

ABSTRACT

Nowdays, the problem of the market share of islamic banking in Indonesia could not be reached maximally. This condition can be seen from market share of islamic banking is relatively coming from small rate of national banking. At the end of 2008, 5 percent in target could not be reached, eventhough surveys from Bank Indonesia stated that the potention of islamic banking in Indonesia is very great.

To find out the performance of islamic banking is through observing the efficiency rate of this bank. Dealing with this phenomena, the main purpose from this research are to determine and analyze technical efficiency rate of islamic banking in Indonesia (study at 11 islamic banks in 2005-2008) which the consist of Islamic Commercial Bank (BUS) and Islamic Business Unit of a Conventional Bank (UUS). In analyzing the data, the writer used Data Envelopment Analysis (DEA) method which used input variables (deposit, asset and labor cost) and output variables (financing and operational income).

From this research, the writer concluded that islamic banks in Indonesia that show 100 percent in technical efficiency rate are Bank Muamalat Indonesia as BUS and Bank Niaga Syariah with Bank Permata Syariah as UUS, while the others bank were in fluctuation or even inefficiency for the time there were observed.

Keywords: Technical Efficiency Rate, Islamic Bank, BUS, UUS and DEA