



**Analysis of Influence Financial Ratios on Sharia Banking Performance in Indonesia
(Empirical Study at Bank Muamalat Indonesia, Bank Syariah Mandiri,
and Bank Mega Syariah)**

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Abstract: This study aims to examine the performance of Sharia Banking in Indonesia after experiencing slowing growth due to the impact of the United States crisis in 2008/2009. Factors used to measure the performance of sharia banking represented by ROA are CAR, NPF, BOPO, NM and FDR. This research uses multiple linear regression analysis with sample of research of Bank Muamalat, Bank Mega Syariah, and Bank Syariah Mandiri with the period of research from the first quarter 2008 to the fourth quarter 2011. The result of this research that is NM and FDR have positive significant effect on ROA, while BOPO has a significant negative effect on ROA, CAR and NPF have no influence on ROA.

Keywords: ROA, Performance, Sharia Banking.

Introduction

After experiencing a slowdown in growth due to the united states being affected by the crisis of 2008/2009 the growth of sharia banking industry in Indonesia showed a trend that continues to rise with increasing rapidity, and at the end of September 2011 reached 47.8% asset growth (yoy) or Rp123.4 trillion, the highest since 2005 . In comparison, conventional banking asset growth at the same time reached 22.2% (yoy), or Rp3371.5 trillion, with LDR (loan to deposits ratio) 81.4%.

Assessment of the performance of a particular bank can be done by analyzing the financial statements. The bank's financial statements provide information to parties outside of the bank, such as central banks, the public and investors. Several factors striving towards the bank's performance are the Capital Adequacy Ratio (CAR), Operating Costs compared with operating income (ROA), Non Performing Financing (NPF) / Non Performing Loan (NPL), Net Interest Margin (NIM), and Financing to deposit ratio (FDR) / loan to deposit ratio (LDR).

Capital Adequacy Ratio (CAR) is calculated by financial ratios related to the banking capital where the amount of capital a bank will have effects whether or not a bank is able to efficiently carry out its activities. If the capital owned by the bank is able to absorb losses that can not be avoided, then the bank can manage its operations efficiently, so that the wealth of the bank (shareholder) is expected to further increase and vice versa (True Pudjo Muljono, 1999).

BOPO affects the performance of the bank by impacting the efficiency of the operations performed by the bank so that it determines whether the bank in its operations related to the core business of the bank, are done properly (in accordance with the expectations of management

and shareholders). BOPO is used to show whether the banks have been using all production factors appropriately and effectively (Wisnu Mawardi, 2005).

Non Performing Financing (NPF) / Non Performing Loan (NPL) is a financial ratio related to credit risk (pembiayaan_pen). Credit risk (pembiayaan_pen) is the risk of potential losses of banks as a result of nonpayment back credit (pembiayaan_pen) given to the debtor bank (Masyhud Ali, 2006).

Net interest margin (NIM) reflects the market risk arising for their movements in market variables, where it could harm the bank. Based on Bank Indonesia regulations, one proxy for market risk is interest rate, as measured by the difference between the interest rate financing (funding) with interest rate loans (lending) or in absolute form is the difference between the total interest cost of funding with the total cost of borrowing where in banking terms: Net Interest Margin (NIM) (Wisnu Mawardi, 2005).

On the other hand the Financing to Deposit Ratio (FDR) / loan to deposit ratio (LDR) is a ratio that measures the ability of banks to meet obligations which must be fulfilled. So with a higher Financing to Deposit Ratio (FDR) / loan to deposit ratio (LDR), the more the bank's profit increases (assuming the bank is able to extend credit / pembiayaanya effectively), with the increase in bank profits, the bank's performance also improved.

Banking performance can be measured by using the average interest rate on loans, the average interest rate on deposits, and bank profitability. A profitability measure used is the rate of return of equity (ROE) for the company in general and the return on assets (ROA) in the banking industry. Return on Assets (ROA) focuses the company's ability to obtain earnings in the company's operations, while the Return on Equity (ROE) only measures the return earned on an investment in the company by the owner of the business (Wisnu Mawardi, 2005).

From the description above, a question arises. Do financial ratios Capital adequacy ratio (CAR), Operating Costs compared with operating income (ROA), Non Performing Financing (NPF), Net Margin (NM), and Financing to Deposit Ratio (FDR) effect the performance of Bank Muamalat Indonesia, Bank Syariah Mandiri, and Bank Mega Syariah as measured by Return on Assets (ROA) ?. Which variables most dominant influence on the performance of Bank Muamalat Indonesia, Bank Syariah Mandiri, and Bank Mega Syariah as measured by Return on Assets (ROA)?.

Literature Review

Banking Performance

1. Basic concepts and analysis of financial statements

Company's financial performance can be known by the results of financial statements. The results of financial statements which show the company's performance are used as a basis for policy makers for owners, managers and investors. The analysis of the financial statements and their interpretations is essentially an assessment of the financial condition and potential of a company's progress through its financial statements, and the financial statements can be analyzed based on financial statements (Slamet Haryono, 2007).

The financial statements are prepared for the purpose of providing information concerning the financial position, performance and changes in a company's financial

position that benefit a large number of users in making economic decisions. The financial statements are used to fulfill the information needs of the parties concerned with the existence of the financial statements. Some parties concerned about the existence of financial statements, among others are; Investors, employees, lenders, suppliers and creditors, customers, government, and society.

In order for a form of financial statements to be understood by various parties, it must have characteristics that make the information in the financial statements useful for the user. There are four main qualitative characteristics in the financial statements, which are: understandability, relevance, reliability, and comparability.

After the financial statements are obtained, it is necessary to analyze them. Analysis of financial statements deciphers the accounts of financial reports into smaller units of information and sees relationships that are significant or have meaning between one another between quantitative data and sees qualitative data with the aim to know the deeper financial condition. It is very important in order to get the right decision.

Simply put, financial statements can be analyzed using two methods, namely horizontal analysis and vertical analysis. Horizontal analysis in general shows the direction of change (trend) of a certain financial statement post. This analysis is the percentage that compares a postal financial statement with the same post with the previous financial statements. The vertical analysis is focused on the relationships among the various financial posts in certain financial statements. To demonstrate this relationship, each financial statement post is expressed as a percentage of a basic post that is also contained in the report (Harahap, 2007).

