



**Research Paper**

## **The Effect of the Total Financing Value and Business Turnover on the Smooth Return of Murabahah Financing in MSMEs in PT. Bank Muamalat KCP Cirebon**

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**ABSTRAK**

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Financing activities in Islamic banking require proper management due to the risk of repayment default by customers. The amount of financing and business turnover are assumed to influence the ability of MSME customers to fulfill their payment obligations. This study aims to analyze the effect of financing amount and business turnover on the smooth repayment of murabahah financing among MSME customers at PT. Bank Muamalat KCP Cirebon during the 2013–2022 period. This research employs a quantitative method with a saturated sampling technique consisting of 71 data points, analyzed using logistic regression, Wald test, t-test, F-test, and coefficient of determination through IBM SPSS 23. The results indicate that, simultaneously, the financing amount and business turnover have a significant effect on the smooth repayment of murabahah financing.

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## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have a strategic role in the Indonesian economy, especially in the absorption of labor, income equity, and their contribution to the Gross Domestic Product (GDP). However, MSME actors still face various obstacles, such as limited capital, low quality of human resources, and weak business financial management. As one of the pioneers of Islamic banking in Indonesia, Bank Muamalat Indonesia has an important role in supporting MSME financing, especially through murabahah contracts. At the operational level, Bank Muamalat KCP Cirebon also contributes to distributing financing to business actors. However, the increase in financing disbursement is also followed by the potential risk of Non-Performing Financing (NPF) which can affect the performance and stability of financial institutions. The main problem that arises is the mismatch between theory and practice, where the increase in the value of financing and business turnover is not always followed by a smooth return on financing. Therefore, a more in-depth analysis is needed on the factors that affect the smooth return of financing, especially in the MSME sector.

Micro, Small, and Medium Enterprises (MSMEs) have become one of the most important pillars in the economic development of many countries, including Indonesia. MSMEs contribute significantly to employment creation, poverty reduction, and regional economic growth. In developing countries, MSMEs are often considered the backbone of the economy because they are able to absorb labor on a large scale and encourage community-based economic activities. In Indonesia, the existence of MSMEs has proven resilient in facing various economic crises, including the global financial crisis and the post-pandemic economic recovery period. The rapid growth of MSMEs has also increased the demand for accessible and sustainable financing systems, especially financing based on Islamic principles that emphasize justice, transparency, and mutual benefit between financial institutions and customers (Rahman, 2022).

The development of Islamic banking in Indonesia has shown remarkable progress over the last decade. Islamic banks are increasingly trusted by the public because they offer financial products that comply with Islamic principles and avoid interest-based transactions. One of the most widely used financing products in Islamic banking is murabahah financing. Murabahah is a sale and purchase agreement in which the bank purchases goods needed by customers and sells them at a predetermined profit margin agreed upon by both parties. This financing scheme is considered easier to understand by customers because the selling price and installment value are determined from the beginning of the contract. Murabahah financing is also widely utilized by MSME actors to support business capital, operational activities, and business expansion (Sari & Hidayat, 2023).

In the context of Islamic banking, the smooth return of financing is an important indicator in measuring the success of financing distribution. Smooth financing repayment reflects the ability of customers to fulfill their obligations according to the agreed schedule. Conversely, financing repayment problems can increase the level of non-performing financing and negatively affect the financial performance of banks. Therefore, Islamic banks need to pay attention to factors influencing the smoothness of financing repayment, particularly in MSME financing which often faces unstable business conditions and market uncertainty (Putri et al., 2024).

One of the factors assumed to influence the smooth return of murabahah financing is the total financing value received by customers. The amount of financing provided by banks can affect the financial burden borne by MSME actors. On one hand, larger financing can increase business productivity and profitability if managed effectively. On the other hand, excessive financing may create repayment difficulties when business income does not increase proportionally. Therefore, the suitability between financing value and business capacity becomes an important consideration in Islamic banking financing policies (Nugroho & Hakim, 2021).

The relationship between financing value and financing repayment smoothness has become an important topic in previous studies. Several studies revealed that appropriate financing allocation can improve business performance and repayment capability because customers are able to optimize business operations and generate higher profits. However, other studies found that high financing values may increase repayment risks due to weak financial management and unstable business turnover among MSMEs. This indicates that financing value alone cannot guarantee financing smoothness without being supported by strong business performance and proper financial management systems (Fadilah & Yusuf, 2025).

