

Reconstructing Mudharabah Financing in Islamic Banking: Evidence from Indonesia and Implications for Global Sharia-Compliant Finance

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ABSTRACT

This study is motivated by the limited application of mudharabah financing in Islamic banking, largely due to banks' perceptions of high risk. Consequently, Islamic financial institutions remain cautious in distributing funds through profit-sharing contracts. This research examines the outcomes of reconstructing mudharabah financing and evaluates its alignment with the foundational principles and objectives of Islamic banking. Employing a qualitative phenomenological approach, the study uses descriptive, analytical, and inductive methods to explore the practical realities and experiences surrounding mudharabah implementation. Data were obtained through documentary analysis and theoretical review, with particular attention to the role of Islamic banks as shahibul maal in mudharabah contracts within Indonesia's Islamic banking system. The findings reveal that existing reconstruction efforts have not fully achieved their intended objectives, particularly with respect to profit calculation mechanisms, which remain a key challenge. Nevertheless, mudharabah practices at Bank Syariah Indonesia (BSI) comply with Shariah principles and are free from elements of *riba*, *gharar*, and *maysir*. The applied profit-sharing scheme benefits both banks and customers, with operational costs deducted from total profits and capital returned to the shahibul maal as agreed. Mudharabah financing has enabled many previously unbankable customers to access business capital. The study underscores the central role of trust and recommends strengthening supervision, transparency, and customer assessment to mitigate risks and enhance Shariah-compliant cooperation.

Keywords: reconstruction, mudharabah contract, sharia banking, profit sharing, transformation.

INTRODUCTION

Islam is a system that addresses all aspects of human life, including economic development and the banking industry, which is a major driver of the economy. Banking is a financial institution that collects funds from the

community to meet the needs of those in need, both for productive and consumptive activities, to continue its business.¹

A bank is a financial institution that has an important function in the economic system of a country. In the development and progress of a country, it is inseparable from the role of banks as financial institutions that regulate the economy. One of the banking institutions regulated in Islam is an Islamic bank. In carrying out activities, Islamic banks receive deposits from the community, while in distributing funds, Islamic banks provide services in the form of financing. Financing in Islamic banks is one of the backbones of banking activities because that's where banking can survive and develop. One of these financing patterns is mudharabah financing.²

From the economic aspect, the transfer of business risks to one party is considered to violate the norms of justice. In the long run, the conventional banking system will cause the accumulation of wealth in a few people who have large amounts of capital. In the study of Islamic banking, one of the known concepts is profit sharing. One of the goals is to create justice. This concept is considered to be able to support the aspect of justice. Justice is a fundamental aspect of the Islamic economy. The main principle of this contract is fairness between the lender and the user of capital. This principle applies to both debtors and creditors.³

The determination of a business result in a business activity is considered something that can burden one of the parties who is trying, thus violating the aspect of justice. This principle is a concept that includes the procedure for sharing business results between providers and fund managers. The distribution of business proceeds can occur between banks and depositors or between banks and customers receiving funds. The form of the product based on this principle is mudharabah. The principle of mudharabah can be used as the basis for both funding products in the form of savings and deposits, as well as financing, while musharakah is more for financing and participation.⁴

In addition, mudharabah requires a high level of mutual trust between fund owners and fund managers. The distribution of the profit must be in the form of an agreed ratio/percentage. If there is a loss in the mudharabah contract, only the owner of the fund bears the loss; the fund manager does not bear the

¹ Rori Okta Pratama, "Implementasi Profit Sharing dalam Akad Mudharabah Bank BSI Kcp. Seluma," 2022, 1-2.

² Isna Maulida and Tuti Anggraini, "Analisis Prinsip Nisbah Dalam Pembiayaan Murabahah Di Bank BSI KCP Lauser," *EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis* 10, no. 2 (2022): 1297-1304, <https://doi.org/10.37676/ekombis.v10i2.2787>.

³ Atin Meriati Isnaini, "Rekontruksi Prinsip Keadilan Dalam Kontrak Pembiayaan Dengan Sistim Kemitraan Musyarakah Dan Mudharabah Di Perbankan Syariah," *Jatishwara* 30, no. 1 (2017), <https://doi.org/10.29303/jtsw.v30i1.95>.

