

ABSTRACT

Efficiency is one of the important indicators in measuring financial performance of a company. The optimal level of efficiency can be achieved if the company is able to use the existing input to produce optimal output. This study aims to investigate the efficiency of Syariah Business Unit of Bank Pembangunan Daerah (BPD) Yogyakarta from the first quarter of 2010 to the 2nd quarter of 2017. There are two variables used in this research that are the input and output variables. The input variables include Third Party Funds, Assets and Operating Expenses. Meanwhile, there are two output variables, namely Financing and Operating Income. This research uses Data Envelopment Analysis (DEA) method with DEAP version 2.1 software with Constant Return to Scale (CSR) assumption and input oriented. The results of this study indicate that the efficiency of Syariah Business Unit that is investigated as a whole is inefficiency that is less than 100 percent optimal efficiency indicator. It happens because the input and output variables do not achieve efficiency in accordance with the target values suggested by DEA.

Key words: Efficiency, Syariah Business Unit, Data Envelopment Analysis (DEA)