CHAPTER IV
RESULTS OF RESEARCH AND DISCUSSIONS

A. General Illustration of Research Object

In this chapter, the analysis towards the collection of data will be presented and disclosed. Then, there will be an explained from the observation result that is collected from the research. The objective of this is to analyze the condition and banks performance. This research uses purposive sampling method as a technique to collect the sample. In the course of four years research, the observation process is in five Public Sharia Banks: BRI Sharia Bank, Bukopin Sharia Bank, Mega Sharia Bank, Muamalat Indonesia Bank and Mandiri Sharia Bank. All of these banks have public money quarterly reports that are given completely from January 2009 to December 2012. Therefore, a collection of 80 observations were gathered. The summary of sample selection process is presented in the table below:

Table 4.1
Summary of Sample Selection Process

<table>
<thead>
<tr>
<th>Analysis</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharia banks that BUS status in March 2012</td>
<td>11</td>
</tr>
<tr>
<td>Sharia banks which do not have the financial report of publication year 2009-2012 quarter in a complete manner</td>
<td>6</td>
</tr>
<tr>
<td>Sharia banks which have a report in the financial publication years 2009-2012 in a complete manner</td>
<td>5</td>
</tr>
</tbody>
</table>

45
1. **BRI Sharia Bank**

   It started from an acquisition from Rakyat Indonesia Bank (Persero), Tbk., towards Jasa Arta Bank on December 19th 2007. After getting the license from Indonesia Bank on October 6th 2008 by the letter 0.10/67/KEP.GBI/DpG/2008, then on November 17th 2008 BRI Sharia Bank was officially operated. Afterwards sharia bank changed the business activities from a conventionally operation to an activity banking that are based on sharia principle.

   After more than two years BRI Sharia Bank stood out in giving the best modern retail bank with financial services that is needed for customers and easy to reach for a better meaningful life. To customer with excellent service and offers a variety of products to customers in accordance with the principle of Islamic. The activity of BRI Sharia Bank became even stronger on December 19th 2008 when the license was signed to separate Sharia Business Unit of Rakyat Indonesia Bank (Persero), Tbk., and was joined into BRI Sharia Bank (spin off process), all of those started on January 1st 2009. The agreement was signed by Mr. Sofyan Basir as the Main Director of Rakyat Indonesia Bank (Persero), Tbk., and Mr. Ventje Rahardjo as the Main Director of BRI Sharia Bank.
At this time BRI Sharia Bank is one of the third best sharia bank based on assets. BRI Sharia Bank grew tremendously from the degree of assets, additional finance, and third party funds. By focusing on middle to lower class society, BRI Sharia Bank targeted to be the best modern retail bank by giving varies of products and bank services. In line with the vision right now BRI Sharia Bank also adjusted itself with Rakyat Indonesia Bank (Persero), Tbk. All of that is done by using the working network of Rakyat Indonesia Bank (Persero), Tbk., as a Sharia Work Offices in developing business that are focus towards fund accumulation society and consumers activity based on the sharia principle.

BRI Sharia Bank has vision and mission as follows:

a. Vision

To be the best modern retail bank with varies of financial services that are needed to fulfill the customers with easy reach for them and to create a better meaningful life.

b. Mission

1) Understanding varies of individual and accommodation needed for customers financially.

2) Presenting product and services that prioritize in ethics based on sharia principles.

3) Presenting comfortable access by varies of ways whenever and wherever the customer might be.
4) Creating chances for every individual on increasing the quality of life and peaceful mind.

2. Bukopin Sharia Bank

Bukopin Sharia Bank started from a public bank called Persyarikatan Indonesia Bank that was agreed by Bukopin Bank, Tbk., on developing business activities based on sharia principle. Bukopin Sharia Bank operated with the principle of sharia after operation agreement on sharia from Indonesia Bank on October 27th 2008. On December 11st 2008, the bank also was officially agreed by the vice president of Republic of Indonesia.

