


Management Risks In Financing Murabahah At BMT PT. South Kalimantan Regional Development Bank

Firdaus

Management Study Program Lecturer, Faculty of Economics, University of Islam Kalimantan Muhammad Arsyad AL-Banjari Banjarmasin

Article Info	ABSTRACT
<p>Keywords: Risk Management, Financing, Murabaha</p>	<p>There are several problems and risks that occur in financing at BMT PT. South Kalimantan Regional Development Bank. The risks that occur at BMT PT. The South Kalimantan Regional Development Bank has bad credit, which is a risk resulting from members' failure to pay financing installments. This risk arises because most members' income has decreased due to market stands being empty of customers. The focus of this research is on how to apply risk management in financing as well as the causes and solutions. The research method used is a qualitative approach and uses a case study strategy. Then the data collection was carried out by connecting questions from the data obtained with conclusions from interviews with several parties from BMT PT. South Kalimantan Regional Development Bank. Apart from the risks that occur in murabahah financing, the research results also explain the analysis practiced by BMT PT. South Kalimantan Regional Development Bank to minimize risks with the 5C principles which cannot be separated from Sharia principles. The efforts made by BMT PT. The South Kalimantan Regional Development Bank in facing the risk of problematic financing is by approaching, rescheduling, reconditioning, restructuring and creating a collection group.</p>
<p>This is an open access article under the CC BY-NC license</p> 	<p>Firdaus Management Study Program Lecturer, Faculty of Economics, University of Islam Kalimantan Muhammad Arsyad AL-Banjari Banjarmasin firdausaltabati2@gmail.com</p>

INTRODUCTION

Islam, as the perfect and universal religion of Allah SWT, in this case provides guidelines for human life starting from spiritual and materialism, individual and social, physical and spiritual, as well as worldly and ukhrawi aspects. This will lead to a life in balance and proportion. In the field of economic activity, Islam has distributed legal guidelines and rules which are usually presented in a large structure. These provisions are implied to provide flexibility for the development of economic activities in the future. (Rofiatul Z 2019: 1) So balance will be achieved if balance in life in society is achieved.

One way to achieve balance in human life in an effort to fulfill their daily needs is by having financial institutions that adhere to sharia principles. With the existence of sharia financial institutions, it is hoped that it can improve the community's economy . (Rofiatul Z 2019: 1) Islamic financial institutions are actually formed from bank sharia financial

organizations and non-bank sharia financial organizations. The forms are very diverse, starting from Sharia Banks and Sharia People's Financing Banks, to sharia bank financial organizations. Meanwhile, in non-bank sharia financial institutions there are several institutions including sharia pawnshops, sharia cooperatives, sharia insurance, sharia mutual funds, Baitul Maal Wa At-Tamwil (BMT), and so on (Abdul Aziz 2010: 115)

BMT is one of the financial institutions that is growing rapidly in Indonesia. The form of BMT movement is in line with the principles existing in sharia banking. Based on Law (UU) no. 21 of 2008 concerning sharia banking, namely the business activities of sharia commercial banks which include distribution from salam contracts, istishna contracts, murabahah contracts, or other contracts that are in line with sharia teachings (Indonesia 2008:110).

The progress of the sharia economy is attached to the many sharia financial organizations. In line with this, the micro-environment Islamic financial organization, namely Baitul Maal Wa At-Tamwil (BMT), is also increasingly showing its popularity. Distribution using buying and selling activities is carried out using salam, istishna or murabahah contracts. Meanwhile, the murabahah contract is the contract with the highest frequency of use in buying and selling activities (Zulfa 2014:15)

BMT PT. The South Kalimantan Regional Development Bank is a financial services cooperative that carries out financing practices, one of its financing products is murabahah financing, namely buying and selling provisions that use a murabahah contract. A murabahah contract is a sale and purchase agreement between BMT and members, in which BMT prepares the goods the members need by buying them from the manufacturer, then BMT and the members mutually agree. Congestion factors can be influenced by internal and external factors. These two factors make murabahah financing problematic, so there is a need to resolve problematic financing.

