

ABSTRACT

Working capital financing is one of the financing carried out by Islamic Commercial Banks. Working capital financing is a productive financing that is in line with the commandment in Islam to increase equity, however, the volume of working capital financing is actually lower and very reflective when compared to consumption financing at Islamic Commercial Banks. This research was conducted to determine the effect of Third Party Funds (DPK), Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), Non Performing Financing (NPF), Bank Indonesia Syariah Certificates and inflation on working capital financing at Islamic Commercial Banks.

The data that used in this study are monthly data from 2015 to 2019. The data are obtained from Bank Indonesia reports and Islamic Banking Statistics from the OJK. The analysis technique used in this study is multiple linear regression using EViews 9.

The results of this study indicate that simultaneously, Third Party Funds (DPK), Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), Non Performing Financing (NPF), Bank Indonesia Syariah Certificates and inflation have a significant effect on working capital financing. Partially, Third Party Funds (TPF) have a positive effect on working capital, while the Capital Adequacy Ratio (CAR) and Non Performing Financing (NPF) have a significant negative effect on the financing. Financing to Deposit Ratio (FDR), Bank Indonesia Sharia Certificates and inflation have no effect on working capital financing of Islamic Commercial Banks. The regression estimation results show that the predictive ability of the model is 95.4%, while the remaining 4.6% is influenced by other factors outside the model.

Keywords: Third Party Funds (DPK), Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), Non Performing Financing (NPF), Bank Indonesia Syariah Certificates, working capital financing