

INFLUENCE THE LEVEL OF DEBT FINANCING AND EQUITY FINANCING TO THE EXPENSE RATIO OF ISLAMIC BANKING PROFIT

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ABSTRACT

The rise of Islamic financial and economic activities have attracted many people to learn more about it, not just the study of the conceptual and implementation. Then, will researched the influence of the level of debt financing and equity financing expense to profit ratio. This research is a case study on Bank Syariah Mandiri and Bank Syariah Muamalat with secondary data from the 2005-2009 period. Regression analysis is used to determine the effect of a change of variable debt financing and equity financing expense to profit ratio.

Hypothesis testing using t test and F test Based on regression analysis, it can be concluded, profit variable expense ratio is not affected by partial debt financing, while equity financing has a significant effect on the profit given expense ratio of Islamic banks to their customers. Significant effect also suggests that there are significant effects of debt financing and equity financing jointly (simultaneously) to the expense ratio given profit Islamic Banking to its customers.

Keywords: Level of Debt Financing, Equity Financing, Profit Expense Ratio