


# THE EFFECT OF NON PERFORMING FINANCING AND NET INCOME ON FINANCING AT BSI 2023 TO 2025

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[aminullahmarlis@umnaw.ac.id](mailto:aminullahmarlis@umnaw.ac.id)<sup>1</sup>, [m.guffar@umnaw.ac.id](mailto:m.guffar@umnaw.ac.id)<sup>2</sup>

<p>Menerima: 28/12/2025</p> <p>Diterima: 29/12/2025</p> <p>Menerbitkan: 30/12/2025</p>  <p>Korespondensi*</p> <div style="text-align: center;">  </div> <p>Karya ini dilisensikan di bawah <a href="https://creativecommons.org/licenses/by/4.0/">Creative Commons Attribution 4.0 International License</a>.</p>	<p><b>Abstrak</b> - <i>The rapid growth of Islamic banking today, accompanied by an increase in the number of Islamic banking customers, is an interesting phenomenon in the midst of a dual banking system. This study aims to determine and analyse the effect of Non Performing Financing (NPF) and Net Income (NI) on Financing at KB Islamic Banks from 2023 in the first quarter to 2025 in the fourth quarter. The data used is the financial report of KB Bank Syariah which has been published on the website www.Bank Syariah Indonesia.co.id. The method of analysis in this study is an associative method, with classical testing, and statistical analysis, namely multiple linear regression analysis. The variables of this study are Non Performing Financing (NPF) as variable X 1 and Net Income (NI) as variable X 2 and Financing as Y. The results of the analysis using the statistical t test with a significant (α) = 0.05 using the sig value from the SPSS output obtained the significance value of each independent variable Non Performing Financing (NPF) (0.00) and Net Income (NI) (0.655). The Total Asset variable alone has a partial influence on financing, while the Net Interest variable is far above the significance of 0.05 and this identifies that there is no partial influence on financing. The results of the analysis with the F test with a significance (α) = 0.05 obtained a significance of 0.000. This value is not greater than the significance value of 0.05 and this indicates that there is a significant relationship between Non Performing Financing (NPF) and Net Income (NI) on financing simultaneously.</i></p> <p><b>Keywords:</b> Non Performing Financing (NPF), Net Income (NI), Financing</p>
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## INTRODUCTION

Islamic banking has grown and developed since the existence of Law No.7 of 1992 concerning banking which was revised through Law No.10 of 1998, in September 2025 the number of BUS and UUS was 12 BUS and 20 UUS, while the number of BPRS was 163 BPRS. Not only that, the Non Performing Financing (NPF), Net Income (NI) and financing of Islamic banking have increased sharply in 2025 the total amount of National Islamic Banking Assets of IDR 793 T, Net Income (NI) (NI) of IDR 598 T and

Financing of IDR 528 T . The establishment of an Islamic bank, namely PT. KB Bank Syariah, was originally a Sharia Business Unit (UUS) of Bank Syariah Indonesia and Bank Syariah Indonesia was officially established as a Sharia Business Unit (UUS) on the development of Islamic banking, especially PT. Bank Syariah Indonesia shows a direction of growth, this growth can be seen from several indicators, namely: assets, Net Income (NI), and financing.<sup>1</sup> The following will be described in full regarding the BSI quarterly balance sheet from 2023 to 2025 is as follows:

**Tabel 1. Quarterly balance sheet table of PT Bank Syariah Indonesia (millions)**

Variable	2025	2024	2023
Non Performing Financing (NPF)	1,87%	2,12%	1,96%
Net Income (NI) <i>(dalam Jutaan)</i>	7,567,523	7,005,888	5,703,743
Total Financing <i>(dalam Jutaan)</i>	147,761,083	117,124,297	90,097,330

In the research year starting in 2023 to 2025, there were many decreases and increases in the financial statements of the balance sheet in each variable, be it Non Performing Financing (NPF), Net Income (NI), and financing that were not in accordance with theory, where NI is one of the factors that influence financing (Aris Munandar; 28) the greater the NI that is successfully collected by Islamic banks, the greater the financing they distribute. This is very inconsistent with the reality in the financial statements above that historically / trends in 2023 to 2022 the Non Performing Financing (NPF) and NI variables in trend have decreased from the previous year, while the total financing variable has actually increased from 4% to 21% in December 2022 and in the December 2025 position the Non Performing Financing (NPF) variable as a percentage trend shows a fixed position of 13% but other variables have decreased, namely the NI variable and the Financing Variable that year.

