	Z	Y
Mean	23.17500	23.02500	8.18E+10	2.239250	0.778750
Median	24.00000	24.00000	1.81E+08	2.175000	0.700000
Maximum	31.00000	30.00000	9.07E+11	4.990000	2.510000
Minimum	14.00000	14.00000	21653.00	0.010000	-2.190000
Std. Dev.	5.410756	5.663593	2.08E+11	1.684556	0.953265
Skewness	-0.182724	-0.336601	2.512962	0.080672	-0.442410
Kurtosis	1.491118	1.404318	8.475586	1.630346	4.053379
Jarque-Bera	4.017128	4.999002	92.06992	3.169972	3.154191
Probability	0.134181	0.082126	0.000000	0.204951	0.206574
Sum	927.0000	921.0000	3.27E+12	89.57000	31.15000
Sum Sq. Dev.	1141.775	1250.975	1.69E+24	110.6715	35.43984
Observations	40	40	40	40	40

From Table 3 above, there are 40 samples, and it can be seen descriptive statistical analysis of *murabahah*, *musyarakah*, *ijarah*, non-performing financing and profitability. Based on the table above, the average value of the *murabahah* is 23.17500, the minimum value is 14000000 and the maximum value is 31.00000. *Musyarakah* financing has an average value of 23.02500, a minimum value of 14,000,000 and a maximum value of 30,000000. For *ijarah* financing, the average value is 8180000000000, the minimum value is 21653.00 and the maximum value is 90700000000000. For non-performing financing, the average value is 2.239250, the minimum value is 0.010000 and the maximum value is 4.990000. For profitability, the average value is 0.778750, the minimum value is -2.190000and a maximum value of 2.510000.

4.1.1. Test the Model Estimation Approach

1) Chow test

Table 4 Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.229627	(7,28)	0.3201
Cross-section Chi-square	10.721821	7	0.1512

Source: Secondary Data processed with Eviews10, 2022

In testing the basic chow test for decision making. If the probability value is statistically significant > 0.05 then H0 is accepted, on the other hand H0 is rejected if the probability value is statistically significant, F < 0.05. The probability value is obtained based on the results of the statistical test above. The cross-section Chi-square is 0.1512 which exceeds 0,05, so the commond effect model is a better model than the fixed effect.

2) Hausman test

Table 5 Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.146281	4	0.3866

Source: Secondary Data processed with Eviews10, 2022

In the Hausman test, if the chi-square statistical value is > 0,05, then H0 is accepted. This means that the random effects model is a better model. On the other hand, if the value of the chi-square statistic is < 0,05, then H0 is rejected. This means that the fixed effect model is a good model to use.

Based on the results of the statistical test above, the chi square statistic value is 0.3866, which means it is greater than 0,05, so the random effect model is a better model than the fixed effect model.

3) LM test

Table 6 LM Test Results

Null (no rand. effect) Alternative	Cross-section One-sided	Period One-sided	Both
Breusch-Pagan	0.576883	2.922625	3.499508
	(0.4475)	(0.0873)	(0.0614)
Honda	-0.759528	1.709569	0.671780
	(0.7762)	(0.0437)	(0.2509)
King-Wu	-0.759528	1.709569	0.905751
	(0.7762)	(0.0437)	(0.1825)
GHM	--	--	2.922625
	--	--	(0.1017)

Source: Secondary Data processed with Eviews10, 2022

Based on the results of the table above, the value of both is 0.0614, more than 0,05, then H0 is rejected, which means that the best estimation method is the Common Effect.

4.1.2. Panel Data Regression Model Test

1) CEM Test

Table 7 CEM Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.883092	0.420764	4.475410	0.0001
X1	0.294418	0.077549	3.796555	0.0006
X2	-0.310857	0.073403	-4.234907	0.0002
X3	-1.03E-14	4.22E-13	-0.024306	0.9807
Z	-0.343495	0.058344	-5.887423	0.0000

R-squared	0.779315	Mean dependent var	0.778750
Adjusted R-squared	0.754093	S.D. dependent var	0.953265
S.E. of regression	0.472714	Akaike info criterion	1.455817
Sum squared resid	7.821052	Schwarz criterion	1.666927
Log likelihood	-24.11633	Hannan-Quinn criter.	1.532147
F-statistic	30.89922	Durbin-Watson stat	1.424032
Prob(F-statistic)	0.000000		

Source: Secondary Data processed with Eviews10, 2022

This method uses time series data and section data. These data are usually regressed using the least squares method (OLS). When the coefficient of determination is greater than 0,5, the ability of the independent variable to explain the dependent variable is very strong. Conversely, if the value is less than 0.5, then the ability of the independent variable to explain the dependent variable is not strong.