Analytical techniques commonly used in analyzing the financial statements of a company are divided into several technique types. The techniques in analyzing financial statements are financial report comparison analysis, ratio analysis, brek even analysis, trend analysis, common size analysis, source analysis and working capital usage, source analysis and cash usage, gross profit analysis analysis.

To assess the company's financial condition and achievement, financial analysis requires several benchmarks. The most commonly used measure is the ratio. To assess the company's financial condition and achievement, financial analysis requires several benchmarks. The most commonly used measure is the ratio (Martono, 2002).

2. Measurement of financial performance of banking

Just as companies perform performance analysis activities, banks also do the same for the benefit of its management, for owners, for the government to know the current business conditions and to facilitate in determining optimal business policy in the future. This analysis covers all aspects, both operational and non-operational. The methods used in analyzing financial performance also vary. In Indonesia alone, the method used is known as the rating of bank soundness that covers the financial and non-financial aspects (Veithzal Rivai et al., 2007).

To assess the company's financial condition and achievement, financial analysis requires several benchmarks. The most commonly used measure is the ratio. The analysis and interpretation of the various ratios can provide a better view of the financial condition and achievement of the firm for skilled and experienced analysts than analysts who are based solely on unrelated financial data themselves. Broadly speaking, there are five types of ratios that can be used to assess the company's financial performance, ie liquidity ratio, activity ratio, profitability ratio, solvency ratio and market ratio.

Financial Ratio Analysis

Financial ratio analysis is an activity performed to obtain a picture of financial development and financial position of the company. Financial ratio analysis is useful as an internal analysis for corporate management to know the financial results that have been achieved for future planning and also for internal analysis for creditors and investors to determine the policy of financing and investment of a company (Usman, 2003).

Ratio analysis is one of the most widely used financial analysis tools. It is a tool to provide a view of the underlying conditions. The ratio is one of the starting points, not the end point. Properly interpreted ratios identify areas that require further investigation. Ratio analysis can reveal important relationships and become the basis of comparison in finding conditions and trends that are difficult to detect by studying each of the components that make up the ratio. Like other analytical tools, ratios are most useful when oriented forward. This means we often adjust the factors that affect the ratio for possible trends and their size in the future. We must also assess the factors that potentially affect future ratios. Therefore, the usefulness of the ratio depends on the applicability and interpretation skills and this is the most challenging part of the ratio analysis (Wild, Subramanyam, Halsey, 2005).

1. Return on Assets (ROA)

ROA is the ability of the capital invested into all the assets of the company to generate profits. ROA uses profit as one way to assess effectiveness in the use of company assets in generating profits. The higher the profit generated, the higher the ROA, it means that the company is more effective in the use of assets to generate profits.

ROA is calculated based on the ratio of earnings before tax and average total assets. In this research ROA is used as performance indicator or bank performance. ROA shows the effectiveness of the company in generating profits by optimizing the assets owned.

Banks with relatively large total assets will perform better because they have a relatively large total revenue as a result of increased product sales. The increase in total revenue it will increase the company's profit so that its financial performance will be better (Mawardi, 2005)

2. Capital Adequacy Ratio (CAR)

CAR is ratio between bank capital and risk-weighted assets (ATMR). CAR is a bank guideline for expansion in financing.

The CAR Ratio represents the capability of capital to cover possible losses on financing provided along with losses on securities investments. According to SK Dir. BI Number 26/20 / KEP / DIR / May 29, 1993, in Indonesia the minimum amount of capital that must exist in the bank is regulated by BI, which is 8% of risk-weighted assets (ATMR) (Muhammad, 2005).

The level of bank capital adequacy is very useful for securing public funds or third party funds (DPK) against possible risks of losses borne by banks. The level of

capital adequacy is closely related to the level of fund disbursement or financing depending on the business risk characteristics to be financed. The higher the financing disbursed by the bank, the greater the risk borne by the bank, so the bank requires a larger capital to anticipate the possibility of such risks. Therefore, increased bank capital, will further add to the financing channeled by the bank. BI stipulation states that the best standard of CAR is 8%.

3. Operating Cost compared to Operating Income (BOPO)

BOPO is ratio between operating cost to operating income. Operating costs represent costs incurred by the bank in order to run its main business activities such as revenue sharing, marketing costs, labor costs and other operating costs. Operating income is the bank's main income, which is revenue derived from fund placement in the form of financing and other operating income. The smaller BOPO shows the more efficient the bank in running its business activities. A healthy bank BOPO ratio is less than one. Less healthy banks have a BOPO ratio of more than one (Pransanugraha, 2008). Under the terms of Bank Indonesia the operating efficiency is measured by BOPO. Operational efficiency also affects the bank's performance, as it indicates whether the bank has used all its production factors appropriately and effectively (Mawardi, 2005).

4. Net Margin (NM)

NM is ratio of net profit-sharing to average earning assets. Net profit sharing revenue is derived from revenue-sharing revenue less expense-sharing expense. The earning asset taken into account is the earning asset that generates the revenue share.

According to Bank Indonesia Regulation number 7/2 / PBI / 2005 concerning Asset Quality Rating for Commercial Banks, earning assets is defined by the provision of bank funds to obtain income, in the form of financing, securities, inter-bank placements, acceptances receivable, purchased under reverse repurchase agreements, derivative receivables, investments, administrative account transactions and other forms of equity provision that may be equalized. Therefore, banks are required to maintain the quality of their productive assets and report their progress to Bank Indonesia regularly.

In addition to maintaining the quality of productive assets, to maintain the position of NM banks need to pay attention to changes in interest rates. In achieving maximum profit there is always a corresponding risk, the higher the profit the greater the risk faced. Which in the banking is strongly influenced by the magnitude of interest rates (interest rate). The increase in profits in relation to interest rate changes is often called NM (Net Margin), which is the difference in revenue-sharing with cost sharing (Januarti, 2002).

5. Non Performing Financing (NPF)

NPF is a productive asset with substandard assets quality, doubtful and loss. This ratio is a financing risk ratio that measures financing risks channeled by comparison between non-performing financing with total financing disbursed (Cashmere, 2004).

The NPF demonstrates the collectibility of a bank in collecting back the financing incurred by the bank until it is paid off. NPF is very influential on cost control and at the same time affects the financing policy of the bank itself. NPFs can have unfavorable effects, even more so when their ratios are large.

