

ABSTRACT

THE INFLUENCE OF PROFIT SHARING FINANCING GROWTH ON PROFITABILITY OF SHARIA BANKING WITH NON PERFORMING FINANCING AS A MEDIATOR

(Survey on Sharia Banking in Indonesia for 2018).

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This research aims to determine the effect of profit sharing financing growth in Islamic banking with its components about mudaraba and musharaka on profitability mediate by Non Performing Financing. This type of research is quantitative by using cross section secondary data. The sample used 18 which consisted of Sharia Commercial Banks and Sharia Business Units registered in Otoritas Jasa Keuangan (OJK). The method of data collection is done by accessing annual Sharia Banking Statistic data (SPS) and the official website of each bank. The data processing uses SPSS V.25. Data Analysis in this research used Classic Assumption Test, Descriptive Statistics, Multiple Regression Test, Determination Test (R^2), and the Sobel Test. The results of multiple linear regression test after classical assumption test shows that: 1) Variable profit sharing financing growth has a significant positive effect on profitability (ROA), 2) Variable profit sharing financing growth has a significant negative effect on Non Performing Financing, 3) Non Performing Financing Variable significant negative effect on profitability (ROA). The results of hypothesis testing using the sobel test show that Non Performing Financing is not able to mediate the effect of the growth of profit sharing financing on profitability (ROA).

Keywords: Profit Sharing Financing, NPF, Profitability