



THE EFFECT OF *NON PERFORMING FINANCING* ON FINANCING IN ISLAMIC BANK DKI FOR THE 2010-2018 PERIOD

Ratna Dumilah

Universitas Pamulang, Tangerang Selatan, Banten, Indonesia

Email: dosen02209@unpam.ac.id

Article Info

Article History:

Received: July 19, 2019

Revised: August 24, 2019

Published: August 31, 2019

e-ISSN: 2623-2324

p-ISSN: 2654-2528

DOI: 10.5281/zenodo.4400336

Abstract:

This study aims to determine the effect of *Non Performing Financing* on Financing at Bank DKI Syariah. The method used is explanatory research. The analysis technique uses statistical analysis with regression testing, correlation, determination and hypothesis testing. The results of this study of the variable *Non Performing Financing* obtained an average value of 17.32 %. The financing variable obtained an average value of 17.29 %. *Non Performing Financing* has a negative and significant effect on financing with a regression equation value of $Y = 34,835 - 1,013X$, and a correlation coefficient value of -0,741 or has a strong level of relationship with a determination value of 54.9%. Hypothesis testing obtained a significance of $0.022 < 0.05$.

Keyword: *on Performing Financing*, Financing

INTRODUCTION

Nowadays the development of the banking industry in Indonesia is growing more and more and each company offers various kinds of programs and facilities in attracting customers. The government, through the relevant authorities, invites and encourages the private sector to participate in financing the development of the nation's economic potential. The private sector also, individually and institutionally, has limited ownership of funds to fulfill its operations and business development. With the limited financial capacity of state and private institutions, national banking will play an important and strategic role in terms of providing capital for the development of productive sectors.

PT. Bank DKI Sharia as one among banking firms as intermediaries of financial services (*Financial intermediary*), whose job is to collect funds from the public and distribute the funds to the community. According to Law No. 7 of 1992 concerning banking, the Indonesian national banking system adopts a dual banking system, namely, the conventional banking system

and the Islamic banking system. The conventional banking system as we know it uses *interest* as the basis for its operations. Unlike the case with conventional banking which uses interest as the basis for its operations, the Islamic banking system uses the profit sharing principle as the basic foundation for its overall operations.

The increasing number of Islamic banks and banking offices operating in Indonesia has had a negative impact on the development of the Islamic banking industry. This increase makes it easier for Indonesians to enjoy the services of Islamic banking. Apart from having an effect on the growth of Third Party Funds (DPK) collection, the increasing number of Islamic banks and bank offices also affected the growth of sharia banking financing distribution.

In the last few years, the Islamic banking industry has always experienced negative growth, both in collecting deposits and distributing financing. The effectiveness of a bank in carrying out its function as an intermediary institution can be seen from the value of the *Loan to Deposit Ratio* (in conventional banks) or the value of the bank's *Financing to Deposit Ratio* (in Islamic banks). The greater the value of *Loan to Deposit Ratio* / *Financing to Deposit Ratio* a bank's, the more effective the bank will be in carrying out its function as an intermediary institution. Banks must pay attention to *Non Performing Financing (NPF)* so that the value is still within the safe threshold set by Bank Indonesia.

Based on what the authors have described above, the authors decided to conduct research with a concentration of sharia about the NPF effect on financing in Islamic banks. The title proposed by the author is "The Effect of *Non Performing Financing* on Financing at Bank DKI Syariah"

RESEARCH METHOD

1. Population

Population in this study is the financial statements of Bank DKI Syariah for 9 years

2. Samples

Sampling technique in this study was saturated samples, where all members of the population were sampled. Thus the sample in this study is the financial statements of Bank DKI Syariah for 9 years.

3. Research Type

Type of research used is associative, where the aim is to find out the relationship between the independent variable and the dependent variable.

4. Data Analysis Methods

In analyzing the data used validity test, reliability test, simple linear regression analysis, correlation coefficient, determination coefficient and hypothesis testing.

