REPUTATIONAL, CREDIT, OPERATIONAL RISK TO MURABAHAH MARGIN INCOME. QUALITY OF PROFIT: CAR, ROE

by Toto Sugihyanto, Murtanto

Submission date: 14-Oct-2025 10:32AM (UTC+0700)

Submission ID: 2780538579

File name: _Jurnal_REPUTATIONAL_CREDIT_OPERATIONAL_RISK_TO_MURABAHAH_MARGIN_INCOME._QUALITY_OF_PROFIT_CAR_ROE.pdf (367.71K)

Word count: 5852

Character count: 31928

International Jurnal Islamic Education, Research and Multiclturalism
(IJIERM)
Available online https://journal.yaspim.org/index.php/IJIERM/index

REPUTATIONAL, CREDIT, OPERATIONAL RISK TO MURABAHAH MARGIN INCOME. QUALITY OF PROFIT: CAR, ROE

Toto Sugihyanto
Email: 2210221040l3@std.trisakti.ac.id
Trisakti University, Indonesia

Murtanto
Email: murtanto@trisakti.ac.id
Trisakti University, Indonesia

Abstract: The purpose of this study is to determine the effect of reputational risk, credit risk, and operational risk on murabahah margin income with profit quality as a moderation variable in Islamic commercial banks, CAR and ROE as a Control Variable. This research uses secondary data from financial records or annual reports of 15 Sharia Commercial Banks and 20 Sharia Business Units written in the Financial Services Authority for 2011 to 20121. Using the Structural Equation Model based on Partial Least Squares, the research hypothesis was tested. Research findings show that reputation risk hurts murabahah margin income, credit risk has a significant positive effect on budget income, and there is a positive influence on operational risk competence of cheap margin income, there is a strong influence on profit quality in influencing murabahah margin income from reputation risk, there is a strong influence of profit quality in influencing margin income Murabahah from credit risk, there is a strong influence of profit quality in influencing murabahah margin income from operational risk. Implications, for reference materials for Islamic commercial banks in determining policies and performance planning to be achieved that will find related risks. Orsinil, this study presents new empirical findings on murabahah margin income on reputational risk, credit risk, and operational risk of Islamic Commercial Banks in Indonesia.

Keywords: reputational risk, credit risk, operational risk, muharabah margin revenue, profit quality.

INTRODUCTION

To fulfill its role and obligations to the public, national banks must react quickly to rapid domestic and global economic developments accompanied by increasing obstacles. The impact of banking on a country's economic activity is significant. It can be said that banks are the lifeblood of a nation. The development of banks in a country can also be used to measure the development of that country. A country's responsibility in managing itself increases with the level of development. Correspondingly, the need for the banking industry is growing both in government and in society.[1] Financial institutions known as banks are institutions that receive money from the general public and then return it to the public in the form of loans or other investments.[2] The bank serves the main and auxiliary purpose as a financial intermediary entity. According to Ismail (2011) in the book Banking Management, the main tasks of banks can be divided into several categories, namely receiving money from the public, distributing funds to the public, providing financial services, supporting the smooth payment process, supporting smooth international transactions.[3]

There are 2 types of banks, namely traditional banks and Islamic banks, the focus of this research is Islamic banks. A financial institution called an Islamic Bank is an institution whose main business is offering financing and services in payment traffic and dissemination of funds while also adapting its operations to Islamic Sharia rules.[4] Today, we realize that Islamic banks offer seven types of management: *murabahah, mudharabah, musharakah, salam, ijarah, qardh*, and *istishna*. Financial Services Authority materials on Islamic banking show that the most common financing method is through murabahah and musharakah contracts.[5] Islamic banks engage in financing as a means of transferring money to other parties. Every bank funding decision has risks. Given the advancements in banking and

[1] Kasmir. (2016). Manajemen Sumber Daya Manusia (Teori dan Praktik). Depok: PT Rajagrafindo Persada. In *Management Penelitian*.

[2] Siregar, A. A. (2019). *Analisis Manajemen Risiko Pembiayaan Murabahah Pada Pt Bank Tabungan Negara (Persero) Tbk Kantor Cabang Syariah Medan*.

[3] Ismail. (2011). *Perbankan Syariah*. Kencana.

[4] Hosen, M. N. (2008). *Perbankan Syariah*. pkes Publishing.

