

Analysis of Factors Affecting Profitability of Islamic Banks in Yogyakarta

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Abstract

Islamic banks have a strategic task to encourage economic growth and national progress. The greater the contribution of banking, it is estimated that the more advanced a country's economy will be. As a financial institution, Islamic banks must also pay attention to their performance to operate well and develop rapidly in Indonesia, one of which is by paying attention to financial performance through financial reports. Profitability is an assessment aspect used to measure bank performance in generating profits. This study aims to determine the results of the effect of mudharabah and musyarakah financing on bank profitability as measured using ROA by comparing the company's net income with the total assets it has as a whole. The data analysis method uses secondary data obtained from the monthly financial statement data of Islamic Banks on mudharabah financing and musyarakah financing with the help of SPSS 27 software. The results showed that mudharabah and musyarakah financing had a positive and significant effect on the profitability of Islamic Banks in 2018-2022. This shows that the increasing value of the contract distributed also contributes to increased profitability. It is hoped that a significant increase in profitability can attract investors to invest more in Islamic Banks.

Keywords: Mudharabah, Musyarakah, Profitability

Introduction

Indonesia's economic development is strongly influenced by the banking sector. According to the National Survey on Financial Inclusion (SKNI), the financial inclusion rate in Indonesia increased from 67,8% in 2016 to 76,19% in 2021.¹ Bank Indonesia's report shows that the banking sector controls around 78% of national financial assets. This shows that banks play a major role in channeling financing to the small and medium enterprise (MSME) sector.² The greater the contribution of banking, it is estimated that the more advanced a country's economy will be.³ Islamic banks also have a strategic task to encourage economic growth and national progress.⁴ In Islamic banks, pricing is always based on the concepts of the al-Qur'an and as-Sunnah, namely that both sides work together in a plan that involves profits and losses.⁵ The percentage of share participation is determined by an agreement between the bank and the customer. As written in Law Number 21 article 1 of the

¹ Laporan Kebijakan Moneter, 2021.

² Khoirul Zadid Taqwa and Raditya Sukmana, "Analisis Kinerja Sistem Keuangan Syariah terhadap Pertumbuhan Ekonomi Indonesia", Vol. 5, No. 5, (2018): 393-404.

³ Amara Elprida Sani and Nana Diana, "Analisis Pengaruh Pembiayaan Mudharabah dan Pembiayaan Musyarakah terhadap Profitabilitas Bank Umum Syariah di Indonesia Periode 2016-2020," *Jurakunman (Jurnal Akuntansi dan Manajemen)*, Vol. 15, No. 1, (2022): 155.

⁴ M Hayati, D. Kurnia, and E. Maiyana, "Pengaruh Risiko Pembiayaan Mudharabah dan Musyarakah Terhadap Profitabilitas Bank Syariah Bukopin," *Accounting Information System, Taxes and Auditing Journal (AISTA Journal)*, Vol. 1, No. 1, (2022): 59-68.

⁵ Devi Sri Hartati, Dailibas, and Isro'iyatul Mubarakah, "Pengaruh Pembiayaan Mudharabah, Musyarakah dan Ijarah terhadap Profitabilitas Bank Umum Syariah di Indonesia," *Jurnal Ilmiah Ekonomi Islam*, Vol. 7, No. 1, (2021): 235-40.

year,⁶ "Islamic Banks are banks that carry out business activities based on Sharia Principles and according to their type consist of Islamic Commercial Banks and Islamic People's Financing Banks". As a financial institution, Islamic banks must also pay attention to their performance in order to operate well and develop rapidly in Indonesia, one of which is by paying attention to financial performance through financial reports.⁷

Assessing financial performance is usually done to assess the profitability of a company, by showing the bank's ability to generate profits over a certain period of time. Bank performance will increase in profit if profitability is high so that it will increase public confidence, otherwise if profitability is low public confidence will decrease.⁸ According to Dewi,⁹ Profitability is an assessment aspect used to measure bank performance in generating profits. Profitability ratios are used to determine an organization's ability to generate profits based on sales, assets, profits, and capital. In addition, profitability is a variable that affects the capital structure. Since a bank must be profitable to operate, profitability is an important factor that must be considered. The ability to profit is represented by Return on Assets (ROA), which is by comparing the company's net profit with the total assets it owns as a whole.¹⁰ For banking companies, ROA is very important because it is used to measure how effective a company is in generating profits by utilizing its assets. ROA is the ratio between profit after tax to total assets and a higher rate of return indicates how well the company is performing.¹¹

