

ABSTRACT

Sharia Commercial Bank has great potential to grow and develop, particularly in Indonesia with the largest Muslim populations, so it should be the pioneer in the development of financial in the field of sharia and sharia industry. Therefore, sharia banks performance needs to be improved in accordance with the sharia principles. The performance of sharia banks is valued by profitability ratios proxied by return on asset.

This study aims to examine the effect of Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR) to profitability ratios proxied by Return on Asset (ROA) at Sharia Commercial Bank in Indonesia period 2012-2016. The data used in this research is obtained from Sharia Commercial Bank financial statement data period 2012-2016.

The population in this study is the Sharia Commercial Bank in Indonesia. The sampling technique used is purposive sampling and obtained eleven Sharia Commercial Banks with research period in 2012-2016. Data analysis method in this research is panel data regression analysis by using software Eviews version 9.

Based on the result of this research, if ShariaCommercialBank wants to increase profitability, then Sharia Commercial Bank needs to increase capital adequacy ratio and reduce non performing financing to achieve Sharia Commercial Banks that can improve their business continuity.

Keywords: Capital Adequacy Ratio (CAR), Non Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return on Asset (ROA)