From the above phenomenon, it can be seen that there is a decrease in Non Performing Financing (NPF) and deposits historically or trends but not followed by financing that increases in that year historically or trends, where this can be identified that the company has not been maximised in raising funds from the public besides that in 2022 the world economy is experiencing recovery due to the impact of the post-Covid 19 pandemic, this will reduce the profits earned by banks which will affect the amount of profit sharing received by creditors and stakeholders. Likewise with the Non Performing Financing (NPF) variable, where there is stagnant growth at a percentage of 13% in December 2025 but not followed by other variables, where the main function of banks in Indonesia is to collect and distribute public funds.<sup>2</sup> Non Performing Financing (NPF) are an indicator of the size of the bank, where the small Non Performing Financing (NPF) will have an impact on the small level of profit, the small level of return on assets (ROA), and the length of achievement of Break Even Point (Haryono, 2003), besides that Non Performing Financing (NPF) are one measure of strategic positioning map, which is a positioning strategy to win business competition.<sup>3</sup> This can be identified that the bank has not fully achieved its function to channel funds to the public.

## RESEARCH METHODS

### Assets

Assets can be defined as resources controlled by the company as a result of past events from which future economic benefits are expected to be obtained by the company.<sup>4</sup> Islamic banking assets are also all wealth or economic resources owned by Islamic banks, which can provide economic benefits in the future. These assets reflect the financial strength and soundness of Islamic banks and their ability to provide services to customers.

### The Effect of Non Performing Financing (NPF) on Financing

Assets are an indicator of bank growth that is very interesting to study, the development of Indonesian sharia banking assets is influenced by Net Income (NI) (NI) and total financing.<sup>5</sup> Other research proves that Net Income (NI) and financing are two factors that affect assets significantly, which means that optimising assets can be done through increasing the collection of deposits and promoting financing to the public.<sup>6</sup> It is mentioned that there is a high correlation between assets, deposits and assets with financing, indicating that there is a strong linear relationship between assets and deposits and assets with financing. This correlation tends to be positive, meaning that if the value of deposits increases, the value of assets will also increase, while in financing, if financing increases, the value of assets will also increase.<sup>7</sup> One of the sharia banking practitioners in Medan said that with the increase in a bank's assets, the bank must be able to channel more financing because a bank must maintain the ratio between deposits and financing so that the profit or spread generated is large and will benefit the bank.<sup>8</sup> In theory, Non Performing Financing (NPF) have a significant effect on corporate financing decisions. Larger assets provide more flexibility in terms of financing through debt or equity. However, companies need to consider the optimal capital structure to balance the costs and benefits of using debt, as well as keeping financial risks under control.

### Definition of NI (Net Income (NI))

Net Interest Income (NII) is the difference between the interest income a bank earns from assets (such as loans) and the interest expense paid to customers (deposits/savings). NII is a key indicator of a financial institution's profitability and core operational efficiency.

### The Effect of Net Income (NI) (NI) on Financing

Syukriah's research states that Net Income (NI) have a positive and significant effect on the distribution of financing at BPRS in Indonesia. This means that the higher the Net Income (NI), the higher the distribution of financing. Other studies that have a variable relationship with this study suggest that Net Income (NI) are one of the

factors that have a significant effect on the distribution of funds for sharia banks. The amount of Net Income (NI) owned by the bank affects the bank's ability to distribute credit. Banks that have more third-party funds can disburse more loans without the need to depend on other external sources, such as debt or equity capital. In other words, the greater the deposits, the greater the bank's potential to channel financing or credit to customers.

