

Factor Affecting of Sharia Commercial Bank Profit Sharing Financing Volume Increase in Indonesia

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Abstract

This study aimed to analyze the effect of profit sharing rate, capital adequacy ratio, and third-party funds to financing volume of profit sharing in sharia commercial bank in Indonesia. Quantitative research with verificative approach. The samples were eight sharia commercial banks from 11 sharia commercial banks in Indonesia. Data collection was quarterly financial report (quarter, covering profit sharing, capital adequacy ratio, third-party fund, profit sharing volume) of sharia commercial bank during 2011-2015 (160 observations) obtained from website of Bank Indonesia. Data analysis is panel data regression. Profit-sharing rate ranged from 1.28-21.11% with an average of 6.27% during 2011-2015. Capital adequacy ratio ranged from 11.00 to 63.77% with an average of 23.43%. Third party funds ranged from 167 - 62,112 billion rupiahs with an average of 15,353 billion rupiahs. The volume of profit-sharing financing distributed by sharia commercial banks in Indonesia ranged from 1 - 23,826 billion to an average of 4.537 billion. The profit sharing rate had no significant effect on the volume of profit sharing ($p = 0.343$), while the capital adequacy ratio had a negative and significant effect on the profit sharing ($p = 0.000$) volume, while the third party funds had a positive and significant effect on the profit sharing volume $p = 0.000$). Factors which affect the volume of financing are the ratio of capital adequacy and third party funds. A low capital adequacy ratio and high third party funds will have an effect on increasing the financing volume.

Keywords: Sharia commercial banking, profit-sharing rate, capital adequacy ratio, third-party funds, profit-sharing financing volume.

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INTRODUCTION

In Indonesia, the banking operational system is divided into two, namely conventional banking and sharia banking. The main difference lies on the system of interest that is always attached to the operationalization of conventional banking, while sharia banking operates based on the principles of Islamic sharia and very synonymous with the profit sharing concept [1]. The presence of sharia commercial banks in the midst of conventional banking is basically the development of Islamic economic concept, especially in the field of finance developed as a response from a group of economists and practitioners of Muslim banking who seek to accommodate the insistence of various parties who want the existence of banking services without having to violate prohibition of usury [2, 3].

Global Islamic Financial Report (GIFR) in 2016, Indonesia ranked in sixth country with potency and conducive in the development of sharia financial industry after Malaysia, Iran, Saudi Arabia and United Arab Emirates [4]. Financing offered by sharia

commercial bank based on profit sharing principle is *mudharabah* and *musyarakah* financing [5]. The facts on the ground shows that the financing of profit sharing has not been able to dominate the financing provided by Sharia commercial bank (BUS) and Sharia (Islamic) Business Unit as a whole. Reflected from Sharia commercial banking Statistics (SPS) data during 2010-2015 published by the Financial Services Authority, it appears that *murabahah* (trading) financing still dominates the financing distributed over the past six years [6].

Even *mudharabah* financing only amounted to less than 10% in each year, while for *murabahah* financing reached more than 50% [6]. This is an interesting phenomenon, where the financing of profit sharing is able to move the real sector because it closes the possibility of disbursing funds in the interests of consumers and prioritize on productive interests it has not been able to occupy the top position of the total financing channeled by Sharia commercial bank and Sharia Business Unit.

The existence of the gap between expectations and reality about the amount of profit sharing financing becomes one of the problems in the sharia commercial banking realm that we need to examine deeper. Moreover, this has been long time happened and there is no tendency to change. Therefore, to find a solution to this problem needs to be studied what factors affect the amount of financing. Thus, these influential factors can be optimized to encourage an increase in the profit sharing financing portion which ultimately expected to maintain stability towards the development of the real sector.

Several factors that have an impact to the high-low profit sharing financing as lately which can be seen in the financial statements of each sharia commercial bank itself. Andraeny's study [7] shows that third party funds and profit sharing have a positive and significant effect on the profit sharing volume of Islamic banks. The Kurniawanti and Zulfikar research [8] shows that the profit sharing rate has a significant positive impact on the profit-sharing financing volume of sharia commercial banks in Indonesia, while third party funding variables have no significant effect. As for Pramono's research [9] it shows that the profit-sharing rate has no significant effect on the volume of profit-sharing financing.

Pratami's research results [10] show that third party funds have a positive impact on financing, while capital adequacy ratio (CAR) does not have an effect on financing. Another case with the results of Giannini research [11] which actually shows that the CAR has a positive effect on the volume of financing for profit sharing in Islamic banks, especially on *mudharabah* financing.

