

ABSTRACT

This study aims to analyze the influence of internal factors and external factors on ijarah financing at Islamic Rural Banks in Indonesia by analyzing the influence of Third Party Funds (DPK), Non Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return On Assets (ROA), Inflation, and BI Rate.

The data used in this research was the monthly data from 2014 to 2019, and the number of observation points is 72. The data was obtained from Bank Indonesia reports and the Islamic Bank Statistics from the Indonesian Financial Services Authority. The analysis technique used in this research was multiple linear regression using EViews 10.

The result of this research shows that simultaneously, the six independent variables include Thrid Party Fund (DPK), Non Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return On Asset (ROA), Inflation, and BI Rate was significantly influence to ijarah financing. Partially, Thrid Party Fund (DPK), Return On Asset (ROA), and BI Rate has positive significant effect on ijarah financing, while Non Performing Financing (NPF), Financing to Deposit Ratio (FDR), and Inflation didn't influence ijarah financing. Result of regression estimation show that the predictive ability of the model was 92,84%, while the remaining 7,16% was influenced by other factors outside the model.

Keyword: Thrid Party Fund (DPK), Financing to Deposit Ratio (FDR), Return On Asset (ROA), Non Performing Financing (NPF), Inflation, BI Rate, Ijarah Financing.