⁴ Suli Wati, *Praktik Pembiayaan Bagi Hasil Dalam Akad Mudharabah Ditinjau Dari Perspektif Hukum Ekonomi Syariah (Studi Pada Bank Syariah Indonesia (BSI) Kcp Kedaton Bandar Lampung)*, 2023.

loss, unless the loss occurs due to a mistake made by the fund manager. Meanwhile, the vulnerable period under the mudharabah contract is in accordance with the agreement agreed upon by both parties. But based on the facts in the eight gan, the amount of mudharabah financing is always smaller than the amount of mudharabah financing, which is financing with the principle of buying and selling.⁵

Bank Syariah Indonesia (BSI) is a bank whose working mechanism uses a profit-sharing mechanism, not interest. Thus, profit sharing is the dominant mechanism in Islamic banks. But in reality, the mechanism of profit-sharing mudharabah products does not show a high enough percentage. The question that arises then is why profit-sharing financing, especially mudharabah, has not become a flagship in Islamic banking. And what efforts may be implemented to encourage profit-sharing financing to become the core business of Islamic banking?.

Several mudharabah problems make this product less developed in the study of Islamic banking. The cause is due to the *profit loss sharing* contract associated with *agency problems*. Islamic banks are banks whose working mechanism uses a profit-sharing mechanism, not using interest. Thus, profit sharing should be the dominant mechanism in Islamic banks. However, in reality, the mechanism of profit-sharing products does not show a high enough percentage.⁶

This argument is based on the idea that the parties to the business transaction will be negligent. Suppose they are compensated for less than the marginal contribution to the production process. *Likewise*, profit loss-sharing contracts require guarantees to function efficiently. The lack of guarantees on *profit-loss-sharing* contracts leads to a failure of practice, as there are no rules on guarantees underpinning them. In Indonesia, the guarantee of *property* rights for *profit-loss sharing* has not been regulated firmly and clearly. The position of guarantee in business capital participation is allowed and used as a form of mudharib responsibility to the bank. The author's suggestion in the results of this study is to provide mudharib with a good and clear understanding of mudharabah and the importance of understanding the agreements that have been signed together.⁷

Islamic banking offers less risk than financing compared to conventional banking. This is based on the concept of *mudharabah* and *musharakah* that he

⁵ Rifqi Khuamirotun Nafis and Heri Sudarsono, "Faktor -Faktor Yang Mempengaruhi Pembiayaan Mudharabah Pada Bank Umum Syariah Di Indonesia," *Jurnal Ilmiah Ekonomi Islam* 7, no. 1 (2021): 164, <https://doi.org/10.29040/jiei.v7i1.1614>.

⁶ A Chairul Hadi, "Di Perbankan Syariah Indonesia A . Chairul Hadi," *Maslahah* 2, no. 1 (2011): 1-17.

⁷ Mustafa Kholbi, Sitti Rahmah, and Mahendra Romus, "Analisis Penerapan Akad Mudharabah Di Bank Syariah Indonesia Cabang Pekanbaru," *Kutubkhanah* 21, no. 1 (2021): 33, <https://doi.org/10.24014/kutubkhanah.v21i1.13353>.

adheres to. But often the implementation of asset management from *mudharabah* and *musharakah* is not under applicable regulations. Ideally, funds in Islamic banking are channeled through investment activities in real assets. Another cause is the *limitation of the role of investors in management and the dichotomy of the financial structure of profit-loss sharing contracts*, causing non-participation. They do not share contracts based on decision-making participation. On the one hand, it can be seen that only the management manages the funds, while investors only enjoy the results. The last is that equity financing is not appropriate for short-term project financing when faced with a high level of risk. Each party provides funds or charity with the agreement that the profits or risks will be borne jointly following the mutual agreement between *shahibul maal* and *mudharib*.⁸

The above problems are used as the basis for the author to reconstruct *mudharabah* financing at Bank Syariah Indonesia (BSI) South Sulawesi Region, so that there is justice and blessings in transactions in Islamic banking. The principle of *avialan*, where *mudharik* and *shahibul maal* each achieve a victory, as well as when taking risks. The next problem that will be solved is what kind of steps Islamic banks take so that risks that often arise can be overcome properly, so that the principle of *profit loss sharing* produces blessings through the principle of justice.