From the results of the table above on the Common Effect Model (CEM) test, it was found that the R value of 0.779315 > 0,5 indicates that the *Murabahah*, *Musyarakah*, *Ijarah* and Non-performing Financing variables are strong in explaining the profitability variable.

2) FEM test

Table 8 FEM Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.951800	1.302031	2.267074	0.0313
X1	0.084400	0.159015	0.530766	0.5998
X2	-0.155725	0.170322	-0.914293	0.3684
X3	7.88E-13	9.94E-13	0.793116	0.4344
Z	-0.271484	0.111298	-2.439256	0.0213
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.831204	Mean dependent var		0.778750
Adjusted R-squared	0.764891	S.D. dependent var		0.953265
S.E. of regression	0.462219	Akaike info criterion		1.537771
Sum squared resid	5.982111	Schwarz criterion		2.044435
Log likelihood	-18.75542	Hannan-Quinn criter.		1.720965
F-statistic	12.53459	Durbin-Watson stat		1.891875
Prob(F-statistic)	0.000000			

Source: Secondary Data processed with Eviews10, 2022

This method assumes that the regression coefficient (slop) remains the same between companies and over time. When the coefficient of determination is greater than 0,5, the ability of the independent variable to explain the dependent variable is very strong. Conversely, if the value is less than 0.5, then the ability of the independent variable to explain the dependent variable is not strong.

From the results of the table above on the Fixed Effect Model (FEM) test, it was found that the R-Squared value of 0.831204 > 0,5 indicates that the *Murabahah*, *Musyarakah*, *Ijarah* and Problematic Financing variables are strong in explaining the profitability variable.

3) REM Test

Tables 9 REM Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.932451	0.461834	4.184294	0.0002
X1	0.281315	0.083246	3.379318	0.0018
X2	-0.300225	0.079271	-3.787335	0.0006
X3	3.09E-14	4.50E-13	0.068675	0.9456
Z	-0.340746	0.061444	-5.545647	0.0000
Effects Specification				
			S.D.	Rho
Cross-section random			0.132157	0.0756
Idiosyncratic random			0.462219	0.9244
Weighted Statistics				
R-squared	0.726427	Mean dependent var		0.656117
Adjusted R-squared	0.695162	S.D. dependent var		0.838917
S.E. of regression	0.463184	Sum squared resid		7.508891
F-statistic	23.23418	Durbin-Watson stat		1.479066
Prob(F-statistic)	0.000000			
Unweighted Statistics				
R-squared	0.778846	Mean dependent var		0.778750
Sum squared resid	7.837651	Durbin-Watson stat		1.417025

Source: Secondary Data processed with Eviews10, 2022

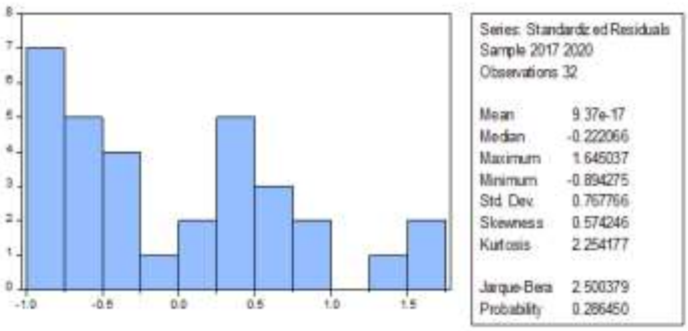
This model estimates panel data where the residual variable should be related between time and object. When the coefficient of determination is greater than 0.5, the ability of the independent variable to explain the dependent variable is very strong. Conversely, if the value is less than 0,5, then the ability of the independent variable to explain the dependent variable is not strong.

From the results of the table above on the Random Effect Model (REM) model, it is found that the R-Squared value of 0.726427 > 0,5 indicates that the *Murabahah*, *Musyarakah*, *Ijarah*, and Problematic Financing variables are strong in explaining the profitability variable.

4.1.3. Classic assumption test

1) Normality test

Table 10 Normality Test Results



Source: Secondary Data processed with Eviews10, 2022

Based on the picture above, after healing the data, it can be seen that the probability result is 0,286450%. Since the probability is > 0,05, we can conclude that the tested residuals are normally distributed.