One other implication for the bank as a result of the occurrence of problem financing is the loss of opportunity to obtain income (income) from the financing provided so as to reduce the profitability and adversely affect the profitability of banks. BI's stipulation that the NPF's best standard is below 5%.

6. Financing Deposit Ratio (FDR)

FDR is ratio between the total amount of financing provided by the bank with funds received by the bank. This ratio indicates one of the bank's liquidity rating or a ratio that explains how high the sharia bank is able to channel the funds it has collected from the public to the real sector.

The availability of funds and sources of bank funds at this time and in the future, is an understanding of the concept of liquidity in this indicator. A bank is said to be a liquid if the bank concerned can fulfill its debt obligations, be able to pay back all of its deposits, and can meet the demand for financing submitted without suspension. This liquidity ratio is performed to analyze the ability of banks to meet these obligations. In this research, the liquidity ratio used is Financing to Deposit Ratio (FDR).

Sharia Banking in Indonesia

1. Definition and Principles of Sharia Banking

Normatively, Article 1 Paragraph (7) of Law Number 21 Year 2008 regarding Sharia Banking states that Sharia Banking is a Bank conducting its business activities based on sharia principles and according to its type consisting of Sharia Commercial Bank and Sharia Rural Bank. In Article 1 paragraph (12), states that Sharia Principles is the principle of Islamic law in banking activities based on fatwas issued by institutions that have authority in the establishment of fatwa in the field of sharia.

The basic idea of sharia banking system can actually be put forward simply. The operations of Islamic financial institutions are primarily based on the principle of PLS (profit-and-loss-sharing). This principle of profit sharing in Islamic finance is highly recommended and a viable and relevant solution to address the problem of limited allocation of funds, whether in the form of loan or savings funds in order to effectively manage and finance the business (Latifa and Mervyn, 2001).

2. Sharia Bank Fund Management

Sharia bank fund management is an effort made by sharia banking institutions in managing the fund positions received from funding activities to be channeled to the community in financing activities, in the hope that the bank can still meet the liquidity, earnings and solvency criteria (Muhammad, 2005).

Unlike conventional banks that use interest instruments in their operational activities, Islamic banks use profit sharing (profit and lose sharing) instruments (Arifin, 2002). Profit sharing is the profit sharing principle applied in the partnership, where the profit sharing position is determined at the time of the contract of business, the owner of the fund (shohibul maal) and the fund manager (mudharib) contained in the contract or agreement and has been signed on Early before the business cooperation (Wiyono, 2006). If the business gets a profit, the share of profit sharing is in accordance with the agreement, but if there is a loss, the profit-sharing portion is adjusted to the capital contribution of each party. The basis used in the profit-sharing calculation is in the form of net income, net of operating expenses.

The amount of profit sharing (Profit Sharing) is determined at the beginning of the agreement. Unlike the flowers, the percentage of profit sharing is not necessarily the same every month. While the nominal received certainly adjust to the amount of profit earned by the borrower itself. The consequence of this concept is the profit and loss. If the results of the borrower's business show a large profit, then the revenue share will be large and vice versa if the profit is small or even loss then the borrower must also share the loss.

Methods

Type and Nature of Research

Based on its purpose, this research is included in the type of applied research. Applied research is conducted with the aim of applying, testing and evaluating the ability of a theory applied in solving practical problems (Sugiyono, 2008). The research is quantitative, ie the data used in this research are certain numbers or magnitudes of a certain nature, so such data allows to be analyzed using the statistical approach (Ghozali, 2009)

Collection Technique of Data

The data used in this research is secondary data. Secondary data is data obtained by researchers indirectly from the object of research. Data in this research are quarterly financial report of Bank Muamalat Indonesia, Bank Syariah Mandiri and Bank Mega Syariah 2008-2011 period in the form of quarterly data obtained from some source that is website of each bank as research sample and website of Bank Indonesia (BI) www.bi.go.id

Operational Definition of Variables

1. Dependent variable in the form of banking performance as measured by Return On Assets (ROA).

ROA in the simplest form is calculated as profit divided by assets. ROA can be separated into components that have a relative meaning to sales. This is done because the ratio of this component is useful for the analysis of company performance.

$$\text{ROA} = \frac{\text{Profit Before Tax}}{\text{Average Total (capital) Assets}} \times 100\%$$

2. Independent variables are financial ratios such as CAR, BOPO, NM, FDR, NPF. Each variable is defined as follows:

a. Capital Adequacy Ratio (CAR)

CAR is the bank's capital adequacy ratio or it is a bank's ability to capitalize to cover possible losses in lending or in securities trading (Kasmir, 2008).

$$\text{CAR} = \frac{\text{Capital}}{\text{Risk Weighted Assets (ATMR)}} \times 100\%$$

b. Operating Cost compared to Operating Income (BOPO)

BOPO is the ratio between operating cost to operating income. Operating costs represent costs incurred by the bank in order to carry out its main business activities such as interest costs, marketing costs, labor costs and other operating costs. Operating income is the bank's main income, which is revenue derived from fund placement in the form of financing and other operating income.

$$\text{BOPO} = \frac{\text{Total Operating Expense}}{\text{Total Operating Income}}$$

c. Non Performing Financing (NPF)

Non Performing Financing (NPF) demonstrates a bank's collectibility in collecting back financing issued by the bank until it is fully paid. Non Performing Financing (NPF) is the percentage of non-performing financing (with substandard, doubtful, and loss criteria) of total bank financing (Kasmir, 2005).

$$\text{NPF} = \frac{\text{Financing (KL, D, M)}}{\text{Total Financing}} \times 100\%$$

d. Financing to Deposit Ratio (FDR)

Financing to deposit ratio (FDR) states how far the bank's ability to repay the withdrawal of funds, which the depositor is doing by relying on the financing given as a source of liquidity. To know the bank's ability to complete its short term (Kasmir, 2005). Mathematically can be formulated as follows:

$$\text{FDR} = \frac{\text{Third Party Credits}}{\text{Third Party Funds}} \times 100\%$$

e. Net Margin (NM)

Net Margin (NM) is ratio of net profit-sharing to average earning assets. Net profit sharing revenue is derived from revenue-sharing revenue less expense-sharing expense. Productive assets that are accounted for are earning assets that generate revenue sharing in conventional banking is called interest bearing assets.

$$\text{NM} = \frac{\text{Net Profit Share Revenue}}{\text{Average Earning Assets}}$$

Analysis Technique of Data

1. Analysis of banking performance

To analyze the performance of Sharia Commercial Banking then the analysis used is quantitative analysis. The steps taken by quantitative research is to calculate the financial ratios. The ratio used in this research is CAR (Capital Adequacy Ratio), BOPO (Operational Cost to Operational Income), NM (Net Margin), Financing to deposit ratio (FDR) and Non Performing Financing (NPF), then each ratio Tested the effect on ROA ratio (Return on Asset).

