ABSTRACT

Dhea Rosmaliana. 2026. *Determinants Of Non Performing Financing in Syariah People's Economic Bank From 2015-2024*

Non-Performing Financing (NPF) is one of the important indicators in assessing the health level of Islamic banking. The high level of NPF indicates a risk in the distribution of financing that can affect the stability and performance of the bank. The development of NPF in the Sharia People's Economic Bank (BPRS) during the period 2015-2024 shows a fluctuating condition, thus necessitating an analysis of the factors influencing it. This study aims to analyze the influence of internal bank factors, including operational costs, Third Party Funds (DPK), and the Financing to Deposit Ratio (FDR), as well as external factors such as inflation, exchange rates, and the BI rate on Non-Performing Financing (NPF) at Sharia People's Economic Banks (BPRS) in Indonesia for the period 2015-2024.

This study uses a quantitative method with a correlational approach. The data used are secondary data in the form of time series obtained from the statistical reports of the Financial Services Authority (OJK), Bank Indonesia, and the Central Statistics Agency for the period 2015-2024. The data analysis technique used is multiple linear regression analysis with the assistance of IBM SPSS 26, and classical assumption tests, t-test, f-test, coefficient of determination, and linearity test were conducted to ensure the feasibility of the research model.

The research results show that partially, operational costs, Third Party Funds (DPK), inflation, exchange rates, and the BI rate do not have a significant positive effect on NPF. Meanwhile, the Financing to Deposit Ratio (FDR) variable has a significant positive effect on NPF. Simultaneously, all independent variables have a significant effect on NPF in BPRS from 2015 to 2024. The implication of this study indicates that the management of the FDR ratio is a crucial factor in maintaining financing quality, therefore BPRS need to enhance prudence in financing distribution to minimize the risk of non performing financing.

Keywords: Non Performing Financing, Financing to Deposit Ratio, Inflation, Exchange Rate, BPRS