ABSTRACT

One the major functions of Islamic banks is financing. Basically the difference between Islamic bank and conventional bank financing is the principle of profit sharing (mudharabah and musyarakah), but the profit sharing principle becoming less-popullar than the principle of purchase (murabahah). They still dominate the business activities carried out by Islamic banks.

This study has an objective to examine the influence of Capital Adequacy Ratio (CAR), Non Performing Financing (NPF), and Third Party Fund (DPK) based on profit sharing financing based for Islamic banks in Indonesia during 2010-2014. The samples used in this study is about 7 Islamic banks that listed on Indonesia Stock Exchange. Perposive sampling is the technique of sampling that used in this study. The research was conducted over 5 years to achieve 35 unit samples . The Instrument of analysis that used in this research are descriptive analysis and data panel regression analysis.

The result showed that the Capital Adequacy Ratio (CAR), Non Performing Financing (NPF), and Third Party Fund (DPK) simultaneusly has an influence on profit sharing financing based. Partially, Third Party Fund (DPK) has significant positive effect on profit sharing financing, while Capital Adequacy Ratio (CAR), and Non Performing Financing (NPF) has no significant effect on the profit sharing financing based.

Based on the result, the variable of Third Party Fund (DPK) significantly has a positive influence to the profit sharing financing based, that means the increasing of Third Party Fund (DPK) value on islamic banks had an impact to the volume of profit sharing financing based that would be lended to the public.

Keyword: Capital Adequacy Ratio (CAR), Non Performing Financing (NPF), Third Party Fund (DPK), and profit sharing financing