

The Impact of the Mudharabah Deposit Profit-Sharing System on Customer Interest in Investing in Islamic Banks

Weni Wulandari¹, Ince Sisilia²

UIN Fatmawati Sukarno Bengkulu¹²

e-mail:

¹wulandariweni85@gmail.com

²incesisilia40@gmail.com

ABSTRACT. Sharia institutions in Indonesia have experienced rapid growth over time, especially Sharia banks. Currently, Indonesia is the fourth country with great potential for the development of Sharia financial institutions. Differences in principles and systems are one of the reasons that make people interested in investing in Sharia institutions, especially deposit investments that use the mudharabah system in calculating profits. In 2009, after a spin-off, PT Bank BNI Syariah successfully expanded its business by adding more branches and increasing the number of third-party deposits. The purpose of this study is to understand the Mudharabah deposit system, and how customers are interested in investing in Sharia banks. And to determine the effect of the system that attracts people to deposit products. The location of this research is PT Bank BNI Syariah Bogor Branch as one of the Sharia banks that is popular with the public. This study uses a descriptive method to determine and demonstrate the relationship between the mudharabah profit-sharing deposit system and customer interest in investing. The results show that the profit calculation system used by PT Bank BNI Syariah is profit-sharing, with the deposit contract used being Mudharabah Mutlaqah. Based on a review of PT BNI Syariah's annual reports for 2010–2012, the amount of third party funds (DPK) increased. This is due to the trust that customers have gained in PT Bank BNI Syariah's products. Furthermore, consumer awareness of Islamic economics, which utilizes a profit-sharing system, is improving. Therefore, it can be concluded that the profit-sharing system in mudharabah deposits can influence customer interest in investing in time deposits.

Keywords: Profit Sharing; Mudharabah Deposit; Customer Interest;

INTRODUCTION

In the 2011 Global Islamic Financial Report (GIFR), Indonesia ranked fourth among countries with potential and a conducive environment for the development of the Islamic financial industry, after Iran, Malaysia, and Saudi Arabia. Considering several aspects of the index calculation, such as the number of Islamic banks, the number of non-bank Islamic financial institutions, and the size of Islamic financial assets, which carry the largest weighting, Indonesia is projected to rank first in the next few years.

According to Dr. Halim Alamsyah, Deputy Governor of Bank Indonesia, as of February 2012, the Islamic banking industry had a network of 11 Islamic Commercial Banks (BUS), 24 Islamic Business Units (UUS), and 155 Sharia Rural Banks (BPRS), with a total office network of 2,380 offices spread across almost all corners of the archipelago. Total Islamic banking assets reached IDR 149.3 trillion (BUS & UUS IDR 145.6 trillion and BPRS IDR 3.7 trillion), representing a 51.1% growth compared to the previous year. The Islamic banking industry has demonstrated strong growth acceleration, averaging 40.2% per year over the past five years (2007-2011), while the

national banking industry's average annual growth rate was only 16.7%. Therefore, the Islamic banking industry has been dubbed "the fastest-growing industry."

Generally, the products and services offered by Islamic banks include funding products (mudharabah savings, wadiah checking accounts, and mudharabah deposits), financing products (muhabahkah installments, lump-sum muhabahkah, ijarah bai ut takjiri, and musyarakah), and service products (wakalah remittances, wakalah collections, and wakalah bank guarantees). Conventional banks, on the other hand, offer savings products, providing efficient payment mechanisms and instruments.

In economic activities, they facilitate international trade, provide safekeeping services for valuables, and offer other financial services, such as credit cards, traveler's checks, ATMs, money transfers, and so on. According to Boesono (2007), there are three operational principles of Islamic banks that differ from conventional banks, particularly in customer service, which bankers must uphold:

1. The principle of fairness, namely that rewards are based on profit sharing and profit margins determined by mutual agreement between the bank and the customer.
2. The principle of equality, namely that depositors, fund users, and the bank have equal rights, obligations, and burdens of risk and profit.
3. The principle of peace, namely that Islamic banking products adhere to the principles and rules of Islamic transactions (free from usury and applying zakat on wealth). However, many Sharia-based financial institutions, in practice, implement them in much the same way as conventional financial institutions.

Because of these three principles, many people are attracted to investing in Islamic banks. Sharia-compliant investments are more logical and tend to be less burdensome for both parties involved in the transaction because they do not involve interest. Profits derived from Sharia-compliant investments are purely the result of the circulation of money, with no fixed nominal amount or percentage of profit sharing.