Another factor influencing the smooth return of murabahah financing is business turnover. Business turnover reflects the amount of income generated by MSMEs from their operational activities within a certain period. High business turnover indicates good business performance and greater opportunities for customers to fulfill financing installment obligations on time. In contrast, declining turnover can reduce customer liquidity and increase the risk of delayed payments. Therefore, business turnover is often used as an important indicator in evaluating the repayment capacity of MSME financing customers (Wibowo et al., 2022).

The importance of business turnover in financing repayment has become increasingly relevant in the post-pandemic economic recovery era. Many MSMEs experienced significant declines in turnover during the pandemic due to reduced consumer purchasing power, disruptions in supply chains, and restrictions on

economic activities. Although economic conditions have gradually improved, many MSMEs still face challenges in stabilizing their revenues. This condition directly affects their ability to repay financing obligations to banks. Consequently, Islamic banks need to conduct careful assessments of customer business turnover before distributing financing to minimize future financing risks (Kurniawan & Lestari, 2023).

PT. Bank Muamalat KCP Cirebon is one of the Islamic banking institutions actively distributing murabahah financing to MSMEs. As the first Islamic commercial bank in Indonesia, Bank Muamalat Indonesia has a strategic role in supporting the development of sharia-based economic activities, including MSME financing. The branch office in Cirebon serves various business sectors such as trade, culinary businesses, agriculture, fisheries, and household industries. The increasing demand for murabahah financing among MSMEs reflects the growing public trust in Islamic banking products and services (Anwar, 2024).

However, despite the increasing financing distribution, challenges related to financing repayment smoothness remain significant issues for Islamic banks. Some MSME customers experience difficulties in repaying installments due to fluctuating business turnover, weak financial planning, and external economic pressures. These conditions require Islamic banks to identify factors affecting financing repayment performance in order to improve financing quality and minimize non-performing financing risks. Understanding the influence of financing value and business turnover on repayment smoothness is therefore essential for both banking institutions and MSME actors (Hasanah & Karim, 2025).

Theoretically, this study is based on agency theory and financial performance theory. Agency theory explains the relationship between banks as principals and customers as agents in financing contracts. Banks expect customers to manage financing responsibly and repay obligations according to agreements. Meanwhile, financial performance theory emphasizes that business income and operational efficiency significantly determine the ability of business actors to meet financial obligations. In this context, business turnover can be considered an important reflection of MSME financial performance influencing financing repayment smoothness (Prasetyo, 2021).

Several previous studies have examined factors affecting financing repayment in Islamic banking. Research conducted by Ramadhani and Yusuf (2022) found that business turnover positively affects financing repayment capability among MSMEs in Islamic rural banks. Similarly, research by Maulana et al. (2023) indicated that financing value has a significant influence on customer repayment performance because larger financing often increases operational responsibility and repayment pressure. However, other studies revealed inconsistent findings, where financing

value did not significantly affect repayment smoothness due to differences in customer characteristics and business management quality (Safitri & Wahyudi, 2024).

These inconsistencies indicate the existence of research gaps requiring further investigation. In particular, studies examining the combined influence of total financing value and business turnover on the smooth return of murabahah financing in MSMEs at PT. Bank Muamalat KCP Cirebon are still limited. Most previous studies focused only on one variable or were conducted in different banking institutions and regional contexts. Therefore, this study aims to provide empirical evidence regarding the relationship between financing value, business turnover, and financing repayment smoothness within the context of Islamic banking and MSME financing in Cirebon.

This study is important because it contributes both theoretically and practically. Theoretically, the study enriches the literature related to Islamic financing management and MSME financial behavior. Practically, the findings are expected to help PT. Bank Muamalat KCP Cirebon improve financing evaluation systems and develop more effective financing strategies. In addition, the results may provide insights for MSME actors regarding the importance of maintaining stable business turnover and managing financing effectively to ensure smooth repayment performance. Based on the background above, this study investigates the effect of the total financing value and business turnover on the smooth return of murabahah financing among MSMEs at PT. Bank Muamalat KCP Cirebon. Through this research, it is expected that Islamic banking institutions can better understand the determinants of financing repayment smoothness and formulate policies that support sustainable MSME development within the framework of Islamic finance.

