Exploring determinant factors on Indonesian MSMEs financing in sharia banking

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ABSTRACT

This study aims to determine the effect of CAR and NPF on Murabahah Financing with ROA as an Intervening variable at Indonesian Islamic Banks. This study uses quantitative methods with secondary data. The sample used as the object of research is 12 Islamic Commercial Banks. The sampling technique in this research is purposive sampling. The analytical tool used is eviews9. The test results regarding CAR have a negative and insignificant effect on MSME financing. NPF has a positive and significant effect on MSME financing. CAR) has a positive and insignificant effect on ROA. NPF has a negative and significant effect on ROA. ROA has a positive and significant effect on ROA. The ROA variable can mediate the CAR on Murabahah Financing not significantly. ROA cannot mediate the NPF on Murabahah Financing significantly.

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Penelitian ini bertujuan untuk mengetahui pengaruh CAR, NPF terhadap Pembiayaan Murabahah dengan ROA sebagai variable Intervening di Bank Umum Syariah Indonesia. Penelitian ini menggunakan metode kuantitatif dengan data sekunder. Sampel yang digunakan sebagai objek penelitian sebanyak 12 Bank Umum Syariah. Teknik pengambilan sampel dalam penelitian adalah purpose sampling. Alat analisis yang digunakan yaitu eviews9. Hasil pengujian mengenai CAR memiliki pengaruh negatif dan tidak signifikan terhadap Pembiayaan UMKM. NPF berpengaruh positif dan signifikan terhadap Pembiayaan UMKM. CAR berpengaruh positif dan tidak signifikan terhadap ROA. NPF berpengaruh negatif dan signifikan terhadap ROA. ROA berpengaruh positif dan signifikan terhadap ROA. Variabel ROA dapat memediasi CAR terhadap Pembiayaan Murabahah secara tidak signifikan. ROA tidak dapat memediasi NPF terhadap Pembiayaan Murabahah secara tidak signifikan.

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1. Introduction

Indonesia is currently experiencing very good economic growth because economic development must be integrated with various sectors, one of which comes from the banking sector. The banking serves as a provider of capital in the form of loan funds in the form of deposits will then be distributed to people who need a loan or capital. In Law Number 21 of 2008, a bank is a business entity that collects funds from the public, institutions, and even a company in the form of savings. It channels them back to the institution or the company, which, if it needs funds in the form of credit or other forms, to improve the welfare of people's lives.

Islam also recommends to all its adherents that those who own assets should not only be piled up, hoarded, or stored but must also be used in muamalah activities through productive activities, one of which is in the real sector. It is hoped that later it will have a sustainable impact by increasing community welfare and fulfilling the need for employment. So that these assets or assets owned by the community are not only enjoyed by individuals but will also positively influence other people in improving living welfare and the economy (Endraswati, 2013).

Islamic banks are commonly called financial institutions whose main purpose is as a provider of financing and other services in the process of economic activity that can be adapted to the existence of an Islamic sharia principle. Meanwhile, the forms of services that Islamic banks usually provide are more innovative than conventional banks. Financing services that are often provided, for example, leasing. It purchased an item needed by a customer from an Islamic bank through monthly installments, purchasing goods by an Islamic bank to a manufacturing agency with an upfront payment system, equity participation, financing syndication, and other financings that can support the economic activities of the community and a company (Yudiana, 2018).

The Central Statistics Agency (BPS) explained that the economy's growth throughout the 2020 period experienced a depreciation of 2.07 percent. This means that Indonesia is still in a recession or economic decline due to the emergence of a negative economy in the last three quarters. Every quarter, Indonesia's economic growth in the fourth quarter of 2020 decreased by 0.42 percent compared to the previous quarter. In annual calculations, the Indonesian economy has decreased by minus 2.19 percent.