Faradilla¹² found that the factor that affects bank/company profits is financing. Financing is funds provided to assist planned investments. Strengthening Islamic values by increasing employment opportunities and economic welfare is the goal of financing based on Islamic principles.¹³ The financing products offered by Bukopin Syariah Yogyakarta branch are *mudharabah* and *musyarakah*. The financing method

⁶ Undang-undang Republik Indonesia Nomor 21 Tahun 2008 Tentang Perbankan Syariah (Pasal 1), 2008.

⁷ Siti Fatimah and Ria Anisatus Sholihah, "Pengaruh Capital Adequacy Ratio (CAR), Non Performing Financing (NPF), Financing to Deposit Ratio (FDR), dan Biaya Operasional Pendapatan Operasional (BOPO) terhadap Profitabilitas (Return on Assets) pada PT. Bank KB Bukopin Syariah Periode 2014-2022," *AKTIVA: Journal of Accountancy and Management*, Vol. 1, No. 2, (2023): 100–120, <https://doi.org/10.24260/aktiva.v1i2.1393>.

⁸ Hendrawan Raharjo, Anita Wijayanti, and Riana R Dewi, "Analisis Pengaruh Kinerja Keuangan dan Inflasi terhadap Profitabilitas Bank Umum Syariah di Indonesia (Tahun 2014-2018)," *Jurnal Ilmiah Akuntansi dan Manajemen*, Vol. 16, No. 1, (2020): 15–26.

⁹ Kadek Yuliana Dewi and Henny Rahyuda, "Pengaruh Profitabilitas, Likuiditas dan Kebijakan Dividen terhadap Nilai Perusahaan Sektor Industri Barang Konsumsi di BEL," *E-Jurnal Manajemen Universitas Udayana*, Vol. 9, No. 4 (2020): 1252. <https://doi.org/10.24843/ejmunud.2020.v09.i04.p02>.

¹⁰ Andi Iswandi, "Analisis Rasio Profitabilitas Sebagai Alat Penilaian Kinerja Keuangan Bank Syariah di Indonesia (Studi Kasus Laporan Tahun 2016-2018)," *Al-Tasyree: Jurnal Bisnis, Keuangan dan Ekonomi Syariah*, Vol. 14, No. 1, (2022): 22–34. <https://doi.org/10.59833/altasyree.v14i01.712>.

¹¹ Mohammad Zen Nasrudin Fajri, et. al., "The Nexus between Financial Development and Carbon Emission in OIC Countries," *Islamic Economics Journal*, Vol. 10, No. 1, (2024): 72–87, <https://doi.org/10.21111/iej.v10i1.12201>.

¹² Cut Faradilla, Muhammad Arfan, and M. Shabri, "Pengaruh Pembiayaan Murabahah, Istishna, Ijarah, Mudharabah dan Musyarakah terhadap Profitabilitas Bank Umum Syariah di Indonesia," *Jurnal Ilmiah Ekonomi Islam*, Vol. 7, No. 1, (2017): 250. <https://doi.org/10.29040/jiei.v7i1.1856>.

¹³ Ficha Melina, "Pembiayaan Murabahah di Baitul Maal Wat Tamwil (BMT)," *Jurnal Tabarru': Islamic Banking and Finance*, Vol. 3, No. 2, (2020): 269–80. [https://doi.org/10.25299/jtb.2020.vol3\(2\).5878](https://doi.org/10.25299/jtb.2020.vol3(2).5878).

used by Islamic banks to determine the level of profitability.¹⁴ *Mudharabah* financing is financing provided by Islamic banks to customers to develop a business that can generate profits.¹⁵ As according to PSAK 105, *mudharabah* is an agreement between two parties where the first party provides all the funds and the second party runs the funds, then the profit is divided according to the agreement, and the first party (owner of the funds) is responsible for financial losses. *Musyarakah* financing is an agreement made by capital owners to combine their funds to establish a business. According to PSAK 106 *Musyarakah* is a type of contract in which each party contributes funds with the provision that profits and losses are shared based on an agreement between two or more parties. The results of *mudharabah* financing are based on the amount of capital deposited by the customer, while the results of *musyarakah* financing are based on the amount of capital invested by the customer in his business.¹⁶ Thus, the *mudharabah* and *musyarakah* products and profit-sharing management systems of Islamic banks should be evaluated to ensure that they are not different from other bank loan products.

