

ABSTRACT

Bank's financial performance is a measure of success for the bank's directors, if the bank performance is poor the bank directors is likely to be replaced. Bank's performance is also used as a guide of things what needs to be repaired and how to fix it. To assess the financial performance of banks can be used profitability analysis by using the ratio of main line with Bank Indonesia Regulation No. 9/1/PBI/2007, i.e. the ratio of Net Operating Margin (NOM). This study aims to examine the effect of financial ratios of the Supplying Obligation of Minimum Capital (KPMM), the ratio of Assets Quality (KAP), the ratio of Non Performing Financing (NPF), the ratio of activities of the Operational Efficiency (REO), and the ratio of Short Term mismatch (STM) to the financial performance of Islamic Banks.

Until the end of 2010 there were 11 Islamic Banks operating in Indonesia. Using a purposive sampling method, based on the criteria of Islamic Banks which publish quarterly financial reports from the years 2005-2009, there are only 3 pieces of Islamic Banks are to be sampled in this study, namely Bank Muamalat Indonesia, Bank Syariah Mandiri and Bank Syariah Mega Indonesia. The method used in this study is to use multiple regression analysis with three hypothesis test, i.e. the coefficient of determination, t test and F test. Before multiple regression analysis, performed the classic assumption test first.

From the results of simultaneous hypothesis test (F test) showed that the CAR, KAP, NPF, REO, and STM has a significant effect on the financial performance of Islamic Banks with a significance level of 0.000. Based on the partial results of hypothesis testing (t test) showed that the variable CAR and STM has no significant effect on the financial performance of Islamic Banks, KAP and NPF has positive and significant, while the REO has negative and significant effect on the financial performance of Islamic Banks. Adjusted R^2 values in the regression model for this study is 0.315. This suggests that the greater influence of independent variables, namely CAR, KAP, NPF, REO, and STM were 31.5% of the dependent variable (NOM), while the remaining 68.5% are influenced by factors other than regression models.

Keywords: financial performance, Islamic Bank, NOM, KPMM, KAP, NPF, REO, STM.