

ABSTRACT

Non-performing financing (NPF) is a potential source of loss for banks. Problem financing is caused by many factors, including macro and micro economic factors. Average NPF of Sharia Commercial Bank from January 2015 - December 2016 was 5.28%. This value exceeds the maximum limit set by Bank Indonesia at 5%.

The causes of NPF in the banking sector are grouped into two, namely the internal factor of the bank or can be called micro-economy, the strategy and policy of the bank, including the management and quality of human resources. Second, external factors or can be called macroeconomic, which is related to the economy, competition and business conditions of the debtor. This study aims to determine the effect of macro and micro economic factors on NPF in sharia banking.

Dependent variable used in this research is macro and micro economic factor. The macro economic factors used are inflation, SWBI / SBIS (Bank Indonesia Wadiah Certificates / Bank Indonesia Sharia Certificates) and rupiah exchange rate against US Dollar. While the micro economic factors used are Capital Adequacy Ratio (CAR). In this study Non Performing Financing (NPF) is used as a dependent variable. The sample of this research is 11 Sharia Commercial Banks in Indonesia. Research. Test data obtained in the period 2010 - 2016, using panel data regression analysis.

Based on the research result, it is known that inflation and exchange rate have significant influence to NPF. SWBI and CAR proved that didn't have significant influence to NPF. Simultaneously there is Influence Inflation, Exchange Rate, CAR, and SWBI, to NPF at Sharia Commercial Bank Period 2010 - 2016 amounted to 67.5979%.

Based on the results of the research, banks should be more sensitive to macroeconomic conditions, especially the inflation rate and exchange rate so that it can determine credit pembiayaan and adjust the interest rate for the value of

NPF can be controlled. For further research is expected to use other micro and macro economic variable.

Keywords : *Syariah Bank, Inflation, Exchange Rate (Kurs), Capital Adequacy Ratio (CAR), SWBI/SBIS (Bank Indonesia Wadiah Certificates / Bank Indonesia Sharia Certificates), and Non Performing Financing (NPF).*