ABSTRACT

Profitability is a ratio in measuring the ability of a company to make a profit. This ratio can also give an idea of the level the effectiveness of company management as seen from the profits from sales or investment income. Competition of Islamic banks in printing profitability is still less when compared to conventional banks. There are several factors that are believed to improve the performance of Islamic banks in increasing profitability, namely capital adequacy, problematic financing, profit sharing financing, and intellectual capital.

The purpose of this study is to determine the effect of Capital Adequacy Ratio (CAR), *Non Performing Financing* (NPF), *Profit Sharing Financing, and Intellectual Capital on Profitability which is proxied by the Return on Assets* (ROA) *ratio simultaneously or partially. The literature review included in this study is stakeholder theory, capital adequacy, problematic financing, profit sharing financing, intellectual capital, intellectual capital components and the* iB-VAIC ™ *method.*

This study uses quantitative methods with a total sample of 10 Islamic Commercial Bank companies registered with the Financial Services Authority for the 2014-2019 period. This study uses a puposive sampling method in a period of 6 years. Tests in this study are using descriptive statistical tests and panel data regression analysis to determine the overall relationship between variables in this study.

Based on the results of the research that has been done, it is known that each independent variable in this study has a simultaneous effect on the dependent variable. Whereas in the partial test, only non performing financing variables are independent variables that have an influence on the dependent variable, profitability.

The research results are expected to be taken into consideration for further research. Future research is expected to use variables not examined in this study. For Islamic commercial banks, it is expected to manage the use of capital better, this is so that the capital owned can be used to finance operational activities and overcome risks, one of which is the risk of financing problems. For investors, it is advisable to invest in a bank that is able to handle financing risks well.

Keyword: *Capital Adequacy Ratio* (CAR), *Intellectual Capital, Non Performing Financing* (NPF), *Profit Sharing Financing, Return on Assets* (ROA), and *Sharia Commercial Bank.*