

SUMMARY

TAUFIK AWALUDIN. Factors Determining Islamic Banks in Deciding on Issuing Sukuk. Supervised by IRFAN SYAUQI BEIK and RIFKI ISMAL.

This study analyzes the possibility to use sukuk to support funding of Islamic Banks (IB), identifies dominant factors for banks to issue sukuk and emission features. By using interviews and Analytic Network Process, sukuk issuance by IB is found as diversification of funding intention to raise capital, to expand the business (financing), and to perform market profiling among investors.

The paper finds sub-elemen which are dominant in influencing IB to issue sukuk, namely: yields offered (investors), profitability condition (financial), financial performance (management), and the results of using sukuk funds (regulation). Meanwhile, the sub-elements which are dominant in determining the features of the issuance of sukuk are: expectations of investors (return), additional funding needs (emission values), managing mismatch (period), the preferences of investors / market (payment terms) and the contract and the structure of sukuk (collateral).

Another one, in issuing sukuk IB is able to intensify *mudaraba* financing by making joint financing together with another IB in providing long-term investment projects of State-owned enterprises (SOEs) and national private corporations in the construction, manufacture and infrastructure sector.

Keywords: sukuk, islamic banks, issuing, factor, ANP