Under a full commitment from Bukopin Bank, Tbk., can be a major stakeholder. Not only that but they can create Bukopin Sharia Bank with the best services by adding deposit funds. On July 10th 2009, by the Agreement Letter, of Indonesia Bank, Bukopin Bank, Tbk., changed its rights and obligation of Sharia Business towards Bukopin Sharia Bank.

Bukopin Sharia Bank has vision and mission as follows:

a. Vision
To be the best choice on sharia bank with the best services.

b. Mission
1) Giving the best services to customers.
2) Creating professional and mandating human resources.
3) Focusing on business development of UMKM (Middle to Lower class Micro-Business).

4) Increasing the value of stakeholders.

3. Mega Sharia Indonesia Bank

Mega Sharia Indonesia Bank is an institutional banking that started from a conventional public bank named Umum Tugu Bank that is located in Jakarta. In the year 2001, Para Group (that has already changed its name to CT Corpora), a business group that also took part in the Mega Bank, Tbk., TransTV, and other industries, defended the process from Umum Tugu Bank to be developed into sharia bank. The result of the conversion, on 25th of August 2004, created Umum Tugu Bank to officially operate based on sharia with the name of Mega Sharia Indonesia Bank. In addition, on 23rd of September 2010 the institutional law of Bank officially changed the name to Mega Sharia Indonesia Bank.

Full commitment of PT Mega Corpora (in the past it was called PT Para Global Investindo) as the majority owner of stockholder to create Mega Sharia Indonesia Bank as the greatest Sharia bank, this was implemented with developing the bank with giving a strong capital to strengthen Sharia banking and also the development of Indonesia economy in general. Adding asset from stockholders is fundamental way to fulfill the banking market demand that is always
increasing and competitive, in this way Mega Sharia Indonesia Bank that has a slogan “Untuk Kita Semua” grow rapidly and be controlled as well as financial institution Sharia succeed in getting a variety of the award and achievement.

Mega Sharia Indonesia Bank development and a desire to promote services to the citizens, especially with regard to foreign exchange transactions and international encourage therefore, on October 16th 2008 Mega Sharia Indonesia Bank to bear the title of as foreign exchange bank. The recognition increase strengt its position as a Sharia bank could reach more broadly business for domestic and international. To pursuit performance to its name, Mega Sharia Indonesia Bank always keeps openness and prudence principles. Supported by diversified products and banking facilities recently, Mega Sharia Indonesia Bank continue to grow and flourish until now it has 394 networking.

Mega Sharia Indonesia Bank has vision and mission as follows:

a. Vision

Sharia bank stands as nationally proud.

b. Mission

Giving the best services towards sharia banking for all layers of society by advanced organization performances and increasing
the value of stakeholders, it will create national welfare towards
the nation.

4. Muamalat Indonesia Bank

Muamalat Indonesia Bank, Tbk. Is the first public bank in
Indonesia that implemented the sharia principle in it is operations.
Muamalat Indonesia Bank was established on November 1st 1991 that
was initiated by Majelis Ulama Indonesia (MUI) and Indonesian
Government. Muamalat Indonesia Bank started its operation on May
1st 1992 with real support from the exponent Ikatan Cendekiawan
Muslim all over Indonesia (ICMI) or and some of muslim
businessmen.

On 27th of October 1994, two years after it was established,
Muamalat Indonesia Bank succeeded in getting a predicate as Devisa
Bank. This recognition further reinforce the companys position as the
first and leading Sharia bank in Indonesia with a variety of services
and products that continue to be developed. This acceptance created a
firm shareholder position as the first sharia bank and the foremost in
Indonesia as varies of service or product that are continuously
developing. In financing product Muamalat Indonesia Bank uses
Wadiah principle (depositor) and Mudaraba (profit sharing), while in
the Muamalat Indonesia Bank uses Murabaha principle (buying-
selling), profit sharing, and renting which is all a part of the
development.
Muamalat Indonesia Bank also searches for potential finance in creating a strong capital and all of that is positively perceived by Islamic Development Bank (IDB) that is located in Jeddah, Arab Saudi. In RUPS of 21st of June 1999, IDB officially became a shareholder of Muamalat Indonesia Bank. Over the period, especially in the years of 1999-2002, became both challenging and successful period for Muamalat Indonesia Bank. In those times, Muamalat Indonesia Bank successfully created a recovery condition from all of the financial loss and turned it into a profit. All of that was from the work and dedication of the Muamalat crew from the help of a strong leader, a good business development strategy, and the loyalty of processing a *sharia* bank, purely.