### **Financing**

According to Dr M. Syafi'i Antonio, a leading Islamic economist, Islamic bank financing is the distribution of funds from Islamic banks to customers in need, both for consumption and investment purposes, using contracts that are in accordance with sharia principles. This financing does not contain elements of usury, but prioritises the principles of justice and risk sharing between banks and customers. Financing is one of the main tasks of banks, namely the provision of funding facilities to meet the needs of parties who are deficit units. The purpose of financing based on sharia principles is to increase employment opportunities and economic welfare in accordance with Islamic values. This financing must be enjoyed by as many entrepreneurs engaged in industry, agriculture, and trade to support the production and distribution of goods and services in order to meet domestic and export needs.

### **The Effect of Non Performing Financing (NPF) and Net Income (NI) on Financing**

Non Performing Financing (NPF) and Net Income (NI) are components to run or operate the business activities of a bank, financing is a component to generate profits for a bank, without these three things, a bank cannot operate properly. The greater or higher the Non Performing Financing (NPF) of a Bank, the Bank will also increase the Net Income (NI) collected from the public which has a direct and significant effect on the volume of financing distribution of a bank.<sup>11</sup> Non Performing Financing (NPF) and Net Income (NI) (NI) play an important role in determining the bank's ability to provide financing. Non Performing Financing (NPF) reflect the bank's overall capacity to structure financing, provide loans, and face liquidity challenges. Net Income (NI) serve as the main source of funding that enables banks to provide financing at competitive interest rates and maintain operational stability. The combination of these two factors allows banks to increase their financing capacity, manage risks, and strengthen their financial position in the market

### **Research Methods**

The approach taken in this study uses an associative / relationship and influence approach, namely research that aims to determine the relationship and influence between the independent variable and the dependent variable, whether the

relationship is symmetrical (coming together), Causal Relationship (cause - effect) or reciprocal (reciprocal) and will later form a function of these variables that are used to explain, predict and control something. While from the type of this research is quantitative research which emphasizes testing theories or hypotheses through measuring research variables in numbers (quantitative) and analyzing data with static procedures and systematic modelling.

### Research Results

In this study, the authors used secondary data that the authors obtained from the KB Bank Syariah website. Data is taken starting in 2023 - 2025 in the form of Non Performing Financing (NPF), NI and Financing which are quarterly data which are then used using the SPSS 16.0 programme. The following is the quarterly financial report of KB Bank Syariah in December position:

Financial statements of PT Bank Syariah Indonesia (million rupiah)

Variable	2025	2024	2023
Non Performing Financing (NPF)	1,87%	2,12%	1,96%
Net Income (NI) <i>(dalam Jutaan)</i>	7,567,523	7,005,888	5,703,743
Total Financing <i>(dalam Jutaan)</i>	147,761,083	117,124,297	90,097,330

Source: Bank Syariah Indonesia financial report 2023 - 2025

### Descriptive Statistics

Descriptive analysis aims to provide a description of the data, such as mean, sum, standard deviation, variance, range, minimum and maximum values, and so on.

	N	Minimum	Maximum	Mean	Std. Deviation
Aset	19	48650565.00	60090524.00	54248126.89	3821882.415
DPK	19	38597650.00	47160434.00	43649063.05	2609895.728
Pembiayaan	19	17721262.00	41906958.00	28746887.84	6521621.137
Valid N (listwise)	19				

### Normality Test

r-count value with the r-table, the data is said to be valid if r-count is greater than r-table ( $r\text{-count} > r\text{-table}$ ).<sup>13</sup> Meanwhile, the Reliability Test is carried out to see the extent to which the measurement results can be trusted. By measuring the same object, the results are relatively the same, meaning that it has good measurement consistency. The reliability value can be seen from Cronbach Alpha  $> 0.70$ .