2. Descriptive Statistics

Descriptive statistics provide an overview or description of data viewed from mean, standard deviation, variance, maximum, minimum, sum, range, kurtosis and skewness, Skewness and kurtosis is a measure to see if distributed variables Normally or not. Skewness measures the skewness of data and kurtosis measures the peak of the data distribution. The normally distributed data has a skewness value and the kurtosis is close to zero.

3. Classic Assumption Test

The classical assumption test in the regression model is done to avoid any bias in decision making. In this research used four assumption classic test that is normality test, multicollinearity test, heteroscedasticity test and autocorrelation test:

a. Normality Test

The normality test is performed to test whether in the regression model, the intruder or residual variable has a normal distribution or not. If the residual variable has an abnormal distribution then the test results are biased. To test the normality in this study using Kolmogorov-Smirnov test. Hypotheses that can be made are:

H₀: residual variable is normally distributed

H_a: residual variables are not normally distributed

Decision-making:

If the probability is greater than 0.05 then H₀ is accepted

If the probability is less than 0.05 then H₀ is rejected.

b. Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between independent variables (independent). A good regression model should not be correlated among independent variables. If independent variables are correlated, these variables are not orthogonal. The orthogonal variable is the independent variable whose correlation value among fellow independent variables is equal to zero (Ghozali, 2009).

The multicollinearity test can be seen from the Variance Inflation Factor (VIF) and the tolerance value. Both of these measures indicate which independent variable's attitude the other independent variables describe. Multicollinearity occurs when the tolerance value is > 0.10 or equal to VIF < 10. If the VIF value

does not exceed 10, it can be said that the multicollinearity is not dangerous (passes the multicollinearity test)

c. Autocorrelation Test

Autocorrelation is the correlation (relationship) between observation members sorted by time and space. The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the disturbance error in the previous period (t-1). The consequence of autocorrelation is the probability of confidence being large as well as the variant and the value of standard error will be underestimated.

This test is done by using Run Test, this test as part of non-parametric statistics can also be used to test whether inter residual there is a high correlation. If there is no correlation between residuals then it is said that residuals are random or random. Run test is used to see whether residual data occurs randomly or not (systematically) by making a hypothesis:

- 1) If the probability value is greater than 0.05 (> 0.05) then the null hypothesis (H_0) is accepted, ie residual random (random).
- 2) If the probability value is less than 0.05 (< 0.05) then the null hypothesis (H_0) is rejected, ie the residual is not random.

d. Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is a variance inequality of the residual one observation to another observation. If the variance of the residual one observation to another observation remains, then it is called homoscedasticity and if different it is called heteroscedasticity. A good regression model is homoscedasticity or does not occur heteroscedasticity.

How to detect the presence or absence of heteroskedastisitas in the study seen from Graph Plot between the predicted value of related variables (dependent) that is ZPRED with residual SRESID. The basis for the decision is if there is a certain pattern in the plot graph, such as the existing points form a certain pattern that is regular (wavy, widened then narrowed), then indicates there has been heteroscedasticity. However, if there is no clear pattern, and the points spread above and below the number 0 on the Y axis, there is no heteroscedasticity (Ghozali, 2009)

4. Multiple Linear Regression Analysis

The analysis used is multiple linear regression. Multiple linear regression analysis is a technique that aims to know the relation of one or two independent variables and dependent variable (Ghozali, 2009). The formula is:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + e$$

Note:

- Y = ROA (*Return on Asset*)
- a = Coefficient of Constant
- b_{1-5} = Coefficient of Independent Variable
- X_1 = CAR
- X_2 = BOPO
- X_3 = NM

X_4	= FDR
X_5	= NPF
e	= Disturbance Term

5. Test of the Regression Equation

The regression equation test conducted in this research are:

a. Coefficient of Determination

The coefficient of determination (R^2) essentially measures the extent of the model's ability to explain the variation of the dependent variable. The coefficient of determination is between zero and one. The small value of R^2 means that the ability of the independent variables to explain the variation of the dependent variable is very limited. A value close to one means the independent variables provide almost all the information needed to predict the variation of the dependent variable. In general, the coefficient of determination for cross-data is relatively low because of the large variation between each observation, whereas for time series data usually has high coefficient of determination (Ghozali, 2009).

However, the use of coefficient of determination R^2 has a weakness, namely the bias against the number of independent variables entered into the model. Each additional one variable then R^2 increases no matter whether the variable has a significant effect on the dependent variable or not. Therefore, the coefficient of determination in this study uses the value of Adjusted R Square. Because unlike R^2 , Adjusted R Square is not biased against the number of independent variables entered into the model, the Adjusted R Square value can rise and fall if one independent variable is added to the regression model.

b. F Test

This test is conducted to see the effect of independent variables on the dependent variable simultaneously. This test is performed to compare at the level of the sig value with the value (5%) at the degree level of 5%. The conclusion is to see the value of Sig (5%) with the following conditions:

- 1) If the value of Sig then H_0 is rejected
- 2) If the value of Sig then H_0 is accepted

c. t Test

The significance test was performed using statistical t test. This test is conducted to see the effect of independent variables to dependent variable partially with degree of validity 5%. The conclusion is to look at the sig value compared to the value (5%) with the following conditions:

- 1) If the value of Sig then H_0 is rejected
- 2) If the value of Sig then H_0 is accepted

Finding and Discussion

Description of Research Object

The object of this research is the performance of Bank Muamalat Indonesia, Bank Syariah Mandiri, and Bank Mega Syariah as measured through Bank's financial ratios in

the first quarter of 2008 s / d Quarter IV 2011. Data is taken from the quarterly financial report.