2) Multicollinearity Test

Table 11 Multicollinearity Test Results

	D(X1)	X2	D(X3)	D(Z)
D(X1)	1.000000	0.201605	0.843454	-0.012017
X2	0.201605	1.000000	0.209909	0.090530
D(X3)	0.843454	0.209909	1.000000	0.072500
D(Z)	-0.012017	0.090530	0.072500	1.000000

Source: Secondary Data processed with Eviews10, 2022

If the Correlation Value < 0,90, then there is no multicollinearity problem. Based on the table above, after healing, the results of the multicollinearity test can be seen that there is no high correlation between variables. So it can be concluded that the data used does not contain multicollinearity.

3) Heteroscedasticity Test

Table 12 Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(X1)	0.071683	0.099857	0.717858	0.4790
X2	-0.006312	0.027020	-0.233593	0.8171
D(X3)	-5.66E-13	1.67E-12	-0.339834	0.7366
D(Z)	-0.086909	0.202156	-0.429909	0.6707
C	1.039024	0.639823	1.623925	0.1160

Source: Secondary Data processed with Eviews10, 2022

Based on the table above, after healing, we can see that the probability value of *murabahah* financing is 0.4790 where > 0,05 then the probability value of *musyarakah* financing is 0.8171 where > 0,05 then the probability value of *ijarah* financing is 0.7366 which is > 0,05 and the value of non-performing financing is 0.6707 which is > 0,05 so that in this study there are no symptoms of heteroscedasticity.

4) Autocorrelation Test

Table 13 Autocorrelation Test Results

R-squared	0.779315	Mean dependent var	0.778750
Adjusted R-squared	0.754093	S.D. dependent var	0.953265
S.E. of regression	0.472714	Akaike info criterion	1.455817
Sum squared resid	7.821052	Schwarz criterion	1.666927
Log likelihood	-24.11633	Hannan-Quinn criter.	1.532147
F-statistic	30.89922	Durbin-Watson stat	1.424032
Prob(F-statistic)	0.000000		

Source: Secondary Data processed with Eviews10, 2022

Based on the table above, it shows that the Durbin Watson value is 1.424032 where the value is greater than 0,05, so it can be concluded that this model is free from the autocorrelation test.

4.1.4. Coefficient of Determination Test (R^2)

Tables 14 Coefficient of Determination Test Results (R^2)

R-squared	0.779315	Mean dependent var	0.778750
Adjusted R-squared	0.754093	S.D. dependent var	0.953265
S.E. of regression	0.472714	Akaike info criterion	1.455817
Sum squared resid	7.821052	Schwarz criterion	1.666927
Log likelihood	-24.11633	Hannan-Quinn criter.	1.532147
F-statistic	30.89922	Durbin-Watson stat	1.424032
Prob(F-statistic)	0.000000		

Source: Secondary Data processed with Eviews10, 2022

Based on the table above, it can be seen that the adjusted R-squared value is 0.754093 or 75%, which means that profitability (ROA) can be explained by *murabahah*, *musyarakah*, *ijarah* financing and non-performing financing of 75%. While the remaining 25% can be explained by variables other than research.

4.1.5. Partial Test (T Test)

Tables 15 Partial Test Results (T Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	0.294418	0.077549	3.796555	0.0006
X2	-0.310857	0.073403	-4.234907	0.0002
X3	-1.03E-14	4.22E-13	-0.024306	0.9807
Z	-0.343495	0.058344	-5.887423	0.0000
C	1.883092	0.420764	4.475410	0.0001

Source: Secondary Data processed with Eviews10, 2022

Based on the table above, the results of research testing can be seen as follows:

1) *Murabahah* financing partially affects the profitability (ROA) of Islamic Commercial Banks.
   Based on the t-test shows that the value of t-Statistic X1 is 3.796555 with a probability of 0.0006 which means it is smaller than the value of a = 0.05. So, it can be concluded that *murabahah* has a significant positive effect on profitability (ROA). Then H1 is accepted.
2) *Musyarakah* financing partially affects profitability (ROA) in Islamic Commercial Banks.
   Based on the t-test shows that the value of t-Statistic X2 is -4.234907 with a probability of 0.0002 which means it is smaller than the value of a = 0.05. So, it can be concluded that musharakah has a significant negative effect on profitability (ROA). Then H2 is accepted.
3) Partial *ijarah* financing has no effect on profitability (ROA) in Islamic Commercial Banks.
   Based on the t-test shows that the value of t-Statistic X3 is -0.024306 with a probability of 0.9807 which means it is greater than the value of a = 0.05. So, it can be concluded that *ijarah* has no effect on profitability (ROA). Then H3 is rejected.
4) Non-performing financing partially affects the profitability (ROA) of Islamic Commercial Banks.

