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ANALYSIS INFLUENCE FINANCING MUDHARABAH AND MUSYARAKAH TO RISK CREDIT (NON-PERFORMING FINANCING) IN ISLAMIC COMMERCIAL BANKS FOR THE 2020–2024 PERIOD

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Abstract

This study aims to analyze the effect of mudharabah and musyarakah financing on credit risk, as measured by Non-Performing Financing (NPF), in Islamic Commercial Banks in Indonesia during 2020–2024. This study is based on the phenomenon of increased financing with a profit-sharing scheme that does not always follow an increase in credit risk, thus indicating a dynamic relationship between the two variables. This study applies a quantitative method with an associative research type. The data used are secondary data taken from Islamic Banking Statistics published by the Financial Services Authority (OJK). The analytical method used is multiple linear regression after conducting hypothesis testing and classical assumptions such as normality, multicollinearity, heteroscedasticity, and autocorrelation tests. The results of this study indicate that mudharabah financing does not have a significant effect on NPF when viewed individually, with a significance value of 0.203. On the other hand, musyarakah financing also shows no significant effect, with a significance value of 0.470. In this case, both mudharabah and musyarakah combined do not have a significant effect on NPF, with a significance level of 0.430. The Adjusted R Square value obtained is 0.230, which indicates that the independent variables in this study are only able to explain 23% of the variation in NPF, while the rest is influenced by other factors outside this study. Based on the results obtained, it can be stated that financing with the mudharabah and musyarakah systems does not have a significant impact on Non-Performing Financing (NPF) throughout the study period.

Keywords: Mudharabah, Musyarakah, Non-Performing Financing (NPF), Credit Risk, Islamic Commercial Banks

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INTRODUCTION

The Islamic banking industry in Indonesia has shown excellent growth in recent years, both in terms of total assets, market share, and financing disbursement (Sjam & Canggih, 2022) . According to data from the Financial Services Authority (OJK), total Islamic banking assets increased from approximately IDR 608.89 trillion in 2020 to approximately IDR 980.30 trillion in 2024. Market share also increased, reaching approximately 7.72% of the total national banking sector. Furthermore, the amount of financing disbursed reached approximately IDR 643.55 trillion in 2024, indicating that Islamic banking is increasingly becoming a vital part of the country's financial system.

Along with these developments, profit-sharing financing, such as mudharabah and musyarakah, has also experienced significant growth. These two types of contracts serve as key instruments in the Islamic financial system because they reflect the principles of cooperation and risk distribution. However, in practice, musyarakah financing is more frequently used in profit-sharing-based funding schemes than mudharabah, indicating that banks are more likely to choose contracts with different risk characteristics (Diana, 2020) .

Based on the observation results, the relationship between profit-sharing-based financing and credit risk can be analyzed through changes in each variable during the research period.

Figure 1.

NPF and profit-sharing financing trends 2020-2024

Source: OJK (processed data)

Based on the graph showing the trend of profit-sharing financing and financing problems (NPF) between 2020 and 2024, a significant pattern is evident. In 2020, the NPF was recorded at around 3.1%, then decreased to approximately 2.9% in 2021, and continued to decline again to around 2.6% in 2022, reaching

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around 2.1% in 2024. This decline coincided with an increase in musharaka financing, while mudharabah financing remained relatively stable. This indicates that growth in financing is not always accompanied by an increase in credit risk, as is commonly believed in theory.

In theory, an increase in profit-sharing financing should be accompanied by an increase in credit risk, given the high dependence on client business results (Sari et al., 2021) . However, empirical results during this period indicate a discrepancy between the theoretical concept and the reality (Rizky, 2021) . This situation reflects the scope for further research and the complex and dynamic relationship between mudharabah and musyarakah financing and credit risk.

Previous studies on the impact of mudharabah and musyarakah financing on non-performing financing (NPF) have shown mixed findings. Some studies indicate that financing using a profit-sharing system significantly increases financing risk due to high uncertainty in the business world. However, other studies indicate that mudharabah and musyarakah financing do not significantly impact NPF, as Islamic banks implement prudent principles and maintain strict oversight in financing management.