Looking at some of these studies, there are still inconsistencies over the end result of his research. Therefore, the researcher is interested to do research by raising the topic of Influence of Profit Sharing, Capital Adequacy Ratio, and Third Party Fund to Sharing Financing Volume at Sharia commercial bank in Indonesia

MATERIALS AND METHODS

Research Type

This research type was quantitative research with verificative approach. This research was conducted in Indonesia with the preparation and implementation time within 5 (five) months from November 2016 until March 2017. Researchers chose Indonesia as a research place because this country is very potential for the development of sharia products, since the majority of the population is Muslim and without closing the possibility will also attract followers of other religions. The research object were profit sharing rate, capital adequacy ratio, third party funds, and profit sharing financing volume of sharia commercial banks in Indonesia.

The type of data used in this study was quantitative data and / or secondary data in the form of quarterly financial statements of sharia commercial banks during the year 2011-2015. The report was obtained from the official website of Bank Indonesia

Population and Sample

The population in this study were all sharia commercial banks which registered in BI in January 2011, which amounted to 11 banks, namely: 1) PT. Bank Muamalat Indonesia; 2) PT. Bank Sharia Mandiri; 3) PT. Bank Mega Sharia; 4) PT. Bank BRI Sharia; 5) PT. Bank Sharia Bukopin; 6) PT. Bank Panin Sharia; 7) PT. Bank Victoria Sharia; 8) PT. Bank BCA Sharia; 9) PT. Bank Jabar and Banten Sharia; 10) PT. Bank BNI Sharia; 11) PT. Maybank Sharia Indonesia.

Sampling in this study used purposive sampling method with the criterias, there were: 1) Sharia commercial banks registered in BI in 2011-2015; 2) Sharia commercial bank which published quarterly financial reports in 2011-2015; 3) The quarterly financial statements of sharia commercial banks in 2011-2015 had complete data related to research variables.

Sharia commercial bank that became the research samples were: 1) PT. Bank Muamalat Indonesia; 2) PT. Bank Sharia Mandiri; 3) PT. Bank Mega Sharia; 4) PT. Bank BRI Sharia; 5) PT. Bank Panin Sharia; 6) PT. Bank Victoria Sharia; 7) PT. Bank BCA Sharia; 8) PT. Bank BNI Sharia

Research Variables

- Profit sharing rate (X 1) was the return on *musyarakah* and *mudharabah* financing for sharia commercial banks at a certain time expressed in percentage
- Capital Adequacy Ratio (CAR) (X2) was a ratio that showed how far all bank assets that contained risks (credit, investment, securities, claims to other banks) were financed from the bank's own capital funds besides some funds from the other sources outside the bank
- Third Party Funds (X3) constitute deposits of funds entrusted by the public to banks based on contracts that do not contradict with sharia principles in the form of giro, deposits, savings and / or other forms
- Volume of profit sharing (Y) was the aggregate amount of *musyarakah* and *mudharabah* financing value distributed by sharia commercial banks, stated in million rupiahs

Data Analysis

Data analysis in this research used panel data regression method that was joint analysis between time series data and cross section data. The analysis was supported by software, ie EViews 6 software and used α rate significance of 5% or 0.05.

RESULTS

The objects of this research were profit sharing rate, capital adequacy ratio, third party fund, and financing volume of profit sharing in sharia commercial bank in Indonesia from 2011 to 2015. During this period, the researcher conducted 160 observations using quarterly financial statements of 8 sharia commercial banks. Table 1 showed sharia commercial banks profit sharing in Indonesia. In 2011-2015 ranged from 1.28 to

21.11% with an average yield of 6.27% (Table-1). The average value was much greater when compared with the standard deviation of 3.06%. It indicated that the mean value had been able to represent from overall profit-sharing data in this research. The profit sharing rate of each sharia commercial bank in the year of observation indicated unequal value between one bank and another bank. However, the difference was not too far away and even had a fairly thin margin.