Based on the t test, it shows that the t-Statistic Z value is -5.887423 with a probability of 0.0000 which means it is smaller than the value of a = 0.05. So, it can be concluded that non-performing financing has a significant negative effect on profitability (ROA).

4.1.6. Simultaneous Test (F Test)

Table 16 Simultaneous Test Results (F Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	0.294418	0.077549	3.796555	0.0006
X2	-0.310857	0.073403	-4.234907	0.0002
X3	-1.03E-14	4.22E-13	-0.024306	0.9807
Z	-0.343495	0.058344	-5.887423	0.0000
C	1.883092	0.420764	4.475410	0.0001

R-squared	0.779315	Mean dependent var	0.778750
Adjusted R-squared	0.754093	S.D. dependent var	0.953265
S.E. of regression	0.472714	Akaike info criterion	1.455817
Sum squared resid	7.821052	Schwarz criterion	1.666927
Log likelihood	-24.11633	Hannan-Quinn criter.	1.532147
F-statistic	30.89922	Durbin-Watson stat	1.424032
Prob(F-statistic)	0.000000		

Source: Secondary Data processed with Eviews10, 2022

Based on the table above, *murabahah*, *musyarakah*, *ijarah* and non-performing financing together affect financial performance (ROA). This can be seen from the probability value of 0.000000 which means it is smaller than 0.05. This explains that *murabahah*, *musyarakah*, *ijarah* and non-performing financing simultaneously or simultaneously affect profitability as measured by ROA.

4.1.7. MRA test

1) Moderating 1

Table 17 MRA Test Results 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.286781	0.693637	1.855121	0.0718
X1	0.018014	0.026568	0.678029	0.5021
Z	0.156544	0.261600	0.598408	0.5533
M1	-0.025729	0.010434	-2.465935	0.0186

Source: Secondary Data processed with Eviews10, 2022

In the MRA test, the variable Z_Problematic Financing (M1) moderates the *Murabahah* Variable (X1) and the Variable (Y). Due to the t-Statistic result of -2.465935 and the Prob value of 0.0186, it means that the non-performing financing value is <0.05 so that it can moderate the X1 variable with the Y variable.

2) Moderating 2

Table 18 MRA Test Results 2

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.695869	0.676562	2.506598	0.0168
X2	0.001403	0.026639	0.052675	0.9583
Z	0.029019	0.256969	0.112926	0.9107
M2	-0.020163	0.010254	-1.966277	0.0570

Source: Secondary Data processed with Eviews10, 2022

In the MRA test, the variable Z_Problematic Financing (M2) does not moderate the *Musyarakah* Variable (X2) and the Variable (Y). Due to the t-Statistic result of -1.966277 and the Prob value of 0.0570, it means that the non-performing financing value is > 0.05 so it cannot moderate the X2 variable with the Y variable.

3) Moderating 3

Table 19 MRA Test Results 3

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.036003	0.178075	11.43340	0.0000
X3	-1.72E-12	6.62E-13	-2.596839	0.0135
Z	-0.521024	0.059985	-8.685958	0.0000
M3	6.12E-13	2.94E-13	2.080998	0.0446

Source: Secondary Data processed with Eviews10, 2022

In the MRA test, the variable Z_Problematic Financing (M3) moderates the *Ijarah* Variable (X3) and the Variable (Y). Due to the t-Statistic result of 2.080998 and the Prob value of 0.0446, it means that the non-performing financing value is <0.05 so that it can moderate the X3 variable with the Y variable.

4.2. Discussion

4.2.1. The Effect of *Murabahah* Financing on Profitability

The results of hypothesis testing (partial testing) indicate that the probability value of 0.0006 is less than α 0.05, with a tstatistic of 3.796554. Therefore, it can be concluded that Ha is accepted, indicating that *murabahah* financing has a positive and significant impact on the ROA-based profitability of Islamic commercial banks. Islamic commercial banks can increase their profitability through the use of murabaha financing.