Descriptive Statistics Analysis

Descriptive statistical analysis was performed on the population used in this study, namely the Bank Muamalat Indonesia (BMI), Bank Syariah Mandiri (BSMI) and Bank Mega Syariah (BMS) financial ratios from quarterly financial reports during 2008 to 2011, Return on Assets (ROA), Capital Adequacy Ratio (CAR), Operating Expenses Compared to Operating Income (BOPO), Net Margin (NM), Non Performing Financing (NPF), and Financing to Deposit Ratio (FDR). The following descriptive statistical research results can be seen in the table below:

Table 1: Result of Descriptive Statistics

Statistics

	ROA	CAR	BOPO	NM	FDR	NPF
N Valid	48	48	48	48	48	48
Missing	0	0	0	0	0	0
Mean	1.9831	12.4806	81.5923	8.3302	89.2756	2.4194
Median	2.0150	12.1050	80.0650	6.8450	88.2250	2.1250
Mode	2.08 ^a	11.06 ^a	68.02 ^a	6.09 ^a	78.17 ^a	.98 ^a
Std. Deviation	.71965	1.76424	7.28400	3.48983	7.16552	1.50085
Variance	.518	3.113	53.057	12.179	51.345	2.253
Skewness	.311	1.292	.154	1.427	.702	1.184
Std. Error of Skewness	.343	.343	.343	.343	.343	.343
Kurtosis	1.416	2.041	-1.139	.567	-.245	1.428
Std. Error of Kurtosis	.674	.674	.674	.674	.674	.674
Range	3.80	8.57	27.69	11.26	28.22	6.91
Minimum	.45	9.57	68.02	4.88	78.17	.41
Maximum	4.25	18.14	95.71	16.14	106.39	7.32
Sum	95.19	599.07	3916.43	399.85	4285.23	116.13

a. Multiple modes exist. The smallest value is shown

In Table 1 above shows that the amount of data used in this study as many as 48 data samples taken from Quarterly Publication Financial Report of each Sharia Commercial Banking in the period I quarter 2008 until the fourth Quarter of 2011. By using pooled data method, the sample is taken from 3 Sharia Commercial Banking Multiplied by the number of periods that is 16 periods of quarterly publication financial reports issued by Bank Indonesia, so the amount of data to 48 pieces.

The lowest ROA (minimum) ratio was 9.57%, ie Bank Muamalat Indonesia in the second quarter of 2008 (see Table 1) and the highest (maximum) of 18.14% ie Bank Mega Syariah in the second quarter of 2008, then average CAR of 12,4806 %. The average value of CAR of Sharia Commercial Banking in the study period is much higher than the CAR required by Bank Indonesia at 8%.

Average Operating Expenses Compared to Operating Income (BOPO) of 3 Sharia Commercial Banking in the study period of 81.5923%. The bank with the lowest BOPO value is Bank Mega Syariah with a value of 68.02% in the second quarter of 2008. While the bank with the highest BOPO value is Bank Muamalat Indonesia with a value of 95.71% in the third quarter of 2009

Average Net Margin (NM) of 3 Sharia Commercial Banking in the research period amounted to 8.3302%. Banks with the lowest NM score were Bank Muamalat Indonesia in the first quarter 2011 with a value of 4.88%. While banks with the highest NM value of Bank Mega Syariah in the second quarter of 2011 with a value of 16.14%.

The average Financing to Deposit Ratio (FDR) of 3 Sharia Commercial Banking in the research period amounted to 89.2756%. However, the standard deviation value generated is 7.16552%. This shows that in this study period there is a gap. The Bank with the highest FDR value is Bank Muamalat Indonesia in the third quarter of 2008 with a value of 106.39%. While the bank with the lowest FDR value is Bank Mega Syariah in the fourth quarter of 2010 with a value of 78.17.

Average Non Performing Financing (NPF) of 3 Sharia Commercial Banking in the study period amounted to 2.4194%. This indicates that NPF in this period of study is still within the maximum limit of NPF required by Bank Indonesia that is 5%. The Bank with the lowest NPF was Bank Mega Syariah in the first quarter of 2008 with a value of 0.41%. While the bank with the highest NPF value is Bank Muamalat Indonesia in the period quarter III 2009 with a value of 7.32%.

Classic Assumption Test

Hypothesis testing with multiple linear regression model should avoid any deviation of classical assumption. The test of classical assumption is intended for the variable Return On Assets (ROA), Capital Adequacy Ratio (CAR), BOPO, Net Margin (NM), Non Performing Financing (NPF), and Financing to Deposit Ratio (FDR) to the estimator of the dependent variable Return On Assets (ROA) is not biased. If there is no symptom of classical assumption that is autocorrelation, multicollinearity, heteroscedasticity and normality in testing hypothesis with model used, hence expected to produce a good model so that the result of analysis also good and not bias.

1. Normality Test

The results of normality test (Kolmogorov-Smirnov test) can be seen in table 2 below:

Table 2: Results of Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		48
Normal Parameters ^a	Mean	.0000000
	Std. Deviation	.32026068
Most Extreme Differences	Absolute	.087
	Positive	.087
	Negative	-.060
Kolmogorov-Smirnov Z		.605
Asymp. Sig. (2-tailed)		.857
a. Test distribution is Normal.		

The value of Kolmogorov-Smirnov is 0.605 and the significance is 0.857 > 0.05, then Ho is accepted. So it can be concluded that the residual data is normally distributed.

2. Multicollinearity test

Multicollinearity test results (VIF test) can be seen in table 3 below:

Table 3: Results of Multicollinearity Test

Coefficients^a

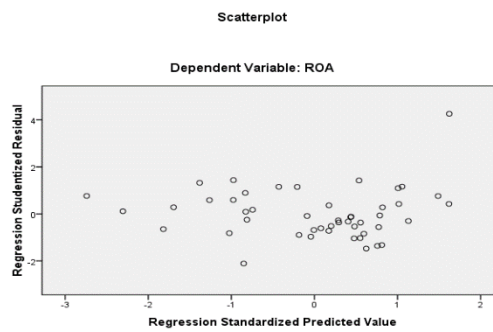
Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
CAR	.758	1.319
BOPO	.593	1.687
NM	.740	1.351
FDR	.500	2.000
NPF	.458	2.184

Based on the above Table shows that tolerance value for all independent variables above 0.10 and VIF value none greater than 10, meaning that the five independent variables there is no correlation multicollinearity and can be used to predict ROA during the period of observation Quarter I Year 2008 Up to Tiwulan IV Year 2011.

