THE INFLUENCE OF BANK SPECIFIC FACTORS AND MACROECONOMICS ON NON-PERFORMING LOAN AND NON-PERFORMING FINANCING

(Study of Conventional Commercial Banks and Islamic Commercial Banks for the 2017-2021 Period)

THESIS

Submitted as one of the requirements to achive a Bachelor Degree (S1), Department of International Management, Faculty of Economics and Business, Andalas University

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The Influence of Bank Specific Factors and Macroeconomics on Non-Performing Loan and Non-Performing Financing (Study of Conventional Commercial Banks and Islamic Commercial Banks for the 2017-2021 Period)

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ABSTRACT

Indonesia has two types of banks, Sharia Commercial Banks and conventional Commercial Banks. In its activities, banks are often facing any risks, namely credit risk (NPL) in conventional Commercial Banks and financing risk (NPF) in Sharia Commercial Banks. Based on OJK data, the NPF value is always higher than the NPL. However, in 2020-2021 the NPF tends to decrease while the NPL tends to increase, even indicating movements that will excite the NPF value. Therefore, it is necessary to conduct research on the factors that affect both NPF and NPL, including the internal and external conditions of the bank. The data used as a reference is secondary data from OJK on 10 Islamic and conventional commercial banks for the period 2017 to 2021. Research data processing was carried out using STATA 14.0 using the Data Panel Regression Analysis method. This study found that NPF was only significantly and positively affected by BOPO and FDR. However, NPL is significantly and negatively affected by inflation, as well as significantly and positively affected by BOPO.

Keywords: *NPL, NPF, Macroeconomics, Bank Specific, Islamic Banking, Conventional Banking*

This thesis is already examined and passed on January 31st, 2023. This abstract already approved by supervisor and examiners:

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