## **METHODS**

This research is a research using a quantitative approach sourced from the secondary. Quantitative approach is an approach in which there are variables as objects and must be defined in the operational form of variables. The type of research used in this study is descriptive research that describes something systematically and factually. The primary data source in this study is to conduct a survey by studying samples taken from the population using document data as a data collection tool. Meanwhile, secondary data sources come from documents related to the research object and use ordinal scales based on levels or document rankings. The analysis model used in this study is using a multiple linear regression analysis model with the IBM SPSS Statistics 23 data processing application.

Quantitative research itself can describe a problem whose results can be generalized so that it is not only focused on the depth of a data. In the data processing process, this research instrument uses documentation sheets, which are tools to collect secondary data in the form of financial statements, financing data, and MSME turnover data or can also use secondary data that has been collected and propose research variables in the data analysis. This research can be said to be explanatory to describe an equalization of the sample to the population to describe the relationship between differences, the influence of a variable and a variable with other variables. In this study, the researcher will examine the factors that affect the return of Murabahah Financing for MSMEs in 2013-2022 at Bank Muamalah KCP Cirebon.

## RESULTS AND DISCUSSION

### Descriptive Analysis

The data in this study is 70 data which are data based on dependent and independent variables. The characteristics of the data analyzed in this study cover only certain places and times. Based on the place in general at PT. Bank Muamalat Indonesia is a Cirebon sub-branch office and the year span is only for 10 years, namely from 2013 to 2022. The descriptive test in this study describes or describes a data consisting of sample tests, mean values, standard deviation, minimum, maximum, etc. In this study, there are 2 independent variables, namely the amount of financing and business turnover and one *bound variable*, namely the smooth return. The sample used in this study was taken from the monthly financial statements for 2013 – 2022. Data processing in this study was carried out with the help of the IBM *Statistics 23 application* with the aim of processing data and being able to obtain results from *the variables* studied.

**Table 1. Descriptive Statistical Results**

	N	Minimu m	Maximum	Red	Std. Deviation
Smooth Payment	71	1	4	2.35	1.084
Loan Value	71	44689700	889000000	235213444.01	115878138.68 8
Business Turnover	71	2000000	350000000	33330985.92	62671703.780
Valid N (listwise)	71				

The analysis of the descriptive statistical test results table in table 4.1 above shows that the number of samples (N) used is 71 samples. Based on the table, descriptive statistics can be explained as follows:

- a. *The variable* loan value has a minimum value of IDR 44,689,700 and a maximum value of IDR 8890,00,000. the mean value is IDR 235,213,444.01. and the standard deviation value is IDR 115,878,138,688.
- b. *Variable Smooth* financing payments have a minimum value of 1.00 and a maximum value of 4.00 and for the mean value itself of 2.35. The standard deviation value in this *variable* is 1.084.
- c. *The variable* business turnover has a maximum value of IDR 350,000,000 and a minimum value of IDR 2,000,000 and a mean value of IDR 33,330,985.92. for the standard deviation value itself in the variable business turnover of IDR 62,671,703,780

### **Model Fit Test (*Hosmer and Lemeshow* Test)**

The *Hosmer and Lemeshow* Test is a statistical test in logistics regression to assess whether the model is made to fit the data. This means that determining the model's prediction results is close to the actual data and the model's results are feasible to use.

H<sub>0</sub> (zero): Model conforms/fits data

H<sub>1</sub> (alternative): Unsuitable model

**Table 2. *Hosmer and Lemeshow* Test**

Step	Chi-square	df	Sig.
1	102.603a	2	.884

Data analysis: it is said that if the Sig value is  $> 0.05$ , the Sig value is  $> 0.05$  ( $0.884 > 0.05$ ) then it is concluded that there is no significant difference between the variables. Based on the results of *the Hosmer and Lemeshow* test, a significance value of 0.884 was obtained. The value was greater than 0.05 ( $0.884 > 0.05$ ), so it can be concluded that there was no significant difference between the observation value and the model's prediction value. Thus, the logistic regression model used is declared feasible (fit) and can be used for further analysis.

