SUMMARY

MOCH. HADI SANTOSO. Determinants of Islamic Bank Non-Performing Financing (Case Study on BRISyariah Banks). Supervised by HERMANTO SIREGAR, DEDI BUDIMAN HAKIM, and MULYA E. SIREGAR.

Islamic banking which is part of national banking is also not spared from the impact of the decline in economic conditions both regionally and nationally. Along with the increase in asset growth, financing, deposits and national sharia banking profits, it was also seen that Islamic banking experienced an increase in Non Performing Financing (NPF). The NPF increase was quite high in the 2013 period from 2.62% to 4.95% in 2014. In the June 2017 position, the Islamic banking NPF was still quite high at 4.47%. BRISyariah Bank as a part of Islamic banking also experienced problems, namely a decrease in financing quality. The BRISyariah Bank's non-performing financing ratio is above the average national Islamic banking problematic financing ratio. This study aims to analyze the determinants of factors that influence the NPF of BRISyariah Bank based on business segments, financing contract agreements and economic sectors.

Secondary data used for the study are data with a span of January 2010 to December 2017. As for the primary data, the results of filling out the questionnaire formulation of NPF management strategies from several experts representing sharia banking stakeholders. Data processing is done to analyze internal and external factors that affect NPF with the calculation of Multiple Linear Regression analysis. Furthermore, the determination of strategies for decision making in the handling of NPF was used by modeling using Analytic Hierarchy Process (AHP).

The results show that there are internal factors that affect NPF based on business segments, namely Net Operating Margin (NOM), Financing to Deposit Ratio (FDR), Handling of NPF, Financing Growth. For external factors, namely Benchmark Interest Rate and Inflation. The internal factors that influence NPF are based on financing contract agreements, Bank Rating-GCG, Bank Rating-Risk Profile, Bank Rating-Rentability, NPF Management and Financing Growth. For external factors, namely Benchmark Interest Rate, Inflation and Exchange Rate. For internal factors that affect NPF based on the economic sector are Net Operating Margin, Growth Financing, Management of NPF, Bank Rating-GCG, Bank Rating-Rentability, Bank Rating-Risk Profile. For external factors, namely Benchmark Interest Rate, Inflation and Exchange Rate. The most important work program for handling NPF is Intensive Collection, Restructuring and Collateral Sales.

Keywords: financing contract, islamic bank, external factors, internal factors, Non Performing Financing (NPF), business segments, economic sector