The results of testing the *murabahah* variable's effect on profitability indicate a significant positive effect, indicating that the greater the volume of *murabahah* financing, the lower the profitability of Islamic Commercial Banks. *Murabahah* is the most popular form of financing utilized by Islamic Commercial Banks and the largest form of financing relative to other forms. But *murabahah* has a significant positive effect on profitability because Islamic banks receive profit margins in addition to the acquisition price as income from *murabahah* financing. After receiving the goods, customers have the option of paying in cash or in installments. The majority of consumers will opt to pay their debts in installments. In installment-based deferred payments, Islamic banks can increase their income by expanding their profit margins. In other words, the longer the payment period, the greater the margin set by Islamic banks; however, the profits will be realized gradually. If repayment is accelerated, the income received by Islamic banks falls below the maximum, thereby affecting their profitability. Another factor that decreases profitability is the risk of customer default. The larger the *murabahah* contract, the greater the default risk. If repayment is accelerated, the income received by Islamic banks falls below the maximum, thereby affecting their profitability. Another factor that decreases profitability is the risk of customer default. The larger the *murabahah* contract, the greater the default risk. If repayment is accelerated, the income received by Islamic banks falls below the maximum, thereby affecting their profitability. Another factor that decreases profitability is the risk of customer default. The larger the *murabahah* contract, the greater the default risk.

These results are in line with research from Ismawati & Dailibas (2021) which states that Murabaha has a significant and positive effect on profitability. This result also rejects the results of the study Firdayati & Sophisticated (2020) stated that murabaha financing has no effect on ROA.

4.2.2. The Effect of *Musyarakah* Financing on Profitability

The results of hypothesis testing (partial testing) indicate a probability of 0.0002 less than α 0.05 and a tstatistic of -4.234907. Therefore, it can be concluded that Ha is accepted, indicating that *musyarakah* financing has a negative and significant impact on the ROA-based profitability of Islamic commercial banks. *Musyarakah* financing can increase Islamic commercial banks' profitability.

The results of testing the hypothesis that *musyarakah* has a significant negative effect on profitability indicate that the greater the volume of *musyarakah* financing, the lower the profitability of Islamic Commercial Banks. *Musyarakah* financing is a type of financing contract that is widely employed by Islamic Commercial Banks and whose usage has grown annually. However, statistical tests indicate that musharaka financing negatively impacts profitability. This can be caused by poor management of *musyarakah* financing, which results in suboptimal financing quality and a decline in profit sharing. Consequently, suboptimal management can result in decreased profitability. In addition, the negative impact may be caused by the risk of *musyarakah* financing, which is sufficient to affect the obtained profits.

These results are in line with research from Almunawwaroh & Marliana (2017) which states that *Musyarakah* Financing has a significant negative effect on the Profitability (ROA) of Islamic Banks. This result also rejects the results of the study Pratama et al. (2017) states that *Musyarakah* Financing has a positive and significant effect on the level of profitability.

4.2.3. The Effect of *Musyarakah* Financing on Profitability

The results of hypothesis testing (partial testing) indicate that the probability value of 0.9807 is greater than α 0.05, with a tstatistic value of -0.024306. Therefore, it can be concluded that Ha is rejected, meaning that *ijarah* financing has no negative and significant effect on the ROA-measured profitability of Islamic commercial banks. *Ijarah* financing is less able to help Islamic commercial banks increase their profitability.

The results of testing the hypothesis for the effect of *ijarah* on profitability do not indicate a significant negative effect. In this study, the impact of *ijarah* is determined by the amount of *ijarah* financing contained in the annual reports of Islamic Commercial Banks. Islamic Commercial Banks obtain a higher profitability value as *ijarah* financing increases in value. *Ijarah* financing remains uncommon in sharia-compliant organizations. There are still a small number of sharia entities that execute this financing contract. The total amount of *ijarah* financing also consists of financing with the lowest amount relative to other financing. According to OJK data, the ratio of *ijarah* financing to other types of financing was 1882 in 2016, 2.778 in 2017, 3.180 in 2018, and 3 in 2019.

These results are in line with research from Romdhoni & El Yozika (2018) which states that *Ijarah* Financing has no significant effect on the profitability of Bank Muamalat Indonesia. This result also rejects the results of the study Putra & Hasanah (2018) stated that *Ijarah* financing has a significant positive effect on profitability.

4.2.4. The Effect of Non-performing Financing Moderates *Murabahah* Financing on Profitability

Based on the results of the MRA test, the results show a probability value of 0.0186 which is smaller than 0.05 with a tstatistic value of -2.465935, so we can conclude that the variable Z_Problematic Financing (M1) moderates the Murabaha Variable (X1) and Variable (Y).