METHODS

This study uses a qualitative phenomenological approach that is descriptive, analytical, and inductive. This research seeks to dig up data to find the basics of phenomena, reality, and experience. This study uses documentary studies and analysis of theories used to explain and conclude the problems raised in this study.⁹

This research is descriptive, which means describing or explaining a situation, symptoms, and events. In this case, to find out the problems related to the status of Islamic banking as a *shahibul mal* in the *mudharabah* contract that occurred at Bank Syariah Indonesia (BSI) Makassar Branch Office. From various related information, from references that discuss *mudharabah* transactions and their application in Islamic banking that occurs at Bank Syariah Indonesia (BSI) South Sulawesi Region, Indonesia.

RESULT AND DISCUSSION

Construction of the Mudharabah Contract

One of the unique aspects of Islamic banking products is the existence of financing facilities with a profit-sharing pattern. One of these financing patterns

⁸ Ahmad Zaenal Abidin, Moh. Rasyid, Rezkia Zahara Lubis, "Pembiayaan Mudharabah Bertingkat Pada Bank Umum Syariah Mudharabah Finance In Sharia Commercial Banks," n.d., 141-73.

⁹ Muhammad Zuhirsyan, "Membidik Potensi Ekonomi Syariah Di Lembaga Pendidikan Pondok Pesantren," *Economica: Jurnal Ekonomi Islam* 9, no. 2 (2018): 319-47, <https://doi.org/10.21580/economica.2018.9.2.2781>.

is mudharabah financing. Mudharabah financing is a partnership in which one party acts to provide the funds (*shahibul maal*), while the other provides membership and acts as a *mudharib*. In savings that use the mudharabah scheme, the bank implements the mudharabah *muthlaqah* scheme, where the bank, as a fund manager, has full authority to manage and run any business, anywhere, anytime, and with whom, but still under sharia principles. In practice, banks must distribute profits to the owner of the fund, in this case, the customer, following the profit-sharing ratio that has been agreed in the contract. The application of mudharabah *muthlaqah* was developed in maharajah deposit products and mudharabah savings products that contribute to the development of Islamic banks.¹⁰

In the Mudharabah contract, the *Mudharib* is the representative of the *Rabb al-Mal* in every transaction involving the Mudharabah property. *Mudharib* then becomes a partner of *Rabb al-Mal* when there is a profit, because mudharabah is a partnership in profit, and a representative is not entitled to benefit based on his work after the emergence of profit, but he becomes a partner in this situation due to the partnership agreement.¹¹

The growing management of mudharabah financing has been internationally recognized, which places transparency as one of the important aspects in all aspects, including transparency in terms of financial conditions and the quality of management to the public, as well as transparency in terms of the implementation of regulatory concepts and instruments. This will directly or indirectly have an impact on BSI's operational activities. The implementation of the mudharabah contract on working capital financing to meet the customer's business capital goods. This is related to the statement of buying goods for production activities or more who are just starting a business, and some use it to buy production equipment.¹²

Profit Sharing

After collecting funds from customers in the form of savings, the bank will distribute the funds in the form of financing. Financing distribution in Islamic banks can be categorized into four groups, namely financing with the principle of profit sharing, financing with the principle of buying and selling, financing with the principle of lease and financing with complementary contracts. Financing in Islamic banks uses a mudharabah contract where the total capital

¹⁰ Jurnal Ilmu et al., "Dinamika Pembiayaan Perbankan Syariah Dalam Mengembangkan Dunia Usaha" 5 (2021): 140-51.

¹¹ Nurul Pratiwi, "Mudharabah Terhadap Kepuasan Nasabah Menabung Di Bank Syariah Indonesia (Bsi) Mudharabah Terhadap Kepuasan Nasabah Menabung Di Bank Syariah Indonesia (Bsi)," 2021.