One example of a popular investment product is a time deposit. Deposits in Sharia-compliant banks are managed through an investment or mudharabah (mudharabah) system, thus commonly known as Mudharabah Deposits. This is a form of business where the capital owner (customer) deposits their capital with the manager (bank) to be managed, with profits shared according to an agreement between the two parties. Any losses, however, are borne by the owner. Sharia banks do not pay interest on deposits but instead pay profit sharing based on a predetermined ratio (nisbah). The growth in customer interest in mudharabah deposits can be seen in the annual reports of Sharia banks and their annual growth figures.

On April 29, 2000, PT Bank Negara Indonesia (Persero) Tbk established a Sharia Business Unit (UUS) to respond to the public's need for a banking system that is more resilient to economic crises. It began with five branch offices in Yogyakarta, Malang, Pekalongan, Jepara, and Banjarmasin. Over time, UUS BNI received the most profitable bank award from 2003 to 2004 among two BUS (Sharia Commercial Banks) and eight UUS (Sharia Business Units). And in 2009, BNI Syariah demonstrated its progress with the formation of the Sharia Commercial Bank Implementation Team, which would transform UUS BNI into PT Bank BNI Syariah as an implementation of Sharia Banking Law No. 21 of 2008 concerning Sharia Banking, supported by Bank Indonesia Regulation No. 11/10/PBI/2009 dated March 19, 2009, concerning the Separation of Sharia Business Units from Conventional Bank. Proven by the Decree of the Governor of Bank Indonesia No. 12/41/KEP.GBI/2010, PT Bank BNI Syariah officially operated as a Sharia Commercial Bank on June 19, 2010 with 27 branch offices and 31 sub-branch offices.

METHODS

Research methods are essentially scientific methods for obtaining data for specific purposes and uses. This study employs a descriptive method, providing an overview and description of the profit-sharing system in Islamic banking products, particularly Mudharabah Deposits. Furthermore, the author will examine whether this system influences customer interest in investing in deposit products offered by Bank BNI Syariah.

The analytical method employed is qualitative descriptive data analysis, a technique that describes the research object and elaborates it in sentences or statements based on the collected data, with the aim of drawing conclusions from the problem formulation. The research aims to describe the situation in the field and then analyze the data obtained.

RESULTS AND DISCUSSION

Mudharabah Deposit Profit Sharing System

BNI Syariah is committed to the development of Islamic banking with a spirit of trust and commitment to providing the best in accordance with the principles. Based on the results of supervision by the Sharia Supervisory Board (DPS) during 2011 through spot checks at the Head Office and several BNI Syariah branch offices, the DPS hereby declares that all BNI Syariah operations globally comply with sharia requirements, as determined by the DSN-MUI Fatwa and the DPS opinion.

This profit sharing system is a distinctive characteristic of Islamic banking, distinguishing it from conventional banking, which uses an interest system in its operations, where the interest rate is predetermined. Based on the author's research on the annual report of PT. Bank BNI Syariah, it was found that the summary of accounting policies for customers' rights to profit sharing from temporary al-syirkah funds or investments under the Mudharabah Muthlaqah contract represents a portion of the profit sharing owned by the customer, based on the mudharabah principle, from the results of the Bank's management of their funds. The income distributed is the income received (cash basis). Profit sharing is based on the principle of profit sharing, which is derived from the bank's gross profit margin. In other words, the profit sharing system used by BNI Syariah is based on the principle of revenue sharing. The profit distributed is the income received by the bank. According to PSAK 105 on Mudharabah Accounting, mudharabah contracts are categorized into three types: Mudharabah Muthlaqah, Mudharabah Muqqayadah, and Mudharabah Musyarakah.

However, based on the data obtained, it is known that the deposit product offered by PT. Bank BNI Syariah is called the iB Hasanah Deposit, a time deposit that applies the Mudharabah Muthlaqah principle. Mudharabah Muthlaqah is a contract between the capital owner (shahibul maal) and the manager (mudharib) to generate profits, which are then distributed according to an agreed-upon ratio. The iB Hasanah Deposit manages customer funds by channeling them to finance productive businesses and consumer financing that is halal and beneficial for the benefit of the community. This confirms that the deposit products issued by this bank comply with DSN Fatwa Number 3 of 2000, which stipulates that deposits permitted under Sharia are those based on the mudharabah principle. In a mudharabah deposit transaction, the customer acts as the fund owner (shahibul maal) and the bank acts as the fund manager (mudharib). In its capacity as mudharib, the bank can engage in various businesses that do not conflict with Sharia principles and can develop them, including mudharabah with other parties.

Mudharabah Muthlaqah

Mudharabah is a form of cooperation between two parties. The first party, or the fund owner (in this study, the customer), invests in a deposit with the second party, the bank. Profits are shared according to an agreement. Any financial losses are borne solely by the fund owner.

