

ABSTRACT

According to Islamic Banking Statistic, *murabaha* contract set on the first dominant of funding distribution for Islamic Banks. *Murabaha* contract is the sale of goods at price which include profit agreed by both parties. In this term the first party is bank as seller and the other one is customer as buyer. Islamic Bank was given two alternatives in choosing the method for margin recognition, using annuity or proportional method. Those alternatives had been regulated on *Fatwa Dewan Syariah Nasional/No 84/DSN-MUI/XII/2012*, *Buletin Teknis No 9*, ED PSAK 102 (2013). This research was conducted at Islamic Business Unit "X" in Surabaya, East Java. The objectives of this research are to obtain comprehensive information about the implementation of profit margin recognition in Islamic Business Unit "X", the impact of new regulation, and the conformity of the practice toward the regulations. The result of this research imply the use of annuity method in *murabaha* contracts showed an increase of total operating income of 10,80%, compare to number in publication income statement. Total profit margin contributed in 2013 increase from Rp13,186,000,000 to Rp14,782,070,133. As expected, annuity method can support the growth of Islamic Business Unit generally and *murabaha* contract specially.

Keywords: *murabaha*, annuity, Islamic Business Unit