[5] Faizin, N., & Djayusman, R. R. (2023). The Concept of Sharia Compliance on Islamic Bank Murabaha Financing in the Maqashid Sharia Approach: A Theoretical Study. *Al-Iktisab: Journal of Islamic Economic Law*, *7*(1), 49-74.

financial services they provide to the public, Islamic banks face various complicated dangers.[6]

As shown by Julita et al (2014), Islamic banks are dependent on various risks, including legal risk, liquidity risk, operational risk, and financing risk.[7] "Reputation Risk Analysis, Credit Risk, and Operational Risk Based on this background, researchers are interested in conducting a study on Murabahah Income Margin with Profit Quality as a Moderation Variable in Sharia Commercial Banks. Vehicle Control Factors and ROE"

THEORETICAL BASIS

Reputational Risk

The risk of fame is a gamble that occurs due to the loss of partner certainty caused by negative news that causes critical non-monetary misfortunes for banking foundations. For example, untrustworthy ways of behaving, buyer complaints, and poor media exposure.[8] Due to the need or diminished trust of partners in Islamic banks due to this view, this danger exists. Even if they are not involved in the reported case, negative publicity about one Islamic bank can damage the reputation of another Islamic bank.[9] For example, if there is unpleasant information about one Islamic bank, other Islamic banks will be perceived negatively.

Financing Risk

The risk associated with financing is that counterparties, clients, or debtors will not be able to meet their financial commitments under the terms of the contract or agreement. This term can be further defined as the risk resulting from a deterioration in financial quality.[10] The NPL ratio,

[6] Muchtar, M. (2021). Analisis Risiko Akad Murabahah Di Perbankan Syariah. *Info Artha*, *5*(1). https://doi.org/10.31092/jia.v5i1.1246

[7] Julita, J., Oktariyani, A., Atika, Darminto, Handayani, S. R., Harahap, S. S., Ardian, A. V., Andini, R., Raharjo, K., Efendi, A. F. W., Wibowo, S. S. A., Suharsimi, A., Ginting, M. C., Kasmir, Subramanyam, W., John, J., Ardiyanto, F. D., Hapsari, E. I., Widati, L. W., … Rahar, K. (2014). analisa laporann keuangan. In *Bandung : CV Alfabeta* (Vol. 3, Issue 1).

[8] Faizin, N., & Djayusman, R. R. (2023). The Concept of Sharia Compliance on Islamic Bank Murabaha Financing in the Maqashid Sharia Approach: A Theoretical Study. *Al-Iktisab: Journal of Islamic Economic Law*, *7*(1), 49-74.

[9] Butt, M. A., Ayub, H., Latif, B., Asif, F., Shabbir, M. S., & Raja, A. A. (2022). Financial risks and performance of conventional and Islamic banks: do reputational risk matters?. *Journal of Islamic Accounting and Business Research*, *13*(4), 581-595.

[10] Yanti, H., & Darmayanti, E. (2023). Analisis Terhadap Perlindungan Hukum Tertanggung Asuransi Kendaraan Bermotor Berhubungan Dengan Perjanjian Pembiayaan Konsumen (Studi Kasus Pada PT. Adira Dinamika Multi Finance Medan, TBK). *Jurnal Mimbar Ilmu Hukum (MIH)*, *1*(1), 127-144.

which is used to measure credit risk, did not change significantly, although it increased. When principal payments and interest arrears are delayed or even not paid at all because the debtor is unable to pay them, resulting in late payments and non-fulfillment of the terms of the credit agreement, this is called bad credit .

Operational Risk.

Operational risk is a hazard caused by defective or ineffective internal systems, worker negligence, engineering malfunctions, and unfavorable external conditions that impact bank operations. Human resources, procedures, systems, and external events are just a few examples of sources of operational risk.[11] Operational risk, or the possibility of suffering losses due to weak internal controls, internal process defects, errors involving human resources, system defects, and unfavorable external circumstances.[12]

Muharabah Margin Revenue

Murabahah margin income that has been recognized as due or has been used to pay off murabahah receivables is known as murabahah margin income. Wiroso in 2005. The murabahah margin is the difference between the selling and buying price. He said that Islamic banks may apply the Prophet's trading methods for Murabahah funding.[13]

Profit Quality.

The quality of an organization's profits is determined by how well they can be used to forecast future earnings and to explain the company's current earnings situation. Quality profits indicate confidence which indicates future profits. The quality of profit is an important criterion for evaluating business success. The better the quality of profits, the better the performance of the corporation.[14] According to research by Anwar &

[11] Araz, O. M., Choi, T. M., Olson, D. L., & Salman, F. S. (2020). Role of analytics for operational risk management in the era of big data. *Decision Sciences*, *51*(6), 1320-1346.

[12] Nurapiah, D. (2019). Manajemen Risiko Operasional Pada Perbankan Syariah Di Indonesia. *EKSISBANK: Ekonomi Syariah Dan Bisnis Perbankan*, *3*(1). https://doi.org/10.37726/ee.v3i1.14

[13] Anantyasari, M., Suwarno, A. E., Nashirudin, M., Mu'awanah, C., & Asri, N. B. (2022). Relevance Of Islamic Banking In Indonesia To The Muamalah System Of The Prophet And The Caliph. *Journal of Islamic Economic Laws*, *5*(2), 297-322.