In addition, Bank Indonesia also stated that 87.5 percent of Micro, Small, and Medium Enterprises (MSMEs) were affected by the Covid-19 pandemic. Referring to the amount of data, around 93.2 percent of them also experienced a negative impact on sales. However, it turns out that not all MSMEs have been affected by the pandemic. In addition, Bank Indonesia (BI) also stated that 12.5 percent of the existing data had not been affected by the Covid-19 pandemic, while 27.6 percent showed an increase in sales.

To carry out the functions or duties of an Islamic Bank, it can channel funds collected in the form of capital into a form of financing or service to the Micro, Small, and Medium Enterprises (MSMEs) and non-MSME sectors. Meanwhile, Bank Indonesia (BI) has only recorded 22 percent of the Micro, Small, and Medium Enterprises (MSMEs) sector experiencing access to financing from the banking sector.

Micro, Small, and Medium Enterprises are one of those that are influential in improving the economy in Indonesia. The growth and skill development of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia cannot be separated from the full support and encouragement of the banking sector in disbursing funds and capital needs.

The tasks of Micro, Small, and Medium Enterprises, especially when there was a monetary crisis that occurred in 1998, can be considered as a savior indicator of the growth process of a domestic economy, both in supporting the rate of economic growth or in absorbing the existing

workforce in Indonesia. Bank Indonesia also requested that the banking sector repay its duties in fulfilling credit needs or financing from MSMEs. In 2018, the MSME sector experienced an increase of 5 percent to 20 percent in meeting credit needs or meeting the need for financing 2018. From the data existing, in the 2016 period in August to be precise, regarding the number of existing banks out of 118, the number of banks with sufficient credit allocation or MSME financing has always increased. Meanwhile, banks' number that have met the adequacy level in lending or MSME financing of 10 percent is as many as 100 of the number of existing banks. Meanwhile, the target market for MSME credit or financing still has very high opportunities. So there are still many opportunities to increase, considering that only 22 percent of the total 57.8 million MSMEs in Indonesia still have the opportunity to carry out activities with credit or financing or service to the banking sector.

Another important task is that MSMEs support the emergence of the creation of new entrepreneurs in Indonesia. Entrepreneurs have two important roles in a country's economic improvement. An important role from a macro point of view and an important role from a micro point of view. In a macro function, entrepreneurship also functions as a pioneer, controller, and driver for creating a good economy in a nation. All business activities in large-scale businesses and MSMEs begin with an initial idea that entrepreneurs will then carry out. This function will experience faster growth in the MSME sector because it is very easy to enter the industrial sector. Innovation and creativity are also easier to do than if you are engaged in a large-scale business with bureaucratic channels and procedures that are more difficult to deal with. Besides that, from a micro point of view, other functions of entrepreneurs in a business activity include being responsible for the existence of risk and uncertainty in a business, collaborating resources into a process that is new and even different, besides that it is also required to create a high value. More, creating the formation or creation of new businesses and being required to create opportunities that did not exist before (Suryana,2008).

To develop and strengthen the MSME sector in Indonesia, it needs encouragement from various sectors, one of which is the banking sector, one of whose functions is to provide funds in a bank to the public in the form of financing or services that meet the needs of society. The existence of financing for MSMEs is very important given the need to meet the working capital and investment required by MSMEs to carry out a business that will later be undertaken to increase their capital. In addition, in terms of MSME financing in conventional banks, relatively high-interest rates are provided, and the absorption of MSME financing still needs to be improved (Destiana, 2016).