Muamalat Indonesia Bank has vision and mission, which could be as follows:

a. **Vision**

To be a major *sharia* bank in Indonesia, dominant in spiritual market, and praised in the rational market.

b. **Mission**

To be a role model to the *Sharia* Financial Institution of the world with prioritizing enthusiasm in business advanced management and investment orientation that is innovating to maximalist the loss of stakeholders.
5. **Mandiri *Sharia* Bank**

Mandiri *Sharia* Bank is one of banking institutions in Indonesia. This bank was created on year 1973 with the name of *Bank Susila Bakti* (BSB) that is owned by *Yayasan Kesejahteraan Pegawai* (YKP), *Bank Dagang Negara* (BDN) and *Mahkota Prestasi*. In the year of 1999, this bank was affected by the monetary crisis. *Bank Susila Bakti* (BSB) tried hard to get out of the crisis situation with merger in partnership with other banks and foreign investors. At the same time, the government combined (merger) four banks which are the Dagang Negara Bank, Bumi Daya Bank, Exim and Bapindo Bank into a new bank named Mandiri Bank (Persero) on July 31st 1999.

As the follow-up from the merger decision, Mandiri Bank created consolidation and built Team Development of *Sharia* Banking. The creation of this team has an objective to develop services in *sharia* banking in Mandiri Bank industry group as a respond to the enactment of Constitution of Republic Indonesia No. 11 year 1998, these created chances for general banks to do dual banking system. The changes of business activities of BSB to Mandiri *Sharia* Bank is done by the Indonesia Bank Government through the SK Government of BI No. 1/24/KEP.BI/1999, 25th of October 1999 and then continued through the Decision Letter of Senior Deputy Governor Indonesia Bank No. 1/1/KEP.DGS/1999. Bank Indonesia approved the name changes to Mandiri *Sharia* Bank.
Mandiri Sharia Bank was officially operated on Monday 25th of Rajab 1420 H or on November 1st 1999. This bank presented, performed, and developed as a bank that is able to combine idealist business with religious values that circle upon its operational activities.

Mandiri Sharia Bank has vision and mission as follow:

a. Vision
   To be a trusted sharia bank chosen by friendly users

a. Mission
   1) To create continual growth and profit.
   2) To prioritize consumers financial gathering and distributing payment in the UMKM segmentation.
   3) To recruit and develop professional workers in a healthy working environment.
   4) To develop universal sharia values.
   5) To implement appropriated operational bank towards healthy standard banking.

B. Research Results (Hypotheses Test)

1. T test (Partial Test)
   T test aimed to determine whether each independent variable significantly affects the dependent variable. This test can be done by seeing the significance value of F by comparing significant value of T
and level of α that used. In this research, α level used was 5% or 0.05 so that the criteria in this test are:

a. Significant value of \( T < 0.05 \), \( H_0 \) rejected means that independent variables significantly influence the dependent variable.

b. Significant value of \( T > 0.05 \), \( H_0 \) accepted means that independent variable not influence the dependent variable.

The result of T-test in third party funds is 4.940801 and the significant test is 0.0000 < 0.05, then \( H_0 \) is accepted, means that partially, third party funds has positive and significant effect to the mudaraba financing of Sharia bank. The result of T-test in profit sharing is 8.178668 and significant test is 0.0000 < 0.05 then \( H_0 \) is accepted which means that partially, profit sharing has positive and significant effect to the mudaraba financing of Sharia bank.