Bahri¹⁷ explained that *mudharabah* financing has a positive and significant effect between *mudharabah* financing and profitability, *musyarakah* financing has a negative and significant effect on profitability, while *murabahah* financing has no effect on profitability despite an increase in financing. Research conducted by Fikri & Wirman¹⁸ regarding the comparison between *mudharabah* financing and *musyarakah* financing on profitability shows that *mudharabah* financing affects profitability positively and significantly, while *musyarakah* financing affects profitability negatively and significantly. Magalhaes et al.'s research¹⁹ related to the results of research on the effect of *mudharabah* financing, *musyarakah* financing, and *murabahah* financing on profitability shows that *mudharabah* financing and *musyarakah* financing have a positive and significant impact, while *murabahah* financing has an insignificant impact on profitability.

The literature on the effect of *mudharabah* and *musyarakah* financing on the profitability of Islamic banks has grown, and there is a tendency for differences in results between existing studies. Some studies show that *mudharabah* financing has a positive and significant impact on profitability, while *musyarakah* financing tends to have a negative and significant impact. Based on the diverse research results

¹⁴ Faradilla, Arfan, and Shabri, "Pengaruh Pembiayaan Murabahah, Istishna, Ijarah, Mudharabah dan Musyarakah terhadap Profitabilitas Bank Umum Syariah di Indonesia."

¹⁵ Dewi Wulan Sari and Mohamad Yusak Anshori, "Pengaruh Pembiayaan Murabahah, Istishna, Mudharabah, dan Musyarakah terhadap Profitabilitas (Studi pada Bank Syariah di Indonesia Periode Maret 2015–Agustus 2016)," *Accounting and Management Journal*, Vol. 1, No. 1, (2017): 1–8. <https://doi.org/10.33086/amj.v1i1.68>.

¹⁶ Sani and Diana, "Analisis Pengaruh Pembiayaan Mudharabah dan Pembiayaan Musyarakah terhadap Profitabilitas Bank Umum Syariah di Indonesia Periode 2016-2020."

¹⁷ Syaiful Bahri, "Pengaruh Pembiayaan Murabahah, Mudharabah, dan Musyarakah terhadap Profitabilitas," *JAS (Jurnal Akuntansi Syariah)*, Vol. 6, No. 1, (2022): 15–27. <https://doi.org/10.46367/jas.v6i1.502>.

¹⁸ Paisal Muhamad Fikri and Wirman, "Strategi Penyelesaian Pembiayaan Bermasalah pada Akad Murabahah di PT. Bank Muamalat Indonesia TBK. Kantor Cabang Padangsidempuan," *Competitive Jurnal Akuntansi dan Keuangan*, Vol. 5, No. 2, (2021): 205.

¹⁹ Jilda Khoirunnisaa Magalhaes, Dimas Sumitra Danisworo, and Yudha Trishananto, "Analisis Faktor-Faktor Yang Mempengaruhi Profitabilitas pada PT Bank BRI Syariah Tbk," *Journal of Applied Islamic Economics and Finance*, Vol. 2, No. 2, (2022): 267–77. <https://doi.org/10.35313/jaief.v2i2.2911>.

regarding the effect of *mudharabah* and *musyarakah* financing on profitability, research with different data and time is needed. Therefore, researchers researched these issues to determine the effect of *mudharabah* financing and *musyarakah* financing on profitability. Based on the description above, the main problem is how the Bank's ability to increase and maintain the Bank's profitability. The purpose of the research is to determine the results of the effect of *mudharabah* and *musyarakah* financing on Bank Profitability as measured using ROA. Thus, research can provide deeper and holistic insights to understand the dynamics of the influence of Islamic financing on the profitability of Islamic banks in Indonesia.²⁰

Mudharabah is the sharing of profits from cooperative transactions between banks as capital owners (first party) and fund managers (second party), but fund owners are fully responsible in the event of a loss (IAI 2020b). According to previous studies Bahri²¹; Chasanah & Laily²²; Damayanti & Dewi²³; Rizky & Azib²⁴ have proven that the high profit sharing income obtained will affect profitability and generate increased revenue and profit. The results of their research also show that *mudharabah* financing has a positive and significant impact on profitability. Because the profitable profit sharing system makes customers more interested in developing their business by getting *mudharabah* financing. Based on this explanation, the first hypothesis can be proposed:

H1: *Mudharabah financing has a positive effect on profitability.*

Musyarakah is a cooperation agreement in which each part makes a financial contribution, through which profits are shared based on the agreement and losses are calculated based on the amount of fund contribution.²⁵ This study focuses on the contribution of the income ratio of *musyarakah* which is based on profit sharing. *Musyarakah* according to Antonio is a cooperation agreement between parties involved in a business. Each group provides funds for facilities and both agree that both profits and losses will be borne together. The increase or decrease in bank profits is influenced by the ratio of income generated by *musyarakah* financing, which can affect bank profitability. This has been proven by previous researchers Arsyadona,

²⁰ Ayunseh Retno Harini, Mahrus Kurniawan, and Budi Jaya Putra, "Do Macroeconomic Variables Affect Deposits in Shariah Banks?," *Islamic Economics Journal*, Vol. 10, No. 1, (2024): 61–71. <https://doi.org/10.21111/iej.v10i1.11611>.

²¹ Bahri, "Pengaruh Pembiayaan Murabahah, Mudharabah, dan Musyarakah terhadap Profitabilitas."

²² Adinda Tsummakuntum Chasanah and Nur Laily, "Pengaruh Good Corporate Governance dan Corporate Social Responsibility terhadap Kinerja Keuangan pada Perusahaan Food and Beverages," *Jurnal Ilmu dan Riset Manajemen*, Vol. 9, No. 7, (2020): 20.

²³ Ayesha Sekar Damayanti and Veni Soraya Dewi, "Pengaruh Pembiayaan Syariah terhadap Profitabilitas Bank Umum Syariah di Indonesia," *Borobudur Accounting Review*, Vol. 1, No. 2, (2021): 128–36, <https://doi.org/10.31603/bacr.5926>.

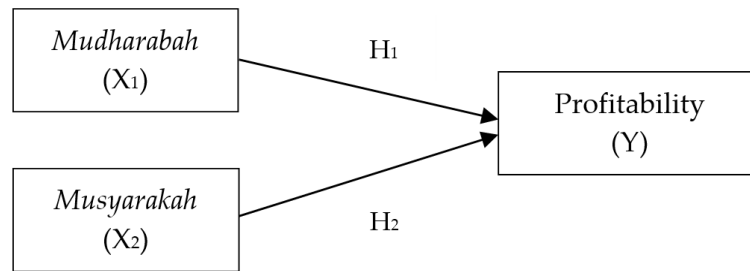
²⁴ Irvan Muhamad Rizky and Azib, "Pengaruh Pembiayaan Mudharabah, Murabahah dan Musyarakah terhadap Return on Assets," *Jurnal Riset Manajemen dan Bisnis*, Vol. 1, No. 1, (2021): 16–24, <https://doi.org/10.29313/jrmb.v1i1.35>.

²⁵ Sri Nurhayati and Wasilah, *Akuntansi Syariah di Indonesia*, 2019.

et. al., (2019)²⁶; Chasanah & Laily (2020)²⁷; Hartati, *et. al.*, (2021)²⁸ show that the ratio of *musyarakah* financing has a positive correlation with bank profitability. The higher the ratio of income from *musyarakah*, the greater the effect on increasing the bank's net profit. This explanation allows the second hypothesis:

H2: *Musyarakah financing has a positive effect on profitability.*

The following is the conceptual framework used in this study:



Source: Research Data, 2024

Figure 1. Hypothesis Development Framework

Methodology

This research method uses a quantitative approach. Sugiyono (2021)²⁹ defines this research as being used to examine a particular population or sample on one or more variables (stand-alone variable) or more without making comparisons between these variables and other variables. Meanwhile, quantitative data is defined as research that contains numerical numbers to be analyzed using applied statistical data with the aim of describing and testing predetermined hypotheses. This analysis uses secondary data obtained from KB Bukopin Syariah Yogyakarta branch monthly financial report data from 2018 to 2022 on *mudharabah* financing and *musyarakah* Financing.

²⁶ Arsyadona, *et. al.*, "The Effects of Mudharabah and Musyarakah Financing on the Profitability of Sharia Commercial Banks in Indonesia," *Proceeding International Seminar on Islamic Studies*, Vol. 1, No. 1, (2019): 682–89.

