

ABSTRACT

Profitability is one of the analytical tools used to assess management performance in generating profits in a certain period. Performance appraisal in Islamic banks is an important thing to do because it will affect public confidence in the bank. One measure of profitability is return on assets (ROA). Based on data obtained from Islamic Banking Statistics, it know that the return on assets (ROA) of Islamic banks in 2015-2019 has increased every year. This increases must accompanied by an increase in assets through financing, namely mudharabah financing and musharaka financing. However, based on the data, only musyarakah financing has increased. Mudharabah financing and musyarakah financing are included in the type of natural uncertainty contract (NUC) financing contract, where the level of profit to be obtained is uncertain. Therefore, this financing distribution inseparable from risk, namely risk. This financing risk called non-performing financing (NPF).

The purpose of this study was to determine the effect of mudharabah financing, musyarakah financing, and non-performing financing (NPF) on the profitability of sharia commercial banks in Indonesia for the 2015-2019 period. The population in this study are Indonesia Islamic commercial bank, the number of samples obtained by purposive sampling method is nine Islamic commercial banks.

This research is quantitative research using secondary data obtained from the financial statements and annual reports of Islamic banks. The data analysis technique used in this research is panel data regression analysis. Research data processing using Eviews 11 software.

The results showed that simultaneously mudharabah financing, musyarakah financing, and non-performing financing (NPF) had an effect on profitability. Meanwhile, partially mudharabah financing, musyarakah financing has no effect on profitability, while non-performing financing (NPF) partially has a negative effect on profitability. The results of the coefficient of determination (R²) show that the independent variables, namely mudharabah financing, musyarakah financing, and non performing financing, are able to explain the dependent variable, namely profitability of 63,0203% while the remaining 39,9797% is explained by other variables outside the study.

Based on the result of the study, Islamic bank should be more selective in distributing financing, this is to minimize occurrence of non performing financing, so that Islamic banks do not lose the opportunity to earn income from the financing that is distributed.

Keywords: mudharabah financing, musyarakah financing, non performing financing, profitabiliy, sharia bank