[14] Kepramareni, P., Pradnyawati, S. O., & Swandewi, N. N. A. (2021). Kualitas Laba Dan Faktor-Faktor Yang Berpengaruh (Studi Kasus Pada Perusahaan Manufaktur Tahun 2017-2019). *WACANA EKONOMI (Jurnal Ekonomi, Bisnis Dan Akuntansi)*, *20*(2). https://doi.org/10.22225/we.20.2.2021.170-178

Murwaningsari (2019), organizations with relatively strong profit quality show good company of the show.[15]

Capital Adequacy Ratio (CAR).

Capital adequacy ratio is a metric that assesses a bank's expertise in absorbing financial losses caused by hazardous assets. To understand how CAR works, risk-weighted assets are compared to capital.[16] A bank's potential risk of loss is covered by its capital adequacy ratio, or CAR. The better the bank's expertise in managing risks associated with credit risk or productive assets, the greater the CAR. Banks are not able to manage operational businesses if there is a high CAR value. These activities can be financed by the bank's operations and contribute substantially to profitability.[17]

Return On Equity (ROE)

Comparing profits (after tax) and bank capital (core capital) is the Return On Equity (ROE) ratio, indicating the high-profit power that can be achieved by managing available capital effectively to generate net profit.[18] Irham Fahmi claims that return on equity (ROE) is another name for return on equity. This ratio looks at how well a business uses its resources to be able to pay equity.[19]

RESEARCH METHODS

This research is classified as quantitative research because the main data applied is numerical. The origin of the main data of this study is the annual financial records of Sharia Commercial Banks and Sharia Business Units from 2011 to 2021. This study made use of secondary data. The non-probability sampling method that uses a saturated sampling approach and does not provide similar expectations for each member of the population to be sampled was used to determine the sample of this study, namely 15

[15] Anwar, Y., & Murwaningsari, E. (2019). The Effect Of Credit Risk and Capital Adequacy Ratio Upon Return On Asset. *The Accounting Journal of Binaniaga*, *2*(02).

[16] Ibrahim, A., & Salam, A. J. (2021). A comparative analysis of DSN-MUI fatwas regarding murabahah contract and the real context application (A study at Islamic Banking in Aceh). *Samarah: Jurnal Hukum Keluarga dan Hukum Islam*, *5*(1), 372-401.

[17] Anwar, Y., & Murwaningsari, E. (2019). The Effect Of Credit Risk and Capital Adequacy Ratio Upon Return On Asset. *The Accounting Journal of Binaniaga*, *2*(02).

[18] Anwar, Y., & Murwaningsari, E. (2019). The Effect Of Credit Risk and Capital Adequacy Ratio Upon Return On Asset. *The Accounting Journal of Binaniaga*, *2*(02).

[19] Fahmi, I. (2015). Manajemen Investasi Teori dan Soal Jawab. In *Inflasi dan Investasi*.

Sharia Commercial Banks and 20 Sharia Business Units. The research data collection process gathers reliable information from books, journals, and other relevant literature and Preliminary studies are trials of research design.

The research hypothesis was tested using the Partial Least Square (PLS) method based on the Structural Equation Model (SEM). PLS is a structural equation model (SEM) built on parts or variants. Several correlations that are usually difficult to evaluate can be tested simultaneously using a statistical research method called structural equation model (SEM). According to Thakkar SEM is a multivariate study method that unites factor studies and regression studies (correlations) to investigate interactions between model variables and relationships between indicators and constructs or constructions themselves.[20]

Thakkar (2020) claims that PLS is a replacement strategy that moves away from a covariance-based SEM strategy and towards a variant-based approach. While PLS models are more predictive, SEM-based covariance typically evaluates causation or theory.[21] However, when using structural equation models to test hypotheses or formulate prediction-based hypotheses, there is a difference between component-based PLS and covariance-based SEM. The PLS approach, which is carried out in two steps, is used as an analytical method in this work. That is: 1) The validity and reliability of the measurement model construct of each indicator are tested in the first step; 2) The structural model is tested at a later stage, which is to use PLS's t-test to see if

Researchers utilize the SmartPLS 2.0 application to assess data quality and reliability. Linking item scores (also known as component scores) and construct scores, which result in a factor loading value, is known as convergent validity testing. If the component or indicator correlates with the construct you want to test by more than 0.7, the value of the loading factor is considered high. However, for research that is still in its early stages, a loading factor of 0.5 - 0.6 is considered adequate.[22] The combined alpha, Cronbach's alpha, and reliability coefficients were used to

[20] Thakkar, J. J. (2020). Structural equation modelling. *Application for Research and Practice*.