²⁷ Chasanah and Laily, "Pengaruh Good Corporate Governance dan Corporate Social Responsibility terhadap Kinerja Keuangan pada Perusahaan Food and Beverages."

²⁸ Hartati, Dailibas, and Mubarakah, "Pengaruh Pembiayaan Mudharabah, Musyarakah dan Ijarah terhadap Profitabilitas Bank Umum Syariah di Indonesia."

²⁹ Sugiyono and Puji Lestari, "Metode Penelitian Komunikasi (Kuantitatif, Kualitatif, dan Cara Mudah Menulis Artikel pada Jurnal Internasional)," (Bandung: CV. Alfabeta, 2021). <https://doi.org/10.14710/jdep.1.3.35-45>.

Variables	Indicator	Measurement Techniques
Profitability (Y)	Return on Asset (ROA) ³⁰	$ROA = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$
<i>Mudharabah</i> Financing (X1)	Amount of funds handed over to customers	Measures the total funds provided to customers in the form of cash and non-cash assets. ³¹
<i>Musyarakah</i> Financing (X2)	Amount of funds paid to customers	Measures the total funds provided to the customer after the contract is agreed upon and the withdrawal of funds is made. ³²

The data analysis technique in this study consists of descriptive statistical tests, classical assumption tests (normality test, multicollinearity test, heteroscedasticity test, and correlation test), and hypothesis testing (t-test and coefficient of determination).

Results and Discussion

Descriptive Analysis

A descriptive statistical test presents an overview of variable characteristics. In table 1, of the 60 samples showing the research results of the descriptive statistical test, the test contains the minimum value, maximum value, mean (average) value, and standard deviation of *mudharabah* and *musyarakah*. The data in this descriptive statistical test is monthly report data for 2018 to 2022.

Table 1. Descriptive Analysis

Variable	N	Min	Max	Mean	Std. Deviation
<i>Mudharabah</i>	60	3459	5277	2648	1397
<i>Musyarakah</i>	60	3644	8393	1967	2300
Profitability	60	6,3	89,3	26,339	22,4771

Source: Research Data, 2024

Based on table 1 shows that, the *mudharabah* variable (X_1) has an average (mean) value of 2648 with a standard deviation of 1397, so most of the data tends to be quite close to the average. The minimum value of *mudharabah* is 3459, while the maximum value is 5277. The average value (mean) of the *musyarakah* variable (X_2) is 1967 with a standard deviation value of 2300, so the data distribution on the *musyarakah* variable is wider or wider, thus meaning that the data is heterogeneous. This means that if the company experiences a loss, the loss it experiences is large, and vice versa if the company experiences a profit, the profit experienced is also

³⁰ Iswandi, "Analisis Rasio Profitabilitas Sebagai Alat Penilaian Kinerja Keuangan Bank Syariah di Indonesia (Studi Kasus Laporan Tahun 2016-2018)."

³¹ Inzani, Halim, and Fitriya, "Akuntansi Pembiayaan Mudharabah Berdasarkan PSAK No. 105."

³² Andreani Hanjani, Andika Ranto Pratama, and Parwoto Parwoto, "Penerapan PSAK No. 106 pada Pembiayaan Musyarakah di BMT Batik Mataram," *Jati: Jurnal Akuntansi Terapan Indonesia*, Vol. 2, No. 2, (2019): 48-52. <https://doi.org/10.18196/jati.020217>.

large. The minimum value of *musyarakah* is 3644, while the maximum value is 8393. Islamic bank profitability shows an average (mean) value of 26.339 with a standard deviation value of 22.4771. Profitability data tends to center around the average value. The relatively low variation in profitability indicates stability or consistency in performance, but it is also necessary to consider the business context and other factors to assess the overall health or performance of the bank. The minimum value of profitability shows a figure of 6.3, and the maximum value is 89.3.

Classical Assumption Test

Normality Test

Table 2. Normality Test

Unstandardized Residual		
N		52
Normal	Mean	0,0000000
Parameters	Std. Deviation	0,00634212
Most Extreme	Absolute	0,102
Differences	Positive	0,102
	Negative	-0,067
Test Statistic		0,102
Asymp. Sig. (2-tailed)		0,200

Source: Research Data, 2024

This test is carried out to test whether the dependent and independent variables have a normal distribution or not. Based on Ghozali (2018), the purpose of checking data normality is to determine whether the dependent and independent variables in the regression model have a normal distribution or not. The regression model fulfills the assumption of normality if the data is spread diagonally when tested. From the table above, it can be seen that the significant value is 0.200, which is greater than 0.05, so it can be concluded that the data in this study are normally distributed.