RESEARCH RESULT

1. Descriptive Analysis

This test is used to determine the minimum and maximum score, the rating score and the standard deviation of each variable. The results are as follows:

Table 1. Descriptive Statistics Analysis Results

Descriptive Statistics				
N	Minimum	Maximum	Mean	Std. Deviation

<i>Non Performing Financing</i> 17,323 3.5894	9	9.6	21.3		(X)
Financing 17,294 4.9045	9	10.8	22.8		(Y)
Valid N (listwise)	9				

Non Performing Financing obtained a minimum value of 9.6% and a maximum value of 21.3 with an average of 17.32% with a standard deviation of 3.589.

Financing obtained a minimum value of 10.8% and a maximum value of 22.8% with an average of 17.29% with a standard deviation of 4.904.

2. Verification Analysis.

This analysis aims to determine the effect of the independent variable on the dependent variable. The test results are as follows:

a. Simple Linear Regression Analysis

This regression test is intended to determine changes in the dependent variable if the independent variable changes. The test results are as follows:

Table 2. Simple Linear Regression Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	34,835	6,121		5,691	.001
<i>Non Performing Financing</i> (X)	-1.013	.347	-.741	-2,920	.022

Based on the test results in the table above, the regression equation $Y = 34,835 - 1,013X$ is obtained. From this equation, it is explained as follows:

- 1) A constant of 34,835 means that if *Non-Performing Financing* there is no, then there is a Financing value of 34,835 points.
- 2) Theregression coefficient is *non-performing financing* -1.013, this number is negative, meaning that every time there is an increase in *Non-Performing Financing* by 1.013 points, the financing will also decrease by -1.013 points.

b. Correlation Coefficient Analysis

analysis of the correlation coefficient is intended to determine the level of strength of the relationship between the independent variable and the dependent variable either partially or simultaneously. The test results are as follows:

Table 3. Results of Testing the Correlation Coefficient of *Non Performing Financing on Financing*.

Correlations ^b		<i>Non Performing Financing</i> (X1)	Financing (Y)
<i>Non Performing Financing</i> (X)	Pearson Correlation	1	-.741 [*]
	Sig. (2-tailed)		.022
Financing (Y)	Pearson Correlation	-.741 [*]	1
	Sig. (2-tailed)	.022	

Based on the test results obtained a correlation value of -0.741 means that *Non Performing Financing* has a strong negative relationship to financing.

c. Analysis of the coefficient of determination

analysis of the coefficient of determination is intended to determine the percentage of influence of the independent variable on the dependent variable. The test results are as follows:

Table 4. Testing Results of the Determination Coefficient of *Non-Performing Financing on Financing*.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.741 ^A	.485	3.5205	.549

Based on test results obtained by the value of determination of 0.549 means that *Non Performing Financing* contributed 54.9% to the effect of financing.

d. HypothesisHypothesis

Testingtesting with the t test is used to determine which hypothesis is accepted.

Hypothesis formulation: There is a significant negative effect between *Non Performing Financing* on Financing.

Table 5. Hypothesis Test Results of *Non Performing Financing on Financing*.

Coefficients ^a				
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

	B	Std. Error	Beta		
1 (Constant)	34,835	6,121		5,691	.001
<i>Non Performing Financing (X)</i>	-1.013	.347	-.741	- 2,920	.022

Based on the test results in the table above, the t value is obtained $< t_{table}$ or $(-2,920 < 2,365)$, thus the hypothesis is that there is a significant negative effect between *Non Performing Financing* on Financing is received.