Furthermore, many previous studies have limitations related to research duration and research subjects, as they focus only on specific Islamic banks. This has resulted in a lack of comprehensive understanding of Islamic Commercial Banks as a whole, particularly during the 2020–2024 period, which was marked by post-pandemic economic recovery and a significant increase in the development of musyarakah financing.

This study offers a different perspective compared to previous research. First, the focus of this study is the period between 2020 and 2024, which marks the transition and economic recovery phase following the impact of the COVID-19 pandemic on the financing performance of Islamic financial institutions. Second, this study utilizes data collected from all Islamic commercial banks in Indonesia, which opens up the opportunity to provide a more comprehensive understanding of the condition of the Islamic banking industry in this country. Third, this study analyzes the influence of Mudharabah and Musyarakah financing not only separately but also simultaneously on Non-Performing Financing, with the aim of broadening understanding of the relationship between profit-sharing financing and risk in financing management.

Based on the description above, the problem formulation in this study can be explained as follows: does mudharabah financing have an influence on Non-Performing Financing (NPF), does musyarakah financing contribute to Non-

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Performing Financing (NPF), and does mudharabah and musyarakah financing simultaneously influence Non-Performing Financing (NPF) in Islamic Commercial Banks.

The objective of this study is to assess the effects of mudharabah and musyarakah financing on credit risk, both individually and collectively. This research is expected to contribute theoretically to the development of Islamic financial management, particularly regarding the risks inherent in profit-sharing financing. Practically, the findings of this study are expected to be used by Islamic banks in managing credit risk and improving financing quality. Furthermore, this research is also expected to serve as a reference for future research.

LITERATURE REVIEW

Mudharabah

According to El, Masyhuri, and Yuliana (2022), Mudharabah can be interpreted as a type of business collaboration that involves fund management to achieve permissible profits and is in accordance with sharia principles.

According to Tohari (2021), Mudharabah can be interpreted as cooperation between the fund owner (shahibul maal) and the business actor (mudharib), where profits are shared based on an agreement agreed upon by both parties.

In practice, mudharabah financing generally carries a higher risk than financing based on sales transactions, as the bank bears the risk of the customer's business results. This situation can increase the potential for Non-Performing Financing (NPF) if the business receiving the funds does not grow as expected. Therefore, the relationship between mudharabah financing and NPF is crucial in assessing asset quality in Islamic banking institutions.

Musyarakah

According to Dzikrillah (2025) , Musyarakah is a type of cooperation agreement that has an important role in the Islamic financial system, because it emphasizes the values of working together, justice, and distribution of profits based on capital investment and business results.

According to Yarmunida (2024), musyarakah is understood as a cooperative agreement between two or more individuals who pool funds to manage a business. Profits are shared based on the agreed-upon agreement, while losses are borne in proportion to the capital contributed by each party.

The characteristics of musharaka financing, which emphasizes joint capital collaboration, make it more compatible with the risk-sharing principles of the Islamic banking system. However, if business management is not carried out effectively or if company performance declines, this type of financing can still

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increase the risk of non-performing loans (NPF), requiring banks to implement appropriate risk management strategies.

Non-Performing Financing

According to Nawasiah (2024), NPF is the ratio of non-performing loans—which include substandard, doubtful, and loss— to total disbursed loans. This figure is a highly significant indicator because the higher the NPF, the greater the proportion of non-performing loans, which can impact the bank's profitability and stability.

Non-Performing Financing (NPF) is a ratio used to measure the level of non-performing financing in Islamic banks. NPF reflects the quality of financing assets and the bank's ability to manage credit risk extended to customers. The higher the NPF, the greater the financing risk borne by the bank.

A high NPF indicates that a bank faces substantial credit risk, which can impact the profitability and financial stability of Islamic financial institutions. Therefore, NPF is often used as a primary indicator in evaluating financing quality.