Table 1. The Number of MSMEs and Labor Absorption In Indonesia for 2016-2019

Year	Number of MSMEs (Unit)	Number of Labor (Person)	Labor Absorption for MSMEs	
			Number of MSME Workforce (Person)	Absorption (%)
2016	61.651.177	116.273.356	112.828.610	97,04
2017	62.922.617	120.260.177	116.431.224	96,82
2018	64.199.606	120.598.138	116.978.631	97,00
2019	65.471.134	123.368.672	119.562.843	96,92

Source: KEMENKOPUKM 2016-2019

Table 1. which has been processed by the Ministry of Cooperatives and Small and Medium Enterprises (KEMENKOPUKM), explains that in 2016 the number of MSMEs in Indonesia reached 61,651,177 units with a workforce absorption of 112,828,610 people, then increased in 2017 namely 62,922 .617 units with a workforce absorption of 116,431,224 people. In 2018 the number

of MSMEs increased by 64,199,606 units, with a workforce absorption of 116,978,631 people. Then in 2019, the number of MSMEs also increased by 65,471,134 units, with a workforce absorption of 119,562,843 people. This means that the number of MSMEs in Indonesia is increasing every year, judging from the existing data. Even though 2020, the Indonesian state experienced the Covid-19 pandemic, it did not decrease the number of MSMEs in Indonesia because several MSMEs experienced an increase. Besides that, the existence of Covid-19 also did not directly impact the MSME sector.

The first internal factor that can influence and is an important point in MSME financing is the Capital Adequacy Ratio (CAR). A relatively high CAR value in a bank can later impact the high level of profitability that a bank will achieve. If the value of profitability is high, the funds used will also be high or provided in MSME financing. If CAR positively influences MSME financing, then a bank can channel funds to MSME actors. Based on research from Afsari (2018) and M. Aulia Rizki (2020), the CAR value has a positive and significant influence on MSME Financing, according to research conducted by Destiana (2016) and Fajriaty (2018), CAR has a negative and significant influence on MSME Financing.

The second internal factor that influences MSME financing is Non-Performing Financing (NPF). Based on research by Destiana (2016), Fajriaty (2018), Afsari (2018), and Mohammad Khairul Kuswantoro (2018), NPF has a positive and significant influence on MSME financing, while research conducted by M. Aulia Rizki (2020) and Sansiaka Said Ardini (2020) NPF has a negative and insignificant effect on MSME financing.

Several indicators can be used to see whether a bank's financial performance is good, such as bank financial reports, which can later be analyzed from the bank's financial statements. According to research conducted by Suryani (2011), a marker that is very suitable for knowing how good and how bad the banking sector's performance is by looking at the level of profitability owned by a bank. Profitability is the ability of a company or banking sector to gain profits or profit effectively and efficiently. The variable used to assess the level of profitability of the banking sector is the ROA variable. Based on research from Fajriyati (2018) and Afsari (2018), ROA can have a positive and significant influence on MSME financing, while research conducted by Destiana (2016), ROA has a negative and significant influence on financing in the MSME sector.

The variable Return on Assets (ROA) was chosen as an intervening variable because ROA is one of the indicators in considering a level of expertise in management to achieve profitability (profit) and be more efficient and comprehensive. ROA can show how capable a company is of increasing its profitability. ROA is directly related to CAR because if a company's capital is good, the level of profitability will also be better. ROA also has a relationship with NPF because if a company experiences low corporate risk, the profitability that the company will obtain will decrease. Good or high profitability will make MSME business actors entrust financing to these companies.

Based on this background explanation, there are several differences from research that has been conducted by previous researchers, such as the several variables used and the number of samples in the study year.

2. Literature Review

Islamic Banks

The bank is an economic entity or business entity whose job is to collect funds originating from the public who have excess funds in the form of savings. Then these funds will be distributed to the community or parties who need funds in the financing, required financing, or others such as in Law

No. 10 of 1998 Article 1 aims to increase the community's standard of living. What is meant by an Islamic bank is a banking system whose practice is based on Islamic rules or based on Sharia principles. The formation of this system is based on a prohibition in Islam to lend or provide a loan by providing interest on the loan. In addition, it is not permissible to invest in activities categorized as prohibited by Islamic law. On the other hand, an Islamic bank is an economic entity with its main function or task as a provider or provider of financing or other services in an economic activity whose implementation is through the principles of Islamic law. In addition, what is meant by an Islamic bank is a bank that processes its business activities based on the principles regulated in the Islamic religion and based on its type. It consists of Islamic Commercial Banks (BUS), Islamic Business Units (UUS), and Islamic People's Financing Banks (BPRS) as is in Law No. 21 of 2008 regarding Islamic banking (Soemitro, 2009).