The result of T-test in SWBI is 0.101591 and the significant test is 0.9194 > 0.05, then \( H_0 \) is rejected, means that partially, SWBI has positive and insignificant effect to the mudaraba financing of Sharia bank. The result of T-test in NPF is -0.793580 and significant test is 0.4302 > 0.05 then \( H_0 \) is rejected which means that partially, NPF has negative and insignificant effect to the mudaraba financing of Sharia bank.

The result of T-test in ROA is -2.326774 and the significant test is 0.0229 < 0.05, then \( H_0 \) is rejected, means that partially, ROA has
negative and significant effect to the mudaraba financing of Sharia bank. The result of T-test in CAR is -0.025117 and significant test is 0.9800 > 0.05 then H0 is rejected which means that partially, CAR has negative and insignificant effect to the mudaraba financing of Sharia bank.

Table 4.2
Summary of Hypotheses Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hypotheses</th>
<th>Result</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPK</td>
<td>Positive Significant</td>
<td>Positive Significant</td>
<td>Accepted</td>
</tr>
<tr>
<td>Profit Sharing</td>
<td>Positive Significant</td>
<td>Positive Significant</td>
<td>Accepted</td>
</tr>
<tr>
<td>SWBI</td>
<td>Negative Significant</td>
<td>Positive Insignificant</td>
<td>Rejected</td>
</tr>
<tr>
<td>NPF</td>
<td>Negative Significant</td>
<td>Negative Insignificant</td>
<td>Rejected</td>
</tr>
<tr>
<td>ROA</td>
<td>Positive Significant</td>
<td>Negative Significant</td>
<td>Rejected</td>
</tr>
<tr>
<td>CAR</td>
<td>Positive Significant</td>
<td>Negative Insignificant</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Source: Appendix 1.a

2. F test (Simultaneously Test)

F test shows whether all the independent variables included in this model have influence simultaneously to the dependent variable (Ghozali on Wiyasputra, 2011:52).

This test can be done by comparing between the significant value of F and level of α. In this research, α level is 5% or 0.05 so the criteria in this test are:
a. Significant value of $F < 0.05$, $H_0$ rejected means that independent variables influence dependent variable simultaneously.

b. Significant value of $F > 0.05$, $H_0$ accepted means that independent variables do not influence dependent variable simultaneously.

$F$ statistic is 462.6761 and $F$ significance is 0.0000 which is less than 0.05%. It can be concluded that the independent variables, namely DPK/ Third Party Fund, Profit Sharing, SWBI Bonus/ Wadiah Certificate of Bank Indonesia, NPF/ Non Performing Financing, ROA/ Return on Assets and CAR/ Capital Adequacy Ratio influence simultaneously to the dependent variable (mudaraba financing).

3. Coefficient of Determination Test (Adj. $R^2$)

The amount of Adjusted $R$ squared is 0.983176, it shows that statistically, DPK/ Third Party Fund, Profit Sharing, SWBI Bonus/ Wadiah Certificate of Bank Indonesia, NPF/ Non Performing Financing, ROA/ Return on Assets and CAR/ Capital Adequacy Ratio influence mudaraba financing in 98%. While the other variable (out of this model) influence mudaraba financing for 2%.

4. Model Test

In this research, data panel is the model to test whether independent variables influence the dependent variable. There are two approaches to estimate the regression model namely Fixed Effect Model and
Random Effect Model. To select the best model, it's needed to do the specification test namely F test. F test formula is (Baltagi, 2005:13):

\[
F \text{ table} = F \text{ statistic}
\]

\[
(\alpha; df(N - 1, NT - N - K) = \frac{(R^2 RE - R^2 FE)/(N - 1)}{(1 - R^2 RE)/(NT - N - K)}
\]

Whereas \( R^2 RE = R \) square from Random Effect Model, \( R^2 FE = R \) squares from Fixed Effect Model, \( N = \text{Number of Corporation (cross section)} \), \( NT = \text{amount of companies x amount of data} \), \( K = \text{amount of independent variables} \).

