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DETERMINANTS OF THE EFFECTIVENESS OF SHARIA BANK CREDIT DISTRIBUTION IN NORTH SUMATRA 2020-2022

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Abstract

The bank's ability to provide liquidity for several sharia banks is influenced by the interest rates set, where in sharia banks the interest rates set are included in a profit sharing ratio, where if the profit sharing ratio is greater than it should be, it will affect customer payments, where the customer does not It is permissible to increase the existing ratio, because it can reduce the bank's ability to obtain a rate of return of funds from payment of obligations, so that by distributing the appropriate ratio the customer will not receive profit sharing payments that are detrimental to him and enable the customer to pay well. Meanwhile, the level of profit sharing for the 2020-2022 payment period tends to be inconsistent with what customers should receive when carrying out a *murabahah* financing agreement . Customers will tend not to be able to increase their obligation payments on time, which will impact the bank's ability to increase liquidity or the FDR value will decrease and impact the ability of sharia banks to finance *murabahah financing products* . The aim of this research is to find out and understand the extent to which the amount of credit disbursed by Islamic banks, the level of profit sharing (nisbah), capital *adequacy ratio* , operational costs per operating income (BOPO), *return on equity* (ROE) influence the bank's ability to increasing the amount of funds or liquidity in distributing credit (FDR). This research is quantitative descriptive research using a survey method. The population and sample in this research are 33 sharia banks in North Sumatra which are experiencing several problems increasing their ability to provide funds for the credit distribution process (FDR). The data analysis technique used is using panel data regression. The research results state that partially only the variable amount of murabahah financing, CAR/KPMM and ROE have a positive and significant effect on the FDR of sharia banks in North Sumatra, while the variables of profit sharing level and BOPO have a negative effect on the FDR of sharia banks in North Sumatra. Simultaneously, the variable amount of *murabahah financing* , the profit sharing level variable, the CAR/KPMM, BOPO, ROE variables have a positive and significant effect on the FDR variable of several sharia banks in North Sumatra

Keywords: ***FDR, Amount of credit disbursed, CAR/KPMM, Profit sharing rate, BOPO, ROE***

1. INTRODUCTION

A bank is a financial institution that has the function of collecting funds to distribute them back in the form of credit to the community. In carrying out its duties and functions, banks have constraints that enable banks to be able to increase the amount of funds that must be distributed to the community, most of the funds distributed in the form of business capital financing, where the majority of customers are entrepreneurs, both small, medium and large entrepreneurs. big businessman. Factors that make banks constrained in maximizing the amount of funds for the credit distribution process, where these factors include credit risk, where this credit risk is related to the rate of return on equity (ROE) which is due to reduced levels of credit returns, giving rise to problematic financing, where financing is problematic an increase will cause the rate of return on equity (ROE) to decrease and decrease and result in a decrease in profitability which disrupts the rate of return on assets, so that disturbed equity will cause the bank not to have the maximum amount of liquidity, thus affecting the amount of credit that will be distributed to the public, as well as reducing the bank's ability to provide credit funds to be distributed (Prasetyo, Ageng,

Effendi, Jaenal and Nurmansiah, 2018) .Another factor is poor asset quality, where the rate of return on assets (ROA) will have an impact on the availability of equity (ROE) which will also tend to decrease, so that it will impact the fulfillment of bank liquidity which will make the bank unable to fulfill liquidity optimally, so that the availability funds in order to increase the amount of credit that will be distributed, which will affect the amount of credit that will be distributed in the future (Supriatna, 2020) .

A decrease in the amount of liquidity which has an impact on a decrease in the amount of funds for lending will also cause the availability of funds in order to increase operational costs to obtain maximum operating income (BOPO) to be hampered, where existing operational income is based on increasing the availability of more funds in order to distribute comprehensive operational financing. If the availability of funds can increase and be excessive, then the availability of operational financing will be easy, and income will increase significantly, as well as making it easier for banks to increase the availability of funds to increase credit distribution in a timely manner (Bulutoding, Lince, 2021) .In order to facilitate the increase in the availability of funds for lending, banks should apply low interest rates for the credit that will be distributed, where low interest rates will make it easier for customers who are generally entrepreneurs to be able to repay the amount of credit disbursed, so that low interest rates will enable banks to obtain maximum increase in liquidity intended for lending to the public, so that capital adequacy (CAR) will be met, as well as the bank's ability to provide a certain amount of funds for operations and the credit distribution process (Afiyanti, Arsita and Hardiyanti, 2018) .