MSMEs Financing

Research on the factors that influence the financing of Micro, Small, and Medium Enterprises (MSMEs) in Islamic Commercial Banks is very visible, namely the lack of efforts to optimize the role in financing the MSME sector. (Kishan & Opiela, 2000) Explained that the ability of banks to raise funds can have an impact on credit growth. Referring to previous research conducted by (Meydianawathi, 2007) it has been proven that the value of DPK positively influences MSME lending. The higher the value of TPF obtained at a bank, the higher the funds will later be channeled to MSME. The results of the research conducted by Meydianawathi (2007) are supported by Kusnandar (2012), so the research can draw a hypothesis that Third Party Funds (DPK) have a significant positive influence on financing for MSMEs in Islamic Banks in Indonesia.

Capital Adequacy Ratio (CAR)

The Capital Adequacy Ratio (CAR) is a financial ratio that describes the overall level of assets owned by a bank with a level of risk (credit, investments, securities, claims on other banks). The cost comes from its capital or the bank, other than getting funds from outside parties. It is as well as funds from the community in general and a form of a loan or another (Dendawijaya, 2009).

CAR is a ratio level of capital which has functions as an indicator of the ability level of a bank to participate in funds (capital) in the interests of business development as well as an indicator of the possibility of a risk of a loss occurring in a bank's operational processes. If the CAR ratio is high, it means that the capital position is also getting better. Based on the regulations in Bank Indonesia Number 10/15/PBI/2008 article 2, paragraph 1 explains that a bank must provide equity participation of at least 8 percent of risk-weighted assets (RWA). According to calculations from RWA, the regulations still in effect regarding the Minimum Capital Adequacy Requirement (KPMM) for commercial banks must be guided by sharia principles.

Based on research conducted by Dendawijaya (2009) explains that to calculate the level of high and low CAR values can be calculated using the formula:

$$CAR = \frac{Bank\ Capital}{ATMR} \times 100\%$$

Net Performing Financing (NPF)

What is meant by Non-Performing Financing (NPF) is one of the financial instruments that can be used as a performance appraisal in an Islamic bank. Or a ratio between problematic financing and total financing. Risk is the possibility of a customer's failure to pay an obligation (Ghozali, 2007). NPF is financing caused by financing that is not current, financing defaults, or defaults due to default on obligations. The NPF's value ratio is assumed to be with an NPL with a value of less than 5. If the NPF is obtained above 5 percent, then the bank can be said to be classified as in an

unhealthy condition. This is caused by a decrease in credit distribution, which still has a very high value. The lower the value of the NPF, the lower the financing risk owned by the bank (Suhartatik & Kusumaningtias, 2013). According to Suhartatik & Kusumaningtias (2013), to calculate the level of high and low NPF can be calculated using the following formula:

$$NPF = \frac{Total\ Troubled\ Funding}{Total\ Funding} \times 100\%$$

Return on Asset

As an indicator of the soundness level of a bank, Bank Indonesia must look at indicators of ROA rather than ROE because Bank Indonesia prioritizes the value of profitability at a bank which can be measured by the presence of assets whose funds are mostly sourced from public deposits (Bukian, & Sudiartha, 2016; Widowati, & Suryono, 2015; Afriyeni, 2017; Swandayani, & Kusumaningtias, 2012). Based on this explanation, ROA is more representative in indicators to measure the level of profitability owned by a bank (Dendawijaya, 2005).

