

## **ABSTRACT**

*Banking is the core subject in building economic and monetary system Indonesia because it can act as intermediary institution which is an institution that is capable to distribute back the funding which the economic units has in surplus to economic units that in need of funding or deficit. The existence of Islamic banks withstand in the middle of economic crisis that is getting worse. This study aims to analyze factors that influence the profitability of Islamic banking.*

*Data of this research comes from financial statements and yearly reports on Islamic banking from Otoritas Jasa Keuangan (OJK) and Info Bank Magazine. Population of this research Islamic banking are in the course of 2011 up to 2015 that ranging in total of 45 data. The sampling techniques of this research uses purposive sampling method or taking samples deliberately. The analysis tools used here is multiple regression linear with SPSS version 17 computer program.*

*The result of this arch shows Capital adequacy ratio (CAR) and Operating Expenses to Operating Income (OEOI) on Islamic Bank in Indonesia proven to have negative and significant effect to Profitability of Islamic bank. Financing deposit ratio (FDR), Non Performing Financing (NPF) Variable are not proven to have significant effect on Islamic bank. The variation on profitability of Islamic bank variable can be explained with CAR, NPF, FDR, and OEOI variables that has 85,7 percent of impact on Islamic bank, while the 14,3 percent is affected by another variable*

**Keywords : CAR, FDR, NPF, OEOI, and ROA**