3. Heteroscedasticity Test

Heteroscedasticity test results (Scatterplot graph) can be seen in Figure 1 below:

Figure 1: Results of Heteroscedasticity Test



From the picture above can be seen that the dots spread randomly and spread both above and below the number 0 on the Y axis. It can be concluded that there is no heteroskedastisitas on the regression model because the plots obtained do not collect in one corner or part and not Form a certain pattern so that it can be concluded that the regression test does not occur heteroscedasticity problem.

4. Autocorrelation Test

The results of autocorrelation test can be seen in table 4 below:

Table 4: Results of Autocorrelation Test

Runs Test	
	Unstandardized Residual
Test Value ^a	-.04086
Cases < Test Value	24
Cases >= Test Value	24
Total Cases	48
Number of Runs	28
Z	.729
Asymp. Sig. (2-tailed)	.466

a. Median

From the above table, the test value is -0.04086 with a probability of 0.466 significant at 0.05 which means the null hypothesis (Ho) is accepted, so it can be concluded that residual random (random) or no autocorrelation occurs in this research model.

Multiple Linear Regression Analysis

The accuracy of the sample regression function in estimating the actual value can be measured from its goodness of fit. Statistically, at least this can be measured from statistical value t, F statistic value, and Coefficient of Determination (R²). The statistical calculation is called statistically significant, if the test of its statistical value is in the critical area (the area where Ho is rejected). Conversely, it is not significant if the test of statistical value is in the area where Ho is accepted.

The results of multiple linear regression analysis can be seen briefly in the following table:

Table 5: Results of Multiple Regression Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	5.005	1.385		3.614	.001		
CAR	.025	.032	.061	.770	.446	.758	1.319
BOPO	-.087	.009	-.881	-9.880	.000	.593	1.687
NM	.125	.016	.608	7.622	.000	.740	1.351
FDR	.031	.010	.307	3.158	.003	.500	2.000
NPF	-.010	.049	-.020	-.196	.846	.458	2.184

a. Dependent Variable: ROA

By looking at table 5 above, we can compile multiple linear regression equations as follows:

$$ROA = 5,005 + 0,025 CAR - 0,087 BOPO + 0,125 NM + 0,031 FDR - 0,010 NPF$$

From the multiple linear regression equation above, it is known to have a constant of 5,005. This shows that if the independent variables are assumed to be in a fixed state, then the dependent variable (ROA) will rise by 5.005%. Then for sign direction and significance, variable NM, and FDR have positive and significant direction toward ROA, while BOPO variable has negative direction toward ROA. The CAR variable in the direction of the sign is positive, the NPF variable in the direction of the sign is negative but not significant to the ROA variable.

Thus the results of the analysis of the influence of independent variables on the dependent variable that has been done is mostly in accordance with the framework proposed by researchers, both the direction of sign and significance. The independent variable is not significant to the dependent variable, namely ROA and NPF.

Test Regression Equation

1. Determination Test

The test results of determination can be seen in table 6 below:

Table 6: Results of Determination Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.896 ^a	.802	.778	.33879	2.292

a. Predictors: (Constant), NPF, NM, CAR, BOPO, FDR

b. Dependent Variable: ROA

Based on the results of the calculation of determination test shown in the table above, the magnitude of the coefficient of determination or adjusted R^2 is 0.778 this means 77.8% ROA variation can be explained by the variation of the five variables that affect the ROA. While the remaining 22.2% ($100\% - 77.8\% = 22.2\%$) is explained by other variables not included in the equation model mentioned above.

2. Simultaneous Hypothesis Testing

F test results can be seen in Table 7:

Table 7: Results of F Test

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.520	5	3.904	34.014	.000 ^a
	Residual	4.821	42	.115		
	Total	24.341	47			

a. Predictors: (Constant), NPF, NM, CAR, BOPO, FDR

b. Dependent Variable: ROA

Based on the results of statistical tests F in the table above, can be seen that the regression results obtained significance F of 0.000. At a significance level of 5% (0.05), then the signification F is $0.000 < 0.05$. Thus the results of this test stated that H_a accepted and rejected H_o .

So it can be concluded that the test results stated that CAR, BOPO, NM FDR and NPF together affect the ROA is proven.

3. Partial Test of Hypothesis

The result of t test can be seen in Table 8:

Table 8: Results of Partial Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5.005	1.385		3.614	.001		
	CAR	.025	.032	.061	.770	.446	.758	1.319
	BOPO	-.087	.009	-.881	-9.880	.000	.593	1.687
	NM	.125	.016	.608	7.622	.000	.740	1.351
	FDR	.031	.010	.307	3.158	.003	.500	2.000
	NPF	-.010	.049	-.020	-.196	.846	.458	2.184

a. Dependent Variable: ROA

a. Test Result Effect of CAR on ROA

Based on the results of partial testing of the effect of CAR on ROA by using SPSS program obtained tcount of 0.770 with p value 0.446. Because the value of p value $0.446 > 0.05$ can be concluded H_a rejected. This shows that there is no CAR influence on ROA.

b. Bopo Effect Test Result on ROA

Based on the results of partial testing of the effect of BOPO on ROA by using SPSS program obtained t count equal to -9.880 with p value 0.000. Because p value $0.000 < 0.05$ can be concluded H_a accepted. This shows that there is a negative and significant influence of BOPO on ROA. This condition means that the higher the BOPO value of the company, the lower the ROA of the company.

c. Test Result Effect of NM on ROA

Based on the results of partial testing the effect of NM on ROA by using SPSS program obtained tcount of 7,662 with p value 0.000. Because p value $0.000 < 0.05$ can be concluded H_a accepted. This shows that there is a positive and significant effect of NM on ROA. This condition implies that the higher the NM value of the firm, the lower the ROA of the company.

d. Test Result Effect of FDR on ROA

Based on the partial test results the effect of FDR on ROA by using SPSS program obtained t count of 3.168 with p value 0.003. Because p value $0.003 < 0.05$ can be concluded H_a accepted. This shows that there is a positive and significant influence of FDR on ROA. This condition implies that the higher the company's FDR value, the higher the company's ROA.

e. Test Result Effect of NPF on ROA

Based on the results of partial testing the effect of NPF on ROA by using SPSS program obtained t count of -.196 with p value 0.846. Because the value of p value $0.846 > 0.05$ can be concluded H_a rejected. This shows that there is no influence of NPF on ROA.