ROA is the level of financial ratios as a reference for assessing the ability of all existing and used assets to generate maximum profit. The higher the value of ROA, the higher the level of profit the bank will achieve. ROA is an indicator that explains if this ratio experiences an increase, then the bank's assets have been used optimally to obtain maximum profit. Suseno & P. Abdullah (2003) explain that the indicator that influences the bank in taking a stand for lending or financing is the level of profitability seen in ROA.

Based on the presentation of Dendawijaya (2009) To calculate the level of the high and low values of ROA can be calculated using the following formula:

$$ROA = \frac{Laba\ Bersih\ Sesudah\ Pajak}{Total\ Aktiva} \times 100\%$$

3. Research Method

This research aims to find out how influential the independent variable is due to the dependent variable with the mediating effect of the intervening variable. So, the researchers used the method of path analysis (path analysis). Path analysis is a technique for analyzing causal relationships that occur in multiple regression if the independent variables affect the dependent variable directly and indirectly (Retherford, & Choe, 1993; Sarwono, 2011; Streiner, 2005). This analysis can also be an extension of multiple regression analysis (Ghozali, 2013). Figure 1 is an illustration of the path analysis in this research.
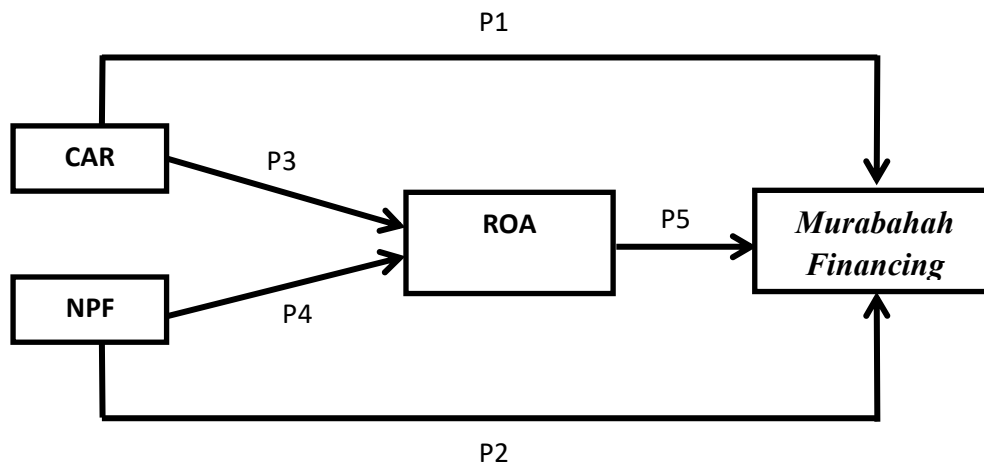

Figure 1. Path Analysis Model

According to the path analysis, it explains that there is a direct influence between the CAR and NPF and ROA on Murabahah Financing as the dependent variable. So that a mathematical equation can be made as follows:

Murabahah Financing = α + p1CAR + p2NPF + p5ROA + e

Meanwhile, the direct effect of the CAR and NPF variables on the ROA variable can be described by the following regression equation.

ROA = α + p4CAR + p3NPF + e1

4. Result and Discussion

Results

Estimation results of path analysis

Table 2. Results of the First Regression Equation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.452273	0.498729	4.917051	0.0000
CAR	-0.023023	0.018921	-1.216801	0.2280
NPF	0.154457	0.073274	2.107926	0.0388
ROA	0.292283	0.058155	5.025925	0.0000
R-squared	0.278367			
Adjusted R-squared	0.245566			
F-statistic	8.486421			
Prob(F-statistic)	0.000076			

Based on the acquisition value in the regression test, as shown in table 4.6, the R-Squared value is 0.278367. thus, obtaining the standard error or e1 (the variant of the Murabahah Financing variable, which other variables have explained besides the CAR and NPF variables) obtained in this study, namely:

e1 = √(1-R2)= √(1- 0.2783672)= √(1- 0.0774881867)= √0.922511813= 0.960474785

Then the regression equation that can be formulated is:

ROA = α + p1CAR + p2NPF + p5ROA + e2

ROA = 2.452273 + -0.023023CAR + 0.154457NPF + 0.292283ROA+ 0.960474785

The second regression equation is used to analyze the effect of the CAR and NPF variables on the ROA variable. The results of the multiple regression test equation are as follows:

Table 3. Results of the Second Regression Equation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.126941	1.038621	1.085036	0.2818
CAR	0.070665	0.038799	1.821328	0.0730
NPF	-0.625309	0.133637	-4.679141	0.0000
R-squared	0.350715			
Adjusted R-squared	0.331333			
F-statistic	18.09519			
Prob(F-statistic)	0.000001			

Referring to the value of the research that has been tested from the regression test in table 4.7, the resulting R-Squared value is 0.350715. Therefore, the standard error value or e1 (ROA variable variant as explained by other variables besides the CAR and NPF variables) obtains the results, namely:

e1 = √(1-R2)= √(1- 0.3507152)= √(1- 0.123001011)= √0.876998989= 0.936482242

Then the regression equation that can be formulated is:

$$ROA = \alpha + p3CAR + p4NPF + e2$$

$$ROA = 1.126941 + 0.070665CAR + -0.625309NPF + 0.936482242$$

Table 4. The result of Calculating the Path Coefficient

Variable	P1 (X-Y)	A (X-Z)	B (Z-Y)	Sa (X-Z)	Sb (Z-Y)
- CAR	-0.023023	0.070665	0.292283	0.317255	0.058155
- NPF	0.154457	-0.625309	0.292283	1.462678	0.058155

The effect of CAR on Murabahah Financing through ROA

$$(axb) = 0.070665 \times 0.292283$$
$$= 0.020654$$

The influence of mediation is explained by the results of a calculation in the previous formula and having significant results or not being able to carry out the Sobel test as formulated below:

$$Sab = \sqrt{b^2 sa^2 + a^2 sb^2 + sa^2 sb^2}$$

$$Sab = \sqrt{0.008955816}$$

$$Sab = 0.0946351732$$

The results of these calculations can be used to find the value of the t statistic that has an influence on mediation with the following formula:

$$t = \frac{ab}{sab}$$

$$t = \frac{0.020654}{0.0946351732} = 0.218248663$$

The effect of the NPF variable on Murabahah Financing through ROA

$$(axb) = -0.625309 \times 0.292283$$
$$= -0.18276719$$

The effect of mediation is explained through the results of calculations in the previous formula, which have significant results. It can also be done by carrying out a Sobel test with the following formula:

$$Sab = \sqrt{b^2 sa^2 + a^2 sb^2 + sa^2 sb^2}$$

$$Sab = \sqrt{0.191327809}$$

$$Sab = 0.3076228304$$

According to calculations in the research that has been done, it can be used to find the value of the t statistic from the effect of mediation as follows:

$$t = \frac{ab}{sab}$$

$$t = \frac{-0.18276719}{0.3076228304} = -0.594127522$$

Table 5. The t-Value

Model	Value of the Coefficient	Sobel test (t count)	T Table	Description
CAR variable on murabahah financing through ROA	0.020654	0.218248663	1.66724	Rejected
NPF variable on murabahah financing through ROA	-0.18276719	-0.594127522	1.66724	Rejected

Discussion

The influence of the CAR variable on Murabahah Financing

According to the results obtained in the regression test, a conclusion can be drawn that the first hypothesis (H1), which explains the CAR variable, has a positive and significant effect on the ROA variable, which is rejected. Based on the tests, it is explained that CAR has a negative or insignificant effect on Murabahah Financing. The inability of the bank to regulate the level of capital in channeling its financing to customers, the public, and parties who need this financing can maintain the company's existence. Banks must be able to increase the CAR value because having a high CAR value can impact the level of trust from the public in the bank so that the community or MSME actors can apply for financing to support their business activities. Based on the research that has been done is also supported by research that has been done by Destiana (2016) and Fajriaty (2018) obtained the result that CAR has a negative and insignificant effect on Murabahah Financing.