Credit Risk

According to Aji et al. (2021), credit risk refers to the potential loss that occurs when a borrower fails to fulfill their payment obligations as agreed upon. According to Silitonga and Manda (2022), credit risk refers to the potential for difficulties to occur when a borrower is unable to fulfill its financial obligations, which may be triggered by factors within the organization itself or by external conditions such as economic conditions.

In the Islamic banking sector, the relationship between credit risk and the NPF ratio plays a very important role, because if credit risk is not handled properly, the chances of problems arising in financing will increase.

Islamic Commercial Bank

Sharia Commercial Bank (BUS) is a financial institution that functions as a mediator by collecting funds from the public and distributing them back in the form of loans in accordance with sharia principles (Prasetyandari, 2021) .

According to Fitriani (2020) , Islamic banks are financial institutions founded on the principles found in the Quran and Hadith. For this reason, these banks do not implement an interest-based system, but instead adopt profit-sharing, trading, and leasing models to operate.

In their operations, Islamic commercial banks play a vital role in providing beneficial credit, particularly through mudharabah and musyarakah agreements. This credit-granting process is also associated with a potential level of risk,

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commonly referred to as Non-Performing Financing, and therefore requires careful management and adherence to prudent principles.

Table 1.
Previous Research

No	Description Name, year and title of previous research	Equality	Difference	Previous research results
1.	Zaelina and Nastiti (2021), The Effect of Financing on Credit Risk: Empirically on Indonesian Islamic Banking. (Zaelina & Nastiti, 2021)	1. Both examine the influence of financing on credit risk in Islamic Commercial Banks. 2. Both use Non-Performing Financing (NPF) as the dependent variable. 3. Both use quantitative methods with multiple linear regression and data from the OJK.	1. Using the period 2015–2020, while this study uses the period 2020–2024. 2. Previous research used five independent variables (mudharabah, musyarakah, murabahah, ijarah, and total assets), while this research focuses more on mudharabah and musyarakah financing. 3. Previous research examined all types of financing contracts, while this research focuses on profit-sharing financing as the main variable.	The results of the study indicate that total assets have a negative and significant effect on the level of Non-Performing Financing (NPF), while murabahah financing has a positive and significant effect on NPF. Mudharabah, musyarakah, and ijarah financing were not shown to have a significant effect on NPF.
2.	Maulana (2024), Analysis of Managerial Decisions of Profit-Loss Sharing Systems on the Non-	1. Both examine the influence of mudharabah and musyarakah financing on Non-Performing Financing (NPF).	1. Previous research used the period 2012–2023 with panel data, while this research uses the period 2020–2024.	Based on the analysis, it was found that the nominal volume of mudharabah financing is much smaller

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	Performing Loan (NPF) Level of Islamic Commercial Banks. (Maulana et al., 2024)	2. Both use a quantitative approach with regression analysis as the analysis method. 3. Both make Islamic Commercial Banks in Indonesia as the object of research.	**2.** Previous research used a sample of 9 Islamic banks with annual report data, while this research uses aggregate/statistical data of Islamic banking.	than that of musyarakah financing. This situation results in the potential financing risk in musyarakah contracts being relatively greater than that of mudharabah financing.
3.	Putri & Nurohman (2025), Do Mudharabah and Musyarakah Financing Have Different Impacts on Credit Risk? (Putri & Nurohman, 2025)	1. Both examine the influence of mudharabah and musyarakah financing on Non-Performing Financing (NPF). 2. Both use a quantitative approach with multiple linear regression as the analysis method. 3. Both make Islamic Commercial Banks in Indonesia as the object of research.	1. Previous research used the period 2021–2023, while this research uses the period 2020–2024. 2. Previous research found that mudharabah had no significant effect and musyarakah had a significant effect on NPF, while this research re-examines the consistency of these effects over a longer and more recent period.	Based on partial test results (t-test), mudharabah financing was not shown to have a significant effect on the level of Non-Performing Financing (NPF). Conversely, musyarakah financing showed a significant effect on NPF.
4.	Iswantoa & Ibadurrahmanb (2021), The Influence of CAR, FDR, Inflation, GDP, Mudharabah & Musyarakah on	1. Using *Non-Performing Financing* (NPF) as a credit risk indicator. 2. Both analyze the influence of Mudharabah	1. Previous research used 6 variables (CAR, FDR, Inflation, GDP, Mudharabah, Musyarakah) 2. Previous research added the zakat	Research findings indicate that the Capital Adequacy Ratio (CAR), Financing to Deposit Ratio (FDR), and inflation rate