Table-1: Research Variable Descriptive Analysis

Research Variable	Mean \pm SD	Minimum	Maximum
Financing volume of profit sharing	4.537.476,18 \pm 6.181.737,34	1.324,00	23.826.356,00
Profit sharing rate (%)	6,27 \pm 3,06	1,28	21,11
Capital adequacy ratio	23,43 \pm 20,68	11,00	163,77
Third party fund (Milliard)	15.353.412,83 \pm 18.123.951,30	167.816,00	62.112.879,00

Table-2 showed the lowest profit sharing rate as much as 3,235% owned by PT Bank Victoria Sharia in 2011. The relatively small percentage was due to PT Bank Victoria Sharia at the time was working to improve the performance in the field of financing so that PT Bank Victoria Syairah had the volume of profit sharing financing four times more bigger than the first quarter even though the revenue received from the

financing which only increased by 25% from the previous period. Meanwhile, the highest profit-sharing rate of 10.1025% was obtained by PT Bank Mega Sharia in 2011, due to that period PT Bank Mega Sharia eliminated some of profit sharing financing which classified as bad financing revenue when profit sharing income increased by 27% from the previous period.

Table-2: Profit Sharing Rate of Every Sharia commercial banks

Bank Sharia	Profit sharing rate (mean in %) (March, Juny, September, December)				
	2011	2012	2013	2014	2015
PT Bank Muamalat Indonesia	6.4575	5.595	5.7475	6.4425	6.7925
PT. Bank Sharia Mandiri	7.4825	7.3025	7.01	6.9125	5.8925
PT. Bank Mega Sharia	10.1025	9.3925	4.9925	6.735	6.95
PT. BRI Sharia	7.1225	6.065	6.2	6.7875	6.615
PT. Bank Panin Sharia	6.335	5.21	5.6575	5.7075	7.0725
PT. Bank Victoria Sharia	3.235	4.39	4.755	5.565	7.3025
PT. BCA Sharia	5.5025	4.645	5.445	5.985	7.1725
PT. BNI Sharia	5.965	6.38	6.0725	6.0925	5.8075

Throughout the observation period, it can be seen that every sharia commercial bank had a fluctuating profit sharing rate in each year. This was because the characterisic of profit sharing received by banks was not fixed.

Capital adequacy ratio showed the ability of banks to provide funds in accommodateing losses on risky assets, which were the results of bank operations. This ratio was derived from a comparison of capital with risk-weighted assets in each sharia commercial bank. Capital adequacy ratio in sharia commercial banks in Indonesia from 2011 to 2015 ranged from 11.00 to 63.77% with an average of 23.43%. The average value was greater when compared with the standard deviation of 20.68%. It suggested that the mean value had been able to represent the overall capital adequacy ratio data in this study.

Table-3 showed that the lowest capital adequacy ratio of 11.7475% was owned by PT Bank Sharia Mandiri during 2011 and 2015, while the highest rate of capital adequacy ratio of 110.37% was obtained by PT Bank Victoria Sharia in 2011. The large percentage was caused by the lack of efficiency of capital use owned by PT Bank Victoria Sharia at that time, so that the existing capital was too large to accommodate Risk Weighted Assets (ATMR) which amounted to only 75 billion rupiahs.

Every sharia banks had obeyed Bank Indonesia Regulation Number 15/12 / PBI / 2013 with capital adequacy ratio above 8%. However, there were several banks such as PT Bank Panin Sharia, PT Bank Victoria Sharia, and PT BCA Sharia which had a very high capital adequacy ratio. This was because the banks let the idel funds which amount was large enough.

Table-3: Capital Adequacy Ratio of Every Sharia banks

Bank Sharia	Capital Adequacy Ratio (mean in %) (March, Juny, September, December)				
	2011	2012	2013	2014	2015
PT Bank Muamalat Indonesia	12.0475	12.855	12.8075	15.6975	12.9175
PT. Bank Sharia Mandiri	11.7475	13.635	14.4325	14.995	11.915
PT. Bank Mega Sharia	13.905	12.6625	13.4975	16.0275	17.7725
PT. BRI Sharia	18.695	13.05	14.1175	13.7225	13.705
PT. Bank Panin Sharia	73.8	43.0125	22.695	27.13	20.7275
PT. Bank Victoria Sharia	110.37	30.8525	24.26	17.2125	17.155
PT. BCA Sharia	55.9325	37.8375	25.74	27.065	33.48
PT. BNI Sharia	22.42	16.82	17.665	16.9925	15.2425

Table-1 provided information that the number of third party funds collected by sharia commercial banks in Indonesia during the period 2011-2015 ranged from 167-62.112 billion with an average gain of 15.353 billion. The average value was slightly smaller when

compared with the standard deviation of 18.123 billion. It indicated that the mean value has not been able to represent from all data of third party fund in this research.