The effect of the NPF variable on Murabahah Financing

According to the results obtained, a conclusion can be made on the second hypothesis (H2), which explains that the NPF variable positively and significantly influences Murabaha financing, namely accepted. Based on the tests conducted explaining, the NPF variable positively and significantly influences Murabahah Financing. That is, when the value of the NPF variable is getting higher, it can be concluded that banks cannot provide financing to the community or MSME actors because the people who do the financing cannot pay their obligations to the bank. Based on research that has been conducted by researchers also strengthened by Destiana (2016), Fajriaty (2018), Afsari (2018), and Kuswantoro, Mohammad Khairul. (2018) concluded that the NPF positively and significantly influences Murabahah Financing.

Effect of CAR on ROA

According to the research results, a third hypothesis (H3) can be drawn, which states that CAR has a positive and significant effect on ROA, which is rejected. Based on the tests that the researchers have carried out, it is explained that CAR has a positive and significant effect on the ROA variable. A high CAR value can impact the level of trust from a customer or an institution in a bank. The research that this researcher has carried out is reinforced by previous research that has been carried out by Suwarno & Muthohar (2018) obtained the result that CAR has a positive and insignificant effect on ROA.

The effect of the NPF variable on ROA

According to the final calculations in the test, a fourth hypothesis (H4) can be drawn, namely explaining that the NPF has a negative and significant influence on Murabahah financing, which is accepted. Based on the tests that the researchers have carried out, the results are that NPF has a negative and significant effect on ROA. The lower the value of the NPF, the bank can provide financing to the community or MSME actors, which will increase the potential for increasing company profits because it is seen from the ability of the prospective debtor to pay obligations to the bank. Based on the results of research that has been carried out by researchers also strengthened by research conducted by Suwarno & Muthohar (2018), as well as Munir (2018) explaining that CAR has a positive and significant influence on the ROA variable.

Effect of ROA on Murabaha Financing

According to the research that has been done, a fifth hypothesis (H5) can be drawn, explaining that ROA can have a positive and significant influence on Murabahah financing, namely being rejected. The results of research that researchers have carried out show that ROA can have a

positive and significant influence on Murabaha financing. When the value of the ROA variable is getting higher, or the ROA value is getting better in a bank to get profit, the bank can distribute financing optimally. The results of the tests carried out by researchers were also strengthened by research from Fajriaty (2018) and Afsari (2018) obtained the results that CAR has a positive and significant effect on ROA.

There is influence from the Capital Adequacy Ratio (CAR) variable on murabahah financing, which is mediated by Return On Assets (ROA)

According to research, the path test and the Sobel test showed that ROA could mediate the effect of the CAR variable on murabahah financing. According to the research that has been done, the researcher can draw a sixth hypothesis conclusion (H6), which explains that ROA can mediate the influence of the CAR variable on Murabahah Financing, which is rejected.

The effect of Non-Performing Financing (NPF) on Murabaha Financing mediated by Return On Assets (ROA)

According to research done by researchers in testing the path analysis test and the Sobel test, ROA cannot mediate the influence of the CAR variable on murabahah financing. Based on research, a seventh hypothesis (H7) can be drawn, which explains that ROA can mediate the effect of NPF on murabahah financing, namely, being rejected.

5. Conclusion

Referring to the research that researchers have carried out, a conclusion can be drawn, namely: Test results regarding CAR have a negative and insignificant effect on MSME financing. NPF has a positive and significant effect on MSME financing. CAR) has a positive and insignificant effect on ROA. NPF has a negative and significant effect on ROA. ROA has a positive and significant effect on ROA. ROA variable can mediate CAR on Murabahah Financing in an insignificant way. ROA cannot mediate NPF against Murabahah Financing in an insignificant way.

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