ABSTRACT

Syahla Wulida Muharomah. 2025. The Influence of Internal Factors and External Factors on Non Performing Financing (NPF) at PT Bank Jabar Banten Syariah Period 2015-2023. Sharia Economics Study Program. Faculty of Islamic. Siliwangi University

This study aims to determine the effect of internal and external factors on Non-Performing Financing (NPF) at PT Bank Jabar Banten Syariah for the period 2015-2023. The internal factors analyzed include the Capital Adequacy Ratio (CAR) and the Financing to Deposit Ratio (FDR), while the external factors consist of the Money Supply and Inflation. This study employs a quantitative approach using secondary data in the form of quarterly financial reports from Bank BJB Syariah and Bank Indonesia for the period 2015-2023, resulting in a sample size of 36 observations. The analysis method used in this study employs the Autoregressive Distributed Lag (ARDL) method with the assistance of Eviews 12 software to identify the influence of independent variables on dependent variables in the short and long term.

The results of the study indicate that in the short term, the CAR variable has a significant negative effect on NPF, while in the long term, it does not have a significant effect on NPF. The FDR, Money Supply, and Inflation variables have a significant positive effect on NPF in both the short and long term. The results of this study provide important implications for the management of Bank BJB Syariah in managing financing risks by considering internal and external factors to maintain the stability of the bank's financial performance. From the internal factor perspective, the bank must maintain an optimal level of capital adequacy while building an integrated risk management system, and apply the principle of prudence in financing expansion by strengthening more selective financing evaluation processes and continuous monitoring to reduce the potential for problematic financing. From the external factor perspective, the bank needs to utilize macroeconomic conditions as an early warning system and adjust its financing disbursement policies and restructuring strategies to be more responsive to changes in economic conditions.

Keywords: *Non Performing Financing (NPF), Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), The Amount of Circulating, and Inflation.*