[22] Shrestha, N. (2021). Factor analysis as a tool for survey analysis. *American Journal of Applied Mathematics and Statistics*, *9*(1), 4-11.

measure how reliable the study variables were. If the measurement item has an alpha coefficient, it is considered reliable.[23]

RESULTS AND DISCUSSION

With the use of SmartPLS 4.0 software, this research model will be tested by utilizing PLS. SEM is one of the different strategies that can be applied to deal with problems with non-parametric assumptions, meaning that data does not follow a certain distribution, and relationships between variables are very complicated.[24]

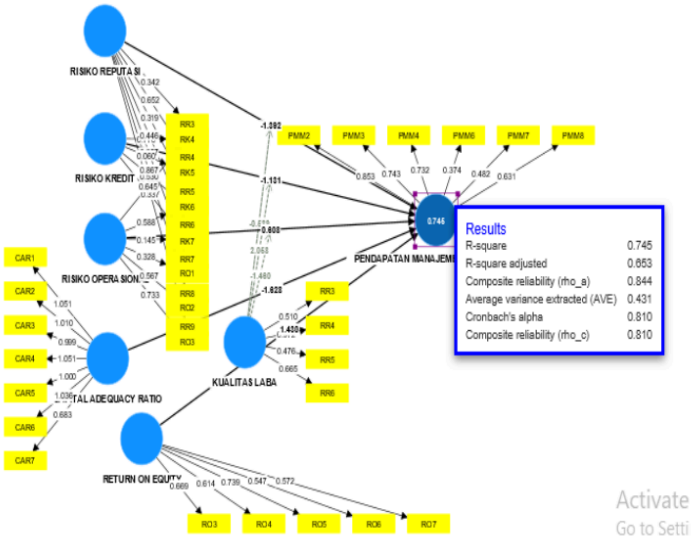

Figure 1. Outer Model

Convergent Validity

The outer charge value or charge factor is used to evaluate convergent validity. An indicator is said to achieve a good degree of

[23] Ramdan, I. M. (2019). Reliability and validity test of the Indonesian version of the hamilton anxiety rating scale (ham-a) to measure work-related stress in nursing.

[24] Yamin, S., & Kurniawan, Heri. (2009). Statistik SPSS Complete: Teknik Analisis Statistik Terlengkap dengan Software SPSS. *Analisis Korespondensi Bab Analisis Diskriminan*.

convergent validity if the outer loading value > 0.7. Many markers of examination variables are known to have external stacking values greater than 0.7. It seems that certain indicators still have an outer charge value of less than 0.7. Ghozali (2018) said that to meet the requirements of convergent validity, outer loading values are needed which range in the range of 0.5 - 0.6. The researcher reduced the data in such a way that only variable indicators that were considered practical or valid were included in the above data because their outer loading value was below 0.5.[25,26]

Discriminant Validity

The discriminant validity test utilizes cross-loading values. An indicator is said to have Discriminant Validity if its cross-loading value on a particular variable is greater than that of another variable

Table 4.1. Discriminant Validity

	CAPITAL ADEQUACY RATIO	KUALITAS LABA	PENDAPATAN MANAJEMEN MURABAHAH
CAPITAL ADEQUACY RATIO			
KUALITAS LABA	0.226		
PENDAPATAN MANAJEMEN MURABAHAH	0.303	0.467	
RETURN ON EQUITY	0.872	0.412	0.486
RISIKO KREDIT	0.428	0.464	0.578
RISIKO OPERASIONAL	0.878	0.435	0.526
RISIKO REPUTASI	0.373	1.106	0.602
KUALITAS LABA x RISIKO OPERASIONAL	0.175	0.210	0.133
KUALITAS LABA x RISIKO REPUTASI	0.188	0.421	0.310
KUALITAS LABA x RISIKO KREDIT	0.072	0.238	0.325

	RETURN ON EQUITY	RISIKO KREDIT	RISIKO OPERASIONAL	RISIKO REPUTASI	KUALITAS LABA x
CAPITAL ADEQUACY RATIO					
KUALITAS LABA					
PENDAPATAN MANAJEMEN MURABAHAH					
RETURN ON EQUITY					
RISIKO KREDIT	0.841				
RISIKO OPERASIONAL	1.174	1.050			
RISIKO REPUTASI	0.528	0.492	0.555		
KUALITAS LABA x RISIKO OPERASIONAL	0.287	0.417	0.317	0.249	
KUALITAS LABA x RISIKO REPUTASI	0.171	0.231	0.126	0.313	
KUALITAS LABA x RISIKO KREDIT	0.118	0.294	0.200	0.359	

[25] Chin, W. W. (1998). The partial least squares approach to structural equation modeling. In Marcoulides G. A. (Ed.). In *Modern Methods for Business Research* (Vol. 295, Issue 2).

[26] Ghozali, I. (2018). Aplikasi Analisis Multivariate, Semarang. In *Journal of Business Ethics*.

According to Table 4.1 data, when compared with cross-loading values in other variables, each indication in the research variable has the top cross-loading value in the resulting variable. The findings support the assertion that the indicators applied to this study have strong discriminant validity when constructing their respective variables.

The average value of the extracted variance (AVE) for each indicator can also be used to decide discriminatory legitimacy in addition to looking at cross-level values; A value higher than 0.5 is required for a good model.