Table-4: Third Party Funds of Sharia banks

Bank Sharia	Third Party Funds (mean in million rupiah) (March, Juny, September, December)				
	2011	2012	2013	2014	2015
PT Bank Muamalat Indonesia	22,733,076.5	95,006,532.75	42,403,096.75	49,292,314.75	43,576,399
PT. Bank Sharia Mandiri	36,345,861	43,926,111.5	51,891,523.25	56,129,519	60,774,499.25
PT. Bank Mega Sharia	4,194,575	5,941,400.5	7,283,743.5	6,637,105.25	4,244,033.5
PT. BRI Sharia	7,703,727.75	10,103,175.25	13,792,735.5	15,387,369.25	19,105,354
PT. Bank Panin Sharia	360,025	837,613	2,122,297.25	3,638,092.75	5,796,509.75
PT. Bank Victoria Sharia	283,939.5	517,974	758,539.5	1,045,367	1,117,220.5
PT. BCA Sharia	715,900.5	1,025,982	1,401,468.25	1,941,802.5	2,957,434.5
PT. BNI Sharia	5,770,493.5	7,835,802.75	10,879,530	13,331,202.5	18,724,289.75

Table-4 showed the highest number of third party fund collected by PT Bank Sharia Mandiri in 2015 and the lowest is PT Bank Victoria Sharia in 2011. This is because PT Bank Victoria Sharia was a recently operated bank with only 9 offices branches in Jakarta and surrounding areas, thus only having a much smaller amount of third party funds when compared to other banks.

From Table-1, it can be known that the volume

of profit sharing financing distributed by sharia commercial banks in Indonesia during 2011-2015 ranged from 1-23,826 billion to an average of 4.537 billion. The average value was much smaller when compared with the standard deviation of 6.181 billion. It meant that the mean value had not been able to represent the overall data of profit sharing volume in this study considering the existence of several banks which were still relatively low in providing profit sharing.

Table-5: Sharia bank Profit Sharing Financing

Bank Sharia	Profit Sharing Financing (Mean in Million Rupiah) (March, Juny, September, December)				
	2011	2012	2013	2014	2015
PT Bank Muamalat Indonesia	8,782,351.5	12.613,165.25	19,011,873.5	22,612,834.75	21,843,168.5
PT. Bank Sharia Mandiri	9,725,364.25	10,292,584.5	10,910,187.75	10,861,135.5	13,233,707.25
PT. Bank Mega Sharia	1,514,554.75	45,410.33333	34,875	113,321.75	46,284.5
PT. BRI Sharia	1,360,128.5	2,202,849	3,570,615	4,246,107.75	5,977,443.5
PT. Bank Panin Sharia	251,452.75	557,825	1,028,687	3,213,632.75	5,092,064
PT. Bank Victoria Sharia	10,056.75	43,496	162,218.5	504,545.75	48,1607
PT. BCA Sharia	146,780.75	350,093.5	649,820.5	846,156.75	1,281,962.25
PT. BNI Sharia	960,905.75	1,114,561	1,644,702.75	2,221,625	3,229,902.25

Table-5 showed the highest profit sharing volume given by sharia commercial banks in PT Bank Muamalat Indonesia in 2014. The value was very much different from the financing volume of the lowest profit

distributed by PT Bank Victoria Sharia in 2011. This is considered reasonable considering PT Bank Victoria Sharia was a new bank which started to operate effectively as a sharia commercial bank on April 1,

2010.

The difference that was very prominent on the profit sharing volume of inter-sharia public intermediary impact on the average value of observation variable volume of financing for the results was not able to reflect the overall data, moreover there were 4 Islamic banks that were able to distribute profit sharing above average, such as PT Bank Muamalat Indonesia, PT Bank Sharia Mandiri, PT BRI Sharia, and

PT Bank Panin Sharia. Meanwhile, on the other hand, there were 4 sharia commercial banks that distributed under-rated financing such as PT BNI Sharia, PT BCA Sharia, PT Bank Victoria Sharia and PT Bank Mega Sharia. Despite the mentioned gap, seven of the eight sharia commercial banks observed had volumes of profit-sharing financing which tended to rise from each period and only PT Bank Mega Sharia had very small profit sharing and tended to decrease.

