

ABSTRACT

Islamic banking in Indonesia has experienced significant growth in line with the increasing interest of the public in Sharia-compliant financial products. This study aims to analyze the impact of financial ratios on financing provided by Sharia Commercial Banks (BUS) from 2014 to 2023. The financial ratios analyzed in this study include Third-Party Funds (DPK), Capital Adequacy Ratio (CAR), Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), and Operational Expenses to Operating Income (BOPO). The types of financing studied include Murabahah, Musyarakah, Qardh, a combination of Murabahah and Musyarakah, as well as total financing encompassing all three types of financing.

To analyze the impact of financial ratios on the financing provided, this study uses a panel data regression analysis method with secondary data obtained from the annual reports of six Sharia Commercial Banks registered with the Financial Services Authority (OJK). Five analytical models are used to examine the impact of financial ratios on the financing provided. The first model examines the impact of financial ratios on Murabahah financing, the second on Musyarakah financing, the third on Qardh financing, the fourth on the combination of Murabahah and Musyarakah financing, and the fifth on total financing, which includes all three types of financing.

The results of the study show that DPK has a significant positive effect on various types of financing provided by BUS, while CAR and NPF do not show a significant impact. FDR has a positive contribution to Musyarakah financing, the combination of Murabahah and Musyarakah financing, and total financing, but does not affect Murabahah and Qardh financing. Meanwhile, BOPO only has a positive effect on Musyarakah financing. Overall, DPK and FDR play a crucial role in enhancing the bank's ability to distribute financing, while CAR, NPF, and BOPO have more limited effects.

Keywords: Islamic Banking, Third Party Funds,, Capital Adequacy Ratio, Non-Performing Financing, Financing to Deposit Ratio, Operational Expenses to Operating Income Ratio, Murabahah Financing, Musyarakah, Qardh.