¹² Lili Affrida and Linda Rahmazaniati, "Implementasi Pembiayaan Modal Kerja Dengan Menggunakan Akad Mudharabah Pada Bank Syariah Indonesia (BSI) KC Meulaboh Imam Bonjol" 1, no. 4 (2022): 443-49, <https://doi.org/10.54259/akua.v1i4.1196>.

comes from the bank. Both parties have a portion of the capital. The profits generated from the two financings are divided according to the profit-sharing ratio. The distribution of business proceeds can occur between banks and depositors of funds or between banks and customers receiving funds.¹³

In practice, banks should distribute profits to the owner of the fund, in this case, the customer following the profit-sharing ratio that has been agreed in the contract. In the profit-sharing system in a Sharia business, everyone involved in the business is required to be fair and not to be cruel to each other. To fulfill the agreement that has been agreed upon or stipulated in advance without reducing and exaggerating it, the capital owner must not act arbitrarily or arbitrarily by making his own decisions that only benefit himself. Mudharabah financing at BSI follows the standards regulated by the OJK. Among the mudharabah financing requirements with the flow of checking the feasibility of the customer's business is following the provisions of BSI.¹⁴

Mudharabah Financing Flow

Bank Syariah Indonesia is the result of the merger of Bank Syariah Mandiri, BNI Syariah, and BRI Syariah with the aim of becoming one entity engaged in banking that provides goodness for all of Rahmatan Lil 'Aalamiin. Bank BSI, in its operations, offers various products, including mudharabah financing products intended for individuals, businesses, or companies. Mudharabah financing for working capital, the implementation of mudharabah financing at BSI has its own mechanism or flow. Every customer who wants to get a mudharabah financing facility is first given information related to the financing distribution mechanism.¹⁵

The mudharabah financing procedure at Bank Syariah Indonesia Regional South Sulawesi can be submitted in writing by filling out the financing application form that has been provided and completed according to the necessary data as material for assessing the feasibility of providing financing by the bank. As revealed by Fairuz BSI South Sulawesi Region: He said, every customer who wants to get funding or financing facilities, including mudharabah, first follows several stages. Each stage has certain requirements: Prospective customers who receive their applications will continue to the next path. Meanwhile, the file must be returned. Rejected customers will be given

¹³ wati, *Praktik Pembiayaan Bagi Hasil Salam Akad Mudharabah Ditinjau Dari Perspektif Hukum Ekonomi Syariah (Studi Pada Bank Syariah Indonesia (BSI) KCP Kedaton Bandar Lampung)*.

¹⁴ Pratama, "Implementasi Profit Sharing Dalam Akad Mudharabah Bank BSI Kcp. Seluma."

¹⁵ Nuhman Sarip, As Umar, and Tri Sudarwanto, "Analisis Implementasi Akad Mudharabah Pada Pembiayaan Modal Kerja Di BMT Koperasi Tekad Mandiri Tebuireng PENDAHULUAN Baitul Maal Wa-Tamwil (BMT) Merupakan Salah Satu Model Lembaga Keuangan Mikro Syariah Yang Berbentuk Koperasi Yang Paling Sederhana Yan" 2, no. 1 (2021): 78-91.

information related to what is a shortage or feasibility of the business. «This is the mechanism that has been implemented at BSI,» he said as quoted in an interview, May 10, 2024. The Bank will ask for a guarantee to convince its customers of their ability and ability to pay off debts according to the agreed contract. In operation, the requirement to provide this guarantee is to ensure that mudharib does not commit irregularities in managing the funds provided by the bank.¹⁶

The requirements for financing the mudharabah contract with the examination flow are as follows:

1. The customer's business feasibility is following BSI's provisions, namely: a. Not included in the blacklist of Bank Indonesia and BSI. b. The type of business is not speculative or a type of business that is prohibited and avoided to be financed. c. The prospective customer has a good reputation with Bank Syariah Indonesia. This principle follows the study of Islamic banking. One of the principles in Islamic banking is the prohibition of haram and tyranny in various forms, and uses a system including the principle of profit sharing. One of them is mudharabah. With the principle of profit sharing, Bank Syariah Indonesia can create a healthy and fair investment climate because all parties can share both profits and potential risks that arise so that it will create a balanced position between the bank and its customers. In the long run, this will encourage equity in the national economy because the profits are not only enjoyed by capital owners but also by capital managers.¹⁷
2. Mudharabah financing will be processed if the account officer and Branch Leader have determined that the eligible mudharabah financing can be processed further, and contact prospective mudharib to determine when the review will be to the business location and the guarantee location. The position of guarantee in the participation of business capital in the implementation of the mudharabah contract is not contrary to the DSN Fatwa No.7/DSN-MUI/IV/2000 and is allowed. The bank makes this guarantee to give responsibility to the mudharib to be serious in developing the business capital that has been given by the bank to customers.¹⁸
3. The analysis of mudharabah financing is carried out according to the procedure using the "5C" principle, namely: a. Character, analyzed according to the disposition/nature of the prospective mudharib, both in personal life

¹⁶ Tasya Tiyyana, Rofikotul Husnah, and Dian Rosinawati, "Analisis Prosedur Dan Persyaratan Pembiayaan Mudharabah Di Bank Syariah Indonesia KCP Ujung Berung1," *EKSISBANK: Ekonomi Syariah Dan Bisnis Perbankan* 7, no. 1 (2023): 53-65, <https://doi.org/10.37726/ee.v7i1.773>.

¹⁷ Nurul Mu'minati dris, "Implementasi Prinsip Syariah Terhadap Pembiayaan Mudharabah Pada Bank Syariah Di Watampone," *Skripsi*, 2019, 29.

¹⁸ Kholbi, Rahmah, and Romus, "Analisis Penerapan Akad Mudharabah Di Bank Syariah Indonesia Cabang Pekanbaru."

and in the business environment. b. Capacity, analyzing the ability of the prospective mudharib in running his business to obtain the expected profit, so that the ability to return the financing provided by the bank can be seen. c. Capital, analyzing all of the own funds/capital owned approval by the prospective mudharib. Capital itself can be a consideration and proof of the seriousness and responsibility of mudharib in running his business, because he bears the realization of risks to his business. d. Condition of economy, analyzing conditions that can affect the business prospects of prospective customers in the form of political, social, economic and cultural conditions in the smooth operation of the mudharib company. e. Collateral, analyzing collateral or collateral submitted by prospective customers for the financing they receive. The aspects analyzed are related to the location of the guarantee; warranty status; ownership of collateral; and the value of the guarantee. Generally, prospective mudharib provide high-quality and easy-to-disburse guarantees or collateral whose value is at least equal to the amount of financing given to them. The mudharabah financing procedure at Bank Syariah Indonesia can be submitted in writing by filling out the financing application form that has been provided and completed according to the necessary data as material for assessing the feasibility of providing financing by the bank.¹⁹

4. Decision on Financing Application. This is given after the submission of the financing application is considered feasible to be financed, and the bank will give an opinion on the acceptance or rejection of the financing. If the financing analysis is approved, then the bank will make a financing approval letter, Mudharabah and if rejected, a financing rejection letter will be made and notified to prospective customers. Submission of acceptance of submissions that will be notified by the marketing department or notification of refusal to apologize to prospective customers whose files cannot be received directly by phone based on the results of the resolution. This is done so that potential consumers can understand.²⁰

Sahibul Ma'l's Involvement in the Mudharib Business

The problem of choosing *profit and loss sharing* or revenue sharing is a typical phenomenon in capital participation contracts in Islamic banking. This problem arises when the bank as a *Shahibu al-mal* has to face risks when distributing its funds to the community in the *mudharabah contract*. Where banks are not allowed to interfere in the daily activities of the management or *mudharib* business. According to the author, the mudharib business also needs to be

¹⁹ Tiwana, Husnah, and Rosinawati, "Analisis Prosedur Dan Persyaratan Pembiayaan Mudharabah Di Bank Syariah Indonesia KCP Ujung Berung1."