Table-6: Panel Data Regression Result (Random Effect Model)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1 (Profit Sharing Rate)	0.011149	0.011725	0.950887	0.3431
X2 (Capital Adequacy Ratio)	-0.019932	0.002523	-7.898618	0.0000
X3 (Third Party Funds)	0.921120	0.079752	11.54980	0.0000
C	-0.058454	1.304072	-0.044824	0.9643
Random Effects (Cross)				
1--C (PT. Bank Muamalat Indonesia)		0.788786		
2--C (PT. Bank Sharia Mandiri)		0.147386		
3--C (PT. Bank Mega Sharia)		-3.173863		
4--C (PT. Bank BRI Sharia)		0.150849		
5--C (PT. Bank Panin Sharia)		1.494668		
6--C (PT. Bank Victoria Sharia)		0.022804		
7--C (PT. Bank BCA Sharia)		0.793553		
8--C (PT. Bank BNI Sharia)		-0.224183		
Weighted Statistics				
R-squared	= 0.749594	Mean dependent var	= 1.774987	
Adjusted R-squared	= 0.744778	S.D. dependent var	= 0.901901	
S.E. of regression	= 0.455636	Sum squared resid	= 32.38619	
F-statistic	= 155.6625	Durbin-Watson stat	= 0.357680	
Prob(F-statistic)	= 0.000000			

Based on table-6 could be seen the following equation estimation:

$$Y = -0.0585 + 0.0111 (X1) - 0.0199 (X2) + 0.9211 (X3)$$

The regression equation above can be explained more extensively in the following description

- Average Value of the Intercept was -0.0585. This value did not indicate that if the profit-sharing (X1), capital adequacy ratio (X2), and third party funds (X3) were zero at any given time, the volume of profit sharing would decrease by 0.0585. This was because the random effect model assumed that there were differences between intercept companies as a result of random interference variables. Therefore, the final intercept of each company will show different values. The final intercept was derived from summing the average of intercepts with the intercept of each sharia commercial banks.
- Regression Coefficient for Profit Shareing rate was 0.0111. It meant that if every profit sharing rate as much as 1 and the other variables assumed to be constant, so the profit sharing financing would increase as much as 0,0111.
- Regression Coefficient for Capital Adequacy Ratio was -0.0199. It meant that if each increased in the

capital adequacy ratio of 1 and the other variable assumed to be constant, the volume of profit sharing would as much as 0.0199.

- Regression Coefficient for Third Party Funds was 0.9211. It meant that if any increase in third party funds of 1 and other variables were assumed to be constant, the volume of profit sharing financing would increase as much as 0.9211

Table-6 also showed that:

- Profit sharing (X1) had significance greater than 5% significance rate (0.34 > 0.05). This meant that the partial profit-sharing variable did not significantly influence the volume of profit sharing financing.
- Capital adequacy ratio had significance less than 5% of significance rate (0,00 < 0,05). However, since t arithmetic was negative, then it can be interpreted that the partial variable capital adequacy ratio had a negative and significant effect on the volume of profit sharing financing.
- Third party funds had smaller significance less than the 5% of significance rate (0.00 < 0.05). This implied that partially the third party fund variable had a positive and significant effect on the volume of profit sharing financing.

Adjusted R-square value as much as 0.7447, which meant profit sharing variable, capital adequacy ratio and third party funds could explain volume of profit sharing financing variable in sharia commercial banks in Indonesia as much as 74.47%, while the remaining was 25.53 % explained by other factors which not included in this study.

DISCUSSION

The results showed that the variables of profit sharing did not significantly influence profit sharing volume. The absence of significant influence from the profit sharing rate caused by very high banking industry competition relatively [12, 13]. Competition in the banking industry was now more stringent than before, it was caused by the increasing sharia commercial banks number, sharia financing banks, sharia business units and conventional banks that also offer profit sharing financing or working capital funding, in addition to other types of alternative financing / credit [14-16]. The community as a potential borrower customer is very critical through the practice of profit sharing for sharia commercial banks which were valued the same as those held in conventional banks [17]. Profit sharing system that becomes the spirit of sharia commercial banking will bring more equitable benefits for all parties, either for the owner of the fund as the depositor, the entrepreneur as the debtor or the bank as the fund manager [18].

These circumstances made sharia commercial banks not necessarily able to improve the provision of profit sharing financing even though profit sharing rate obtained in a certain period increased, as if the decrease in profit sharing rate obtained by sharia commercial banks in a certain period did not make the bank immediately reduce the amount of profit sharing financing. In other words, the rise and fall of the profit-sharing rate obtained by sharia commercial banks had no direct effect on the profit sharing volume financing [19, 9].