Table 4.2 Average Variant Extracted (AVE)

Variable	AVE
Risk Reputation	0,592
Risk Credit	0,513
Risk operational	0,512
Murabahah Margin Income	0,543
Quality Profit	0.562
Capital Aquedacy Ratio	0.544
Return on Equity	0.543

It is known that the variable AVE value is> 0.5 based on the information provided in Table 4.2 above. So each variable has a strong discriminant validity, so to speak.

Composite Reliability

The component applied to evaluate the relationship of indicators to a variable is called composite reliability. A variable is reported to satisfy composite reliability if its composite reliability value is higher than or equal to 0.6. Below is described the value of composite reliability for each variable applied to this study:

Table 4.3. Composite Reliability

Variable	*Composite Reliability*
Risk Reputation	0,909
Risk Credit	0,877
Risk operational	0,892
Murabahah Margin Income	0,877
Quality Profit	0.675

Capital Aquedacy Ratio	0.895
Return on Equity	0.998

Table 4.3 data shows that the composite reliability value for all research variables is> 0.6. These findings prove that each variable satisfies composite reliability, which supports the idea that one variable is highly dependent on another.

Cronbach Alpha

Using the composite reliability mentioned above, Cronbach alphas can be added to reliability tests. It can be claimed that a variable meets the reliability requirement if its Cronbach alpha value > 0.7. The following table shows the Cronbach alpha of each variable:

Table 4.4. Nilai Cronbach Alpha

Variable	***Cronbach Alpha***
Risk Reputation	0,881
Risk Credit	0,877
Risk operational	0,892
Murabahah Margin Income	0,877
Quality Profit	0.818
Capital Aquedacy Ratio	0.895
Return on Equity	0.788

By the findings of Table 4.4, each study variable had a Cronbach alpha value higher than or equal to 0.7. From the above findings, it can be reported that all research variables have a high degree of dependence because they meet the criteria for Cronbach alpha values.

Path Coefficient Test

To prove the degree of impact of the independent variable on the dependent variable, the path coefficient is calculated. Meanwhile, the extent to which endogenous variables are influenced by exogenous factors is determined by the coefficient of determination (R-Square). According to Chin, the findings of endogenous latent variables of structural models with

an R2 value of 0.67 indicate that the influence of independent factors on the affected dependent variables is classified as a level of beneficial effects. The results fall into two categories: weak if between 0.19 and 0.33 and moderate if between 0.33 and 0.67. The effect of profit quality on ROE on CAR which has a value of 1,430 is shown by the value of the largest route coefficient according to the inner model scheme depicted in Figure 4.1. The effect of R0 on PMM which has a magnitude of 0.808 is the second largest influence, while the influence of RO on PMM has the smallest magnitude.

Clarification of this finding shows that each variable in this model has a positive course coefficient. This proves how the dependent variable is influenced more strongly by the independent factor. Then the higher the value of the path coefficient on a certain independent variable.

Goodness of Fit test for models.

According to the data analysis done with the help of the smartPLS 4.0 application, the R-Square value is calculated below:

Table 4.5. Tabel R-Square

Variable	***R-Square***
Capital Aquedacy Ratio	0,397
Return on Equity	0,666

From the information in Table 4.5, it can be seen that the R-Square value in CAR is 0.397. This statistical finding explains that a percentage of 39.7% can explain the percentage of CAR. In addition, the output variable RoE is represented by the value R-Square = 0.666. This figure proves that 66.6% of ROE efficacy can be explained. The Q-Square number provides information on the evaluation of fit goodness. Similar to the coefficient of determination (R-Square) in regression analysis, the Q-Square value shows how well or how well the model fits the data. The larger the Q-Square number, the better. Here are the findings of the Q-Square value calculation:

Q-Square = 1 – [(1 – R21) x (1 – R22)]
= 1 – [(1 – 0,397) x (1 – 0,666)]
= 1 – (0,603 x 0,334)
= 1 – 0,201
= 0,799

This calculation yields a Q-Square value of 0.799. These results prove that the research model can account for 79.9% of the diversity of research data. While additional factors outside the scope of this research

model amounted to 20.1%. From these findings, the research model has a good fit (goodness of fit).

Hypothesis Test.

These results can be used to answer research hypotheses considering the handling of information that has been completed. In this study, T-statistics and P-values were used to evaluate the hypothesis. The research hypothesis can be said to be valid if the P-values are 0.05. The inner model is used to test the research hypothesis, and the results are below:

Tabel 4.6 T-Statistics dan P-Values.

Hypothesis	Effect	*T-Statistics*	*P-Values*	Results
H1	Reputation Risk => Murabahah Margin Income	5,094	0,000	Accepted
H2	Credit risk => Murabahah Margin Redemption	8,692	0,000	Accepted
H3	*Operating Risk* => Murabahah Margin Income	2,308	0,002	Accepted
H4	Profit quality amplifies the influence of reputation risk => Murabahah Margin Income	6,756	0,012	Accepted
H5	Profit quality strengthens Credit risk => Murabahah Margin Recognition	5,094	0,000	Accepted
H6	Profit quality reinforces Operating Risk => Murabahah Margin Income	8,692	0,000	Accepted

The information in Table 4.6 proves that the six hypotheses put forward for this study are all plausible because a P-value of less than 0.05 is given for each effect. From this explanation, it can be concluded that the independent variable has a great impact on the dependent.