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	NPF. (Iswantoa & Ibadurrahmanb, 2021)	and Musyarakah financing. 3. Focus on Islamic Commercial Banks (BUS) in Indonesia. 4. Using a quantitative approach with multiple linear regression analysis techniques.	instrument as part of the GDP variable to measure welfare (*falah*). 3. research examined the period 2015-2021	have a negative and significant effect on Non-Performing Financing (NPF). Conversely, Gross Domestic Product (GDP) and mudharabah financing have a significant positive effect on NPF.
5.	Amin (2022), The Effect of Non-Performing Financing, Financing to Deposit Ratio, and Capital Adequacy Ratio on Mudharabah Musyarakah Financing at PT. Bank Syariah Bukopin. (Amin et al., 2022)	1. Both use *Non-Performing Financing* (NPF) to measure the level of financing risk. 2. Both examine the influence of Mudharabah and Musyarakah financing on bank risk. 3. The research focus was on Islamic Commercial Banks (BUS) in Indonesia. 4. Using quantitative research with multiple linear regression analysis method.	**1.** Previous research has focused more on quantitative methods. **2.** Previous research was more specific on the influence of financial ratios on company value.	The results of the study indicate that Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), and Capital Adequacy Ratio (CAR) together have a positive and significant influence on mudharabah and musyarakah financing.
6.	True (2021), The Effect of Mudharabah &	1. Both only focus on two main variables, namely	1. Previous research examined Sharia People's Financing	The results of the study indicate that

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	Musyarakah Financing on NPF of BPRS. (Hakiki, 2021)	Mudharabah Financing and Musyarakah Financing. 2. Both use *Non Performing Financing* (NPF) as a risk indicator. 3. Both use multiple linear regression analysis and classical assumption tests (normality, autocorrelation, etc.). 4. Using secondary data from Islamic Banking Statistics (OJK).	Banks (BPRS), while this research focuses on Sharia Commercial Banks (BUS). 2. This article uses data from 2016-2018, while this study uses more recent data. 3. This article uses aggregate (national) industry data, while BUS research typically uses data per bank.	simultaneously mudharabah and musyarakah financing have a significant effect on Non-Performing Financing (NPF). This is proven by the results of the F test with a calculated F value of 4.182538 and a significance level of 0.024045. However, based on partial testing, mudharabah financing does not show a significant effect on NPF with a significance value of 0.5771 (> 0.05). In contrast, musyarakah financing is proven to have a positive and significant effect on NPF, with a significance value of 0.0109 (< 0.05).
7.	Syahratien (2020), Risk Analysis of Mudharabah, Musyarakah, & Murabahah	1. Both conduct risk analysis on Mudharabah and Musyarakah financing.	1. Previous research used the CreditRisk+ method (focusing on calculating *Expected Loss* and	Mudharabah and murabahah financing show an increasing trend from year to year, while in