In facing problematic financing, the author concludes that the risks associated with large Murabahah financing must be taken into account by BMT in order to maintain its health, not by avoiding these high-risk products, but by making breakthroughs that can avoid at least minimize what might arise. One effort that can be implemented is to get to know members personally and BMT should carry out various research to minimize the things that will come with murabahah financing. Even more so because BMT PT. The South Kalimantan Regional Development Bank is one of the BMTs that serves regional communities which have less space than commercial banks which have been able to implement financing with murabahah agreements.

The target of this research is to analyze the application of risk management in murabahah financing, risks related to murabaha financing operations, the role of risk management in dealing with risks in murabahah financing at BMT PT. South Kalimantan Regional Development Bank.

Literature Review

Risk management

The word to manage, which means to regulate, is found in Management. In setting things that must be done, namely by going through a regulated process and according to

the composition of management functions. The meaning of the word management itself is the process of realizing an achievement or dream that you want to carry out (Hasibuan 2009:1). Meanwhile, the word risk is part of a threat where there is a high probability that an action or event could occur so that it can cause an impact that is contrary to the goals we want to realize (Roshila 2017).

Risk management is a control activity that allows losses to arise from conditions of speculative behavior or natural conditions. Risk management can also be understood as a series of procedures and methodologies that can be applied to identify, estimate, review and control risks arising from business activities (Alma 2009: 289).

Some expert opinions regarding the meaning of risk management include (Cassidy and Dorfman 2008:) which states that risk management is Ongoing regulatory activities require the organization to identify the level of risk it wants to maintain, control the risks it currently wants to maintain, and make insurance and other financial arrangements . According to (Rejda and Mc Namara 2014:) said that risk management is the process that controls a loss exposure faced by the organization in selecting the appropriate procedures for dealing with the exposure.

In Islam, risks in business cannot be eliminated, but can be prevented or minimized the impact of these risks so that greater risks do not occur. Islam views that risk is a Sunnatullah in business. According to Rejda (2008), several risk management process procedures include controlling risks, analyzing the value of risks, choosing appropriate procedures for handling these risks, and applying and monitoring risk management.

Murabaha Financing

Bai' al-murabahah comes from Arabic which means exchange of goods or buying and selling where the original price is added with additional profits but is agreed upon and known by both parties. In Bai' al-murabahah financing, a seller must tell the buyer the price of the product he purchased (the original price) and tell the level of profit from the sale in addition. Business or buying and selling of goods generally uses a cash payment system, whereas if you use Murabaha financing, the business is flexible in terms of payment, and a seller can make a profit from the materials he buys (Zulfa 2014: 165).

Murabahah is financing where the delivery of goods is carried out at the beginning of the agreement or contract and the payment is deferred or at a later date, either in installments or in cash. Murabahah is sales and purchases which include price fixing with additional profits carried out by mutual agreement between the seller and the buyer (Yulianti et al. 2018)

Al-murabahah comes from the word ar-ribh which is taken from Arabic which means excess or additional (profit) taken from Arabic with a commercial agreement contract where the original price with additional basic price has been agreed together with a tough payment system. The agreement also includes a lump sum payment method. Murabahah is basically a sale based on trust, where the buyer depends and relies on the seller's honesty and the seller states the true cost of purchasing the item. (Prosperous nd 2017). The purpose and benefits of BMT are for the benefit of the people, preventing usury, and providing convenience for its members.

Murabahah Financing Terms and Conditions

Murabahah is permitted in this case because it is a halal buying and selling activity and is not the practice of usury. Openness and honesty are the main conditions for murabahah to occur. According to (Haryoso 2017: , 83) states that there are pillars and conditions in Murabahah financing. The pillars of buying and selling or business according to Hanafiyah are consent and qabul. Meanwhile, according to the number of scholars, there are four, namely: sellers, buyers, goods and goods (Bariyah 2013).

The pillars of murabahah include there being a seller and a buyer, there being goods being traded and prices, there being a contract/sighat. The conditions for mutually voluntary murabahah (ridho) are that there is no element of coercion or pressure from any party. The goods being traded are not prohibited goods (Haram), the defects in the goods must not be hidden, the goods must fully belong to the contracting party, the goods must also conform to the specifications offered. For the sighat, the complete specifications must be clearly stated, the ijab qabul contract must be in harmony, and not invite clauses that depend on the validity of the transaction on future events (Haryoso 2017).

Baitul Maal Wat Tamwil

BMT has two different meanings and languages. Balai Usaha Mandiri Terpadu is an extension of BMT which is a medium-sized people's economic business organization whose members are people or legal entities with the mission of generating and expanding the economic structure of civil society which prioritizes balance in the welfare of the people concerned in its activities. , this is the meaning of BMT according to the Indonesian meaning. BMT is an abbreviation of Baitul Maal wat Tamwil, namely, an economic organization whose work is based on the basics of sharia law and cooperative principles, which is the meaning of BMT in Arabic (Sudjana and Rizkison 2020:)

Sudarsono (2004:96) believes that BMT tends to be a non-profit business of merging and distributing funds, such as infaq, sadaqoh and zakat, while Baitut Tamwil is a profitable business of merging and distributing funds. Baitul Maal Muamalat (a charity institution from Bank Muamalat Indonesia) defines Baitul Maal as an Amil Zakat Institution (LAZ) in accordance with Law no. 38/1999, namely the organization that allows the transfer of Infaq, Sadaqah and Zakat funds which also maximizes the distribution of funds based on its rules and mandate, meanwhile Baitul Tamwil is an institution that carries out activities to expand production businesses and capital investment in developing the economic status of small producers and micro, among others, increasing the activity of setting aside assets and increasing the financing of economic activities Baitul Maal Muamalat, no year (Wibowo 2015:15)

BMT has quite an important role in the economy, economic development is one of the many main aspects of life used in Islamic teachings, but it still uses humans as the core and basic driver of that development. Islam as a religion that manages life has an influence in guiding and guiding humans in exploiting economic resources to achieve prosperity in this world and the hereafter. (Sudjana and Rizkison 2020:24)

Economic development can be achieved if sharia studies are developed, socialized and put into practice in the economic life of society. Community behavior required in

community development can be accepted without objection and carried out sincerely. This can be optimal if it has divine qualities, sharia fulfills the interests of society, sharia prioritizes cooperation and bridges differences.

According to El Junusi in Prastiwi (2018) religious commitment is a form of obedience to religious teachings. Sharia can help society instill levels of policy, such as obedience, truth, credibility, and simplicity and together can provide participation in the method of policy development in the sense of calm and social harmony. Sharia can take advantage of its balanced impact on the use of resources so that sharia can offer participation in shared resources which ultimately succeeds in developing society.

METHOD

The research method is a systematic method used by the author to collect the data needed in the identification process as well as explanation of the various phenomena being researched or analyzed. (Saebani 2014) The approach used in this research is a qualitative approach using a case study type of research. This qualitative approach is used to answer research questions regarding how risk management in murabahah financing is applied by BMT PT. South Kalimantan Regional Development Bank.

The primary data source for this research was taken by conducting in-depth interviews with key informants. The key informant for this research came from the branch manager of BMT PT. South Kalimantan Regional Development Bank is the administration or AO part of BMT PT. South Kalimantan Regional Development Bank. Meanwhile, secondary data was obtained from books, journals and articles.

The data collection technique for this research was carried out by conducting questions and answers between the interviewer and the correspondent. With this interview, answers were obtained regarding how to apply risk management to Murabahah financing at BMT Sugio and all related matters. Then use documentation techniques which are carried out by looking for data regarding everything that is needed and related to the discussion of this research in the form of notes, financing application sheets, financing application analysis sheets, receipts and receipts, financing agreement approval sheets, brochures and so on. With this technique the author obtains the required data which is related to financing risk management with Murabahah contracts at BMT PT. South Kalimantan Regional Development Bank Sugio.

This research data analysis is used as a process of systematically searching and compiling data obtained from interviews, observations, documentation carried out by researchers as well as various literature sources related to the research theme. The analysis steps are carried out as follows:

- a. Data reduction, where data obtained by researchers from interviews is translated into written form. The data obtained was in the form of recorded interviews, observations and documentation obtained from branch managers and AO BMT PT. South Kalimantan Regional Development Bank Sugio, books, journals and articles from various literature. Then the researcher sorted the interview data obtained. In this way the researcher only presents data related to the research.