Heteroscedasticity Test

Table 3. Heteroscedasticity Test

	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	t	Sig.
<i>Mudharabah</i>	4.587E-12	0,000	0,209	1,454	0,152
<i>Musyarakah</i>	3.633E-14	0,000	0,110	0,810	0,422

Source: Research Data, 2024

The heteroscedasticity test is used to determine whether or not there is an inequality between the variants of the residuals of one observation to another. Based on table 3, it can be seen that the significant values of the two independent variables in this study are 0.152 and 0.422 > 0.05. Thus it can be concluded that in the data

there is no heteroscedasticity problem, so a good and ideal regression model can be fulfilled.

Multicollinearity Test

Table 4. Multicollinearity Test

	Collinearity Statistics	
	Tolerance	VIF
<i>Mudharabah</i>	0,922	1,084
<i>Musyarakah</i>	0,922	1,084

Source: Research Data, 2024

The multicollinearity test serves to test the presence or absence of multicollinearity by looking at the VIF value, if the VIF is smaller than 10 and the tolerance value is greater than 0.1 there is no multicollinearity. The purpose of multicollinearity is to see if there is a high correlation between variables, so a hypothesis needs to be formulated. Based on Table 4, it can be seen that the relationship between the two independent variables shows the tolerance value does not show multicollinearity because the tolerance value of *mudharabah* and *musyarakah* is greater than 0.10. Likewise, the VIF value shows no multicollinearity, because the VIF value of *mudharabah* and *musyarakah* is < 10.

Autocorrelation Test

Table 5. Autocorrelation Test

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0,858	0,738	0,720	0,00420268	2,003

Source: Research Data, 2024

Based on table 5, it is known that the Durbin-Watson value is 2.003, which means that 1.633 is smaller than 2.003 and is smaller than 2.367. Comparison of values using a significant value of 5%, the number of samples 52 (n), and the number of independent variables 2 (k=2), then in the Durbin Watson table, the du value is 1.633. The Durbin Watson value of 2.003 is greater than the upper limit (du) of 1.633 and the result of 4-du (4-1.633) = 2.367, it can be concluded that there is no autocorrelation in the data used in this study.

T-Test

According to Ghozali (2018), t-test hypothesis testing aims to show the extent to which the degree of relationship and influence of an independent variable can be attributed individually to the explanation of the dependent variable in the study. This research data subtest uses the significance level of the table that greatly affects the dependent variable among the independent variables. The criteria for acceptance or rejection of the hypothesis in the t-test is if the sig. value > 0.05 or t-count < t-table, the hypothesis will be rejected, which means that partially the independent variable has no significant effect on the dependent variable. Conversely, if the sig. value < 0.05

or $t\text{-count} > t\text{-table}$, the hypothesis will be accepted and it means that partially the independent variable has a significant effect on the dependent variable.

Table 6. T-Test

	Unstandardized		Standardized		t	Sig.	Information
	Coefficients		Coefficient				
	B	Std. Error	Beta				
<i>Mudharabah</i>	1,396E-11	0,000	0,263		2,208	0,032	Supported
<i>Musyarakah</i>	3,559E-13	0,000	0,471		3,957	0,000	Supported

Source: Research Data, 2024

Based on table 6, it shows that there is hypothesis test 1: The regression coefficient value of the *mudharabah* variable has a number of 2.208 positively correlated with the profitability variable. The significance of the *mudharabah* variable of 0.032 is smaller than 0.05. This shows that the *mudharabah* variable (X_1) has a significant effect on profitability (Y). For hypothesis testing 2, the regression coefficient value of the *musyarakah* variable of 3.957 is positively related to the significance value of the *musyarakah* variable of 0.000 smaller than 0.05, which indicates that the *musyarakah* variable (X_2) also has a significant effect on profitability (Y). This shows that the *mudharabah* variable and the *musyarakah* variable both have a significant effect on profitability. A higher ratio indicates good performance due to efficient and effective asset management.