Discussion

Based on data analysis, it is known that simultaneously CAR, BOPO, NM, FDR, and NPF have significant influence on ROA at Bank Muamalat Indonesia (BMI), Bank Syariah Mandiri (BSM) and Bank Mega Syariah (BMS) during the observation period

of Quarter I Year 2008 Up to the fourth Quarter of 2011. Partially BOPO, NM, FDR significant to ROA, while CAR and NPF partially have no effect on ROA.

According to the Bank Indonesia Regulation, CAR (Capital Adequacy Ratio) is a ratio showing the amount of all bank assets that contain risks (financing, equity, securities, claims to other banks) to be financed from its own capital in addition to obtaining funds from non- Sources outside the bank. The CAR ratio figure set by Bank Indonesia is at least 8%, if the ratio of a bank's CAR to below 8% means that the bank is unable to absorb the losses that may arise from the business of the bank, then if the CAR ratio above 8% indicates that the bank is increasingly solvable . With the increasing level of bank solvency, it will indirectly affect the increase in bank performance, because the losses borne by the bank can be absorbed by the capital owned by the bank.

CAR variable is the ratio of bank performance to measure capital adequacy owned by bank to support assets that contain or generate risk. The effect of CAR in this study on ROA happens because the banks operating in that year did not optimize the existing capital. This is indicated by the average CAR value in the observation period (first quarter 2008 to the fourth quarter of 2011) of 0.446. CAR is not influential to ROA which is a proxy of the financial performance of commercial banks that occurs because the regulation of Bank Indonesia which requires a minimum CAR of 8%, resulted in banks always trying to keep the CAR owned in accordance with the provisions. But banks tend to keep their CARs no more than 8% because this means waste. It can also happen because the bank has not been able to throw the financing as expected or not yet optimal.

According to Bank Indonesia, operating efficiency is measured by comparing total operating costs with total operating income or often called BOPO. The ratio of BOPO aims to measure the ability of operating income to cover operating costs.

The increasing ratio reflects the bank's lack of ability to reduce operational costs and increase its operating income which can cause losses because banks are less efficient in managing their business. Bank Indonesia sets the best figure for BOPO ratio to be below 90%, because if the ratio of BOPO exceeds 90% to near 100% then the bank can be categorized as inefficient in running its operations.

Operating Cost Variable compared to Operating Income (BOPO) is used to measure the efficiency and ability of banks in conducting their operations. The influence of BOPO variable to ROA indicates that with the increase of BOPO in bank indicates bank more expense of operational expense in generating profit. This condition indicates that companies that generate greater profits are inefficient in doing their operations so that BOPO negatively affect the ROA. This is in line with research conducted by Vishnu Mawardi, Pandu Mahardian and Ponttie Prasnanugraha.

Operating Efficiency (BOPO) has a significant negative effect on Return on Assets (ROA). The higher the ratio of BOPO, it can be said that the operational activities performed by the bank are not efficient. Similarly, the lower the ratio of BOPO, the bank's operational activities will be more efficient. If all activities performed by the bank run efficiently, then the profits to be gained are also greater which will ultimately improve the financial performance of the bank.

Besides, Operating Cost compared to Operating Income (BOPO) is also a variable that is able to distinguish banks that have ROA above average or banks that have ROA below average. In the efficient management of bank operational activities by reducing the operational costs of banks (BOPO) will greatly affect the level of bank profits

reflected in ROA as an indicator that reflects the effectiveness of the company in generating profits by utilizing the overall assets owned.

Net Margin (NM) is the ratio of net profit-sharing to average earning assets. Net profit sharing revenue is derived from revenue-sharing revenue less expense-sharing expense. The earning asset taken into account is the earning asset that generates the revenue share.

The higher Net Margin (NM) indicates the more effective the bank in the placement of productive assets in the form of financing. The standard set by Bank Indonesia for NM ratio is 6% and above. The greater this ratio, the increased revenue-sharing income on earning assets managed by the bank so that the possibility of a bank in the troubled condition is getting smaller. So it can be concluded that the greater net margin (NM) of a company, the greater the return on assets (ROA) of the company, which means the financial performance is getting better or improved. Likewise, on the contrary, if net margin (NM) is smaller, return on asset will also be smaller, in other words the company's performance is decreasing.

Previous researchers who used NIM variables as a measure of bank health include Pandu Mahardian and Pottie Prasanugraha, the results of his research indicate that NIM can be used as an indicator to measure the soundness of banks.

Based on the theory and the results of previous research shows that the higher the NIM the better the performance achieved by a bank, so that the company's profit is increasing. Increased corporate earnings are predicted to increase the company's ROA.

In this study, Net Margin (NM) has a significant positive effect on Return on Assets (ROA). This means that the bank's ability to earn interest from interest affects both the financial performance of the bank. If in the acquisition ratio NM bank increases, then the financial performance of the bank will also increase.

Any NM increase will result in an increase in ROA. This happens because any increase in net profit-sharing revenue, which is the difference between total revenue-sharing and total revenue-sharing revenue, leads to an increase in profit before tax, which in turn leads to an increase in ROA.

Financing to deposit ratio (FDR) shows the comparison between the volume of financing compared to the volume of deposits held by banks. This means that the level of liquidity is smaller and vice versa because the source of funds (deposits) owned has been used to finance financing portfolio financing. The higher this ratio, the lower the bank's liquidity capability so that the possibility of a bank in a problem condition will be even greater. The financing provided does not include financing to other banks while for third party funds are demand deposits, savings accounts, time deposits, certificates of deposit. The standard used by Bank Indonesia for the Financing to deposit ratio (FDR) ratio is 80% to 110%. If the ratio of Financing to deposit ratio (FDR) of a bank is below 80% (say 60%), it can be concluded that the bank can only distribute 60% of all funds collected.

Because the main function of the bank is as an intermediary between the party with excess funds with the party who lack of funds, then the ratio of Financing to deposit ratio (FDR) 60% means that 40% of all funds collected are not distributed to parties in need, so Can be said that the bank does not perform its function properly. Then if the ratio of Financing to deposit ratio (FDR) / loan to deposit ratio (LDR) of the bank reaches more than 110%, it means the total financing provided by the bank exceeds the funds collected. Because the funds collected from the community are small,

the bank in this case can also be said not to perform its function as a good intermediary (intermediary).