²⁰ Affrida and Rahmazaniati, "Implementasi Pembiayaan Modal Kerja Dengan Menggunakan Akad Mudharabah Pada Bank Syariah Indonesia (BSI) KC Meulaboh Imam Bonjol."

guided by *shahibul ma'al*. Islamic banks that distribute mudharabah financing should supervise at least helping mudharib in carrying out their business activities. Banks only provide supervision and monitoring. Supervision or monitoring for mudharib working capital financing is carried out with a system periodically and if there is a problem, it can be solved according to banking rules. Finally, the contribution made has a good impact, namely improving the customer economy.²¹

Banks act as *mudharib*. That means banks are required by applicable provisions to be transparent and always supervised by the Central Bank. The choice between *profit and loss sharing* or revenue sharing has different consequences. If *profit and loss sharing* is chosen, then the consequence is that the amount that must be shared has been reduced first with all the necessary costs so that the amount becomes less. Thus, in the choice of revenue sharing, the party that always benefits is *shahibu al-mal*, while in profit and loss sharing, it can benefit mudharib or harm *shahibu al-mal* if business costs are not controlled. The actual Sharia view that is desired is profit and loss sharing (PLS) because this model is exemplified by the Prophet PBUH when he became the mudharib of Siti Khadijah r.a. However, from a practical point of view in banking, some argue that it is difficult to find a mudharib whose personal qualities are close to that of the Prophet PBUH.²²

Meanwhile, if *revenue sharing* is chosen, the consequence is that the amount is divided into more revenues, but for mudharib, the number of profit shares that are his part becomes reduced because all the costs that have been incurred are borne by him. Thus, in the choice of *revenue sharing*, the party that always benefits is *shahibu al-mal*, while *profit and loss sharing* can benefit mudharib or harm *shahibu al-mal* if business costs are not controlled.²³

From the perspective of fiqh, what must be divided is the net profit after deducting costs (*profit-loss sharing*) for *mudharabah* activities and not the gross profit before deducting costs. Because the distribution of certain profits that occur in the *mudharabah* contract can only be done after the benefits are really clear, after deducting the costs. This is by the opinion of the jurists of the Hanafi madhhab, Maliki and some Hambali who argue that the *amil* is not entitled to his share in the profits except after the division and the *shahibu al-mal* gets back his capital in full. So, the result is revenue sharing can provide greater benefits for customers. The revenue sharing method for income is considered more beneficial.²⁴

²¹ Wati, *Praktik Pembiayaan Bagi Hasil Dalam Akad Mudharabah Ditinjau Dari Perspektif Hukum Ekonomi Syariah (Studi Pada Bank Syariah Indonesia (BSI) KCP Kedaton Bandar Lampung)*.

²² Eka Jati Rahayu, "Mitigasi Resiko Akad Pembiayaan Mudharabah Pada Perbankan Syariah Abstrak : Abstract : " 4 (1970): 55-73.

²³ Hadi, "Di Perbankan Syariah Indonesia A . Chairul Hadi."

²⁴ Bank Syariah and Mandiri Cabang, "Sistem Perhitungan Bagi Hasil Pembiayaan Mudharabah Pada Pt. Bank Syariah Mandiri Cabang Malang" 21, no. 2 (2015).

The phenomenon occurs in the field where the distribution of funds to the business sector shows the existence of various types of businesses that have different cost characteristics. Banks as capital owners (*shahibu al-mal*) in the second phase face difficulties in recognizing business expenses incurred by entrepreneurial customers as *mudharib*. These costs that are difficult to verify are then deductions for all the revenue that will be shared. In this case, the Islamic bank is an intermediary institution between the parties, namely investors who invest their funds in the bank and then the Islamic bank distributes its funds to other parties who need the funds. Investors who place their funds will get a reward from the bank in the form of profit sharing or other forms legalized by Islamic Sharia. The rewards obtained are in the form of profit-sharing margins, and/or other forms under Islamic sharia. In other words, Sharia banks encourage economic mechanisms in the real sector through business activities in the form of investment, buying and selling, or others based on Sharia principles, namely the rules of agreements based on Islamic law between banks and other parties for the storage of funds or financing of business activities, or other activities that are declared under sharia values.²⁵