CONCLUSION

It is recognized that all three hypotheses are correct according to the findings of data analysis carried out to answer the proposed hypothesis. The statement proves that independent and bound variables have a strong influence on each other. An examination of the impact of factors according to the suggested hypotheses is given below.

The Effect of Reputational Risk on Murabahah Margin Income

According to the findings of the hypothesis analysis, it can be concluded that reputation risk negatively affects Murabahah margin income because the T-Statistics value is marked positive and the P-Values are 0.000. Due to the lack or diminishment of stakeholder trust in Islamic banks as a result of this view, this risk exists. Even if they are not involved in the reported case, negative publicity about one Islamic bank can damage the reputation of another Islamic bank.[27] For example, if there is unpleasant news about one Islamic bank, all other Islamic banks will be considered negative.

Positive Effect of Credit Risk on Murabahah Margin Income

The impact of credit risk on low-cost margin income has the greatest significance among the three hypotheses studied, amounting to 8.692 according to the findings of the path coefficient test based on T-Statistics values. This is consistent with Swayer's previously expressed opinion about the role of the organization, including in particular, ensuring that financial officers always follow the rules and refrain from any kind of anomalies during the financing process. In Islamic banks, murabahah contract financing dominates, but there are some complaints about Islamic banks' methods for calculating profit margins. This is because flat-interest loan financing products at non-Islamic or conventional banks can be compared with murabahah financing products.[28] Murabahah dominates in Islamic finance for two main reasons. First, when compared to the

[27] Nawaz, T., Haniffa, R., & Hudaib, M. (2021). On intellectual capital efficiency and shariah governance in Islamic banking business model. *International Journal of Finance & Economics*, *26*(3), 3770-3787.

[28] Uddin, H. (2019). Constraints to the Development of Islamic Microfinance: The Case of Bangladesh.

application of profit-sharing tools (musharakah or mudharabah), the risk of loss of Islamic financial institutions can be reduced. Secondly, compared to other forms of financing, murabahah financing can be implemented with better control.

Effects of Operating Risk on Murabahah Margin Income

According to the findings of the hypothesis analysis, a parameter coefficient value of 2.308 was produced, which indicates a beneficial effect of low-margin income on operational risk competence. Inadequate and/or dysfunctional internal processes, worker negligence, technical weaknesses, or external problems affecting bank operations are some of the hazards offered. Operational risk can cause financial losses either directly or indirectly as well as possible losses from possible lost profits. Every bank's operational activities have this risk which is the most inherent risk, including credit activities (provision of funds), structured and investment, operations, and services. Human resource management, information system technology, management information systems, financing and debt instruments, and trade finance are other examples.

Profit Quality Reinforces the Effect of Reputational Risk on Murabahah Margin Revenue

The parameter coefficient value of 6.756 shown from the hypothesis test findings shows a strong influence of profit quality in influencing murabahah margin income from reputation risk. The higher the quality of profit, the more it will reduce the distrust and increase the reputation of the Sharia Bank or Sharia General Business. The effect of reputational risk on murabahah margin income is strengthened by earnings quality, which describes the level of trust and transparency of financial information of an Islamic financial institution. High earnings quality indicates that the financial statements provide an accurate and transparent picture of the institution's financial performance. When earnings quality is high, it tends to strengthen positive perceptions of the reputation of the Islamic financial institution.

Reputational risk has a more significant impact on murabaha margin income when earnings quality is low.[29] Low earnings quality indicates uncertainty or ambiguity in the financial information presented, which in turn can reduce the level of trust of external parties towards

[29] Budianto, E. W. H., & Dewi, N. D. T. (2023). Reputation Risk in Islamic and Conventional Banking: Mapping Research Topics using VOSviewer Bibliometric and Library Research.

Islamic financial institutions.[30] Reputational risk has greater potential to damage the image and public confidence in Islamic financial institutions, which is likely to have a negative impact on murabaha margin income.[31] Thus, the relationship between reputational risk and murabaha margin income is strengthened or has a stronger influence when earnings quality is low, while high earnings quality can strengthen the positive influence on murabaha margin income in situations where reputational risk is minimal.

Profit Quality Reinforces the Effect of Credit Risk on Murabahah Margin Income

The parameter coefficient value of 5.094 shown from the results of the hypothesis test shows a strong influence of profit quality in influencing murabahah margin income from credit risk. The higher the quality of profit, the more it will reduce the distrust and increase the reputation of the Sharia Bank or Sharia General Business.