**One-Sample Kolmogorov-Smirnov Test**

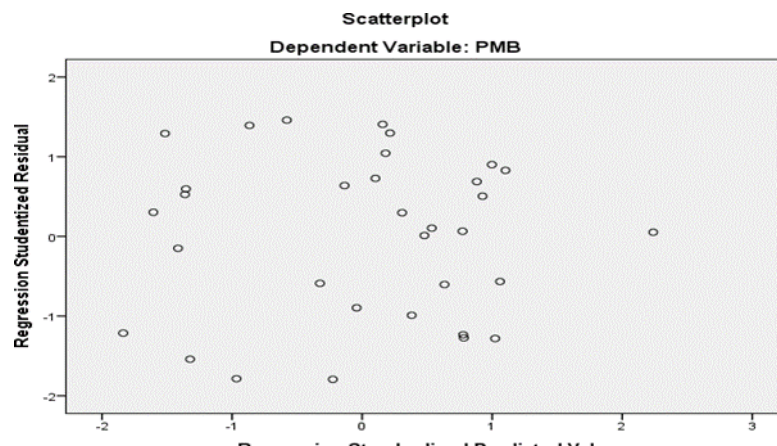
		Unstandardized Residual	
N		19	
Normal Parameters <sup>a,b</sup>	Mean	.0000000	
	Std. Deviation	5197210.972	
Most Extreme Differences	Absolute	.200	
	Positive	.200	
	Negative	-.117	
Test Statistic		.200	
Asymp. Sig. (2-tailed)		.043 <sup>c</sup>	
Monte Carlo Sig. (2-tailed)	Sig.	.382 <sup>d</sup>	
	99% Confidence Interval	Lower Bound	.369
		Upper Bound	.394

a. Test distribution is Normal.  
 b. Calculated from data.  
 c. Lilliefors Significance Correction.  
 d. Based on 10000 sampled tables with starting seed 624387341.

Based on the results of the Normality test, it is known that the significance value is  $0.394 > 0.05$ , it can be concluded that the residual value is normally distributed.

### Homoscedasticity Test

Homoscedasticity is the variance of the dependent variable that can explain the dependent relationship is not concentrated only in the limited range of the dependent variable on each value of the independent variable, in other words, the distribution (variance) of the dependent variable value must be relatively the same with each value of the predictor variable.



From the picture above, it shows that the residual data distribution does not form a certain pattern and spreads below and above zero on the Y axis, thus the model is free from heteroscedasticity symptoms.

## Multicollinearity Test

Multicollinearity is a very high or very low correlation that occurs in the relationship between independent variables. Multicollinearity can be seen from the VIF (variance-inflating factor) value if the VIF value  $< 10$ , the level of collinearity can be tolerated. The multicollinearity test results are as follows :

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	33211169.274	21770142.520		1.526	.147		
	DPK	2.380	.968	.952	2.458	.026	.265	3.781
	Aset	-1.997	.661	-1.170	-3.021	.028	.265	3.781

The results of the calculation of the tolerance value show that the independent variables have a tolerance value  $>$ , namely for NPF of 0.28 and NI of 0.028, which means that there is no correlation between the independent variables. The results of the VIF calculation also show different results where the independent variables have a value of  $< 10$ , namely for NPF of 3,781 and NI of 3,781. This shows that Non Performing Financing (NPF) and Net Income (NI) have a VIF value outside the predetermined limits, meaning that the regression model found that there is no strong correlation between the independent variables

## Linearity Test

The linearity test aims to determine whether the data is linear or follows a linear line or not. The linearity test can be seen through the sig. value on Deviation from Linearity. If the Sig. value on Deviation from Linearity  $> 0.05$  then the relationship between these variables is linear.

		Sum of Squares	df	Mean Square	F	Sig.
Pembiayaan * Aset	Between Groups (Combined)	765421962153742.000	17	45024821303161.290	308.816	.145
	Linearity	95720430324587.110	1	95720430324587.110	656.526	.225
	Deviation from Linearity	669701531829154.900	16	41856345739322.180	287.084	.346
Within Groups		145798380004.500	1	145798380004.500		
Total		765567760533746.500	18			

From the results of the SPSS output, it can be concluded that the Sig. value on Deviation from Linearity, namely Non Performing Financing (NPF) (NPF) \* Financing (PMB) = 0.346 is greater than 0.05, it can be concluded that the data is linear.

