

ABSTRACT

Increased Non Performing Financing (NPF) of Sharia Banks in Indonesia implies sharia banks to continue to improve performance to be maintained and created with the principles of sharia healthy and efficient. One indicator to assess the soundness of Islamic banks is to look at asset quality in this case is reflected in the NPF level. Gross Domestic Product (GDP) from 2012 continues to increase until 2016, but the NPF ratio also increases every year. Inflation in the 2012-2016 timeframe tends to increase, but the NPF in 2012-2016 does not increase.

This study aims to determine how much influence Inflation GDP, and Currency Exchange Rate to NPF Islamic Banking, with Case Studies of Sharia Commercial Banks in Indonesia. Secondary data in this research were obtained through publication of Central Bureau of Statistics, and Bank Indonesia, while NPF data was obtained by downloading the publication of financial statements of each Sharia Commercial Bank which became the research sample. This research uses quantitative method that will be tested Classic Assumption, regression calculation by Ordinary Least Square (OLS) method, then continued with hypothesis test with t- Test and F- Test.

The results of this study show partially GDP and Inflation is not significant to NPF, while Currency Exchange has a significant influence on NPF. Simultaneously GDP, Inflation, and Currency Exchange are significant to NPF.

Keywords: GDP, Inflation, Currency Exchange Rate, NPF.