

## **ABSTRACT**

*The research aimed to examine the effect of Adequacy Capital Ratio (CAR), Financing to Deposit Ratio (FDR), Non Performing Financing (NPF), and Operating Expenses to Operating Income (OEI) for profitability of Mandiri Islamic Bank. Profitability measurement tools used were Return on Equity (ROE).*

*Mandiri Syariah Bank (BSM) was taken as sample for This research. The data used for this research were obtained from the data of Monthly Published Financial Report Period December 2008 up to August 2012. The analysis technique used is linear regression that aims for estimating the relationships among variables. The classical assumption test used consisted of Normality test, Multicollinearity, Heteroscedasticity test, and Autocorrelation test.*

*The results of this research indicate that CAR, FDR, NPF, and OEI influentials to ROE. There are two variables that significantly positive affect on ROE, FDR and NPF. The other variable have a significant negative effect is OEI, while CAR negative but not significant effect on ROE.*

*Keywords: Adequacy Capital Ratio (CAR), Financing to Deposit Ratio (FDR), Non Performing Financing (NPF), Operating Expenses to Operating Income (OEI), Return on Equity (ROE)*