

ABSTRACT

One of the things that is most considered in the banks and the performance of Islamic banking is the capital in which the ratio used in this study is capital adequacy ratio (CAR). CAR is used to measure the ability of bank management in the adequacy of capital management to include an assessment of capital adequacy.

This study aims to analyze whether Profitability (ROA), Operating Expenses on Operating Income (OEI), Non Performing Finance (NPF) and Financing to Deposit Ratio (FDR) are significantly simultaneous and partial to the Capital Adequacy Ratio (CAR) in Commercial Banks Sharia in the period 2014 - 2017.

The population in this study is Islamic banking. The sample is determined based on the purposive sampling method, a total of twelve Islamic banks. The secondary data were taken in the form of bank financial statements starting from 2014 until 2017. The technique of data analysis in this research using data panel regression analysis. CAR as the dependent variable, ROA, BOPO, NPF and FDR as independent variables. Data Processing using Eviews software version 9.5.

The results provide evidence that ROA, BOPO, NPF and FDR have a significant simultaneous influence on CAR in sharia commercial banks for the period 2014 - 2017. ROA partially has a insignificant positive effect on CAR. BOPO and NPF partially have a insignificant negative effect on CAR. FDR partially has a significant negative effect on CAR.

Based on the results of this study, then if Islamic banking wants to increase capital, then Islamic banking needs increase Return On Asset (ROA)

Keywords: Profitability (ROA), Operating Expenses on Operating Income (BOPO), Non Performing Finance (NPF), Financing to Deposit Ratio (FDR), Capital Adequacy Ratio (CAR)