A sharia bank is one of the banks that not only has savings and deposit products through collecting funds from the public, but also has financing products through the process of distributing funds to the public, most of whom in sharia banking are small and medium entrepreneurs, where one of the financing products that There is murabahah financing which is financing issued to entrepreneurs by requiring entrepreneurs to borrow or buy certain goods and assets at prices determined in accordance with sharia principles. Sharia banks in distributing credit also expect maximum profits and increased liquidity, where this increase in liquidity makes it easier for banks to increase the amount of *murabahah financing* , where an increase in murabahah financing will have an impact on the bank's ability to increase the availability of funds (*Financing to Deposit Ratio*) in the distribution process credit in the following year, and will be able to increase the equity level of Islamic banks, so that Islamic banks will be able to create a level of return on equity and encourage the creation of liquidity availability (FDR) for lending and other operations (Abdul Satar, Abdul Hadi and Yaacob, 2022) .

The increasing ability of Islamic banks to provide liquidity to distribute credit is influenced by decreasing interest rates which will make BOPO also controllable, so that it can decrease and not exceed its operating income. Apart from that, increasing liquidity will also increase the ability of sharia banks to increase the capital adequacy ratio (CAR) which will have an impact on increasing the rate of return on equity (ROE), so it can be said that sharia banks need the ability to increase liquidity in order to continue operating and continue to improve their duties and functions. in distributing credit (Supriatna, 2020) However, in Indonesia the average ability of sharia banks in the last 3 years to increase the amount of funds for lending tends to decrease, which is influenced by the decreasing CAR value, increasing interest rates, decreasing ROE, and increasing BOPO, even though the amount of murabahah financing slightly increased. The following are several Islamic banks whose average level of liquidity for lending (FDR) has decreased, which can be seen from the following table

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Table 1 FDR Condition , Amount of *Murabahah* Credit Distributed, CAR, BOPO and ROE from several Sharia Banks in North Sumatra

Name of Sharia Bank	Year	*Murabahah* Credit Distributed (Rp/Billion)	CAR (%)	BOPO (%)	ROE (%)	FDR (%)
Muamalat Bank	2020	92,450,200	5.56	65.56	0.91	85.55
	2021	77,045,900	6.65	67.75	1.12	87.05
	2022	60,020,000	7.56	68.04	0.65	90.35
Bank Mandiri Syariah	2020	87.965.020	7.75	78.81	0.75	82.45
	2021	86,555,000	7.05	79.91	1.05	92.25
	2022	89,045,060	6.90	81.24	0.86	88.05
BRI Syariah Bank	2020	76,865,025	5.56	83.35	1.17	84.45
	2021	77,750,900	6.65	84.45	0.91	83.35
	2022	75,650,235	5.50	86.35	0.84	87.05
BNI Syariah Bank	2020	76,865,025	5.56	83.35	1.17	84.55
	2021	77,750,900	6.65	84.45	2.21	83.75
	2022	75,650,235	5.06	86.35	1.02	81.05
Bank Mega Syariah	2020	85,500,000	5.45	86.35	2	86.64
	2021	87,800,000	6.50	87.77	1.25	87.50
	2022	88,560,000	5.56	88.65	0.78	85.76

Source: *North Sumatra OJK, 2022*

According to the table above, it can be concluded that the condition of the ability of several sharia banks to increase the liquidity of funds for the credit distribution process (FDR) has decreased due to a decrease in the capital adequacy ratio (CAR), which tends to be low, which has resulted in an increase in operational costs and operational financing (BOPO) .) which is not commensurate with existing liquidity or capital, thus making the return on equity (ROE) also low. Apart from that, the bank's ability to provide liquidity for several sharia banks is influenced by the interest rates set, where in sharia banks the interest rates set are included in a profit sharing ratio, where if the profit sharing ratio is greater than it should be, it will affect customer payments. , where customers are not allowed to increase the existing ratio, because it can reduce the bank's ability to obtain a refund rate from payment of obligations, so that by distributing the appropriate ratio, customers will not receive profit sharing payments that are detrimental to themselves and enable customers to pay well (Mustapa , Hasan and Saripudin, 2022) . The following condition of the profit sharing ratio on the bank's ability to increase liquidity (FDR) can be seen from the following table:

Table 2 FDR Conditions and Profit Sharing Levels of Several Sharia Banks in North Sumatra

Name of Sharia Bank	Year	Profit Sharing Rate (%)	FDR (%)
Muamalat Bank	2020	60	85.55
	2021	62	87.05
	2022	55	90.35
Bank Mandiri Syariah	2020	70	82.45
	2021	68	92.25
	2022	65	88.05
BRI Syariah Bank	2020	75	84.45
	2021	70	83.35
	2022	64	87.05
BNI Syariah Bank	2020	65	84.55

	2021	62	83.75
	2022	58	81.05
Bank Mega Syariah	2020	66	86.64
	2021	62	87.50
	2022	60	85.76

Source: *North Sumatra OJK, 2022*

According to the table above, it can be understood that the level of profit sharing for the 2020-2022 payment period tends not to be in accordance with what customers should receive when carrying out a *murabahah* financing agreement . Customers will tend not to be able to increase their obligation payments on time, which will impact the bank's ability to increase liquidity or the FDR value will decrease and impact the ability of sharia banks to finance *murabahah financing products* . The aim of this research is to find out and understand the extent to which the amount of credit disbursed by Islamic banks, the level of profit sharing (nisbah), capital *adequacy ratio* , operational costs per operating income (BOPO), *return on equity* (ROE) influence the bank's ability to increasing the amount of funds or liquidity in distributing credit (FDR).

LITERATURE REVIEW

Financing Deposit to Ratio (FDR)

Financing Deposit Ratio (FDR), also known as *Financing to Funds Ratio* (FDR) in Indonesian, is a ratio used in the banking sector to assess how much money a bank receives from its customers is used to lend money or provide other funds. the party who has the financing (Abdul Satar, Abdul Hadi and Yaacob, 2022) . This ratio helps regulators and banks monitor how banks handle the money they receive from customers (Prasetyo, Ageng, Effendi, Jaenal and Nurmansiah, 2018) . FDR is an important part of assessing risk management and financial stability of a bank. This ratio can reveal information about the risk management practices and financial performance of a bank by showing how much funding is provided by customer funds . Due to the fact that they have more customer funds accessible to cover potential liquidity shortfalls or risk management problems, banks with smaller FDRs will usually tend to have a reduced ability to provide healthy liquidity (Mustapa, Hasan and Saripudin, 2022) . FDR can be found using the following formula:

FDR = Total financing provided by sharia banks / Total customer funds collected by the bank X 100%

Amount of Credit Distributed

The total amount of credit provided by the bank to its customers or borrowers is known as the total credit provided by the bank. This amount includes all credit provided by banks, including credit cards, personal loans, mortgages, business loans, car loans, and other financing options (Supriatna, 2020) . Banks allocate a certain amount of funds to provide credit to individuals, business entities, or other entities that meet credit requirements. The amount of credit disbursed can vary from bank to bank, depending on business strategy, risk tolerance, internal policies, and customer or borrower requests (Setiawan, Iwan, 2022) . Bank credit distribution policies must adhere to good risk management practices. To evaluate borrower quality and reduce credit risk, banks must conduct a thorough credit analysis. Financial authorities have standards and limits that must be met based on the quantity of credit provided (Afiyanti, Arsita and Hardiyanti, 2018) . Because credit is very important for financing economic activities and company expansion, the amount of credit provided by banks has a large influence on the economy. An economy can only achieve sustainable growth and financial stability if the amount of credit disbursed is managed well (Arifin, 2020) .

Profit Sharing Rate (*Nisbah*)

One of the cornerstones of a financial system based on the principles of sharia (Islamic law) is the

profit sharing rate, also known as " *Nisbah* " in Arabic. This idea of determining the distribution of profits between participants in a transaction based on the principle of justice is applied in Islamic banking, Islamic finance and Islamic investment (Ramadhani, Kiki Yulia Nurul, 2016) . In the context of Islamic banking, the term "profit sharing rate" (*Nisbah*) usually refers to the amount of profit that will be shared between the Islamic bank and customers or fund owners (mudharib). This concept is different from the interest system (riba) used in traditional banking, where banks are often paid a certain interest rate in return for the loans they provide (Arifin, 2020) . In a profit sharing transaction, the customer or fund owner (also called Rabb Al-Mal) and the sharia bank (also called mudharib) share profits or losses from financing or investment. Usually this split is the result of an honest and open initial agreement between both parties. On the other hand, losses arising from financing or investment will also be distributed according to a predetermined ratio (Bulutoding, Lince, 2021) .

