ABSTRACT

Rahmawati, Dwi, 2013 Thesis. Title: "Unsystematic Credit Risk Of Islamic Banking in Indonesia"
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The development of Islamic banking in Indonesia is a manifestation of the society's demand that require an alternative banking system which not only provides a healthy banking or finance service but also meets the principles of sharia. The growth and development of Islamic banking in Indonesia is in a rapid progress which can be seen from the existing assets. The bigger assets also have an impact on the risk, one of them is credit risk. This research tries to determine the effect of specific variables on the credit risk in Bank Muamalat Indonesia and Bank Syariah Mandiri. The purpose of this research is to determine the extent of the relationship of financing expansion, financing quality, buffer capital, capital ratio, size, dummy sale and rent, profit sharing dummy, and dummy services for credit risk.

The sample used in this research is the Quarterly Financial Statements of Bank Muamalat Indonesia and Bank Syariah Mandiri in the period of 2008-2012 using purposive sampling method. The types of data used is secondary data obtained from the financial statements which are published and downloaded through the official website of Bank Muamalat Indonesia and Bank Syariah Mandiri. The analysis method used is multiple regression with a significance level of 5%.

The results of the analysis indicates that partially, financing expansion, capital ratio, and size have a significant effect on credit risk. Dummy variables for sale and rent, profit sharing and service does not have the level of significance in the model, which means that those variables have no effect on the credit risk. Whereas the variable of financing quality and buffer capital have no effect on credit risk. Simultaneously, the variables of financing expansion, financing quality, buffer capital, capital ratio, and size have a significant effect on the credit risk. This is proved by sig-F 0.000 which is smaller than the 5% significance. The predictive ability of the four variables on the financing is 68.7% as indicated by the number of adjusted R^2 and the remaining 31.3% is affected by other factors that are not incorporated into the research model. The dominant variable affecting the credit risk is the financing quality with a contribution of 31.36%.