Profit Quality Strengthens Operating Risk Drivers of Murabahah Margin Income

The parameter coefficient value of 8.692 which is determined from the results of the hypothesis test shows that there is a strong influence of earnings quality in influencing murabahah margin income from operational risk. Where the higher the quality of profits, the more it will reduce the distrust and increase the reputation of the Sharia Bank or Sharia Public Business.

BIBLIOGRAPHY

Anggraini, T., & Harianto, B. (2023). Analysis of Operational Standards and Procedures of Murabahah Financing in the Decline of Non-Performing Financings (Case Study PT. Bank Shariah Indonesia Branch of Servant Sukaramai). Moneter: Jurnal Keuangan dan Perbankan, 11(2), 157-164.

[30] Islam, R., Haque, Z., & Moutushi, R. H. (2022). Earnings quality and financial flexibility: A moderating role of corporate governance. *Cogent Business & Management*, *9*(1), 2097620.

[31] Anggraini, T., & Harianto, B. (2023). Analysis of Operational Standards and Procedures of Murabahah Financing in the Decline of Non-Performing Financings (Case Study PT. Bank Shariah Indonesia Branch of Servant Sukaramai). *Moneter: Jurnal Keuangan dan Perbankan*, *11*(2), 157-164.

Anwar, Y., & Murwaningsari, E. (2019). The Effect Of Credit Risk and Capital Adequacy Ratio Upon Return On Asset. The Accounting Journal of Binaniaga, 2(02).

Araz, O. M., Choi, T. M., Olson, D. L., & Salman, F. S. (2020). Role of analytics for operational risk management in the era of big data. Decision Sciences, 51(6), 1320-1346.

Anggraini, T., & Harianto, B. (2023). Analysis of Operational Standards and Procedures of Murabahah Financing in the Decline of Non-Performing Financings (Case Study PT. Bank Shariah Indonesia Branch of Servant Sukaramai). Moneter: Jurnal Keuangan dan Perbankan, 11(2), 157-164.

Butt, M. A., Ayub, H., Latif, B., Asif, F., Shabbir, M. S., & Raja, A. A. (2022). Financial risks and performance of conventional and Islamic banks: do reputational risk matters?. Journal of Islamic Accounting and Business Research, 13(4), 581-595.

Chin, W. W. (1998). The partial least squares approach to structural equation modeling. In Marcoulides G. A. (Ed.). In Modern Methods for Business Research (Vol. 295, Issue 2).

Faizin, N., & Djayusman, R. R. (2023). The Concept of Sharia Compliance on Islamic Bank Murabaha Financing in the Maqashid Sharia Approach: A Theoretical Study. Al-Iktisab: Journal of Islamic Economic Law, 7(1), 49-74.

Ghozali, I. (2018). Aplikasi Analisis Multivariate, Semarang. In Journal of Business Ethics.

Hosen, M. N. (2008). Perbankan Syariah. pkes Publishing.

Islam, R., Haque, Z., & Moutushi, R. H. (2022). Earnings quality and financial flexibility: A moderating role of corporate governance. Cogent Business & Management, 9(1), 2097620.

Ismail. (2011). Perbankan Syariah. Kencana.

Julita, J., Oktariyani, A., Atika, Darminto, Handayani, S. R., Harahap, S. S., Ardian, A. V., Andini, R., Raharjo, K., Efendi, A. F. W., Wibowo, S. S. A., Suharsimi, A., Ginting, M. C., Kasmir, Subramanyam, W., John, J., Ardiyanto, F. D., Hapsari, E. I., Widati, L. W., … Rahar, K. (2014). analisa laporann keuangan. In Bandung : CV Alfabeta (Vol. 3, Issue 1).

Kasmir. (2016). Manajemen Sumber Daya Manusia (Teori dan Praktik). Depok: PT Rajagrafindo Persada. In Management Penelitian.

Muchtar, M. (2021). ANALISIS RISIKO AKAD MURABAHAH DI PERBANKAN SYARIAH. INFO ARTHA, 5(1). https://doi.org/10.31092/jia.v5i1.1246

Nawaz, T., Haniffa, R., & Hudaib, M. (2021). On intellectual capital efficiency and shariah governance in Islamic banking business model. International Journal of Finance & Economics, 26(3), 3770-3787.

Nurapiah, D. (2019). Manajemen Risiko Operasional Pada Perbankan Syariah Di Indonesia. EKSISBANK: Ekonomi Syariah Dan Bisnis Perbankan, 3(1). https://doi.org/10.37726/ee.v3i1.14

Siregar, A. A. (2019). Analisis Manajemen Risiko Pembiayaan Murabahah Pada Pt Bank Tabungan Negara (Persero) Tbk Kantor Cabang Syariah Medan.

Uddin, H. (2019). Constraints to the Development of Islamic Microfinance: The Case of Bangladesh. (No Title).