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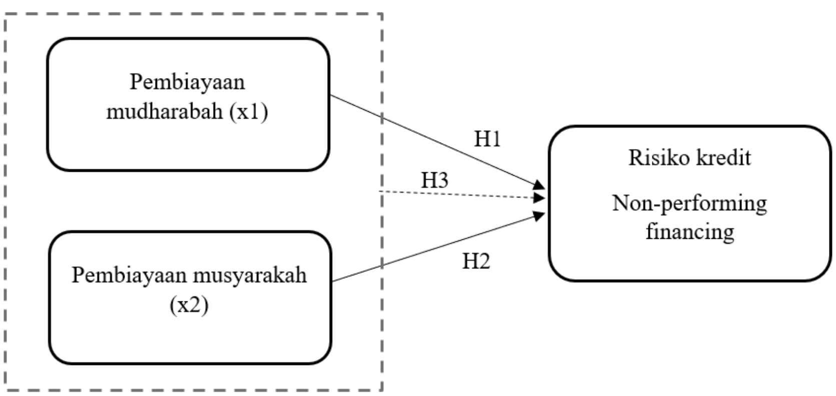
	Financing (CreditRisk+). (Syahratien et al., 2020)	2. Both of them start from the phenomenon of financing risk as seen from the *Non-Performing Financing* (NPF) ratio. 3. Focus on the Islamic banking sector.	*Unexpected Loss*), while this research uses Multiple Linear Regression. 2. Previous research added one more variable, namely Murabahah (buying and selling), while this research focuses on the profit sharing scheme. 3. Case Study on one bank (Bank X), while this research covers Islamic Commercial Banks (BUS) broadly (industry).	musyarakah financing the economic capital value experiences fluctuating changes between periods.

Source: processed by researchers

Theoretical Framework



RESEARCH METHOD

The population in this study includes all data from Islamic Commercial Banks officially registered and published by the Financial Services Authority (OJK) between 2020 and 2024. This study applies a quantitative method with an associative research type. The data used is secondary data taken from Islamic Banking Statistics published by the Financial Services Authority (OJK). The sample selection method used is purposive sampling, which selects samples

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based on certain criteria, namely the availability of complete data on mudharabah financing, musyarakah financing, and Problematic Financing during the study period. In accordance with the established requirements, 34 analyses were taken from information from each Islamic Commercial Bank over the past five years. This data was selected because it is considered to more clearly describe the state of profit-sharing-based financing and the condition of Problematic Financing in Islamic banks in Indonesia.

The data analysis in this study used the multiple linear regression method because there are two unaffected variables, namely mudharabah financing and musyarakah financing. In addition, there is one affected variable, namely Non-Performing Financing (NPF). This method is used to understand how each variable influences NPF, both individually and simultaneously. Data were processed using IBM SPSS Statistics 27 with a significance level of 5 percent. The analysis process included testing basic assumptions such as normality, multicollinearity, heteroscedasticity, and autocorrelation. This was followed by multiple linear regression analysis, t-test, F-test, and also the coefficient of determination (R^2).

RESULTS AND DISCUSSION

Normality Test

The results of the normality test in this study can be seen in the following image:

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			31
Normal Parameters [a,b]	Mean		.0000000
	Standard Deviation		.69815193
Most Extreme Differences	Absolute		.092
	Positive		.089
	Negative		-.092
Test Statistics			.092
Asymp. Sig. (2-tailed) [c]			.200 [d]
Monte Carlo Sig. (2-tailed) [e]	Sig.		.712
	99% Confidence Interval	Lower Bound	.700

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	Upper Bound	.723

Figure 3. One-sample Kologorof-Smirnov Test

Source: SPSS 27 (processed data)

Based on the results of the normality test using the *Kolmogorov-Smirnov method* , after data transformation, the Asymp. Sig. (2-tailed) value was obtained at 0.200 and the Monte Carlo Sig. value at 0.712. Both values indicate a value greater than 0.05, so it can be concluded that the residuals in this study are normally distributed. Thus, the assumption of normality in the regression model has been met.

Multicollinearity Test

The results of the multicollinearity test can be seen in the following image:

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1,178	4,309		-.273	.786		
	mudharabah	.122	.094	.247	1,301	.203	.825	1,213
	musharakah	.032	.044	.139	.731	.470	.825	1,213

a. