ABSTRACT

The growth of Islamic commercial banks in Indonesia as the country with the largest Muslim population in the world is quite good, so it is time for Islamic commercial banks to become pioneers in the development of the Islamic industry. For that reason, it is necessary to increase bank performance in accordance with sharia principles. Bank performance can be measured using a profitability ratio proxied using Return On Assets (ROA).

This study aims to determine the effect of the Capital Adequacy Ratio (CAR), Financing Ratio to Third Party Funds (FDR), and Operating Costs Per Operating Income (BOPO) in Increasing Profitability (ROA) of the Islamic Banking Industry in Indonesia in 2016-2020.

The population in this study is Islamic Commercial Banks in Indonesia. The resulting sample is 60 samples using purposive sampling. The data in this study were analyzed by descriptive statistics and panel data regression.

The results show that the Capital Adequacy Ratio (CAR), Financing Ratio to Third Party Funds (FDR), Operating Costs Per Operating Income (BOPO) have a simultaneous effect on increasing the profitability (ROA) of the Islamic banking industry. Partially, the Capital Adequacy Ratio (CAR) and the Ratio of Financing to Third Party Funds (FDR) have no effect on profitability. Meanwhile, Operational Costs Per Operating Income (BOPO) has an effect on profitability

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Keywords: *CAR,FDR,BOPO and ROA*