The higher Financing to deposit ratio (FDR) shows the more risky liquidity of the bank, whereas the lower Financing to deposit ratio (FDR) shows the lack of bank effectiveness in channeling financing / financing. If the Bank's Financing to deposit ratio (FDR) ratios are in the standard set by Bank Indonesia, then the profit earned by the bank will increase (assuming the bank is able to effectively disburse its financing). With increasing profits, the return on assets (ROA) will also increase, because profit is a component that makes return on assets (ROA).

Pandu Mahardian in his research stated that Financing to deposit ratio (FDR) has no significant effect on ROA. Meanwhile, according to Sugianto, Financing to deposit ratio (FDR) can be used as an indicator to measure bank soundness.

An increase in Financing to deposit ratio (FDR) means that the channeling of funds into larger loans will increase the profit. This increase in earnings resulted in higher performance of the bank as measured by ROA. The standard Financing to deposit ratio (FDR) is 85% to 110%. Therefore, the management must be able to manage the funds collected from the community and then channeled back in the form of financing. The logic of the theory is supported by Basran Desfian research which states that partially variable Financing to deposit ratio (FDR) have positive effect on ROA. This means that the higher Financing to deposit ratio (FDR) to a certain extent then the more funds disbursed in the form of financing it will increase revenue-sharing results so that ROA higher. Basran Desfian states that in accordance with the theory of the increase in Financing to deposit ratio (FDR) due to an increase in the provision of financing or withdrawal of funds by the community where it can affect the liquidity of banks that affect the level of public confidence.

In this research, Financing to Deposit Ratio (FDR) has a significant positive effect on Return on Asset (ROA). Thus the level of liquidity of a bank affect the financial performance of the bank. The more optimal the level of liquidity of the bank, the third party funds disbursed in the form of greater financing. With the increasing amount of financing provided, the profits to be gained also greater. So the financial performance of the bank will increase.

The positive value shown by FDR indicates that the higher FDR indicates the more risky the bank liquidity condition, the lower the FDR shows the lack of effectiveness of banks in channeling financing. Non Performing Financing (NPF) reflects the amount of financing/financing risks faced by banks, the smaller the NPF, the less risk of financing/financing borne by the bank. The bank in providing financing shall conduct an analysis of the borrower's ability to repay its obligations. After financing is given, banks are required to monitor the use of financing and the ability and compliance of the debtor in fulfilling the obligations. The Bank conducts a review, assessment and bonding of the collateral to minimize the risk of financing. Thus, if a bank has a high Non Performing Financing (NPF), it will increase the cost of both provisioning cost of productive assets and other costs, thus affecting the bank's performance.

Previous researcher who tested the influence of Non Performing Financing (NPF) to ROA was done by Pandu Mahardian where the result showed that Non Performing Financing (NPF) had no significant effect to Financial performance because ROA more reflect earnings performance which already take into account its assets. While the results of research conducted by Ponttie Prasnanugraha (2007) concluded that Non Performing Financing (NPF) significantly negatively affect the ROA. So if the larger

Non Performing Financing (NPF), will result in a decrease in Return on Assets (ROA), which also means the bank's financial performance is decreased. Vice versa, if non-performing financing (NPF) falls, then the return on assets (ROA) will increase, so the financial performance of banks can be said the better.

Non Performing Financing Variable (NPF) is a ratio showing the ability of bank management in managing problematic financing provided by the bank. Non Performing Financing (NPF) in this study did not statistically affect the Return on Assets (ROA). So whatever the ratio of Non Performing Financing (NPF) does not affect the size of Return on Asset (ROA). So it can be concluded that the proportion of problematic financing at Bank Muamalat Indonesia, Bank Syariah Mandiri, and Mega Syariah bank in observation period (first quarter 2008 to fourth quarter 2011) is not so large that it does not affect ROA.

The results of this study indicate that the bank's business risks reflected in Non Performing Financing (NPF) have no effect on ROA, which can be seen from the low number of Non Performing Financing (NPF) of banks.

From the five independent variables that tested its effect on the dependent variable (in this case ROA), it is known that the independent variable of BOPO has the biggest influence from the other four variables, that is with coefficient equal to -9.880%. The minus sign (-) indicates that BOPO has an inverse relationship to ROA. Any increase in BOPO ratio of 1%, it will result in decrease ROA ratio of 9.880%. Vice versa if the ratio of BOPO fell by 1% it will result in an increase in ROA ratio of 9.880%.

Based on the results of the analysis indicates that bank management needs to pay attention to BOPO, CAR and FDR, because BOPO is the most dominant and consistent variable in influencing ROA, meaning that cost efficiency in bank operational activity can increase ROA. Implications for bank customers to pay more attention to the efficiency of bank management in running their operational activities due to low operating costs and high operating revenues can increase ROA, it can strengthen bank liquidity.

Conclusion

Based on the data processing and the results of data analysis that refers to the problem and research objectives, it can be formulated research conclusions as follows:

1. The financial performance of Bank Muamalat Indonesia (BMI), Bank Syariah Mandiri (BSMI), and Bank Mega Syariah (BMS) during the observation period of Quarter I Year 2008 to Quarter IV Year 2011 were measured using five financial ratios; CAR, BOPO, NM, NPF and FDR against ROA. From these ratios, simultaneous statistical test results (F test) show that CAR, BOPO, NM FDR and NPF have an effect on ROA. From partial statistical test result (t test) it can be concluded that BOPO, NM, and FDR variables significantly influence ROA, while CAR and NPF variables have no significant effect on ROA. Based on the results of the analysis indicates that bank management needs to pay attention to BOPO, CAR and FDR, because BOPO is the most dominant and consistent variable in influencing ROA, meaning that cost efficiency in bank operational activity can increase ROA. The Implication for bank customers is that they need to pay more attention to the efficiency of bank management in running their operational

activities due to low operating costs and high operating revenues can increase ROA, it can strengthen bank liquidity.

2. The financial performance of sharia banks in the period 2008-2011 is measured using five financial ratios namely; CAR, BOPO, NIM, NPF and FDR against ROA. Of the five variables, the most dominant and consistent variable in affecting ROA is BOPO variable. (Beta test results -8,81.) This shows BOPO is a variable that is able to distinguish banks that have ROA above average or banks that have ROA below average. In the efficient management of bank operational activities by reducing the operational costs of banks (BOPO) will greatly affect the level of bank profits reflected in ROA as an indicator that reflects the effectiveness of the company in generating profits by utilizing the overall assets owned.

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