The discussion is:

\[
(\alpha; df(N - 1, NT - N - K) = \frac{(R^2 RE - R^2 FE)/(N - 1)}{(1 - R^2 RE)/(NT - N - K)}
\]

(5%; \( df(5 - 1, 5.4 - 5 - 6) = \frac{(0.815112 - 0.985306)/(5 - 1)}{(1 - 0.815112)/(5.4 - 5 - 6)}
\]

\[
(5%; df(4,9) = \frac{(0.815112 - 0.985306)/(4)}{0.184888/(9)}
\]

\[
5%; (3,6331) = -0.04255 \]

\[
5%; (3,6331) = -2.07118
\]

F statistic is -2.07118 and F table from numerator of 4 and denominator of 9 at 5% alpha is 3.6331. It can be concluded that the
hypothesis Ho is accepted (H₀ = Fixed Effect Model and H₁ = Random effect Model) because F statistic less than F table (-2.07118 < 3.6331) so the model used in this research is the Fixed Effects Model.

5. Analysis of Fixed Effect Model

Table 4.3

Result of Fixed Effect Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPK?</td>
<td>0.375247</td>
<td>0.0000</td>
</tr>
<tr>
<td>BH?</td>
<td>0.177629</td>
<td>0.0000</td>
</tr>
<tr>
<td>SWBI?</td>
<td>0.003788</td>
<td>0.9194</td>
</tr>
<tr>
<td>NPF?</td>
<td>-0.018506</td>
<td>0.4302</td>
</tr>
<tr>
<td>ROA?</td>
<td>-0.086276</td>
<td>0.0229</td>
</tr>
<tr>
<td>CAR?</td>
<td>-0.000190</td>
<td>0.9800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed Effect</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BRI—C</td>
<td>-0.065713</td>
</tr>
<tr>
<td>BKP—C</td>
<td>-0.450431</td>
</tr>
<tr>
<td>MEGA—C</td>
<td>-1.296030</td>
</tr>
<tr>
<td>BMI—C</td>
<td>1.022887</td>
</tr>
<tr>
<td>BSM—C</td>
<td>0.789288</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R²</td>
<td>0.985306</td>
</tr>
<tr>
<td>Adj. R²</td>
<td>0.983176</td>
</tr>
<tr>
<td>F statistic</td>
<td>462.6761</td>
</tr>
<tr>
<td>Prob. F Stat</td>
<td>0.000000</td>
</tr>
<tr>
<td>Durbin Watson</td>
<td>1.032575</td>
</tr>
</tbody>
</table>

Explanation: * : Significant in level of 10% and ** : Significant in level of 5%

Source: Data Analysis Result

Equation in this research is:

\[ \ln Y = \alpha + \beta_1 \ln X_{1t} + \beta_2 \ln X_{2t} + \beta_3 \ln X_{3t} + \beta_4 X_{4t} + \beta_5 X_{5t} + \beta_6 X_{6t} + \mu_t \]  

\[ \text{(5.1)} \]
Explanation:

\( Y \) : Mudaraba Financing

\( \alpha \) : Costant

\( \beta_1 - \beta_6 \) : Regression coefficient, that is the value of the changing bonded variable that is caused by the alternation of every free variable unit

\( \ln X_1 \) : DPK (Third Party Funds)

\( \ln X_2 \) : Profit Sharing

\( \ln X_3 \) : Bonus SWBI

\( \ln X_4 \) : NPF (Non Performing Financing)

\( \ln X_5 \) : ROA (Return on Assets)

\( \ln X_6 \) : CAR (Capital Adequacy Ratio)

\( \mu \) : Value of residue (standard error)

