

ABSTRACT

Islamic banking as a financial institution that refers to the sharing system has a wide range of products offered, especially in the task of channeling bank funds for financing one of which is profit and loss sharing financing (Mudaraba and Musharaka). Ideally profit and loss sharing financing that dominates among other types of financing due in accordance with the profit sharing system is a fundamental principle of Islamic banks with conventional banks as well differentiator, but the reality is not profit and loss sharing financing dominate. This study aims analyze the factors that affect profit and loss sharing financing. The purpose of this study was to analyze the influence of Financing to Deposit Ratio, Non Performing Financing, equivalent rate of profit sharing and spread profit sharing of profit and loss sharing financing.

The population was Islamic Banking in Indonesia, which consists of 11 banks. The samples used are selected using purposive sampling technique and only 4 banks in accordance with the criteria. The data is taken from the Quarterly Financial Reports Sharia Bank in Bank Indonesia's website during the period of 6 years from 2008 to 2013, in this study consisted of 96 observation points. The data collected were analyzed using descriptive statistics and multiple regression analysis.

The results showed that the coefficient of determination through the four test variables: Financing to Deposit Ratio, Non Performing Ratio, equivalent rate of profit sharing and spread profit sharing can explain the variation in the dependent variable for profit and loss sharing financing by 89% while the rest is explained by other causes beyond the research variables . Four variables simultaneously affect the results because the financing for the significance level of less than 0.05. From the partial results only variable non-performing ratio has negative significant affect to profit and loss sharing financing, while the other three variables Financing to Deposit Ratio, equivalent rate of profit sharing and spread profit sharing have positive significant affect to profit and loss sharing financing.

Keywords: Financing to Deposit Ratio, Non Performing Financing, equivalent rate of profit sharing, spread profit sharing, profit and loss sharing financing.