The deposit product offered by BNI Syariah is a deposit based on the mudharabah muthlaqah principle, where the fund owner grants freedom to manage the funds. This investment is also known as unrestricted fund investment. This type of mudharabah does not specify a validity period or the area in which the business will be conducted.

The funds provided for this investment cannot be used to finance projects or activities prohibited by Islam or considered haram (forbidden), such as the liquor trade, pig farming, etc. The pillars of mudharabah are as follows:

- a) The parties consist of the fund owner and the fund manager
- b) The object of mudharabah is working capital
- c) The acceptance and acceptance of the contract/delivery agreement
- d) The ratio/profit

Accounting for Fund Owners

1. Mudharabah funds disbursed by the fund owner are recognized as a Mudharabah investment upon cash payment.
2. Mudharabah investments in cash are measured at the amount paid.
3. If the value of the mudharabah investment decreases before the business commences due to damage, loss, or other factors not due to negligence or error on the part of the fund manager, the decrease in value is recognized as a loss and reduces the Mudharabah investment balance.
4. If a portion of the mudharabah investment is lost after the business commences without any negligence or error on the part of the fund manager, the loss is accounted for at the time of profit sharing.
5. The mudharabah business is deemed to have commenced operations from the time the funds or capital for the mudharabah business are received by the fund manager.
6. Negligence due to errors by the fund manager is indicated by, among other things:
 - a) non-fulfillment of the requirements stipulated in the contract;
 - b) absence of customary and/or force majeure conditions stipulated in the contract; or
 - c) a decision by an authorized institution.
7. If the mudharabah contract terminates before or at maturity and the fund manager has not yet paid, the mudharabah investment is recognized as a receivable. If the mudharabah investment extends beyond one reporting period, business income is recognized in the period in which the profit-sharing rights arise according to the agreed ratio.
8. Losses incurred in a period before the mudharabah contract terminates are recognized as losses and an allowance for investment losses is established.

Customer Interest

To assess customer interest in PT. Bank BNI Syariah, specifically in the Mudharabah Deposit investment product, the author used the Annual Reports published by PT. Bank BNI Syariah in 2010, 2011, and 2013.

The increasing public interest in the products and services offered by Bank BNI Syariah can drive growth in the number of customers and assets owned by the bank, based on the profits earned from business activities conducted based on Sharia principles, and in order to achieve the company's vision and mission. To achieve its business objectives in 2012, BNI Syariah implemented several strategic steps, including:

1. The individual fundraising strategy was implemented by optimizing its branch network and agency partnerships, implementing loyalty programs, providing direct prizes, marketing communication programs, and so on. Meanwhile, institutional fundraising was carried out through collaborations with universities, maintaining relationships with dominant institutional customers, and developing product and service features. This was done to increase the number of customers.
2. Increasing fee-based income, including by optimizing the Rahn business, Hasanah cards, developing remittances and trade finance, as well as transactional banking.
3. The financing development strategy focused on consumer, commercial, financing cards, and micro-business business lines. The consumer financing business strategy was implemented through collaboration with over one hundred developers in Greater Jakarta (Jabodetabek), improving the competence of verification and assessment staff, and accelerating the process.

Meanwhile, the commercial financing strategy is carried out through selective expansion by prioritizing syndication and linkage programs, club deals/syndications/consortiums with other Islamic banks/commercial banks. The financing card business strategy is carried out with an educational promo program through Hasanah Card Go International, the establishment of Hasanah Card units in branches, the addition of personnel for collection and the development of products and product features. Based on the data obtained, it is known that to attract the attention of customers in order to increase the number of customers by providing the best service, BNI Syariah focuses on improving services in terms of technology and ease of transactions. Dissemination of information regarding product feature enhancements and attractive and beneficial program offerings for customers is delivered through easily accessible media, such as:

1. Website www.bniSyariah.co.id
2. Advertisements in print and electronic media
3. Events
4. Social media platforms such as Facebook, Twitter, and others
5. Sponsorships and partnerships

However, in efforts to develop Islamic banking, many obstacles remain in attracting customer interest, including:

- 1) Lack of public understanding of the concept of Islamic banking and the products offered.
- 2) Limited branch offices, making them difficult to access.
- 3) Lack of resources with understanding and comprehension of Islamic banking.

Within six months of the spin-off (June 19, 2010, to December 2010), BNI Syariah successfully posted a net profit of Rp36.5 billion, against a target profit of Rp7.181 billion. This net profit was achieved, in part, due to BNI Syariah's successful management of third-party funds and productive assets. This demonstrates the interest and trust of many customers in saving or using BNI Syariah's products.