Based on the general equation, the regression results of this research:

\[
\text{Mudaraba Financing BRI} = -0.065713 + 0.375247 \text{ DPK} + 0.177629 \\
+ 0.003788 \text{ SWBI} - 0.018506 \text{ NPF} \\
- 0.086276 \text{ ROA} - 0.000190 \text{ CAR} + \mu \text{..............(5.2)}
\]

\[
\text{Mudaraba Financing Bukopin} = -0.450431 + 0.375247 \text{ DPK} + \\
0.177629 \text{ BH} + 0.003788 \text{ SWBI} - 0.018506 \text{ NPF} \\
- 0.086276 \text{ ROA} - 0.000190 \text{ CAR} + \mu \text{..............(5.3)}
\]
Mudaraba Financing Mega = -1.296030 + 0.375247 DPK + 0.177629

BH + 0.003788 SWBI - 0.018506 NPF - 0.086276

ROA - 0.000190 CAR + \mu_i...........................(5.4)

Mudaraba Financing BMI = 1.022887 + 0.375247 DPK + 0.177629

BH + 0.003788 SWBI - 0.018506 NPF - 0.086276

ROA - 0.000190 CAR + \mu_i...........................(5.5)

Mudaraba Financing BSM = 0.789288 + 0.375247 DPK + 0.177629

BH + 0.003788 SWBI - 0.018506 NPF - 0.086276

ROA - 0.000190 CAR + \mu_i...........................(5.6)

C. Discussion (Interpretation)

Based on hypothesis test results it could be concluded that:

1. The first hypothesis assert the existence a positive influence of DPK (Third Party Funds) to mudaraba financing, which means that DPK (Third Party Funds) influential positive significantly to mudaraba financing.

Increasing the amount of DPK (Third Party Funds) will add the funds distributed the bank for financing, where multiply the amount of DPK (Third Party Funds) the more funds channeled by sharia banks to society and contrarily decrease the amount of DPK (Third Party Funds) and the less the funds to be distributed by sharia banks. It because one of the aims is to get profit so that the bank will not
suppress the fund offhand. And the bank will tend to channel the funds as maximum as possible in order to gain maximum profit.

This research result in accordance with the research done by Faikoh (2008) and Andraeny (2011) indicating that the quantities mudaraba financing already channeled by sharia banks in Indonesia one of them depends on factors that could be compiled by bank fund.

If sharia banks be able to invite the community of Indonesia with a majority muslim to invest its funds in sharia banks, then the development banks will be grow rapidly. To add mudaraba financing distribution to the people because it will encourage the real sector.

2. The second hypothesis assert the existence a positive influence of profit sharing to mudaraba financing, which means that profit sharing influential positive significantly to mudaraba financing. It is in line with research Ambarwati (2008) and Syam (2012) said that those results influential positive significantly to mudaraba financing.

Immensity profit desired is one of the references bank in setting volumes of credit program, that means that level for the result is one important factor in determining the amount of mudaraba financing.

The higher level profit sharing the more large also mudaraba financing distributed because the many benefits will be gained by the bank. Otherwise, the lower profit sharing of the more small mudaraba financing distributed because banks tend to avoid greater risks than return obtained from the fund invested.
However, this research was not in line with research conducted by Pratin and Adnan (2005) stated that changes level of profit sharing did not have a significant relation exists to financing. This is possible because profit sharing not be counted in the policy of the distribution of funds to *mudaraba* financing on *sharia* banking.

3. The third hypothesis assert the existence a negative influence of SWBI bonus (*Wadiah Certificate of Bank Indonesia*) to *mudaraba* financing, which means that SWBI bonus (*Wadiah Certificate of Bank Indonesia*) has no effects to *mudaraba* financing. Research is in line with research conducted by Ambarwati (2008) concluded that SWBI bonus have a positive relationship to *mudaraba* financing, it means the higher percentage SWBI bonus that the *mudaraba* financing in *sharia* banks will remain high.

Although bonus accepted by *sharia* bank of the federal reserve fund as evidence safekeeping not too high compared with *mudaraba* financing, but SWBI Bonus (*Wadiah Certificate of Bank Indonesia*) is still liquid. The third hypothesis rejection may also allegedly because of *sharia* banks is not same as conventional banks in doing the distribution of funds to the public because the fund in the form of SWBI not too high. But the *sharia* banks will still do *mudaraba* financing to the public as form of socialization on the *mudaraba* financing products to the public.
4. The fourth hypothesis assert the existence a negative influence of NPF (Non Performing Financing) to mudaraba financing, which means that NPF (Non Performing Financing) has no effects on mudaraba financing.

