ABSTRACT

This study aims to determine and analyze the influence of Operating Efficiency and Company Size on the Profitability of Islamic Commercial Banks in Indonesia Registered with the Financial Services Authority (OJK).

The method used in this study is a quantitative method with a descriptive and verification approach using secondary data. The sample in this study were 11 Islamic Commercial Banks registered with the Financial Services Authority (OJK) for 2017-2021 so that the total sample used was 55 financial report data. The sampling technique used is non-probability sampling with a purposive sampling approach. The statistical analysis used in this study is multiple regression analysis, multiple correlation, hypothesis testing using partial tests and simultaneous tests as well as analysis of the coefficient of determination with the help of using SPSS IBM Statistics 29 software.

Based on the results of the research conducted, it can be seen that partially the Operating Efficiency affects the Profitability of Islamic Commercial Banks in Indonesia. Where is the influence of the Operating Efficiency of 70.4% and Company Size of 7% on the Profitability of Islamic Commercial Banks in Indonesia. Simultaneously the Operating Efficiency and Company Size on the profitability of Islamic commercial banks in Indonesia have an effect of 77.4%, while the remaining 22.6% is the influence of factors outside the two independent variables studied, such as Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), Non Performing Financing (NPF), Financing, Third Party Funds and others.

Keywords: Operating Efficiency, Company Size, and profitability