

**THE ANALYSIS OF FACTORS AFFECTING PROFIT SHARING
FINANCING ON ISLAMIC BANKING IN INDONESIA**

**(Case Study of Islamic Commercial Banks and Islamic Business Units in Indonesia,
Period of 2011-2016)**

**ANALISIS FAKTOR-FAKTOR YANG MEMPENGARUHI PEMBIAYAAN
BAGI HASIL PADA BANK SYARIAH DI INDONESIA**

**(Studi Kasus pada Bank Umum Syariah dan Unit Usaha Syariah di Indonesia,
Periode 2011-2016)**

UNDERGRADUATE THESIS

Submitted as the fulfillment on the requirement for the degree of Bachelor of
Economics at Faculty of Economics on the Department of International Program for
Islamic Economics and Finances (IPIEF)



Composed by:

LAZUARDI PUTERA HAYUNANTYO

20120430155

FACULTY OF ECONOMICS AND BUSINESS

UNIVERSITAS MUHAMMADIYAH YOGYAKARTA

2017

DECLARATION

Name : Lazuardi Putera Hayunantyo

Student Number : 20120430155

I certify that this undergraduate thesis entitled “**THE ANALYSIS OF FACTORS AFFECTING PROFIT SHARING FINANCING ON ISLAMIC BANK IN INDONESIA (Case Study of Islamic Commercial Banks in Indonesia, Period of 2011-2016)**” contains no material which has been accepted for the award of any other degree or diploma in my name, in any university or other tertiary institution and to the best of my knowledge and believe, contains no material previously published or written by another person, except where due reference has been made in text. Therefore, if any violation of intellectual right is found in this study, I agree to accept any relevant academic consequences.

Yogyakarta, August 6th, 2017

Lazuardi Putera Hayunantyo

ACKNOWLEDGEMENT

First and foremost, all praises to Allah for the strengths, the patience and His blessing in completing this undergraduate thesis entitled “THE ANALYSIS OF FACTORS AFFECTING PROFIT SHARING FINANCING ON ISLAMIC BANK IN INDONESIA (Case Study of Islamic Commercial Banks in Indonesia, period of 2011-2016)”.

This undergraduate thesis is written to fulfill the requirement for degree of Bachelor Economics at Faculty of Economics on Department of International Program for Islamic Economics and Finance. Hopefully this research will give benefit and bring changes for society, Islamic Banking industries and all the people who want to know more about Islamic Banking industries in Indonesia.

Therefore, the researcher wants to give special appreciation to the related parties in supporting the accomplishment of this research:

1. The honorable Prof. Dr. Bambang Cipto, M.A., as the Rector of Universitas Muhammadiyah Yogyakarta
2. Lilies Setiartiti, S.E., M.Si. as my supervisor together with Mrs. Yuli Utami, S.Ag., M.Ec. for advices and the supports.

3. Lectures and staffs of IPIEF: Mr. Ayif Faturahman, Mrs. Diah Dewanti, M.Sc., Mrs. Endah Saptutyningsih, Mr. Abdul Hakim, Mr. Hendrianto, Mr. Sahlan, Mr. Umar, and Mrs. Linda Kusumawati, S.E..
4. The greatest thanks and appreciation dedicated to Mr. Aris Sulistyanto and Nunuk Edy Setyowati, the writer's beloved parents. They always give the writer pray, encourage, love, spirit, motivation and patience to the writer during finishing this script and waiting for the writer's graduation. Sincere thanks to my beloved sister Lintang Woro for becoming the writer's motivation in finishing this study.
5. Students of IPIEF especially students of IPIEF 2012 who welcomed the writer into their environment and so willingly involved in the research. Thanks for your time and help.
6. The writer's friends, Adi, Arif, Ary, Azis, Bayu, Beki, Dewo, Diaz, Fatur, Irfan, Lintang, Oca, and everyone who cannot be mentioned one by one. Thank you for the support and all help given to the writer, you all the best.

Finally, the writer realizes there are unintended errors in writing this thesis. He really allows all readers to give their suggestion to improve its content in order to be made as one of good examples for the next thesis.

Yogyakarta, August 9th, 2017

Lazuardi Putera Hayunantyo

TABLE OF CONTENTS

TITLE PAGE	ii
SUPERVISORS AGREEMENT PAGE	iii
DECLARATION PAGE	v
MOTTO PAGE	vi
TRIBUTE PAGE	vii
ABSTRACT	viii
INTISARI.....	ix
ACKNOWLEDGEMENT	x
TABLE OF CONTENTS	xii
LIST OF TABLE	xiv
LIST OF FIGURE.....	xv
CHAPTER I INTRODUCTION	1
A. Background of Research	1
B. Research Limitation	4
C. Research Question	5
D. Research Objective	7
E. Research Benefit	7
CHAPTER II LITERATURE REVIEW	8
A. Theoretical Basis.....	8
B. Previous Researches.....	21
C. Theoretical Framework.....	25
D. Hypothesis.....	28
CHAPTER III RESEARCH METHODOLOGY	29

	A. Objectives of Research	29
	B. Type of Data	29
	C. Technique of Sampling.....	29
	D. Technique of Collecting Data.....	30
	E. Operational Definition of Research Variables.....	30
	F. Method of Analysis.....	31
CHAPTER IV	OVERVIEW	36
	A. Research Variables Overviews	36
	1. Profit Sharing Financing.....	36
	2. Capital Adequacy Ratio (CAR)	37
	3. Return on Asset (ROA).....	38
	4. Inflation.....	39
	5. Sharia Certificate of Bank Indonesia	39
CHAPTER V	RESEARCH FINDINGS	41
	A. Causality Test Instrument Data.....	41
	B. Discussion.....	58
CHAPTER VI	CONCLUSION.....	63
	A. Conclusion	63
	B. Recommendation	64
REFERENCES.....		65
APPENDIX.....		69

LIST OF TABLE

Table 1.1 Financing composition of BUS and UUS	3
Table 2.1 Islamic Banking Network	9
Table 3.1 Variables Operational Definition	31
Table 4.1 Research Variables.....	36
Table 5.1 Descriptive Statistics.....	41
Table 5.2 Unit Root Test at Level.....	43
Table 5.3 Unit Root Test at First Difference.....	44
Table 5.4 Lag Length Determination	45
Table 5.5 VAR Model Stability Test	46
Table 5.6 Johansen Cointegration Test	47
Table 5.7 Granger Causality Test	48
Table 5.8 VECM Estimation Long-Run	51
Table 5.9 VECM Estimation Short-Run.....	52
Table 5.10 Results of Variance Decomposition.....	57

LIST OF FIGURE

Figure 2.1 Research Framework	28
Figure 5.1 Response of ROA to PSF	53
Figure 5.2 Response of CAR to PSF.....	54
Figure 5.3 Response of SBIS to PSF	55
Figure 5.4 Response of Inflation to PSF	56