Practice in Islamic banking that the business that is run sometimes has unexpected costs. This will be a source of dispute between the owner of the fund and the *mudharib* about who should bear the costs. In the proposal submitted by the *mudharib*, the cost looks small so that the fund owner expects a large profit from the *mudharib business* which also means a large profit share for the fund owner. Banking has the same ultimate goal as a company, which is to maintain the survival of banks through efforts to make profits. This means that the income earned must be greater than all the costs that have been incurred, especially considering that the bank works with funds obtained from the public that are entrusted to the bank based on trust. Therefore, operational activities must be carried out effectively and efficiently to gain benefits for the company. This is because financing will bring certainty in generating profits or profits from the funds that have been channeled by the bank to finance projects that have been agreed upon between the bank and the customer. The existence of certainty will overcome high risks in banks that function as fund distributors. This means that the financing that has been distributed brings certainty of income or profit for the company. On the contrary, the potential for considerable losses will be resolved. The level of health identifies that the ability of management to generate profits has been maximized.²⁶

²⁵ Syariah, "PEMBIAYAAN MUDHARABAH BERTINGKAT PADA BANK UMUM SYARIAH MUDHARABAH FINANCE IN SHARIA COMMERCIAL BANKS Ahmad Zaenal Abidin, Moh. Rasyid, Rezki Zahara Lubis."

²⁶ Muhammad Rizal Aditya and Mahendra Adhi Nugroho, "Pengaruh Pembiayaan Mudharabah Dan Pembiayaan Musyarakah Terhadap Tingkat Profitabilitas Bank Umum Syariah Periode 2010-2014," *Jurnal Profita* 4, no. 4 (2016): 1-11.

The occurrence of unexpected costs that were not previously communicated by *mudharib* to fund owners, of course, will result in a small profit margin so that the profit share is small. If *mudharib* has conveyed transparently, the responsibility lies entirely with the owner of the fund because the owner of the fund knows the *business risks* he faces. However, if *the mudharib* does not convey transparently, then to avoid disputes regarding who should bear the unexpected costs, the fund owner can set a condition that the unexpected costs are fully the responsibility of the *mudharib* or in other words, the revenue that is shared. If examined further in practice, as previously explained, the determination of profit sharing that has been determined by the bank at the beginning of the agreement involves the customer in determining the profits to be shared, in the end, the customer will follow the procedure that has been listed first. In addition, customers know that the transaction process is an additional point that there are still parties who receive justice equally. Revenue shows that Bank Syariah Indonesia prioritizes the concept of justice and equity. Thus, the feasibility of the business being funded is a guarantee because of this the profits and losses will be borne together.²⁷

The principle of justice is highly emphasized in the life of transactions in Islamic banking. Justice as one of the basic values of legal force is the basis in making an agreement that will be outlined in a contract or agreement, the agreement that must be made by the bank must be an agreement that balances the rights of each party as a form of justice. Justice is not only considered as a mere value, but justice must be implemented so that it becomes a real form of mudharabah financing as a form of balanced profit sharing, with all things, both profits and losses obtained in accordance with the agreement made. So, for profit sharing in Islamic banks, revenue is used. In terms of profit sharing, this will be decided to see how much profit will be obtained on the results of the business through mudharib participation. Thus, the involvement of the bank acting as a shabil mall is urgently needed in the context of the sustainability of the mudharib business

Transformation of Akad Mudharabah

In practice in Islamic banking, *mudharabah contracts* undergo several transformations from the concept of fiqh to banking contracts. Especially in determining the revenue-sharing ratio. Islamic banks enter into agreements with *their mudharabah clients* based on the profit-sharing ratio determined at the time of the contract. This profit-sharing ratio depends on the bargaining power of the customer, and the prediction of *mudharabah profit*. The profit-sharing ratio must be agreed upon at the beginning of the contract with the proportion of both parties if added up to 100%. The profit-sharing ratio is obtained from the

²⁷ dris, "Implementasi Prinsip Syariah Terhadap Pembiayaan Mudharabah Pada Bank Syariah Di Watampone."

management of funds used for productive business activities or buying and selling. Profitability is generally focused on the relationship between the results of operations as reported in the income statement and the resources available to the company as reported in the balance sheet. Knowing the company's profitability level is also very important for a manager in making decisions.²⁸

