Analysis of The Influence of Financing To Deposit Ratio (FDR), Non Performing Financing (NPF), Return on Equity (ROE) on Mudharabah Financing in Bank Mandiri Syariah Surakarta

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ABSTRACT -*.The purpose of this study is to analyze the effect of Financing To Deposit Ratio (FDR), Non Performing Financing (NPF), Return on Equity (ROE) on Mudharabah Financing at Bank Mandiri Syariah Surakarta in 2016-2021. The method used is panel data regression model. The results showed that FDR has significant effect on Mudharabah. However, the NPF and ROE has no significant effect on Mudharabah Financing in Bank Mandiri Syariah over the peiod 2016-2021.*

Keywords: *Mudharabah, FDR, NPF,ROE, Panel Data*

ABSTRAK *- Tujuan dari penelitian ini adalah untuk menganalisis pengaruh Financing To Deposit Ratio (FDR), Non Performing Financing (NPF), Return on Equity (ROE) terhadap Pembiayaan Mudharabah pada Bank Mandiri Syariah Surakarta Tahun 2016-2021. Metode yang digunakan adalah model regresi data panel. Hasil penelitian menunjukkan bahwa FDR berpengaruh signifikan terhadap Mudharabah. Namun, NPF dan ROE tidak berpengaruh signifikan terhadap Pembiayaan Mudharabah di Bank Mandiri Syariah selama periode 2016-2021.*

Kata Kunci: *Mudharabah, FDR, NPF,ROE, Panel Data*

INTRODUCTION-

The Indonesian state is a country that is developing in all sectors, both in order to improve economic distribution or build economic growth where the economic sector is a top priority for the government for such improvement. financial institutions, namely bank financial institutions whose role is more visible in carrying out economic development within the Indonesian state. Banking is everything related to banks, including institutions, business activities, as well as methods and processes in carrying out their business activities. Banks are defined as financial institutions whose business activities are to collect funds from the public and channel these funds back to the public and provide other banking services. While the definition of a financial institution is any company engaged in finance where its activities are only collecting funds or only distributing funds or both (Kasmir, 2014).

Credit given by banks is based on trust so that lending is giving trust to customers. Because lending by banks is intended as an attempt to earn profits, banks may only pass on public deposits to their customers in the form of credit if they are absolutely sure that the debtor will return the loan he received in accordance with the terms and conditions that have been agreed upon by both parties. This shows the need to pay attention to the ability and willingness factors, so that prudence is concluded by maintaining the element of security and at the same time the element of profit from a credit. Economic development cannot be separated from the banking sector. Because banking has an important role in economic growth. This is because the banking sector has a main function, namely as a financial intermediary between those who have funds (surplus funds) and those who need funds (Julita, 2011).

Seeing the development of Islamic banks that are increasingly advanced, the government with its policies stipulates Law no. 21 of 2008. With the enactment of the Act, Islamic banks that have been around for a long time in Indonesia finally have an institutional legal basis for their organization. Article 68 of the Sharia Banking Law which states that Conventional Commercial Banks that have Sharia Business Units are required to separate their units if the asset value of the unit has reached 50% of the total parent bank. This obligation is aimed at making Islamic Commercial Banks separate in management from Conventional Commercial Banks, so that they are expected to be more obedient to sharia principles.

The separation process above is known as the spin off process. The spin off process is a process in which the separation of ownership of a business is carried out so that the business has future prospects. This process means encouraging national Islamic banking to increase, be able to compete and be independent. In theory, Islamic banking is slightly different from conventional banking. Islamic banks in their operations must be related to the provisions contained in the Al-Quran and Al-Hadith. Transactions at Islamic banks must also be free of usury (interest), do not contain elements of an uncertain contract (gharar and maysir), emphasize the principle of profit sharing, and prioritize investment in the halal sector. While conventional banks set interest as the price, both for deposit products such as savings, time deposits, and loan products (credit) that are given based on a certain interest rate (Rama, 2011).

