

**ANALYSIS OF THE IMPACT OF BANK SPECIFIC DETERMINANTS AND  
MACROECONOMIC INDICATORS ON PROFITABILITY IN ISLAMIC  
BANKS**

**Case Study of Islamic Commercial Banks and Islamic Business Units in  
Indonesia, Period 2012-2015**

**ANALISIS PENGARUH FAKTOR INTERNAL BANK DAN INDIKATOR  
MAKROEKONOMI TERHADAP PROFITABILITAS BANK SYARIAH**

**Studi Kasus di Bank Umum Syariah dan Unit Islam Syariah di Indonesia,  
Periode 2012-2015**

**UNDERGRADUATE THESIS**

In partial fulfillment for the requirement for the degree of Bachelor of Economics  
(*Sarjana Ekonomi*) at International Program for Islamic Economics and Finance  
(IPIEF), Economics Department

**Written by:**

**IFTAHA NASTIYA RIZQI**

**20130430322**

**FACULTY OF ECONOMICS AND BUSINESS**

**INTERNATIONAL PROGRAM FOR ISLAMIC ECONOMICS AND  
FINANCE (IPIEF)**

**UNIVERSITAS MUHAMMADIYAH YOGYAKARTA**

**2017**

## DECLARATION

Name : Iftaha Nastiya Rizqi  
Student Number : 20130430322

I declared that this undergraduate thesis entitled “**Analysis of The Impact of Bank Specific Determinants and Macroeconomic Indicators on Profitability in Islamic Banks, Case Study Of Islamic Commercial Banks And Islamic Business Units In Indonesia, Period 2012-2015**” does not consist of any content that ever being proposed for any degree in other university, ideas of any research and publication of others, in exception all quotes and ideas which are purposely taken are considered as the research references and listed in the reference list. Therefore, if any violation of intellectual right is found in this study, I agree to accept any relevant academic consequences.

Yogyakarta, March, 22<sup>nd</sup> 2017

Iftaha Nastiya Rizqi

**Motto**

*All our dreams can come true, if we have the  
courage to pursue them –*

WALT DISNEY

*Never give up on what you really want to do. The  
person with big dream is more powerful than the  
one with all facts –*

ALBERT EINSTEIN

## ACKNOWLEDGEMENT

*Bismillahirrahmanirrahim*

*Assalamu'alaikum wa rahmatullahi wa barakatuh*

In the name of Allah, the most Merciful, the most Gracious. All praise is due to Allah; we praise Him, seek His help, and ask for His forgiveness. I am thankful to Allah, who supplied me with the courage, the guidance, and the love to complete this thesis. Also, Peace and salutation always be to the Prophet Muhammad peace be upon him altogether with his accompanies.

This undergraduate thesis entitled “**Analysis of The Impact of Bank Specific Determinants and Macroeconomic Indicators on Profitability in Islamic Banks, Case Study Of Islamic Commercial Banks And Islamic Business Units In Indonesia, Period 2012-2015**” has been made as partial fulfillment for the requirement to achieve the bachelor degree of economics (*Sarjana Ekonomi*). So that, I would like to give my sincere gratitude for all parties who are contribute in this thesis. In particularly they are:

1. My family, especially for my parents, my brother and my sister who always be my lifetime biggest supporter. For relentless prays and warmest embrace.
2. Aristi Andisa, Ila Daniarti, Hazna and Nopal Febryan who have give me motivation. Thanks for being my bestfriend until now.
3. Prio Agung Pamuji. Thanks for being my bestfriend for this seven years and taking care of me anytime and making me laugh like no one else. Wishing you could be a very good technician.
4. Wulan Safitri, Baiq Wahyuni Angrika and Alphi Pujiana. Thanks for being my neighbor, my bestfriends and the reason why Jogja is the best place to play.

5. Ayif Fathurrahman, SE.,M.Ec and Romi Bhakti Hartarto, SE.,M.Ec as my undergraduate thesis advisor who has provided guidance and suggestions to author since the beginning of the study until the completion of this thesis writing.
6. IPIEF lectures and staffs who always be a good family and giving all the valuable lessons.
7. IPIEF 2013 and other colleagues for being so helpful.

In addition to people above, there are other people and parties, which gave much supports and helps during the making of this minor thesis, but the author could not mention one by one. However, the author, by this chance would like to say thank you and send best regards to all unstated parties for the hopes that God will bless all the mentioned and unmentioned parties of their kindness.

Finally, the author believes that this undergraduate thesis is not perfect yet, hence, the constructive corrections from outer parties are hoped and expected to enrich and lead this minor thesis into a better one. Hopefully, this undergraduate thesis would be useful in enriching the knowledge of all reader.