		Sum of Squares	df	Mean Square	F	Sig.
Pembiayaan * DPK	Between Groups (Combined)	765536392422354.500	17	45031552495432.620	1435.584	.121
	Linearity	2019077107225.221	1	2019077107225.221	64.367	.279
	Deviation from Linearity	763517315315129.200	16	47719832207195.580	1521.285	.320
Within Groups		31368111392.000	1	31368111392.000		
Total		765567760533746.500	18			

From the results of the SPSS output, it can be concluded that the Sig. value on Deviation from Linearity, namely Net Income (NI) (NI) \* Financing (PMB)= 0.320 is greater than 0.05, it can be concluded that the data is linear.

Based on the results above, it shows that the data is normally distributed. This is indicated by the results of the one - sample Kolmogorov - Smirnov test. It can be seen that each variable is NPF 0.346, NI 0.320, > 0.05 significant level ( $\alpha$ ) so it can be concluded that the data is normally distributed. that the autocorrelation test is not mandatory in studies using cross section data.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.896 <sup>a</sup>	.891	.890	1.01497E6	1.845

a. Predictors: (Constant), Net Income (NI), Non Performing Financing (NPF)

b. Dependent Variable: Financing

Based on the data above, the D-W is 1.845. This figure lies between -2 and +2 which means there is no autocorrelation in the regression model.

### Multiple linear regression analysis

Multiple linear analysis is an analysis that is used to see the effect of several independent variables on the dependent variable. In this study, we want to know the effect of Non Performing Financing (NPF), Net Income (NI) on financing at KB Islamic Bank.

Model	Unstandardised Coefficients		Standardised Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	215746.508	399737.626		.540	.594		
Non Performing Financing (NPF)	.716	.135	1.076	6.046	.000	.110	89.716
Net Income (NI)	-.088	.151	-.081	-.453	.655	.110	89.716

Based on the multiple linear regression equation above, it can be seen as follows:

- a. The constant value of 215746.508 means that if Non Performing Financing (NPF) ( $\beta_1$  NPF), Net Income (NI) ( $\beta_2$  NI) value is 0, then the distribution of financing (Y) value is positive or will increase by 215746.508.
- b. The regression coefficient of 0.816 indicates that every increase in the level of Non Performing Financing (NPF) by Rp. 1, the level of financing distribution will increase by Rp. 0.716.
- c. The regression coefficient of - 0.68 indicates that every Rp.1 increase in NI, the level of financing distribution will decrease by Rp. - 0.88.

### Coefficient of Determination

The coefficient of determination essentially measures how far the model's ability to explain the variation in the independent variable. The coefficient of determination is between 0 and one. A small R<sup>2</sup> value means that the ability of the independent variables to carry out variations in the dependent variable is very limited.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.997 <sup>a</sup>	.991	.990	1.01497E6	1.745

Based on the regression results above, the coefficient of determination (R<sup>2</sup>) of 0.997 is obtained, which shows that the model made to predict the effect of Non Performing Financing (NPF) and Net Income (NI) is able to explain the distribution of financing at KB Bank Syariah, which is 99.7% while the rest (0.3%) is explained by other variables outside this model.

### Partial Hypothesis Test (t Test)

The t test (Partial Test) statistic basically shows how far one independent variable individually in explaining the variation of the independent variable. This test marks that the independent variables are Non Performing Financing (NPF) and NI. While the dependent variable is financing. In this model whether Non Performing Financing (NPF) and NI have an effect on financing.

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	215746.508	399737.626		.540	.594		
Total Assets	.816	.135	1.076	6.546	.000	.110	89.716
Third Party Funds	-.068	.151	-.081	-.553	.655	.110	89.716

From the calculation results, it can be seen that the partial test is as follows:

1. For variable  $\beta$  1 (NPF) obtained t count of 6.546 with a significance of 0.000 the significance value is smaller than 0.05 ( $0.000 < 0.05$ ) then obtained t table with df = 26 is 2.056, then obtained t count ( $6.546 > t$  table (2.056) meaning that Non Performing Financing (NPF) have a significant effect on financing at KB Bank Syariah. starting from 2018 - 2022.
2. For variable  $\beta$  (2) (Net Income (NI)) obtained t count of -0.553 with a significance of 0.655 the significance value is greater than 0.05 ( $0.553 > 0.05$ ) then obtained t table with df = 26 is 2.056, then obtained t count ( $-0.553 < t$  table (2.056). this means that Net Income (NI) have no significant effect on financing at KB Bank Syariah Bank. in 2023 - 2025.