- b. Presentation of data, which is a collection of structured information that provides the possibility to draw conclusions and take action from this research in accordance with the research theme. The presentation of this data aims to make it easier for readers to understand or draw conclusions regarding the risk management of Murabahah financing at BMT PT. South Kalimantan Regional Development Bank Sugio.
- c. Drawing conclusions, where in this stage the researcher formulates propositions related to logical principles, then elevates them into research findings, then continues by repeatedly reviewing the data obtained, until grouping the data that has been formed from the propositions that have been formulated. The data obtained by researchers was then analyzed using murabahah financing risk management at BMT PT. South Kalimantan Regional Development Bank Sugio.

RESULTS AND DISCUSSION

Murabahah Financing Risks

Risk Management at BMT or Baitul Maal wat Tamwil is an ongoing process of how BMT can manage the risks it faces. Minimize the potential occurrence and impact of various undesirable risks. If possible, BMT can convert risks into profitable business opportunities. Risk management in BMT is how BMT actively chooses the type and level of risk that is appropriate to the BMT's business activities. Risk management has the main objective, namely ensuring that all the main objective of risk management is to ensure that all risk and business plans can be applied consistently (Budiman and Riyanto 2013:17).

Murabahah is a buying and selling activity between buyers (customers) and sellers (BMT). BMT finances all or part of the goods that the customer will purchase by adding profits through an agreement between the two parties from the price obtained. Sharia financial institutions provide murabahah financing which has the principle of buying and selling. Murabahah in Islamic financial institutions acts as a second seller (reseller) which has risks that usually arise in buying and selling (Wibowo 2015: 119).

The risk in a sale and purchase agreement is a natural consequence of the world of commerce because with this kind of risk the sale and purchase agreement becomes halal, and is different from the debt or usury contract. BMT, which is the second seller in murabahah financing, has several risks, including: (Wibowo 2015: 120)

- a. BMT failed to get goods according to customer wishes
- b. BMT received defective goods in its purchase.
- c. The financing customer did not buy the goods he ordered. This is a risk for BMT as a sharia financial institution when prospective customers think they have the right to cancel orders for goods ordered from BMT which does not have goods in stock for sale.
- d. BMT faces the risk of non-competitive returns given to saving customers because the murabahah financing margin is fixed. The longer the installment payment period, the greater the risk.

Risk Management at BMT PT. South Kalimantan Regional Development Bank

Risk management can be interpreted as a series of procedures and methodologies used by researchers to identify, measure, monitor and control risks that arise in the continuity of business activities at BMT PT. South Kalimantan Regional Development Bank. It is not uncommon for BMT to face various risks in providing financing, especially in its murabahah financing practices.

Financing risk in murabahah financing at BMT PT. The South Kalimantan Regional Development Bank is at risk of financing problems with bad credit due to the failure of members to fulfill their obligations in previously agreed agreements. What is meant in this case is the failure of members to pay their obligations in the financing installments, because many members' income has decreased due to market stands being empty of customers.

It can be seen that risk management at BMT PT. The South Kalimantan Regional Development Bank is in accordance with the risk management theory by Adiwarman A. Karim. As explained by Mrs. Aulia Rif'ati, S.Mat as AO, that in its implementation the risk management process at BMT includes at least:

- a. Identification, which is carried out by analyzing the characteristics of risks that occur in functional activities as well as business activities at this BMT (Aulia Rif'ati 2021).
- b. Measurement, which researchers carry out by periodically evaluating the suitability of assumptions, sources of funds and procedures used to measure risk as well as improvements to the risk measurement system if there are changes in business activities, products, transactions and material risk factors (Aulia Rif'ati 2021).
- c. Monitoring, which is carried out by evaluating risk exposures, also improves the reporting process if there are material changes in business activities, products, transactions, risk factors, information technology and risk management information systems (Aulia Rif'ati 2021).
- d. Control, which is carried out to be able to manage certain risks well so that they do not endanger the continuity of BMT PT's business. South Kalimantan Regional Development Bank (Aulia Rif'ati 2021).