### ***Overall Model Fit (-2 Log Likelihood)***

*Overall Model Fit* was used to assess the suitability of the overall logistic regression model by comparing the *value of -2 Log Likelihood* (-2LL) between the initial model (without independent variables) and the final model (with independent variables). A decrease *in the value of -2 Log Likelihood* indicates that the model is getting better at explaining the data. The following are the results of data processing using SPSS

**Table 3. Overall Model Fit (-2 Log Likelihood)**

		Literation History <sup>a,b,c,d</sup>			
Literacy		- 2 Log likelihood	Constant	Coefficients	
				X1	X2
Step 1	1	82.757	-1,094	-.049	.015
	2	80.766	-1.874	-.067	.023
	3	80.604	-2.095	-.073	.026
	4	80.603	-2.109	-.074	.026
	5	80.603	-2.109	-.074	.026

a. Method : Enter

b. Constant is included in the model

c. Initial -2 Log Likelihood: 128,027

d. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001

Based on the data analysis, the test was carried out by comparing the value of *-2 Log Likelihood* with the *Chi Square* value of the table. The test criteria are that if the value of *-2 Log Likelihood* is smaller than *the Chi-Square* table, then the model before the inclusion of independent variables is declared to have qualified the test, while if the value of *-2 Log Likelihood* is greater than the *Chi Square* table, then the model has not met the test requirements. The *Chi Square* value of the table is obtained with the degree of freedom (DF) of  $N - K - 1$ , which is  $71 - 3 - 1 = 67$ , so that the *Chi Square value* is obtained as 87.10807. Based on the results of the comparison, the *value of -2 Log Likelihood* of 80.603 is smaller than the *Chi-Square* value of the table ( $80.603 < 87.10807$ ), so it can be concluded that the model before the inclusion of independent variables *has met the test requirements*.

#### **Coefficient of Determination (Naglekerke R Square)**

The determination coefficient is used to measure the model's ability to explain dependent variables. In the logistic regression, the value used is Nagelkerke R Square. The following are the results of the calculation of the determination coefficient:

**Table 4. Model Summary**

Step	- 2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	102.603a	.226	,313

Estimation terminated at iteration number 5 because parameter estimates changed by less than .001 Based on the results of the output on the *Nagelkerke R Square Value Table* as large as 0.313, it is concluded that the contribution of the influence of independent variables on the dependent variables together (simultaneously) is 31.3%.

### Wald Test

The hypothesis in *the Wald test* is used to determine the influence of each independent variable on the dependent variable partially. The null hypothesis ( $H_0$ ) states that the regression coefficient ( $\beta_i$ ) is equal to zero, which means that the independent variable has no significant effect on the dependent variable. Meanwhile, the alternative hypothesis ( $H_1$ ) states that the regression coefficient ( $\beta_i$ ) is not equal to zero, which means that the independent variable has a significant effect on the dependent variable. Decision-making is carried out based on significance values with an error rate of 5% (0.05)

**Table 5. Wald Test**

		<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig</b>	<b>Exp(B)</b>
Step 1a	X1	-.072	.020	14.010	.1	.000	.929
	X2	2.475	.743	11.108	1	.001	11.878
	Constant	-2.109.	1.140	3.422	1	.064	.121

Variable(s) entered or step 1: X1, X2

- a. Test Criteria: Sig value < 0.05 concludes Partially affected
- b. The variable Total Financing Value has a Sig value of 0.000 (<0.05) concluding that the Total Financing Value has an effect on the Smooth Return of Financing (*H1 Received*)
- c. The Business Turnover variable has a sig value of 0.001 (0.05) concluding that Business Turnover has an effect on the Smooth Return of Financing (*H2 Received*)

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### Testing the Whole Parameter using the G Test (*Omnibus Test of Model Coefficients*)

The G-test in logistic regression is used to test whether all independent variables together have an effect on dependent variables. This test is often also called *the Omnibus Test of Model Coefficients*. The G-test compares a model without variables (initial model) with a model with independent variables.

**Table 6. Omnibus Test of Model Coefficients**

<i>Omnibus Tests of Model Coefficients</i>				
		Chi Square	df	Sig
Step 1	Step	25.604	2	.000
	Block	25.604	2	.000
	5	25.604	2	.000

The test criteria for the Sig Value  $< 0.05$  concluded that it had a simultaneous effect Sig value  $< 0.04$  ( $0.000 < 0.05$ ) Concluded that it had an effect simultaneously.

