ABSTRACT

At this time, Islamic banks are growing and developing. The difference between Islamic banks and conventional banks make some people switch to using Islamic bank's service. Non-riba system that used at Islamic banks have undertaken to carry out economic activities accordance to Islamic principles. According to Islamic principle, profit sharing system is the difference service that given by Islamic banks. However, the profit sharing system is less attractive to public.

This study aimed to analyze the influence of Capital Adequacy Ratio (CAR), Non Performing Financing (NPF), and profit sharing ratio to profit sharing financing, simultaneously and partially.

Population in this study are Islamic banks in Indonesia during 2010-2014. Sampling technique that used in this study is purposive sampling and obtained seven Islamic banks with five years study period and give 35 sample unit. Data analysis method in this study is panel data regression using software Eviews version 8.

The results showed that Capital Adequacy Ratio (CAR), Non Performing Financing (NPF), and profit sharing ratio simultaneously has significant effect to profit sharing financing. While partially, Capital Adequacy Ratio (CAR) has negative significant effect to profit sharing financing, Non Performing Financing (NPF) and profit sharing ratio has no significant effect to profit sharing financing.

Based on these result, Capital Adequacy Ratio (CAR) has negative significant effect to profit sharing financing, which means decrease of CAR in Islamic banks tend to improve profit sharing financing. A decrease of CAR not a bad thing as long as they can be maintained over the provisions of Bank Indonesia's regulation of 8%.

Keyword: Capital Adequacy Ratio (CAR), Non Performing Financing (NPF), Profit Sharing Ratio, Profit Sharing Financing