### Simultaneous Hypothesis Test (F Test)

Simultaneous Hypothesis Test (F Test) between the independent variables in this case Non Performing Financing (NPF), NI and the dependent variable is financing. The results of the F test can be seen in the table below:

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.894E15	2	1.447E15	1.605E3	.000 <sup>a</sup>
	Residuals	2.575E13	25	1.030E12		
	Total	2.920E15	27			

The F test resulted in an F count of 1605.499 with a significant value of 0.000. The calculated value ( $1605.499 > F$  (table) (3.39) and the significant value is smaller than the probability value of 0.05 or  $0.000 < 0.05$ . So it can be concluded that there is an influence and significant between the Non Performing Financing (NPF) and NI variables together on the financing carried out by KB Bank Syariah., 2023 - 2025.

### Research Discussion

#### Non Performing Financing (NPF) to financing at KB Bank Syariah

The bank's Non Performing Financing (NPF) include all assets owned by the bank, whether in the form of cash, receivables, investments, or other assets such as property and fixed equipment. This total asset serves as a measure of the bank's ability to carry out various operational activities, including providing financing or credit to customers.

The effect of Non Performing Financing (NPF) on Bank Financing can be explained as follows:

- a. Source of Financing: Large Non Performing Financing (NPF) provide banks with more resources to extend credit. With large Non Performing Financing (NPF), banks have a higher capacity to invest and finance in various forms, be it consumer, corporate, or other sectors.
- b. Bank Liquidity: Non Performing Financing (NPF) also reflect a bank's liquidity. The larger the Non Performing Financing (NPF), the more funds a bank usually has to disburse or lend out. Good liquidity allows banks to continue lending even in the face of economic volatility or urgent funding needs.
- c. Financing Capacity: In the context of financing, banks with large Non Performing Financing (NPF) have greater traction in the market. They can provide a larger and more diverse range of financing. For example, banks with large Non Performing Financing (NPF) can provide financing for large projects or long-term loans.
- d. Asset to Loan Ratio: Non Performing Financing (NPF) are directly related to the financing that can be provided. Banks with large Non Performing Financing (NPF) can maintain a healthy loan- to-asset ratio, which affects the financial performance and operational stability of the bank.

Based on research conducted by the author on the financial statements of PT KB Bank Syariah, from 2023 to 2025, it shows that Non Performing Financing (NPF) have a significant effect on the distribution of financing by KB Bank Syariah, meaning that the higher the Non Performing Financing (NPF) generated, it will encourage an increase in the volume of financing distributed, and vice versa. The results of this study are in line with the results of research by Lindi Yuni andresi 2010 which states that assets, and profit sharing have a real and significant effect on financing.

The existence of an influence between Non Performing Financing (NPF) and financing illustrates that KB Bank Syariah Bank is successful in its operational activities both in raising funds and managing them so that they become assets. And the impact caused by this success for KB Bank Syariah is the growth and development and guarantees KB Bank Syariah to always improve its services and innovate or develop products to continue to increase public trust in KB Bank Syariah

### **Net Income (NI) (NI) on financing at Bank Syariah Indonesia.**

Third-party funds (NI) refer to funds collected by banks from customers, which consist of savings, current accounts, and deposits. NI is the main source of financing for banks because these funds are used by banks to provide loans or financing to customers. The effect of Net Income (NI) on bank financing includes:

- a. Main Source of Financing: NI is the main source of funds for banks to extend credit. The greater the amount of deposits raised by the bank, the greater the bank's

