ABSTRACT

One of the most highlighted things in assessing the performance of sharia banking is profitability ratios in which the ratio used in this study is Return on Assets (ROA). ROA is used to measure the ability of bank management in gaining overall profit from total assets owned.

This study aims to examine the effect of Capital Adequacy Ratio (CAR), Finance Deposit Ratio (FDR), Non Performing Finance (NPF) and Operating Cost divided by Operating Income (BOPO) to profitability proxyed by Return on Asset (ROA) at Sharia Commercial Bank in the period 2012-2015. The data used in this research is obtained from financial statement data.

The population in this study is the Sharia Commercial Bank. The sample selection technique used is purposive sampling and obtained 10 Sharia Commercial Banks with research period in 2012-2015. Data analysis method in this research is panel data regression analysis using software Eviews version 9.

The results showed that simultaneously Capital Adequacy Ratio (CAR), Finance Deposit Ratio (FDR), Non Performing Finance (NPF) and Operational Cost divided by Operating Income (BOPO) have significant effect on profitability. While partially, the CAR has no effect on profitability, FDR has no effect on profitability. While the NPF has an effect on profitability and BOPO has an effect on profitability.

Based on the results of this study, then if the sharia law wants to improve profitability, then sharia banking needs to suppress NPF and BOPO.

Keywords*: Capital Adequacy Ratio (CAR), Finance Deposit Ratio (FDR), Non Performing Finance (NPF), Operational Cost of Operating Income (ROA), Return on Assets (ROA)*