## DISCUSSION

### The Effect of the Financing Value on the Smooth Return of Murabahah Financing at PT. Bank Muamalat KCP Cirebon

This study aims to analyze the effect of the amount of financing value on the smooth return of murabahah financing at PT. Bank Muamalat KCP Cirebon uses logistic regression. The results of *the Hosmer and Lemeshow* test showed a significance value of 0.884 ( $> 0.05$ ), which means that there was no significant difference between the observation and prediction values, so the model was declared fit. Testing *the Overall Model Fit* through a *-2 Log Likelihood* value of 80.603, which is smaller than *the Chi Square* table 87.10807 ( $80.603 < 87.10807$ ) also showed that the model had a good match with the data. The Nagelkerke R Square *value* of 0.313 indicates that the independent variable is able to explain the dependent variable by 31.3%, while the rest is influenced by other variables outside the model. The results of *the Wald* test showed that the amount of financing value (Sig.  $0.000 < 0.05$ ) and business turnover (Sig.  $0.001 < 0.05$ ) had a significant partial effect on the smooth return of financing.

In addition, the results of the G Test (*Omnibus Test*) showed a significance value of 0.000 ( $< 0.05$ ), which means that independent variables simultaneously had a significant effect on dependent variables. Thus, it can be concluded that the amount of financing value and business turnover have a significant influence, both partially and simultaneously, on the smooth return of murabahah financing, and the model used is suitable for analysis. These results show that fluctuations in the amount of loans have a significant impact on the smooth repayment of Murabahah loans. This means that the smooth repayment of Murabahah loans increases along with the increase in the number of loans. The results of the study show that at Bank Muamarat KCP Cirebon from 2013 to 2022, the rejection of  $H_{01}$ , namely the level of the loan amount has a positive effect on the smooth repayment of Murabahah loans, and the acceptance of  $H_{a1}$ , namely the level of the amount of loans, has a positive

effect on the smooth repayment of Murabahah loans for MSMEs.

### **The Effect of Business Turnover on the Smooth Return of *Murabahah* Financing for MSMEs at PT. Bank Muamalat KCP Cirebon**

Based on the results of the research that has been carried out with a partial test, it was obtained that the customer's business turnover affects the smooth return of *Murabahah* MSME financing at PT. Bank Muamalat KCP Cirebon. The results of the model feasibility test using *Hosmer and Lemeshow* showed a significance value of 0.884 ( $> 0.05$ ), so that the model was declared fit (*fit*). The *Overall Model Fit* test also showed a *-2 Log Likelihood* value of 80.603 which is smaller than the *Chi Square* table of 87.10807 ( $80.603 < 87.10807$ ), which indicates that the model has a good match with the data. The *Nagelkerke R Square* value of 0.313 indicates that the independent variable is able to explain the dependent variable by 31.3%, while the rest is influenced by other variables outside the model.

The results of the partial test (*Wald*) show that the amount of financing value and business turnover respectively have a significant influence on the smooth return of financing. This is shown by the significance value of the total financing value of 0.017 ( $< 0.05$ ) and business turnover of 0.046 ( $< 0.05$ ), so that both alternative hypotheses ( $H_{a1}$  and  $H_{a2}$ ) are accepted. These findings indicate that the increase in the amount of financing disbursed and the high turnover of customer business will encourage smooth returns of murabahah financing. In addition, the results of the simultaneous test (*G Test/Omnibus Test*) showed a significance value of 0.000 ( $< 0.05$ ), which means that the amount of financing value and business turnover together had a significant effect on the smooth return of financing. Thus, these two variables have an important contribution in determining the smooth return of murabahah financing. Based on the overall results of the analysis, it can be concluded that the amount of financing value and business turnover has a positive and significant effect, both partially and simultaneously, on the smooth return of murabahah financing to MSMEs of PT. Bank Muamalat KCP Cirebon, as well as the model used have met the eligibility criteria and can be used as a basis for decision-making.