- ability to provide financing. Large deposits allow banks to disburse loans or financing in large amounts and expand the range of financing products.
- b. Loan-to-Deposit Ratio (LDR): The ratio between the amount of loans disbursed and the amount of deposits collected is very important. Banks with high deposits tend to have a healthy LDR ratio. An optimal LDR indicates that the bank is able to use Net Income (NI) effectively for financing without incurring excessive liquidity risk.
  - c. Affordability of Interest Rates: Large deposits, especially those from low- interest deposit products such as current accounts and savings accounts, enable banks to provide more competitive lending rates. This is because the lower cost of funds allows banks to earn a larger margin from the difference between deposit interest and lending interest.
  - d. Financing Stability: Stable deposits, especially from more long-term sources such as time deposits, provide banks with stability in terms of financing. Banks that are able to raise a large and stable amount of deposits have more resilience to market changes or liquidity crises. This allows the bank to provide sustainable financing to customers.
  - e. Risk Management: Larger deposits give banks the capacity to better manage risk. With more funds raised, banks can spread the risk between lending to customers and maintaining adequate liquidity to fulfil obligations to depositors.

As an intermediary institution, Net Income (NI) are the most important funds owned by banks that come from the wider community to be channeled back to people in need to support and improve living standards and the implementation of national development. And for deposits that have been entrusted to the bank, the bank provides profit sharing rewards to every customer who saves and invests their money. This fund is the most important source of funds for the operational activities of a bank and is a measure of the bank's success, and the largest proportion of the bank's income comes from revenue on profit sharing distributed by the bank.

In this study between 2023 and 2025 it is explained that Net Income (NI) have no significant effect on the distribution of financing made by KB Bank Syariah. Can be seen from the published quarterly financial reports. According to the author, this happened because KB Bank Syariah was unable to channel the Net Income (NI) that had been collected, so that no matter how large the Net Income (NI) were, it had no effect on the increase and decrease in financing at KB Bank Syariah.

In this case, if seen from the bank's side, the impact of the ineffectiveness of Net Income (NI) on financing is that the bank automatically suffers losses, because if there is a sharp increase in the level of NI and is not included with the financing that is distributed sharply, the bank will experience losses due to the large amount of idle funds that should be given to the community. And the impact on the community side is that the community cannot enjoy the funding facilities from the bank from the bank's

function of channeling the funds collected back to the community to improve people's lives.

### **Non Performing Financing (NPF) and Net Income (NI) on financing at Bank Syariah Indonesia.**

Non Performing Financing (NPF) and Net Income (NI) are indicators to measure the success of banks in channeling the main activities of Islamic banks, namely collecting and distributing financing. So if one of them does not work well, then there is a possibility that the bank's activities have a problem, either in the form of less than optimal Funding or Financing activities at the bank.

Based on the test together, the variables of Non Performing Financing (NPF) and Net Income (NI) on financing at KB Islamic Bank have a significant effect. these results indicate that the higher the Non Performing Financing (NPF) and Net Income (NI), the higher the level of financing at KB Islamic Bank. this illustrates that the company is in a very good condition because the funds collected by the bank can be channeled properly through financing which will affect the profit sharing between the bank and the customer and the shareholders. The higher the Non Performing Financing (NPF) and Net Income (NI), the greater the financial resources that can be used for business development purposes and anticipate potential losses caused by the distribution of financing.

The greater the funds raised or distributed by the bank, the more it will affect the profit sharing rate. The results of this study are in line with the results of research conducted by Khodija Hadiyyatul Maula (2009) revealed that the deposit variable (NI) has a negative effect on financing, while for own capital and profit margins have a positive effect on financing.

### **Conclusion**

1. Based on the previous discussion, namely Non Performing Financing (NPF) have a positive effect on financing, meaning that the greater the financing carried out by KB Bank Syariah, the Non Performing Financing (NPF) will also increase. This is because Non Performing Financing (NPF) are company assets that greatly affect the financing channeled.
2. Based on the previous discussion that Net Income (NI) (NI) have no positive effect on financing channeled by Bank Bank Syariah Indonesia, meaning that even though the total Net Income (NI) (NI) channeled by the Bank increase, it does not have a positive effect on the financing channeled by the Bank. This is due to the weakness of the funding system and financing system at Bank Syariah Indonesia because it is unable to process the funds that have been collected to be channeled properly by the bank.

3. Based on the calculation together (F test) that Non Performing Financing (NPF) and Net Income (NI) have a jointly significant effect on financing carried out by KB Bank Syariah,. 2023 - 2025.

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