Coefficient of Determination (R-Square)

Table 7. Coefficient of Determination (R-Square)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,600	0,360	0,334	0,00647026

Source: Research Data, 2024

Based on table 7, the coefficient of determination or R-Square with 0.360. this figure of 0.360 is obtained from squaring the correlation coefficient value of 0.600. the magnitude of the coefficient of determination is 0.334. So, *mudharabah* (X_1) and *musyarakah* (X_2) financing during 2018-2022 provided 33.4% of profitability (Y), while 66.6% was influenced by other factors not included in the study.

Discussion

Effect of *Mudharabah* Financing on Profitability

Based on the research results on the *mudharabah* variable, the significance value of 0.032 is smaller than 0.05, which indicates that H_1 can be accepted. The results prove that the *mudharabah* variable has a positive and significant effect on the profitability of KB Bukopin Syariah Yogyakarta branch's monthly financial statements from 2018 to 2022. The results of the study are in line with research conducted by Bahri (2022) which states that there is a positive and significant influence between *mudharabah* on the profitability of Islamic banking. The effect of this *mudharabah* financing variable shows that the high and low *mudharabah* financing can affect net income so it has a

positive impact on profitability. Bank companies can benefit from the cooperation between banks and consumers. When both parties work well together, financing and profitability will increase. A good relationship between banks and consumers increases consumer confidence in banking institutions, creating loyalty that has a long-term impact on the stability of bank customers. This cooperation can also help expand financial inclusion, especially in unreached areas.

Effect of *Musyarakah* Financing on Profitability

Based on the results of research on the *musyarakah* variable, the significance value of 0.00 is smaller than 0.05, which proves that H_2 can be accepted. The results of this study indicate that the *musyarakah* variable has a positive and significant effect on the profitability of KB Bukopin Syariah Yogyakarta branch's monthly financial statements in 2018-2022. The results of this study are still in line with research conducted by Hartati, *et. al.*, (2021) and Magalhaes, *et. al.*, (2022) which states that the *musyarakah* financing variable has a positive and significant effect on the profitability of BCA Syariah Bank and Bank Mandiri Syariah. However, it is different from the research conducted by Bahri (2022) and Fikri & Wirman (2021) which states that *musyarakah* financing has a negative and insignificant effect on profitability. The effect of this *musyarakah* financing variable shows that the high and low value of profit-sharing financing will affect the return generated and the profitability (profit) obtained. This is due to the fact that *musyarakah* financing uses a profit-sharing system, so profits are based on customer income. Profit sharing based *musyarakah* financing provides an opportunity for banks to earn fluctuating income according to the performance of the customer's business. When the business is successful, the bank will get a larger share of the profits.³³

Conclusion

Mudharabah variable, H_1 is accepted so that it can be concluded that the *mudharabah* financing variable can contribute to company profitability. This means that *mudharabah* financing can affect the profitability of Islamic banks. *Musyarakah* variable H_2 is accepted so that it can be concluded that the *musyarakah* variable has a contribution to the company's profitability. This means that *musyarakah* financing can have a positive and significant effect on the profitability of Islamic banks. Increasing the value of the contract on *mudharabah* financing will make profitability also increase. In addition, the greater the *musyarakah* financing channeled, the greater the ROA obtained. Therefore, it is expected that banks can run their operations efficiently so that the bank's profitability continues to increase. A good increase in profitability is expected to attract investors to invest in Islamic banks.

Mudharabah and *musyarakah* variables are proven to simultaneously have a positive and significant effect on the profitability of Islamic banks. The results of this study support the theory of the relevance of the value of Islamic accounting

³³ Emy Widyastuti and Yusvita Nena Arinta, "Perbankan Syariah dan Pertumbuhan Ekonomi Indonesia: Bagaimana Kontribusinya?," *Al-Muzara'ah*, Vol. 8, No. 2, (2020): 129-40. <https://doi.org/10.29244/jam.8.2.129-140>.

information, so the results of this study can provide evidence of the implications for Islamic banks in seeking to increase the profitability (profit) of the company. In this study, researchers made relatively short observations and also used variables that were still limited. Suggestions that can be given to future researchers can use other variables such as *murabahah*, *ijarah* and *musyarakah mutanaqisah*, to increase understanding of increasing company profitability. In addition, future research can consider different research methods to re-examine the relationship between these variables.

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