From testing the hypothesis for the Non-performing Financing variable moderating *Murabahah* Financing on profitability, the results are moderating which means strengthening which means an increase in the *Murabahah* variable followed by an increase in the NPF variable will increase the Profitability variable. Financing distribution activities There are risks associated with the bank's financial business activities. The greater the financing disbursed, the greater the risk faced by the bank. This risk is a non-current financing payment known as Non-Performing Financing (NPF). Several studies on the factors that cause NPF Implementation: Factors that cause bad loans by the bank itself Features of the existing Islamic banking system. Considering the NPF as a standard for evaluating banking performance and one of the important indicators in measuring the soundness of the Bank, all Banks will continue to try to reduce this NPF figure. Murabaha financing has the least risk because it has a definite rate of return. This is because both parties (debtor and bank) must agree on the selling price, payment period and the purchase and sale contract may not be changed during the validity of the contract.

These results are in line with research from Anjarwati (2020) which states that NPF is able to moderate the effect of *murabahah* financing and *ijarah* financing on ROA.

4.2.5. The Effect of Non-performing Financing Moderates *Musyarakah* Financing on Profitability

Based on the results of the MRA test, the results show a probability value of 0.0570 which is greater than 0.05 with a tstatistic value of -1.966277, so we can conclude that the variable Z_Problematic Financing (M2) does not moderate the *Musyarakah* Variable (X2) and the Variable (Y).

From testing the hypothesis for the Non-Performing Financing variable to moderate *Musyarakah* Financing on profitability, it was found that Non-Performing Financing (NPF) was unable to moderate the effect of *Musyarakah* financing on profitability at Islamic Commercial Banks in Indonesia. This is due to the inconsistency between the increase or decrease in NPF with the volume of *musyarakah* financing issued and the resulting profitability. NPF is not able to moderate *Musyarakah* Financing to profitability because the NPF that occurs in most Islamic banks is less than 5%. The higher the NPF, the lower the level of financing. When the level of financing is low, profitability will also be low. NPF is an indicator used to show losses due to financing risk. The larger the NPF indicates that the higher the non-performing financing. NPF affects the company's profitability, which means the greater the level of a bank's NPF can result in a decrease in profitability in Islamic banks. This makes the bank will be more careful by reducing financing.

These results are in line with research from Wahidah (2020) which states that NPF cannot moderate musharaka and FDR on profitability.

4.2.6. The Effect of Non-performing Financing Moderates *Ijarah* Financing on Profitability

Based on the results of the MRA test, the results show a probability value of 0.0446 which is smaller than 0.05 with a tstatistic value of 2.080998, so we can conclude that the variable Z_Problematic Financing (M3) moderates the *Ijarah* Variable (X3) and Variable (Y).

From testing the hypothesis for the Non-performing Financing variable moderating *Ijarah* Financing on profitability, the results are moderating which means strengthening which means an increase in the *Ijarah* variable followed by an increase in the NPF variable will increase the Profitability variable. Financing distribution activities There are risks associated with the bank's financial business activities. The greater the financing disbursed, the greater the risk faced by the bank. This risk is a non-current financing payment known as Non-Performing Financing (NPF). Several studies on the factors that cause NPF Implementation: Factors that cause bad loans by the bank itself Features of the existing Islamic banking system. Considering the NPF as a standard for evaluating banking performance and one of the important indicators in measuring the soundness of the Bank, all Banks will continue to try to reduce this NPF figure. According to Tehuayo (2018) states that *Ijarah* is a lease that results from business initiatives and efficiency. It is produced after a process of creating definite value. Because the owner of the property or wealth is still involved and has an interest in all customer uses. So that interested customers are indispensable in the process of creating value carried out within a company.

These results are in line with research from Anjarwati (2020) which states that NPF is able to moderate the effect of *murabahah* financing and *ijarah* financing on ROA.

5. CONCLUSION

Based on the research that has been done, the conclusions that can be drawn from this research are as follows:

1) *Murabaha* financing has a positive and significant effect on the profitability of Islamic commercial banks in Indonesia.
2) *Musyarakah* financing has a negative and significant effect on the profitability of Islamic commercial banks in Indonesia.
3) *Ijarah* financing has no negative and significant effect on the profitability of Islamic commercial banks in Indonesia.

4) Non-performing financing moderates *murabaha* financing on the profitability of Islamic commercial banks in Indonesia.
5) Non-performing financing does not moderate *Musyarakah* financing on the profitability of Islamic commercial banks in Indonesia.
6) Non-performing financing moderates ijarah financing on the profitability of Islamic commercial banks in Indonesia.

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