Based on criteria that had been to accumulated by Indonesia bank, the category that includes in NPF is financing less smoothly, doubtful and jammed. NPF causes banking give reluctantly credit because of the higher NPF of bank will affect on capital financing (Agung in Hardinajati, 2007).

This research result in line with research of Adnan (2005) that NPF have a positive relationship insignificantly to Shariah financing. The influence of NPF insignificant could be caused by amount of NPF at this research which is not the level of NPF targeted by bank management, but NPF that really happen in the period of research. Non Performing Financing that was expected to reflect the level of control costs and policy of financing that was operated by bank (Pratin and Adnan, 2005). Getting the low rate of NPF means that the bank management will apply the policy distribution of mudaraba financing with tighter and careful that will eventually cause mudaraba financing distribution less. Otherwise, the bigger numbers NPF the more larger mudaraba financing that provided by sharia banking. While the amount of NPF used in this research is not including the level targeted by bank management.
Because of limited researchers, NPF used not overall level, but only for NPF level specifically of *mudaraba* financing and could be said that *sharia* bank also consider level stalled financing overall in channeling *mudaraba* financing, but only be consider level of *mudaraba* financing. Hence, *mudaraba* financing distributed by *sharia* banking not too influential by of non performing financing.

5. The fifth hypothesis assert the existence a positive influence of ROA (Return on Assets) to *mudaraba* financing, which means that ROA (Return on Assets) has no effects on *mudaraba* financing. This research in line with previous research conducted by Arianti (2011) said that ROA has not affect the financing of *sharia* banking.

Return on Assets ratio is used to measure the aptitude management in gaining an advantage (profit before tax) resulting from the average bank total assets. The fifth hypothesis rejection may be suspected because of the negative profit suffered by Non Foreign Exchange *Sharia* Banks were included in this research they are Bukopin *Sharia* Bank and BRI *Sharia* Bank. Non Foreign Exchange *Sharia* Banks suffered losses due to income earned unable to equalize the existing burden. Non Foreign Exchange *Sharia* Banks start operating at the 2009 period which has the fund from internal fund and debt. This causes make Non Foreign Exchange *Sharia* Banks get losses. In the 2010 period, the value of Return on Asset in Non Foreign Exchange *Sharia* Banks positively increase which mean that Non Foreign
Exchange *Sharia* Banks is able to create profits from “asset worth” of bank. Though the results were negative insignificant, the bank also still must consider ROA in distribution of financing because the bigger rate of profit (ROA) that obtained by bank; the bigger more in management invest the advantage count.

6. The sixth hypothesis assert the existence a positive influence of CAR (Capital Adequacy Ratio) to *mudaraba* financing, which means that CAR (Capital Adequacy Ratio) has no affect to *mudaraba* financing. It is in line with research Fransisca and Siregar (2007) indicating that CAR influential positive but insignificantly to financing. However, this research was not in line with the research which conducted by Himaniar (2008) and Ni Luh (2011) stated that CAR influential positive significantly to working capital credits. Capital adequacy bank showed that the circumstances expressed with a certain called the ratio of capital adequacy ratio (CAR). The ratio of capital is used to measure the aptitude bank in absorbing losses that cannot be evaded and it could also used to measure big or small the wealth the bank or property owned by shareholders. Although the result is positive insignificant, the bank also still must consider the ratio of capital in distribution of financing for increasing the value of the ratio on bank and will boost the number of *mudaraba* financing that would be distributed by *sharia* banks and otherwise, for decreasing in the ratio of the CAR which had been going to reduce the level of
mudaraba financing of *sharia* banks. Capital adequacy bank has the good indicator as the bank healthy and capable of competing either by *sharia* banking or conventional banks.