



Structure of Third Party Funds, Financing Composition and Non Performing Financing on Islamic Banking Financial Performance

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The purpose of research is to analyze the effect of structure of third party funds (STPF), financing composition (FC), and non performing financing (NPF) on financial performance is measured by net interest margin (NIM). The methods used is descriptive and verification methods, with secondary data obtained from the financial statements period 2010 to 2015. The data analysis technique used is multiple linear regression, while hypothesis testing uses T -test and F -test. The results, it is concluded that the partially, STPF and NPF have negative and significant effect on NIM; While the CF has positive effect but not significant on NIM. Simultaneously STPF, CF and NPF have significantly effect on NIM with the level of 74.9%, while the remaining 23.1% thought is influenced by other variables not examined in this study.

Keywords: Structure of Third Party Funds, Financing Composition, Net Interest Margin, Non-Performing Financing.

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- IP: 202.146.244.250 On: Mon, 26 Feb 2018 04:00:38 Abdullah (OYA) Graduate School of Business, Universiti Utara Malaysia to increase during in the period 2010–2015. The highest NPF occurred in 2015 amounted to 6.93% higher than the national Delivered by Ingenta (2012).
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- NPF amounted to 4.84%. NPF must cause the income of banks has decreased and the rising cost of provisioning for impairment losses of financing so impact on the declining level of profitability of banks. NIM BJBS achieved during in the period 2010–2015 average of 6.79%. NIM in 2015 amounted to 5.68% higher than BUS nationally amounted to 5.35%. However, if the bank's operating efficiency is low, the NIM will decreased and then profit reduced so ROA to be low.
- Based on the statistical test results, it is conclude that partially, structure of third party funds and NPF have negative and significant effect on NIM; While the financing composition has positive effect but not significant on NIM. Simultaneously, structure of third party funds, financing composition and NPF significantly influence NIM with the level of 74.9 %, while the remaining 23.1% in influenced by other variables not examined in this study.
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Received: 12 December 2016. Accepted: 2 May 2017.