Because I think that if conventional banks continue with Islamic banks, it will not necessarily be suitable, especially in independent banking in Surakarta. Because both conventional and Islamic banks are still guided by Bank Indonesia. So I take an example relating to an independent Islamic bank with a conventional bank. The variables I chose include analysis of the relationship between Financing to Deposit Ratio, Non Performing Financing, Return on Equity in Mudharabah Financing at Bank Mandiri Syariah Surakarta in 2016-2020.

LITERATURE REVIEW-

(Indra pratama, 2020) found that NPF has a significant effect on ROA/ROE. FDR has a negative and significant effect on ROA/ROE, while the PMD variable has no effect on ROA/ROE, there is only one significant variable, namely Non-Performing Financing. To overcome this problem, it is necessary to balance the variables from conventional banks with Islamic bank variables, especially in independent banks, both non and sharia in the Surakarta area in 2016-2020.

Based on the research and estimation results from the regressions that have been carried out regarding the Analysis of ROA, BOPO, FDR, CAR and NPF on Profit Sharing Mudharabah at Bank Syariah Indonesia using the analytical method Ordinary Least Square (Bramanidta, 2020). Rifka (2018) found that Mudharabah and Murabahah partially have no effect on ROA of BUS and UUS for the 2015-2018 period. It can be seen that there is no significant effect between the Mudharabah variable and the ROA variable. Likewise with the Murabahah variable, which means that there is no significant effect between the Murabahah variable and ROA. Furthermore, the FDR and NPF variables have a significant effect on ROA. This can be seen in the probability values of these variables. This shows that there is a significant effect between the FDR and ROA variables. While the NPF variable has a significant effect on the ROA variable.

(Nofianti, 2015) used Return On Asset (ROA), BOPO, Interest Rate, Financing to Deposit Ratio (FDR) and Non Performing Financing (NPF) as independent variables, and the rate of profit sharing for mudharabah deposits is shared as the dependent variable. Part The results show that Return On Assets (ROA) and Financing to Deposit Ratio (FDR) have a significant positive effect on the rate of profit sharing for mudharabah deposits. While BOPO, Interest Rate and Non-Performing Financing (NPF) have no effect.

METHODS-

To determine the magnitude of the influence of an independent variable on the dependent variable, this study used a panel data method. The dependent variable in this study is Mudharabah Profit Sharing Financing (PMD), while for the independent variables there are 3, namely, Financing to Deposit Ratio (FDR), Non Performing Financing (NPF), Return on Equity (ROE). The object of this research is Bank Mandiri Syariah Surakarta during the period 2016-2020. The data used is sourced from the official website of the Financial Services Authority (OJK). The econometric model is as follows:

$$PMDit = \alpha + \beta 1\ FDRit + \beta 2\ NPFit + \beta 3\ ROEit + \mu it$$

where,

PMD : Mudharabah Financing

FDR : Financing to Deposit Ratio

NPF : Non Performing Financing

ROE : Return on Equity

α : Intercept/Constant

β1 β2 β3 : Coefficient dependent variable

i : cross section data/ bank

t : time series data/year

μ : eror term

RESULTS-

This study uses panel data with a combination of 5 years time series with a cross section of 8 Islamic banks in Surakarta. The time series used is larger than the cross section, therefore according to Gujarati (2012), panel data is a combination of time series data and cross section data. The data panel is able to provide more data resulting in a greater degree of freedom. Second, combining information from time series and cross section data can overcome problems that arise when there is a variable crime problem. The results of the panel data analysis are shown in Table 1.

