

CHAPTER V

CONCLUSION AND SUGGESTION

A. Conclusion

Based on the results of research and data analysis, the results of regression model using multiple linear regression models to measure the relationship between inflation rate, exchange rate, gross domestic product represented by Return on Assets (ROA) on Islamic Banking. Then comes some conclusions that can be seen in the following explanation:

1. Test results show that the exchange rate (kurs) has negative and significant effect influence on the Return on Assets in Islamic banks. These results can show that a negative relationship between Exchange rate and ROA. The results of this study indicate that the higher the exchange rate of foreign currency will encourage the increase ROA. Foreign exchange investment is one option to attract the public because in addition to providing benefits when experiencing appreciation, will also provide benefits because it is safer than the effects of inflation. The increase in the exchange rate will result in the community more interested in saving the money in rupiah so that the number of deposits in rupiah will increase. If the amount of deposits increases then the funds disbursed will also increase and ROA will also increase. The results of this study is the Exchange will affect the decision of the community in terms of saving. When the rupiah appreciates, people tend to choose to keep their money in rupiah. This

is because the community will benefit from the strengthening of the rupiah exchange rate. Conversely, if the rupiah depreciates, then the public will tend to choose to save money in the form of foreign exchange to avoid the effects of inflation.

2. Test results show that Inflation has a positive and does not have a significant effect on the Return on Assets in Islamic banks. The results of this study in accordance with research conducted by some researchers, among others: Suryanto and Kesuma (2012), inflation does not affect the Return on Assets. The high rate of inflation will lower the Return on Assets, while low inflation will cause economic growth to slow. This indicates that although inflation has increased, corporate profits have not decreased significantly and vice versa. If inflation rises, corporate earnings do not experience a significant decline and vice versa.
3. Test results show that the Gross domestic product has a positive and not significant influence on the Return on Assets in Islamic banks. The linkage of Gross Domestic Product to the banking world is where GDP is associated with savings. If GDP rises, it will be followed by an increase in people's income so that the ability to save (saving) also increases. If the savings rate is high then the economy will have a large capital stock and a high level of output so that the level of profitability is also high. If the savings rate is low, the economy will have a small capital stock and a low level of output. Based on the description shows

that GDP has a positive effect on the profitability of a company. Influence is not significant means that the variable GDP does not directly affect the profitability of sharia banks in Indonesia. The results of this study are supported by the results of research from Adi Stiawan (2009) who examines that there is no effect of GDP with the profitability of sharia banks in Indonesia and t arithmetic positive value. The results of this study also supported by research Sahara (2013) who examines that GDP has a positive effect on the profitability of Islamic Banking in Indonesia.

B. Suggestion

Based on the results of the analysis and conclusions obtained, then there are some suggestions with the aim of the author to be a policy taken both from the management of Islamic Banking and the government, the suggestions that can be given in this study are as follows:

1. In this study Sharia bank management should consider macroeconomics variable movements, such as inflation, interest rate (BI rate), money supply, and exchange rate due to bank's financial performance especially profitability of sharia bank also influenced by external factors.
2. In terms of asset management, sharia banks are expected to continue to improve bank management performance in generating overall profit. This performance improvement is expected for sharia banks to gain

public trust that allows sharia banks to raise more capital from the community.

3. In the field of banking, Bank Indonesia should formulate policies that are expansive to the existence of Islamic banks in Indonesia in order to compete with other financial institutions in the financial system and national banking.
4. For further research, it is advisable to multiply the research sample. In addition, researchers can further develop other variables such as economic growth variables. This is because economic growth variables reflect an increase in economic activity undertaken by economic actors. Where the increase in economic activity will affect the increase in the volume of activities undertaken by banks in providing financial services to the community. This can ultimately increase the profitability of sharia banks.