Yanti, H., & Darmayanti, E. (2023). Analisis Terhadap Perlindungan Hukum Tertanggung Asuransi Kendaraan Bermotor Berhubungan Dengan Perjanjian Pembiayaan Konsumen (Studi Kasus Pada PT. Adira Dinamika Multi Finance Medan, TBK). Jurnal Mimbar Ilmu Hukum (MIH), 1(1), 127-144.

Yamin, S., & Kurniawan, Heri. (2009). Statistik SPSS Complete: Teknik Analisis Statistik Terlengkap dengan Software SPSS. Analisis Korespondensi Bab Analisis Diskriminan.

REPUTATIONAL, CREDIT, OPERATIONAL RISK TO MURABAHAH MARGIN INCOME. QUALITY OF PROFIT: CAR, ROE

ORIGINALITY REPORT

18%	16%	10%	12%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	journals.unizik.edu.ng Internet Source	1%
2	www.bircu-journal.com Internet Source	1%
3	saspublishers.com Internet Source	1%
4	ejurnal.ubharajaya.ac.id Internet Source	1%
5	Calen Calen, Sri Aprianti Tarigan, Rosita Rosita, Susanto Susanto, Erina Alimin. "The role of transformational leadership, leader member exchange, digital transformation on organizational citizenship behaviour and work innovation capabilities in during Covid-19 pandemic", JPPI (Jurnal Penelitian Pendidikan Indonesia), 2021 Publication	1%
6	bura.brunel.ac.uk Internet Source	1%
7	journals.umt.edu.pk Internet Source	1%
8	www.aasmr.org Internet Source	1%
9	kti.potensi-utama.ac.id Internet Source	1%

10	rsisinternational.org Internet Source	1 %
11	ejurnal.ung.ac.id Internet Source	1 %
12	euroasiapub.org Internet Source	1 %
13	repo.undiksha.ac.id Internet Source	1 %
14	Submitted to Udayana University Student Paper	1 %
15	ijrti.org Internet Source	<1 %
16	publikasi.dinus.ac.id Internet Source	<1 %
17	repository.up.ac.za Internet Source	<1 %
18	openlibrarypublications.telkomuniversity.ac.id Internet Source	<1 %
19	Submitted to University of South Africa Student Paper	<1 %
20	www.enrichment.iocspublisher.org Internet Source	<1 %
21	jurnal.unpad.ac.id Internet Source	<1 %
22	irbijournal.com Internet Source	<1 %
23	repository.uinsu.ac.id Internet Source	<1 %
24	Submitted to Girne American University	

	Student Paper	<1%
25	Malta Anantyasari, Agus Endro Suwarno, Muh. Nashirudin, Chabibatul Mu'awanah, Nuraini Binti Asri. "RELEVANCE OF ISLAMIC BANKING IN INDONESIA TO THE MUAMALAH SYSTEM OF THE PROPHET AND THE CALIPH", Journal of Islamic Economic Laws, 2022 Publication	<1%
26	Submitted to University of Stirling Student Paper	<1%
27	www.bussman.gapenas-publisher.org Internet Source	<1%
28	Submitted to Kaplan College Student Paper	<1%
29	eprints.perbanas.ac.id Internet Source	<1%
30	openaccess.hacettepe.edu.tr Internet Source	<1%
31	Najmy Haqq Salim, Dewie Tri Wijayanti, Andre Dwijanto Witjaksono. "THE EFFECT OF WORKPLACE SPIRITUALITY ON AFFECTIVE COMMITMENT AND TURNOVER INTENTION: CASE STUDY ON CONSTRUCTION INDUSTRY", International Journal of Management, Innovation & Entrepreneurial Research, 2020 Publication	<1%
32	ActEd Publication	<1%
33	infor.seaninstitute.org Internet Source	<1%
	orca.cardiff.ac.uk	

34	Internet Source	<1%
35	fekbis.repository.unbin.ac.id Internet Source	<1%
36	ijsrm.net Internet Source	<1%
37	www.ijrrjournal.com Internet Source	<1%
38	www.sciencegate.app Internet Source	<1%
39	Publication	<1%
40	Ahmad Sampurna, Atikah Asna, Ghasem Mohammadi. "Integrating Media Literacy in Da'wah: Effective Communication Strategies for Religious Counselors in Preventing Early Marriage", Ilmu Dakwah: Academic Journal for Homiletic Studies, 2025 Publication	<1%
41	dn720005.ca.archive.org Internet Source	<1%
42	lahoreschoolofeconomics.edu.pk Internet Source	<1%
43	library.oapen.org Internet Source	<1%
44	Jef Rudiantho Saragih, Muhammad Ade Kurnia Harahap, Simon Haholongan Sidabukke, Triastuti, Ummu Harmain, Jhon Hardy Purba. "Assessment of village accessibility and community mobility to enhance socioeconomic conditions of rural	<1%

communities", Multidisciplinary Science Journal, 2025
Publication

Exclude quotes	Off	Exclude matches	Off
Exclude bibliography	On		