Table 1. Panel Data Estimation Result

Variabel	CEM	FEM	REM
C	44.6745 (0.0397)	49.50811 (0.0552)	47.61922 (0.0464)
FDR	0.568597 (0.0054)	0.480630 (0.1131)	0.522273 (0.0355)
NPF	-5.602899 (0.5417)	-8.538452 (0.4074)	-7.651629 (0.4249)
ROE	-1.054699 (0.5529)	-0.242718 (0.9144)	-0.576706 (0.7727)
R-squared	0.238629	0.520937	0.159205
Prob (F-statistic)	0.019026	0.007557	0.096735

Table 1. explains that in the panel data method there are stages in selecting the best model, namely the Chow test, Hausman test, and LM test. Chow test to determine the best model between CEM and FEM. After testing all the test, this study uses the CEM model as the best model.

Table 2. Chow Test

Effects Test	Prob.
Cross-section F	0.0426
Cross-section Chi-square	0.0098

In Table 2, the results of the Chow test show that the Chi-square cross-section probability value is 0.0098, so it can be interpreted as less than alpha (0.05), so that in the Chow test the selected model is FEM. Then the Hausman test is carried out to determine the best model with FEM and REM.

Table 3. Hausman Test

Test Summary	Prob.
Cross-section random	0.9832

Table 3 is the result of the Hausman test which shows that the random cross-section probability value is 0.9832 so that it can be interpreted as more than alpha (0.05), so that in the Hausman test the selected model is REM. Then, the LM test was carried out to determine the chosen model between CEM and REM.

Table 4. LM Test

Null (no rand. effect)	Prob.
Breusch-Pagan	0.0626

In Table 4, the results of the LM test show that the One-sided cross-section probability value is 0.0626 so that it can be interpreted as more than alpha (0.05), so that in the LM test the selected model is CEM.

DISCUSSION -

This study uses the CEM model because in testing the best model with the Chow test of 0.0098, the Hausman test of 0.9832 and the LM test of 0.0626 so that the model selected in the panel data regression is CEM.

The estimation results show that FDR has a positive and significant effect on PMD with a significance value of 0.00054 (<0.05) and a coefficient of 0.568597. This means that when FDR increases by 1 percent, PMD increases by 14.6252, So the cycle in banking will cause or affect credit offers made by the bank. Because the higher the FDR value in a bank, the bank will reduce the number of credit offers made or if in Islamic Banks the financing is disbursed.

The estimation results show that NPF has a negative and insignificant effect on PMD with a significance value of 0.5417 (>0.05) and a coefficient of -5.602899. This means that when NPF increases by 1 percent, PMD decreases by 5.602899. Because in the banking world it is also influential where the higher the value of an NPF in a bank, the bank is reluctant to provide financing to a customer. Very influential on the profits of a bank itself.

The estimation results show that ROE has a negative and insignificant effect on PMD with a significance value of 0.5529 (> 0.10) and a coefficient of 1.054699. This means that when ROE increases by 1%, PMD decreases by 1.054699. Here it can be explained that a bank will refuse a financing from a customer because the ROE value increases. because it can result in the financing process is not smooth in the future. And that is very much avoided from the SOP of each bank, both conventional banks and Islamic banks.

CONCLUSION-

From the results of the research and discussion that have been described, it can be concluded that the variable Financing to Deposit Ratio (FDR) has significant effect on PMD in Bank Mandiri Syariah Surakarta during the period 2016-2020. However, Non Performing Financing (NPF) and Return on Equity (ROE) has no significant effect on PMD in Bank Mandiri Syariah Surakarta during the period 2016-2020.

Furthermore, suggestions for banks, researchers suggest to pay more attention to the level of prudence in providing financing for customers in order to reduce the level of bad loans. As for the government or policy makers, the government is expected to provide support for the development of sharia financing. Thus, it can increase profitability and efficiency to move forward and develop with the government, and for suggestions, further researchers are expected to be able to research more innovative and multiply other variables related to Mudharabah Financing Variables (PMD), Financing to Deposit Ratio (FDR), Non Performing Financing (NPF), and Return on Equity (ROE). In addition, it is necessary to extend the research period in order to better increase the accuracy of the research data so that a more presentative or accurate estimate is obtained.

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