To minimize risks, managers must have a level of analysis, be able to act as member consultants to estimate members' ability to carry out contracts and approach members. When BMT provides financing to its members, the procedures and conditions are very carefully considered and carried out well. Starting from a written request for financing from the member by filling in the financing application form, to the approval stage for disbursement of funds. Then the BMT opens and assesses the risk calculation for financing problems for members who wish to apply for refinancing. BMT PT. The South Kalimantan Regional Development Bank determines the risk calculation for problematic financing as follows: (Ms. Erni Erfiani, 2021)

- a. Smooth payments, when the customer's installment history is made smoothly without ever being due.
- b. Payments are not smooth, when the customer's installment history is made smoothly but sometimes there are a few delays and the maturity date is <3 months.

- c. Payment is doubtful, when the customer's installment history is often overdue and payments have been stuck for > 7 months.

Mrs. Erni Erfiani, S.Pd as branch manager of BMT PT. The South Kalimantan Regional Development Bank explained that efforts to gain the confidence of prospective members are carried out by conducting assessments of prospective members. This assessment takes the form of an assessment of the member's character and personality, capital, abilities, financing guarantees and business prospects which are stated in the analysis sheet for the financing application. The five assessment factors are abbreviated to 5C (*Character, Capacity, Capital, Collateral, and Condition of economics*) which are explained as follows: (Ms. Erni Erfiani, 2021)

1) *Character* (character and personality)

character is the character and personality of the prospective member/debtor. The purpose of this analysis is to provide confidence to BMT that the nature or character of the member can indeed be trusted. Where this analysis is also used as a measure to assess members' willingness to pay their financing. (Mrs. Erni Erfiani 2021) Things done by BMT PT. South Kalimantan Regional Development Bank to analyze the character of prospective members includes:

- a. Analyzing the reputation of prospective members (BMT PT. South Kalimantan Regional Development Bank conducts interviews directly and using WA with people closest to the member, such as neighbors or relatives).
- b. Analyze (honesty and household conditions) by interviewing prospective members directly.
- c. Analyze members through information obtained from other financial institutions.

2) *Capacity* (customer ability)

This analysis is carried out to determine the ability of prospective members to pay financing installments, this will be linked to the member's ability to manage the business and the member's ability to seek profits. Where finally the member's ability to pay off the financing disbursed will be seen. By approaching members and taking information about how long the business has been, the size of the pond or rice fields, the condition of the house, history of debts elsewhere. (Mrs. Erni Erfiani 2021)

3) *Capital* (Capital)

Capital is the condition of wealth owned by prospective members. This *capital* analysis is carried out so that the sources of financing that members have to pay installments can be known by BMT. BMT PT. The South Kalimantan Regional Development Bank only needs to know information about its members' monthly income and side income. For example, member A works as a farm laborer with a monthly income of IDR 10,000,000 and then works part time as a home construction worker with an income of IDR 80,000 per day. (Mrs. Erni Erfiani 2021)

4) *Collateral* (Guarantee or financing collateral)

Guarantee given by prospective members to BMT PT. The South Kalimantan Regional Development Bank should exceed the amount of financing provided to members. The validity of the guarantees given by members will later be examined by the BMT. As a

consideration, if there is a problem with the collateral entrusted, it will be used as quickly as possible. Usually BMT PT. The South Kalimantan Regional Development Bank will provide members with the financing amount in accordance with the guarantee. (Mrs. Erni Erfiani 2021)

For example, a prospective member applies for financing by providing a guarantee of a market stand certificate, with the condition that BMT PT. The South Kalimantan Regional Development Bank only provides financing of 40% - 50% of the selling price of the guarantee. Not only that, BMT PT. The South Kalimantan Regional Development Bank also needs to know whether the member's loan application knows the member's husband or wife. Then is there anyone else who will guarantee the application?

5) *Condition* (Condition)

BMT PT. The South Kalimantan Regional Development Bank will assess the current and future economic conditions of its members according to their respective sectors. If it is found that the economic conditions of members are less stable, then the provision of financing for certain sectors will not be approved and if it is ultimately approved, of course BMT will look at the business prospects in the future. BMT PT. The South Kalimantan Regional Development Bank will not approve financing if the prospective member's business prospects will not be able to survive considering current and future economic conditions. (Mrs. Erni Erfiani 2021) Not only that, BMT PT. The South Kalimantan Regional Development Bank must assess the relationship of prospective members with the community, their income and expenses, etc. (Mrs. Erni Erfiani 2021).