Islamic banking must transform into highly competitive Islamic banking and play a more real role in the national economy and social development in Indonesia. Mudharabah products in Indonesia's Islamic banking are expected to be at the forefront of carrying out financial services that contribute to the development of the Islamic economy. The mudharabah contract must agree on the distribution of profits for each party. The rate of such distribution should be based on a percentage ratio and not a specified amount. Before the time comes to calculate profits, mudharabah cooperation must be realized in the form of money and capital that must be set aside. Mudharib is required not to mix all mudharib business items which are the development of the basic capital of mudharabah. This shows that the bargaining process and negotiation of the distribution of the ratio is only carried out for depositors/investors with large amounts of funds, because they have relatively high bargaining power, so they can be given special ratios. As for small depositors, usually, bargaining does not happen, but the bank offers the ratio that has been made, so depositors can agree or not. Thus, even though there is bargaining in determining the profit-sharing ratio, Islamic banks have a more dominant role. Because mudharib will follow the choice of profit-sharing ratio offered by Islamic banks under existing provisions/references. After the profit-sharing ratio is agreed, the profit-sharing ratio is fixed according to the agreed period. However, it needs to be emphasized that in business management, of course, the profits obtained by mudharib are not always fixed. This fixed profit sharing is aimed at making calculations easier in Islamic banks.²⁹

The transformation of Islamic banking contracts through products offered to customers has undergone a paradigm shift from classical muamalah fiqh to contemporary fiqh. In some contemporary Islamic economic literature. Wahbah al-Zuhaili called the scheme of the multi-storey mudharabah contract. Where the mudharib party reinvests with a mudharbah contract or similar with the term al-mudharib yudharib. Rafiq Yunus al-Mishri referred to it as al-mudharib al-wasith, while Jaih Mubarak and Hasanudin referred to it as the re-mudharabah. Here the mudharabah contract is applied at the time of collecting funds from customers in the form of mudharabah savings or mudharabah deposits, then in this position the customer is in the position of shahibul mal and the sharia bank is a mudharib, then the sharia bank when distributing the funds in the form of

²⁸ Maulida and Anggraini, "Analisis Prinsip Nisbah Dalam Pembiayaan Murabahah Di Bank BSI KCP Lauser."

²⁹ Nufi Mu'tamar Almahmudi, "Transformasi Akad Mudharabah Dari Konsep Fikih Ke Akad Perbankan," *Lab* 6, no. 01 (2022): 76–91, <https://doi.org/10.33507/labatila.v5i02.127>.

mudharabah financing, the sharia bank has two positions, namely as mudharib and shahibul mal. For this reason, the strategic transformation that must be managed by banks as financial actors will change the approach to measuring the level of health and monitoring Islamic banking activities because social functions are measured. For Islamic banks, the inclusion of social functions will change their approach in preparing the bank's annual business plan, program implementation, and a good and accountable reporting system.³⁰

CONCLUSION

Mudharabah is a sharia-compliant partnership strongly encouraged in Islam as a mechanism for shared risk and mutual benefit. At Bank Syariah Indonesia (BSI) Regional South Sulawesi, mudharabah financing is applied to halal and productive economic sectors and is supported by prudent financing analysis in line with sharia principles. However, its implementation remains limited due to high perceived risks, moral hazard, and human resource constraints, leading banks to favor murabahah over profit-sharing schemes. To optimize mudharabah financing, BSI applies prudential measures such as collateral requirements, limits on operational cost ratios, and structured profit-and-loss sharing mechanisms. The use of revenue-sharing methods –calculated from gross income before cost deductions –has the potential to enhance returns for fund owners and increase third-party fund investment. The study concludes that strengthening supervision, improving transparency through regular financial reporting, enhancing customer screening, and expanding financing access to MSMEs are essential to advancing sustainable and inclusive mudharabah practices in Islamic banking.

Author's Contribution

Rusli Siri: Contribute to formulating research ideas, collecting data, processing data, interpreting data, systematics and research methods

Rahmi: Contributing to analyzing interpretation results, collecting data, and compiling a literature review.

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The author declares that there is no conflict of interest.

Ethical Approval

Ethical approval No patient-identifying parts in this paper were used or known to the authors. Therefore, no ethical approval was requested.

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