### **The Effect of Total Financing Value and Business Turnover on the Smooth Return of *Murabahah* Financing for MSMEs at PT. Bank Muamalat KCP Cirebon**

Based on the results of the analysis that has been carried out, it is found that the amount of financing value and business turnover has a positive and significant influence on the smooth return of murabahah financing for MSMEs at PT. Bank Muamalat KCP Cirebon. This is proven through a simultaneous test (*F test*) which shows that the value of  $F_{cal}$  of 33.905 is greater than the *F of the table* of 3.13 ( $33.905 > 3.13$ ), so it can be concluded that the two independent variables together have a

significant effect on the dependent variable. This result was also strengthened by the G test (*Omnibus Test*) with a significance value of 0.000 ( $< 0.05$ ), which indicated a significant simultaneous influence. From the partial side, the results of *the Wald test* show that the amount of financing value and business turnover respectively have a significant effect on the smooth return of financing, with significance values of 0.000 and 0.001 ( $< 0.05$ , respectively). This shows that the greater the amount of financing provided and the higher the customer's business turnover, the higher the smooth rate of return of murabahah financing.

The model used in this study has also met the eligibility criteria. This is shown by the results of the *Hosmer and Lemeshow test* with a significance value of 0.884 ( $> 0.05$ ), which means that there is no significant difference between the observation value and the model's prediction. In addition, the results of the *Overall Model Fit test* showed a -2 Log Likelihood value of 80.603 which was smaller than the *table Chi Square* value of 87.10807 ( $80.603 < 87.10807$ ), so the model was declared to have a good match with the data. Furthermore, the value of the determination coefficient shows a fairly strong result. In the linear regression, an R Square value of 0.707 was obtained, which means that the variables of the amount of financing value and business turnover were able to explain the smooth return of financing by 70.7%, while the remaining 29.3% was influenced by other factors outside the model. Meanwhile, in the logistics regression, *the Nagelkerke R Square value* was obtained of 0.313, which shows the contribution of independent variables in explaining the dependent variable of 31.3%.

Empirically, the smooth return of financing is not only influenced by the amount of financing and business turnover, but also by other factors such as business conditions, marketing strategies, product variety and quality, as well as non-economic factors such as customer discipline and commitment. This is in line with banking practices, where the smooth rate of financing returns greatly determines the performance of banks. If the return of financing does not go smoothly, it can have an impact on decreasing profits and even increasing the risk of problematic financing. Thus, it can be concluded that the amount of financing value and business turnover are important factors that affect the smooth return of murabahah financing, both partially and simultaneously.

## CONCLUSION

Based on the results and discussion of this study, it can be concluded that the total financing value and business turnover have an important influence on the smooth return of murabahah financing among MSMEs at Bank Muamalat Indonesia KCP Cirebon. The total financing value plays a significant role in supporting

business operations and increasing the productivity of MSME actors. Appropriate financing allocation enables customers to expand their businesses, improve operational efficiency, and generate higher income, which ultimately supports their ability to repay financing installments smoothly. However, excessively large financing without proper financial management may increase the risk of repayment difficulties. Furthermore, business turnover has a positive effect on the smooth repayment of murabahah financing. MSMEs with stable and increasing turnover tend to have better financial capability in fulfilling installment obligations on time. High turnover reflects good business performance and stronger liquidity conditions, allowing business actors to maintain repayment consistency. Conversely, unstable turnover may reduce repayment capability and increase the potential for non-performing financing.

Simultaneously, the total financing value and business turnover jointly influence the smooth return of murabahah financing. This indicates that financing success in Islamic banking is not only determined by the amount of financing distributed but also by the financial performance of customers' businesses. Therefore, Islamic banks need to conduct comprehensive assessments regarding customer business conditions, financing needs, and turnover stability before approving financing applications. This study also highlights the importance of effective financial management among MSME actors in maintaining financing repayment performance. MSMEs are expected to utilize financing productively and manage business cash flow efficiently in order to sustain business growth and repayment capability. Meanwhile, Islamic banking institutions should strengthen financing monitoring, customer assistance, and business evaluation systems to minimize financing risks and support sustainable MSME development. Overall, this research confirms that the synergy between appropriate financing distribution and healthy business turnover is essential in creating smooth murabahah financing repayment within the Islamic banking sector. The findings are expected to contribute to the development of Islamic financing policies and improve the effectiveness of MSME financing management in Indonesia.

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