Mrs. Erni Erfiani, S.Pd as branch manager of BMT PT. The South Kalimantan Regional Development Bank also explained that to resolve problematic murabahah financing using the following strategy: (Mrs. Erni Erfiani 2021:)

1. Approach, is the first method used by BMT PT. South Kalimantan Regional Development Bank. In this case, BMT tries to be a consultant or friend for its members who have problems. For example: When member B is a farmer, he has the intention to pay, but when it comes time to harvest his rice is attacked by pests, resulting in losses. Besides that, B also has debts to Bank XX and Bank YY, so the money from the harvest is not enough to pay off all his debts. Here BMT will try to be the best consultant, by providing solutions that achieve mutual benefit. So BMT asked B to pay off his large debt to Bank XX, then pay it off to BMT and then to Bank YY.
2. Rescheduling is a method carried out by BMT PT. South Kalimantan Regional Development Bank to resolve financing problems for its members. This strategy is carried out if members are unable to pay off the principal installments and share the profits. (Ms. Erni Erfiani 2021) This rescheduling is adjusted to the income from the business of members who are experiencing difficulties. This can take the form of:
 - a. BMT extended the installment period, for example, originally the installments that had to be paid by members were set every 1 month, so it will be 2 months.
 - b. BMT extended the financing term which resulted in the amount of each customer's installment being reduced, for example the original financing term of 12 months became 18 months.

3. Reconditioning (reconditioning), is a method of BMT PT. South Kalimantan Regional Development Bank in rescuing problematic financing by changing some of the conditions that had originally been agreed upon. Changes to financing requirements are made by taking into account the problems faced by members in running their business. In this case the changes to the requirements include:
 - a. Delay in payment of profit sharing means that in this case the profit sharing must still be paid, but collection or payment of the profit sharing is carried out until the member is able to pay it.
 - b. Decrease in profit sharing, in this case members continue to pay the principal installments, but the percentage of profit sharing charged to members is reduced.
4. Liquidation (Confiscation of collateral), this is done if the member is truly unable to carry out his obligations to pay the financing. Usually the collateral has been formally bound with the help of a notary to make the deed. The process of confiscating collateral is usually carried out in accordance with the agreement and agreement of the members, then the proceeds from the sale of collateral are used to pay off the member's habit and if there are still remaining funds, the funds are returned to the member concerned. However, until now BMT PT has never handled financing problems with liquidation. South Kalimantan Regional Development Bank, because resolving the problem by confiscating collateral was considered disrespectful to BMT itself, which incidentally adheres to Sharia Economics. However, if it is with the approval of the members or at the request of the members themselves, the BMT does not rule out the possibility of holding an auction at the expense of the members' obligations to the BMT.
5. Billing Group, one of the most interesting ways carried out by BMT PT. South Kalimantan Regional Development Bank has a member billing WhatsApp group. Members who are about to reach their maturity date will be included in the group. This group was created to make it easier for BMT to remind members who are due. Mrs. Erni explained that if members still haven't paid by the deadline, then BMT will visit the customer's house and bring a souvenir in the form of a collection letter.

CONCLUSION

Risk management is a control activity that allows losses to arise from conditions of speculative behavior or natural conditions (Alma 2009). In carrying out its activities, BMT PT. The South Kalimantan Regional Development Bank faces various risks in providing financing, especially murabahah financing. Murabahah financing risks that occur at BMT PT. The South Kalimantan Regional Development Bank is at risk of financing problems with bad credit which is a risk resulting from members' failure to pay financing installments. Because currently many members' incomes have decreased due to market stands being empty of customers. To minimize risks, managers must have a level of analysis, be able to act as member consultants to estimate members' ability to carry out contracts and approach members. Members who wish to finance must gain the trust of BMT PT. South Kalimantan Regional Development Bank to make the transaction process easier. BMT really

