

CHAPTER VI

CONCLUSION

A. Conclusion

Based on the results on this research by conducting Descriptive Statistics, VAR/VECM analysis process; Cointegration Test, Granger Causality Test and VECM. Based on the analysis and the test results on this research, the effects of Return on Asset (ROA), Capital Adequacy Ratio (CAR), Sharia Certificate of Bank Indonesia (SBIS) and Inflation on Profit Sharing Financing, it can be concluded that:

1. Return on Asset (ROA) have insignificant effect on profitsharing financing in short-run correlation. Meanwhile, in long-run correlation ROA have significant and negatively effect on profit sharing financing.
2. Capital Adequacy Ratio (CAR) in have significant and negatively effect on Profit Sharing Financing in short-run correlation. Meanwhile, in long-run correlation CAR have significant and positively effect on profit sharing financing.
3. Sharia Certificate of Bank Indonesia (SBIS) have significant and negatively effect on Profit Sharing Financing in short-run and long-run correlation.
4. Inflation have significant and positively effect on Profit Sharing Financing in short-run correlation. Meanwhile, in long-run correlation inflation have significant and negatively effect on profit sharing financing.

B. Recommendations

1. Islamic Banking industries should pay more attention towards Islamic Commercial Banks on profit sharing financing. Since the fact that the number of this financing is quite low compared with the other. Islamic Banking industries also should provide more policy on the management of financing for profit sharing contract. As a matter of fact that the distribution of funds or financing in this contract could support the real sector which further can reduce the poverty in the future.
2. Bank Indonesia should limit the distribution of funds to SBIS because the distribution of funds for profit sharing further strengthens the real sector compared to the placement of funds in the form of SBIS.
3. For further research, it is suggested to add another independent variable or replace independent variables that have no effect in this study with other variables that may affect the Profit Sharing financing and it is expected to use more samples and longer years of observation.