From the data obtained in 2010, it is known that the total DPK (Third Party Funds) successfully collected by BNI Syariah as of December 2010 was Rp5.163 trillion, for 6 months it increased by Rp910 billion from Rp4.253 trillion in June 2010. The composition of DPK realization in 2010 consisted of Rp538.7 billion Wadiah Giro (10.4%), Rp105.9 billion Wadiah Savings (2.0%), Rp1.874 trillion Mudharabah Savings (36.3%), and Rp2.643 trillion Mudharabah Deposits (51.2%). Total accounts increased 48%, from 357,000 in 2009 to over 530,000 accounts by the end of 2010. This comprised over 4,400 checking accounts, over 508,000 savings accounts, and over 17,000 time deposits.

The mudharabah deposit product portfolio in 2010 reached Rp 2.643 trillion, a 51.2% increase compared to other products. The number of accounts also increased by over 17,000. This indicates a significant interest in Mudharabah deposit investment products among Indonesians.

2011 was a year of growth for BNI Syariah, marked by the addition and improvement of human resources, strengthening of infrastructure networks, information and technology systems, risk management, and the implementation of good governance. The effort yielded results with better profit compared to 2010 achievement, where on December 31, 2011, the Company posted a net profit of Rp66 billion or grew by 78% compared to the previous year's period. This increase in profitability was obtained from optimal contributions from consumer retail and treasury businesses. BNI Syariah assets also grew to Rp8,467 trillion or increased 32% from Rp6,395 trillion the previous year with the number of funding customers amounting to 574 thousand and 95 thousand financing customers. The number of funding customers includes the number of Mudharabah Deposit customers, and the total funds derived from deposits until December 2011 was Rp3.245 trillion which is this amount is more than the previous year.

Meanwhile, in 2012, deposits increased by Rp 456,994 million, representing a 14.08% increase, from Rp 3.245 trillion in 2011 to Rp 3.702 trillion in 2012. This increase demonstrates BNI Syariah's success in fulfilling its banking role as a fundraiser for the public.

Based on the information above, the number of mudharabah deposits continues to increase annually, driven by the growing interest of customers and the public in investing by opening mudharabah deposit accounts.

The Impact of the Mudharabah Deposit Profit-Sharing System on Customer Investment Interest. To examine the impact of the mudharabah deposit profit-sharing system, the author used secondary data in the form of annual reports published by PT. Bank BNI Syariah. The author used data from 2010 to 2012 to examine the growth and decline in the number of mudharabah deposits from year to year. This study attempted to prove that the growth over the three years was due to the impact of the profit-sharing system used by PT. BNI Syariah Bank's mudharabah deposit product.

Based on the data obtained, the number of deposit accounts consistently increased over the three years from 2010 to 2012, with the following deposit amounts:

1. Rp 2.643 trillion in 2010
2. Rp 3.245 trillion in 2011
3. Rp 3.702 trillion in 2012

This growth is driven by public trust in BNI Syariah Bank products. Indonesian Islamic banking continued to show positive developments until the end of 2012, reflected in growth above the national banking industry in both assets, financing, and Third Party Funds (DPK). This was driven by several factors, such as relatively stable domestic economic growth, more conducive regulations, and increased public understanding of Islamic economics and banking. Another driving factor was Bank Indonesia's support, specifically aimed at enhancing the role and intermediary function of Islamic banking in the national economy and enhancing the resilience of the banking system. Meanwhile, the largest deposit growth through 2012 came from the large number of customers opening iB Hasanah deposits with a 12-month term, amounting to 47.39%.

CONCLUSION

Based on the results of data analysis and discussion, it can be concluded that this profit sharing system is a special characteristic of Islamic banking that distinguishes it from conventional banking that uses an interest system in its operational activities where the interest has been determined in

advance. Based on research conducted by the author on the annual report of PT. Bank BNI Syariah, it is known that the summary of accounting policies for customer rights to profit sharing from temporary al-syirkah or investment with Mudharabah Muthlaqah contracts is a portion of the customer's profit sharing based on the principle of mudharabah on the results of their fund management by the Bank. The income distributed is that which has been received (cash basis). The distribution of business results is based on the principle of profit sharing, namely from bank income received in the form of gross profit margin. In other words, the profit sharing system used by BNI Syariah uses the principle of a revenue sharing system. Where the profit distributed is the income received by the bank. Based on PSAK 105 Mudharabah Accounting, mudharabah contracts are categorized into 3 types: Mudharabah Muthlaqah, Mudharabah Muqqayadah, and Mudharabah musyarakah. The results of the research above Based on the data obtained, it is known that the number of deposit accounts for 3 years, namely 2010 to 2012, has always increased with the following deposit amounts: 2010 amounting to IDR 2.643 trillion, 2011 amounting to IDR 3.245 trillion, 2012 amounting to IDR 3.702 trillion.

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