***Capital Adequacy Ratio* (CAR)**

An important financial indicator used in the banking and financial sectors to evaluate a bank's stability and health is the capital adequacy ratio, or CAR. To ensure that banks have sufficient capital cushion to absorb losses and be able to pay debts in the midst of financial difficulties or economic downturns, banks analyze bank capital in relation to risk-weighted assets (Ramadhani, Kiki Yulia Nurul, 2016) . CAR acts as a regulatory requirement, and minimum CAR criteria are set by banking authorities for banks to operate. The main objective of CAR is to guarantee that banks have sufficient capital reserves to cover losses, protect depositors, and safeguard the entire financial system. This also helps in evaluating a bank's resilience to unfavorable economic conditions and maintaining its financial stability (Kustiningsih, Ninik, 2020) . CAR is calculated using the following formula and is usually reported as a percentage:
CAR = Total capital / Total risk-balanced assets X 100%

Operating Costs Per Operating Income (BOPO)

A financial ratio called operating costs per operating income is used to assess the operational effectiveness of an organization or company. This ratio helps in evaluating how well a business controls its operational costs compared to operating income. Here, “operational costs” refer to any and all costs associated with running a business, including *overhead costs* , payroll, raw material costs, rental costs, and other costs (Kustiningsih, Ninik, 2020) . These ratio findings are given in percentages. The more effectively a business manages its operational costs, the lower the percentage will be. On the other hand, a higher proportion can indicate a lack of operational efficiency because this reflects a greater operational cost burden compared to operational profit (Nugraheni, Peni and Muhammad, 2019) . Organizational management can find areas where cost cutting may be necessary by using the Operating Costs Per Operating Revenue ratio. Businesses can increase their profitability by cutting wasteful operational costs. In addition, this is an important metric that financial analysts and investors use to assess a company's operational performance (Ardiansyah, RA, Khairunnisa & and Nurbaiti, 2018) . Operating Costs Per Operating Income can be calculated using the following formula:

BOPO = Total operational costs / Total operating income X 100%

***Return On Equity* (ROE)**

A financial metric called return on equity (ROE) is used to assess how profitable a business or organization is. The return on equity (ROE) metric measures the extent to which a business can provide net income (profit) for its investors, or shareholder equity, compared to the equity that has been contributed by investors (Nugraheni, Peni and Muhammad, 2019) . ROE results are displayed in percentage. A high return on equity (ROE) is a sign that a company can generate a lot of money compared to the equity invested by investors. On the other hand, a low ROE indicates that the business is not generating enough money from its current equity (Mas'ud, Riduan, 2022) . While a high ROE level indicates that the business

is making good profits, it can also indicate increased risk. Therefore, to gain a more comprehensive understanding of a company's performance, ROE analysis should be combined with other financial measures (Nikmah, Subekti Khoirun and Hidayati, 2022) . The following formula can be used to determine return on equity, or ROE:
ROE = Net profit / Equity X 100%.

2. RESEARCH METHODS

Place and time of research

This research comes from research from the financial services authority (OJK) website which describes several sharia banks in North Sumatra Province, where this research was conducted in September-October 2023.

Types of research

This research is quantitative descriptive research with a survey method, which according to research statements (Caspi, 2017) explains that the quantitative descriptive method with the survey method is a statistical description of a phenomenon or population produced through the use of quantitative data collected through surveys in a descriptive survey methodology. quantitative. This approach seeks to explain characteristics, actions, or correlations among variables
in the group of respondents represented by the survey sample. The way to collect data in this research using a quantitative descriptive research method with a survey method is to collect data on the variables to be observed which influence each other, where the initial data taken as observation material is data on the amount of credit disbursed, data on the level of profit sharing, CAR, BOPO, ROE and FDR data from several sharia banks in North Sumatra to observe the extent to which several existing independent variables influence the bank's ability to provide murabahah financing (FDR), where the data observed is data for the last 3 years, namely year data. 2020-2022.

Population and Sample

In the context of research, the term population refers to the entire collection of people, objects, or events that meet certain requirements and are the subject of research. Depending on the research objectives, populations can be more abstract or well-defined categories (Caspi, 2017) . In the context of research, a sample is a group of people, objects, or events selected or observed from a wider population. Research can obtain data or information from a small portion of a larger population through the use of samples, and then extrapolate conclusions or generalizations about the entire population (Caspi, 2017) . The population in this research is 33 sharia banks in North Sumatra which are experiencing several problems increasing their ability to provide funds for the credit distribution process (FDR). The type of sampling in this research uses *purposive sampling* , the sampling of which is based on certain conditions, where the number of samples from 33 Islamic banks in North Sumatra can be seen in the following table

Table 3. Research Sample 33 Sharia Banks in North Sumatra

No	Name of Sharia Bank	Samples
1	PT BRI Syariah	1
2	PT BNI Syariah	1
3	PT Bank Mandiri Syariah	1
4	PT Bank Muamalat Indonesia	1
5	PT Bank CIMB Niaga Syariah	1
6	PT Bank Panin Syariah	1
7	PT Bank Danamon Syariah	1
8	PT Bank Mega Syariah	1
9	PT Bank Sumut Syariah	1

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10	PT Bank Mestika Syariah	1
11	PT Bank OCBC NISP Syariah	1
12	PT Bank Mayapada Syariah	1
13	PT Bank Tabungan Negara Syariah	1
14	Maybank Indonesia Syariah	1
15	PT BCA Syariah	1
16	PT HSBC Syariah	1
17	PT Bank Sinarmas Syariah	1
18	PT ANZ Syariah	1
19	PT Bank BTPN Syariah	1
20	PT Bank of India Syariah	1
21	PT Bank CTBC Syariah	1
22	PT Bank Panin Dubai Syariah	1
23	PT Bank Bukopin Syariah	1
24	PT Bank Aceh	1
25	Sharia Comenwealth Bank	1
26	PT Bank Pan Indonesia	1
27	PT ICB Bumiputera Syariah	1
28	PT Bank Bumi Artha Syariah	1
29	PT Bank Artha Graha Syariah	1
30	PT Bank UOB Indonesia	1
31	PT Ganesha Bank Syariah	1
32	PT Bank ICBC Syariah	1
33	PT Sharia QNB Bank	1
Amount		33

Source: North Sumatra OJK, 2022

Data Analysis Techniques

The data analysis technique used is by using panel data regression, where panel data regression is a statistical technique to analyze panel data, or data that combines the latitudinal dimension (many entities or individuals) with the time dimension (time sequence). By accounting for individual and temporal variation, panel data regression allows researchers to assess the impact of independent variables on the dependent variable. The equation form of panel data regression analysis includes:

FDR = c + Amount of financing X_{1-} Profit sharing level X_{2+CAR} /KPMM X_3 + BOPO

From the explanation above, first descriptive analysis is carried out, classical assumption tests, such as normality tests, multicollinearity tests and autocorrelation tests, then the panel data regression equation is determined, as well as hypothesis tests, such as the F test and t test, as well as the coefficient of determination test.

3. RESULTS AND DISCUSSION

RESULT

Descriptive Analysis

The results of this descriptive analysis can be seen in the following table:

Table 4 Descriptive Analysis Results

	CAR/KPMM (X3)	FINANCING TO DEPOSIT RATIO (Y)	AMOUNT OF MURABAHAH	ROE (X5)	PROFIT SHARING RATE (X2)	BOPO (X4)

			FINANCING (X1)			
Mean	7.311474	86.97379	81.482556	0.607263	6.370316	86.36600
Median	7.560000	87.05000	82235000	0.560000	6.550000	87.77000
Maximum	9.450000	98,00000	99556000	2.350000	70,00000	102.3500
Minimum	5.560000	75.50000	55045750	0.100000	60,00000	65.56000
Std. Dev.	0.845406	4.779879	7.034642.	0.386582	0.641570	8.100692
Skewness	-0.237447	-0.285076	-0.647785	1.505222	-0.094894	-0.769419
Kurtosis	3.014558	3.294397	4.987133	7.097335	1.500943	3.683369
Jarque-Bera	0.893541	1.629814	22.27435	102.3266	9.037638	11.22195
Probability	0.639691	0.442681	0.000015	0.000000	0.010902	0.003658
Sum	694.5900	8262.510	7.74E+09	57.69000	605.1800	8204.770
Sum Sq. Dev.	67.18279	2147,640	4.65E+15	14.04789	38.69149	6168.393
Observations	95	95	95	95	95	95

Source: Data Processing Results via E-Views, 2023

According to the table above, it can be explained that the minimum value of the CAR/KPMM (X3) variable $_{is}$ 5.56 and the maximum value is 5.56, the mean or average value is 7.31 which is greater than the standard deviation which indicates that the average data The quality of the data is very good, so it can potentially be used for other data analysis. For the FDR (Y) variable, it has a minimum value of 75.50 and a maximum value of 90.00, the average value of 86.97 is greater than the standard deviation value of 4.78, which means that the existing data meets the expected quality and can be used. for further data testing. *murabahah* financing (X_1) has a minimum value of 55,045,750 and a maximum value of 99,556,000, the average value of 81.48 is greater than the standard deviation of 7.03 which indicates that the average value of the variable amount of financing is of good quality. and can be used for other tests.

The ROE variable ($X3_{)}$ has a minimum value of 0.10 and a maximum value of 2.35. The average value is 0.61, which is greater than the standard deviation of 0.39, which means the data quality is good and can be used for further testing. The profit sharing level variable (X_2) has a minimum value of 60.00 and a maximum value of 70.00, the average value is 6.37, which is greater than the standard deviation of 0.64, which means the data distribution is of good quality and suitable for use for subsequent testing. Meanwhile, the BOPO variable (X_4) has a minimum value of 65.56 and a maximum value of 102.35, the average value is 86.36, which is greater than the standard deviation of 86.37, which is greater than the standard deviation of 8.10, which means the data existing ones are credible and suitable for use in the next testing process.

Classic assumption test

The classical assumption tests used are the normality test, multicollinearity test and autocorrelation test, where the results of the three tests can be seen in the following description:

Normality test

The normality test carried out in this research is a normality test using the Jarque-Berra diagram, where the results of data processing can be seen in Figure 1 below:

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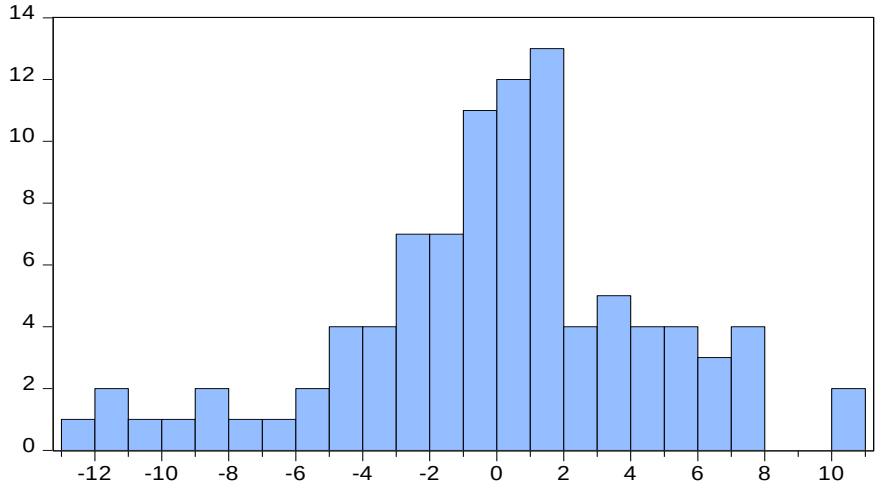

Source: Data Processing Results via E-Views, 2023

Figure 1 Jarque-Berra diagram

From the picture above, you can see the Jarque-Berra value of 3.845, which is greater than the significance level, which indicates that most of the data distribution or data rotation is distributed normally and fulfills the data normality assumption for this panel data regression test.

Multicollinearity Test

The multicollinearity test was carried out by ensuring the Variance Inflation Factor value, the results of data processing can be seen in Table 5 below:

Table 5 Multicollinearity Test Results

Variables	Coefficient Variance	Uncentered VIF	Centered VIF
C	91.57790	384.5623	NA
FINANCING_Amount	4.910000	137.7924	1.008772
RESULT_SHARE_RATE	0.594570	102.3382	1.016882
CAR_KPMM	0.352188	80.10651	1.045887
BOPO	0.004093	129.3079	1.115896
ROE	1.793922	3.891960	1.113953

Source: Data Processing Results via E-Views, 2023

According to the table above, it can be concluded that all VIF values are below the value of 10, which can be explained that there is no mutollinearity or mutual influence between existing variables.

Heteroscedasticity Test

The heteroscedasticity test can be calculated using the Glejser test via the F probability value, where the results of data processing can be seen in the following table:

Table 6 Heteroscedasticity Test Results

Heteroskedasticity Test: Glejser

F-statistic	0.688353Prob. F(5.89)	0.6335
Obs*R-squared	3.537012Prob. Chi-Square(5)	0.6178
Scaled explained SS	3.978859Prob. Chi-Square(5)	0.5525

Source: Data Processing Results via E-Views, 2023

Based on the table above, it can be concluded that the Probability F value is greater than the degree of significance (0.6335 > 0.05), where it can be concluded that there is no heteroscedasticity problem or there is no equal variance between the existing variables.

Autocorrelation Test

The autocorrelation test was carried out using the Breusch-Godfrey test, where the data test results can be seen in the following table:

Table 7 Results of the Breusch-Godfey Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	7.504678Prob. F(2.87)	0.0010
Obs*R-squared	13.97802Prob. Chi-Square(2)	0.0009

Source: Data Processing Results via E-Views, 2023

According to the table above, it can be explained that the Obs*R Square value of 13.98 is greater than 0.05 and the probability value is 0.001 which is smaller than 0.05, so it can be seen that there is no autocorrelation between the variables that make up the existing data. can be used for panel data regression testing.

Panel Data Regression Equation

The form of the panel data regression equation in this research can be seen in the following table:

Table 8 Panel Data Regression Equation Results

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	74.55481	9.569634	7.790769	0.0000
FINANCING_Amount	1.870008	7.000008	0.266941	0.0401
RESULT_SHARE_RATE	-0.679655	0.771084	-0.881428	0.3805
CAR_KPMM	0.513753	0.593454	0.865700	0.0090
BOPO	-0.124501	0.063973	-1.946130	0.0248
ROE	1.179340	1.339374	0.880516	0.0310

R-squared	0.62490	Mean dependent var	86.97379
Adjusted R-squared	0.79821	SD dependent var	4.779879
SE of regression	4.756350	Akaike info criterion	6.017914
Sum squared resid	2013.435	Schwarz criterion	6.179211

Log likelihood	-279.8509	Hannan-Quinn Criter.	6.083090
F-statistic	5.186457	Durbin-Watson stat	1.222640
Prob(F-statistic)	0.022243		

Source: Data Processing Results via E-Views, 2023

The form of the panel data regression equation can be seen in the following equation:

$$FDR = 74.555 + 1.870\ X_{1-0.680}\ X_2 + 0.514\ X_3 + 0.124$$

The results of the explanation of the equation above are:

The constant value of 74.555 explains that if all independent variables are equal to 0, then variables other than variable X can increase the FDR of Islamic banks in North Sumatra by 74.55%. The variable amount of *murabahah* financing has a value of 1.87 which can explain that if the amount of financing increases, it will increase the FDR value by 1.87%, thereby increasing the amount of liquidity for financing purposes. The profit sharing level variable has a value of -0.680, where reducing the profit sharing level will reduce the FDR value by 0.68%, because Islamic banks cannot increase the amount of funds for the financing distribution process. The CAR/KPMM variable has a value of 0.514, where if the CAR/KPMM value increases, it will increase the FDR value by 0.51%, so that Islamic banks will be able to increase liquidity fulfillment for the benefit of financing distributors. The BOPO variable has a value of -0.124, which means that if the BOPO value increases, it will reduce the FDR value by 0.12%, so that Islamic banks are unable to increase the maximum amount of funds for the *murabahah financing credit distribution process.* The ROE variable has a value of 1.179, where the more ROE increases, the FDR value will increase, so it will have an impact on liquidity provision to increase the budget amount for the process of distributing *murabahah credit* to the public. Hypothesis testing. Hypothesis testing is carried out using the t test, F test and coefficient of determination, where the results of the assessment data can be seen in the following table:

Table 9 Hypothesis Test Results

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	74.55481	9.569634	7.790769	0.0000
FINANCING_Amount	1.870008	7.000008	0.266941	0.0401
RESULT_SHARE_RATE	-0.679655	0.771084	-0.881428	0.3805
CAR_KPMM	0.513753	0.593454	0.865700	0.0090
BOPO	-0.124501	0.063973	-1.946130	0.0248
ROE	1.179340	1.339374	0.880516	0.0310

R-squared	0.62490	Mean dependent var	86.97379
Adjusted R-squared	0.79821	SD dependent var	4.779879
SE of regression	4.756350	Akaike info criterion	6.017914
Sum squared resid	2013.435	Schwarz criterion	6.179211
Log likelihood	-279.8509	Hannan-Quinn Criter.	6.083090
F-statistic	5.186457	Durbin-Watson stat	1.222640
Prob(F-statistic)	0.022243		

Source: Data Processing Results via E-Views, 2023

t test

The results of the t test from Table 9 above can be seen that the variable amount of murabahah financing has a calculated t value of 0.266 which is greater than the significance level of 0.05 and the probability value is smaller than the significance level of 0.05, where the variable amount of financing

has a positive and significant effect on the variable FDR. The profit sharing level variable has a calculated t value of -0.881 which is smaller than the significant degree of 0.05, and has a probability value greater than 0.05, where the profit sharing level variable has a negative effect on the FDR variable. The CAR/KPMM variable has a calculated t value of 0.866 which is greater than the significant degree of 0.05 and the probability value is smaller than 0.05, so that the CAR/KPMM variable has a positive and significant effect on the FDR variable. The BOPO variable has a calculated t value of -1946 which is greater than the significant degree of 0.05 and has a probability value greater than 0.05, so that the BOPO variable has a negative effect on the FDR value, and the ROE variable has a calculated t value of 0.880 which is more than greater than the significance level of 0.05, and the probability value is smaller than 0.05, which indicates that the ROE variable has a positive and significant effect on the FDR variable.

F test

The results of the F test can be seen that the F Statistics value shows the calculated F value of 5.186 > the significance value of 0.05, and the probability value of 0.02 is smaller than the significance degree of 0.05. Which indicates that the variable amount of *murabahah financing* , the profit sharing level variable, the CAR/KPMM, BOPO, ROE variables together (simutan) have a positive and significant effect on the FDR variable of several sharia banks in North Sumatra

Coefficient of Determination Test

The results of the coefficient of determination test show that the adjusted R square value is 0.798, where 78.9% of the FDR variable can be explained by various variables, such as the variable amount of murabahah financing, the profit sharing level variable, the CAR/KPMM variable, or the BOPO variable and the ROE variable. while the remaining 21.1% can be explained by other variables not mentioned in the research.

DISCUSSION

According to the results of the partial hypothesis, it can be seen that the variable amount of *murabahah financing* has an effect on the FDR variable. According to research (Setiawan, Iwan, 2022) excessive financing will not necessarily increase the return of funds properly, so that by increasing problematic financing, it will reduce the bank's ability to provide financing funds quickly and optimally. The profit sharing level variable has a negative effect on FDR, which according to (Ramadhani, Kiki Yulia Nurul, 2016) explains that a profit sharing level that does not meet customer expectations will cause a reduction in payment of obligations, resulting in financing problems and will reduce the ability of sharia banks to increase the availability of financing. *murabaha* .The CAR/KPMM variable has a positive and significant effect on FDR, which is in accordance with research (Bulutoding, Lince, 2021) which states that increasing capital adequacy will enable Islamic banks to increase the availability of financing which will impact maximum efforts in providing capital for lending. comprehensively.

The BOPO variable has a negative effect on FDR, where this situation is in accordance with research (Supriatna, 2020) which states that BOPO will make sharia banks have to think about whether this BOPO will be made more efficient or increased. If they want to increase additional funds for lending, then BOPO must be reduced so that Islamic banks obtain maximum reserve funds for lending, compared to increasing operational costs that exceed operational income. The ROE variable has a positive and significant effect on FDR, which is in accordance with research (Prasetyo, Ageng, Effendi, Jaenal and Nurmansiah, 2018) which states that increasing income will have an impact on increasing equity which can help increase the ability of Islamic banks to create healthy liquidity. in order to maximize the amount of funds to distribute credit to the community.

Simultaneously, the variable amount of *murabahah financing* , the profit sharing level variable, the CAR/KPMM, BOPO, ROE variables have a positive and significant effect on the FDR variable,

which according to research (Kustiningsih, Ninik, 2020) increasing FDR will increase the level of capital adequacy (CAR) , and will increase returns on equity, so that with the availability of existing funds we can cover existing operational costs, and be able to adjust the level of profit sharing according to the commitments and agreements made by sharia banks and customers, and will create maximum efforts for the distribution of refinancing in the future.

4. CONCLUSION

From the partial research results, only the variable amount of murabahah financing, CAR/KPMM and ROE have a positive and significant effect on the FDR of sharia banks in North Sumatra, while the variables of profit sharing level and BOPO have a negative effect on the FDR of sharia banks in North Sumatra. Simultaneously, the variable amount of *murabahah financing* , the profit sharing level variable, the CAR/KPMM, BOPO, ROE variables have a positive and significant effect on the FDR variable of several sharia banks in North Sumatra.

Suggestions

It would be better for sharia banks in North Sumatra to pay more attention to the quality of the credit that will be provided, and be able to analyze the profile of customers who will be the place for distributing murabahah credit, where with these actions it is hoped that sharia banks will get an idea of whether the customers to whom murabahah financing will be disbursed are not payment of its obligations will be hampered when credit is disbursed, which if that happens will have an impact on decreasing the ability of Islamic banks to increase the availability of funds for lending, as well as having an impact on decreasing capital reserves, decreasing profitability related to equity, as well as impacting on inadequate provision of operational costs and level The profit sharing that will be applied is also not appropriate, resulting in a non-maximum amount of murabahah financing that will be distributed.

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