DISCUSSION OF RESEARCH RESULTS

1. Conditions of Respondents' Answers for Variables *Non Performing Financing*
Based on empirical data and data analysis, the variable *Non Performing Financing* obtained an average value per year of 17.32 %.
2. Conditions of Respondents' Answers to Financing Variables
Based on empirical data and data analysis, the financing variable obtained an annual average value of 17.29 %.
3. The Influence of *Non-Performing Financing* on Financing
Non-Performing Financing has a significant effect on Financing with the regression equation $Y = 34.835 - 1.013X$, the correlation value is -0.741 or has a strong relationship with the contribution of influence of 54.9%. Hypothesis testing obtained t value $< t_{table}$ or $(-2.920 < 2.365)$. Thus, the hypothesis proposed that there is a significant negative effect between *Non Performing Financing* and Financing is accepted.

CONCLUSIONS AND SUGGESTIONS

1. Conclusion
 - a. The condition of the variable *Non Performing Financing* based on the 9-year financial reporting period obtained *Non Performing Financing* an average of 17.32%.
 - b. The condition of the Financing variable based on the 9-year financial reporting period obtained an *Non-Performing Financing* average of 17.29%.
 - c. *Non Performing Financing* has a significant effect on financing with the regression equation $Y = 34.835 - 1.013X$, the correlation value is -0.741 or strong negative and the influence contribution is 54.9% while the remaining 57.9% is influenced by other factors. Hypothesis test obtained t value $< t_{table}$ or $(-2,920 < 2,365)$.
2. Suggestion
 - a. Bank DKI Syariah, in this case, again needs to maintain the level of the NPF ratio so that it remains within the maximum limit set by BI. Bank DKI Syariah needs to maintain the quality of its financing so that there are no problems in collection back such as substandard, doubtful and even bad loans.
 - b. Increased stricter scrutiny in risk management and financing analysts. There needs to be an increase in competence so that risk management at Bank DKI Syariah is better, and also the financing channeled by Bank DKI Syariah will be of higher quality and right on target.

- c. Bank DKI Syariah can continue to provide and improve its prime services to customers by presenting better and more innovative banking products.
- d. To gain the trust of the public, namely by increasing other factors that can increase financing by increasing promotions through print and electronic media, improving service quality both inside and outside Bank DKI Syariah, improving service facilities for customers.