*Amin*

*Wassalamu 'alaikum*

Yogyakarta, March, 22<sup>nd</sup> 2017

Iftaha Nastiya Rizqi

## CONTENTS

TITLE PAGE.....	i
SUPERVISORS AGREEMENT PAGE.....	iii
AUTHORIZATION PAGE .....	iv
DECLARATION .....	v
MOTTO PAGE.....	vi
ABSTRACT.....	vii
ACKNOWLEDGEMENT .....	ix
CONTENTS.....	xi
LIST OF TABLE .....	xv
LIST OF FIGURE.....	xvi
CHAPTER I INTRODUCTION.....	1
A. Background .....	1
B. Limitations of the Study .....	8
C. Problem Formulation of the Study .....	8
D. Objectives of the Study .....	9
E. Benefits of the Study .....	9
CHAPTER II LITERATURE REVIEW .....	10
A. Theories.....	10
1. Islamic Banks .....	10
2. Islamic Bank Finance .....	13
3. Islamic Banking Products and Services .....	14

1) <i>Mudharabah</i> Financing .....	14
2) <i>Murabahah</i> Financing .....	15
3) <i>Musyarakah</i> Financing .....	15
4) <i>Ijarah</i> Financing .....	16
5) <i>Istishna</i> Financing .....	17
6) <i>Salam</i> Financing .....	18
4. Theory of Economic Stability .....	18
1) Inflation Rate .....	20
2) Exchange Rate .....	22
5. Theory of Performance Bank .....	23
B. Previous Studies .....	26
C. Theoretical Framework .....	30
1. The Influence of Financing Growth on Profitability in Islamic Banks .	30
2. The influence of Inflation on Profitability in Islamic Banks.....	30
3. The influence of Exchange Rate on Profitability in Islamic Banks .....	31
D. Hypothesis.....	32
CHAPTER III DATA AND RESEARCH METHODOLOGY.....	33
A. Research Variable and Data Type.....	33
B. Data Collecting Method and Sources.....	33
C. Operational Definitions of Researched Variables .....	34
D. Research Model and Analysis Method .....	35
1. Multiple Linear Regression Method.....	35
2. Regression Analysis .....	37

1) Coefficients of Determination (R-Squared) .....	37
2) t-Test.....	38
3. Classical Assumption .....	39
1) Autocorrelation Test.....	39
2) Multicollinearity Test .....	39
3) Heteroskedasticity .....	40
E. Research Plan .....	40
CHAPTER IV RESULT AND ANALYSIS.....	42
A. Descriptive Variables .....	42
B. Research Variable Overview .....	44
1. Financing Growth.....	44
2. Inflation Rate .....	45
3. Exchange Rate .....	46
4. Return on Assets (ROA).....	47
C. The Result of Regression Estimation .....	48
1. t-Test.....	49
2. F-Test.....	53
3. Coefficient Determination ( $R^2$ ) .....	54
D. Classical Assumption Test .....	55
1. Heteroskedasticity Test .....	55
2. Autocorrelation Test .....	56
3. Multicollinearity Test .....	57
E. Results Discussion.....	57



1. The Influence of Inflation on Return on Assets (ROA) .....	58
2. The Influence of Exchange Rate on Return on Assets (ROA).....	61
3. The Influence of Financing Growth on Return on Assets (ROA).....	64
CHAPTER V CONCLUSION AND SUGGESTION.....	67
A. Conclusion .....	67
B. Suggestion .....	69
References.....	71
Appendixes .....	75

## LIST OF TABLE

1.1	Islamic Banking Network Period 2012-2016 .....	3
3.1	Variable and Data Source .....	33
4.1	Descriptive Variables.....	42
4.2	The Result of Regression Estimation.....	49
4.3	Heteroscedasticity Test Result.....	55
4.4	Autocorrelaton Test Result .....	56
4.5	Multicollineartiy Test Result .....	57
4.6	The Accumulation of Dependent Variables Influence on Independent Variables .....	58

## LIST OF FIGURE

1.1	Return on Assets (ROA) of Islamic Bank in Indonesia.....	5
4.1	The Development of Financing Growth .....	44
4.2	The Development of Inflation Rate .....	45
4.3	The Development of Exchange Rate .....	46
4.4	The Development of Return on Assets (ROA).....	47
4.5	t-Test of FG to ROA .....	51
4.6	t-Test of KURS to ROA.....	53
4.7	F-Test of INF, FG, and KURS to ROA .....	54