pays attention to terms and procedures which must also be carried out properly. To gain confidence in prospective members, before providing PT BMT financing. The South Kalimantan Regional Development Bank carries out an assessment of prospective members in the form of an assessment of character and personality, capital, member abilities, financing guarantees and members' business prospects which have been stated in the financing application analysis sheet. The five assessment factors are known as the 5Cs (*Character, Capacity, Capital, Collateral, and Condition of Economics*). The efforts made by BMT PT. The South Kalimantan Regional Development Bank in overcoming problematic murabahah financing is by rescheduling, reconditioning and restructuring which is carried out if the customer is deemed to still have the intention to pay. If otherwise, then the collateral is executed. Expanding the Scope of Research: The first suggestion is to consider expanding the scope of research. There may be an opportunity to explore more deeply or compare risk management practices across BMTs in different regions. This will provide broader insight. Comparative Analysis: You may consider conducting a further comparative analysis between the risk management methods implemented at BMT PT. South Kalimantan Regional Development Bank with BMT in other regions. This will provide a richer perspective. Practical Recommendations: Providing specific practical recommendations that could help BMT or other Islamic microfinance institutions in improving their risk management would be very valuable.

REFERENCE

- Ahmadin, A., Pinem, D., Bahtiar, D., Hanika, IM, Sofyan, H., & Jejen, A. (2023). Factors That Influence ESG (Environmental, Social, And Governance) Investment Decisions. *Innovative: Journal Of Social Science Research* , 3(6), 9450-9463.
- Alma, Buchari, & Priansa, DJ (2009). Sharia Business Management. Sharia Business Management.
- Aziz, A., & Ulfa, M. (2010). Capita Selecta Contemporary Islamic Economics. Bandung.
- Bariyah, NON (2013). Al Milal Journal. Studies, Islamic Journal, Science 1(1), 151. ISSN 2337-814X.
- Budiman, & Riyanto. (2013). Knowledge and Attitudes in Health Research (11150331000034).
- Cassidy, S. M., & Dorfman, M. (2008). Introduction to Risk Management and Insurance, Fourth Edition. The Journal of Risk and Insurance.
- Erni Erfiani, I. (2021). Murabahah Financing Risk Management.
- Haryoso, L. (2017). Application of Sharia Financing Principles (Murabahah) in BMT Business Development in Semarang Regency. *Law and Justice*, 2(1), 79-89.
- Hasibuan, MSP (2009). Basic Management Understanding and Problems. Jakarta: Bumi Literacy.
- Jejen, A., Naulina, RY, Wilyadewi, IIDAY, Susanti, PH, & Rosid, A. (2023). Enhancement Financial Literacy of Rural Communities Through Training and Mentoring: Case Study in South Toapaya Village, Toapaya Bintan, Riau Islands. *IJCS: International Journal of Community Service* , 2(2), 182-196.

- Khilmii, M. (2019). Murabahah Financing Risk Management at BMT Walisongo Semarang. Government of the Republic of Indonesia. (2008). Law Number 21 of 2008 concerning Sharia Banking. Laws of the republic Indonesia.
- Rejda, GE, & Mc Namara, MJ (2014). Principles of Risk Management and Insurance.
- Rif'ati, A. (2021). Murabahah Financing Risk Management.
- Rofiatul, Z. (2019). Implementation of the Mudharabah Agreement on Deposit Products at Bank Muamalat Raya Darmo Main Branch Office, Surabaya.
- Roshila. (2017). Analysis of the Implementation of Financing Risk Management. 11(1), 92-105.
- Saebani, B. A. (2014). Islamic Economic Research Methods (Muamalah). Bandung: CV Pustaka Setia.
- Sudjana, K., & Rizkison, R. (2020). The Role of Baitul Maal Wat Tamwil (BMT) in Realizing a Competitive Sharia Economy. Scientific Journal of Islamic Economics, 6(2), 175.
- Wibowo, E. (2015). Murabahah Financing Risk Management at BMT Amanah Ummah. Al Tijarah, 1(2), 115.
- Yulianti, RT, Bustami, A., Atiqoh, N., & Anjellah, R. (2018). Comparative study of the implementation of financing product risk management in sharia microfinance institutions. Sharia journal: journal of Islamic economics.
- Zulfa, MS (2014). In Murāba 'Ah Financing Operations at Bmt Amanah. Iqtishadia, 7(1), 157-178.
- (BMT PT. South Kalimantan Regional Development Bank website: <https://www.bmtmandirisejahtera.co.id/> accessed 11 June 2021 at 11:54).