REFERENCES

- Agus Harjito & Martono, (2010) "Manajemen Keuangan" Yogyakarta: Penerbit Ekonisia.
- Agus Sartono. (2010). "Manajemen Keuangan Toeri dan Aplikasi", Edisi keempat, Yogyakarta: Penerbit BPFE.
- Algifari. (2015). "Analisis Regresi untuk Bisnis dan Ekonomi". Yogyakarta: BPFE.
- Antonio, Muhammad Syafi'I, "*Bank Syariah Dari Teori Ke Praktek*", Gema Insani Press, Jakarta, 2011.
- Arikunto, Suharsimi (2014). "Prosedur Penelitian Suatu Pendekatan Praktek". Jakarta: Rineka Cipta.
- Ascarya, "*Akad dan Produk Bank Syariah*", Rajawali Pers, Jakarta, 2011.
- Ayyub Muhammad, "*Understanding Islamic Finance*", Gramedia Pustaka Utama, Jakarta, 2009.
- Bambang Riyanto, (2011). "Dasar-dasar Pembelanjaan Perusahaan". Edisi ke empat, BPFE Yogyakarta.
- Fahmi, Irham (2012), "Pengantar Manajemen Keuangan" Cetakan pertama. Bandung: Penerbit Alfabeta.
- Gianni, Nur Gilang, "*Faktor yang Mempengaruhi Pembiayaan Mudharabah Pada Bank Umum Syariah Di Indonesia*", Unnes: Jurnal Ekonomi, 2013.
- Harahap, Sofyan Syafri, "*Teori Akuntansi edisi Revisi 2011*", Rajawali Pers, Jakarta, 2012.
- Hasan Nurul Ichsan, M.A, "*Perbankan Syariah (Sebuah Pengantar)*", Referensi (GP Press Grup), Jakarta, 2014.
- Imam Ghozali (2017). "Aplikasi Analisis Multivariate Dengan Program SPSS". Edisi Kelima. Semarang: Badan Penerbit Undip.
- Istijanto (2014) "Riset Sumber Daya Manusia". Jakarta: PT. Gramedia Pustaka
- Jasmani, J. (2018). Pengaruh Kinerja Keuangan Terhadap Harga Saham (Analisis Pada Perusahaan Property dan Real Estate Yang Go Public di Bursa Efek Indonesia. Jurnal Akuntansi Indonesia, 12(2).
- Kasmir (2010), "Analisis Laporan keuangan", penerbit raja grafindo persada, Jakarta
- Kasmir, (2010). "Pengantar Manajemen Keuangan", Edisi Pertama, Cetakan kedua, Jakarta: Penerbit Prenada Media.
- Kasmir. (2012) "Pengantar Manajemen Keuangan", Edisi Pertama, Cetakan kedua, Jakarta: Prenada Media.
- Kharis, Ismu Fadli (2011). "Studi Mengenai Impulse Buying dalam Penjualan Online". Semarang : Skripsi Universitas Diponegoro
- Martono dan Agus Harjito, (2011). "Manajemen Keuangan", Jakarta: Penerbit Ekonisia.
- Muhammad, "*Manajemen Bank Syariah*", Edisi Revisi, UPP AMP YKPN, Yogyakarta, 2005.
- Munawir (2010), "Analisis Laporan Keuangan", Edisi Ke Empat, Penerbit Liberty, Yogyakarta.
- Mutamimah, Siti Nur Zaidah Chasanah, "*Analisis Eksternal dan Internal Dalam Menentukan Financing to Deposit Ratio Bank Umum Syariah Di Indonesia*", Universitas Unisula: Jurnal Ekonomi dan Bisnis, 2012.
- Prastanto, "*Faktor-faktor yang mempengaruhi Pembiayaan Murabahah Pada Bank Syariah Di Indonesia*". Unnes: Jurnal Ekonomi, 2013.
- Priyatno, Duwi, "*SPSS 22 Pengolahan Data Terpraktis*", ANDI, Yogyakarta, 2014.
- Rodoni Ahmad, Abdul Hamid, "*Lembaga Keuangan Syariah*", Zikrul Hakim, Jakarta, 2008.

- Santoso, Singgih (2015). "Menguasai Statistik Multivariat". Jakarta: PT Elex Media Komputindo.
- Sartono, "Manajemen Keuangan Aplikasi Dan Teori", Edisi Keempat, BPFE, Yogyakarta, 2008.
- Sawir, (2003). "Analisis Kinerja Keuangan dan Perencanaan Keuangan Perusahaan", Cetakan ketiga, Jakarta: Penerbit PT. Gramedia Pustaka Utama.
- Sugiyarso, G. dan F. Winarni, "Manajemen Keuangan (Pemahaman Laporan Keuangan, Pengelolaan Aktiva, Kewajiban dan Modal serta Pengukuran
- Sugiyono (2017), "Metode Penelitian Administrasi : dilengkapi dengan Metode R & D". Bandung: Alfabeta.
- Sunarsi, D. (2018). Pengembangan Sumber Daya Manusia Strategik & Karakteristik Sistem Pendukungnya : Sebuah Tinjauan. Jurnal Ilmiah MEA (Manajemen, Ekonomi, & Akuntansi), 2(3), 178 - 194.
- Wangsawidjaja Z. A, "*Pembiayaan Bank Syariah*", Kompas Gramedia, Jakarta, 2012.
- Yuangga, K. D., & Sunarsi, D. (2018). The Influence of Procrastination and Low Time Management on Student Self Efficacy (at MA Soebono Mantofani). PINISI Discretion Review, 2(1), 85-92.
- Zulkifli Sunarto, "*Panduan Praktis Transaksi Perbankan Syariah*", Zikrul Hakim, Jakarta, 2007.