The tight competition in the banking industry, especially in sharia commercial banks, can be seen from the rate of profit sharing obtained by each bank. Based on observations during 2011 to 2015, the eight sharia commercial banks had the same profit sharing rate in each quarter, ranging from 2-12% of the total financing from total profit sharing financing given. *Musyarakah* and *mudharabah* financing were Natural Uncertainty Contracts (NUCs) that tend to have high risks compared to other types of financing [20-22]. This was because the return obtained by the bank was uncertain or in other words the amount of returns received by bank on the financing for the given yield was not fixed. Therefore, banks tend to be cautious in providing this financing. Related to the implementation of sharia enterprise theory in sharia commercial bank, where banks as direct-stakeholders of the business entities whose financed were entitled to distribution of wealth

in the form of profit sharing, this was evident from the percentage of profit sharing rate that continued to be received by banks during 2011-2015 with profit sharing rate whole year of 6.27%.

The variable of capital adequacy ratio partially had a negative and significant impact on the volume of profit sharing financing. Having a negative and significant influence implied that any change in the capital adequacy ratio would be inversely proportional to the volume of financing for the distribution proceeds or in other words the lower capital adequacy ratio of a sharia commercial bank would have implications for the higher volume of financing for the results provided by the bank and vice versa.

The reason behind the decreasing capital adequacy ratio and in the same period of profit sharing volume did not lie in the decrease of capital, but due to the increase in the number of ATMR in sharia commercial banks which was larger than the capital increase [23]. High ATMR contained assets that have a 100% risk. Based on the research done, the increase of the amount of ATMR was big enough that caused by the overall credit / financing value, so that when the financing keep increasing, the amount of ATMR would be bigger and would have an impact to the decrease of capital adequacy ratio. On the basis of that, if the capital adequacy ratio was low, then at the same time the volume of profit sharing financing was still quite high.

The results of this study indicated that partially third party variable funds had a positive and significant effect on the volume of profit sharing financing. Having a significant positive effect meant that the higher third party funds collected by sharia commercial bank would encourage the increasing volume of distributed profit sharing financing and vice versa. This was because third party funds became one of the fund sources distributed by banks in the form of financing [5].

The results of this study were supported by the movement of third party funds and financing of profit sharing in sharia commercial banks in Indonesia which during the observation tended to show improvement from one period to the next. Along with the increasing collected funds by sharia commercial banks, at the same time the volume of financing for the profit sharing tended to increase. In other words, the high-volume of profit sharing financing distributed by sharia commercial banks in Indonesia was one factor dependent on the availability of third party funds, which in this case were public funds deposited by banks in the form of demand giro, deposit, and saving [24, 25].

Third party funds which continued to grow showed the result of public confidence in Islamic banks that would maintain and manage the funds deposited [26]. While the financing due to public confidence that the bank would provide a way out of its financial

problems. The activity of collecting third party funds and providing these financing aligns the implementation of the stewardship theory in the operations of sharia commercial banks. Customer savers as principals who entrusted their money to the bank as a *steward* to store and manage it well. Furthermore, from the third party funds collected, the bank entrusted the borrower's customer as steward to manage the funds into a productive enterprise in order to achieve a common goal, between the principal and the steward.

The limitations of this study were: 1) The study period was only 5 (five) years. This was relatively short when compared to the length of sharia commercial banks developed in Indonesia; 2) The research was only conducted in sharia commercial banks, while sharia financing banks (BPRS) and sharia business units (UUS) also offered revenue sharing financing; 3) The data used was limited to the published financial statements for the public

CONCLUSION

Sharia commercial banks in this study were the banks that published financial reports in 2011-2015 and had been *go public* and had a good corporate governance principles of responsibility. The Sharia commercial bank with the lowest profit sharing rate was PT. Bank Victoria Sharia and the highest was PT. Bank Mega Sharia. The Bank with the lowest profit sharing rate was PT. Bank Sharia Mandiri and the highest was PT. Bank Victoria Sharia. The Bank with the lowest third party fund was PT. Bank Sharia Mandiri and the highest was PT. Bank Victoria Sharia. The lowest profit sharing distribution was PT. Bank Victoria Sharia and the highest was PT. Bank Muamalat Indonesia.

PT. Bank Muamalat Indonesia was a sharia commercial bank with highest *Musarakah* financing and the lowest was PT. Bank Mega Sharia, while the highest Mudharabah Financing was PT. Bank Sharia Mandiri and the lowest was PT. Bank Mega Sharia. Sharia commercial banks in distributing profit sharing financing were affected by the internal factors of the bank itself. The results of this study indicated there were two factors that affected distribution portion of these financing, including the ratio of capital adequacy and third party funds

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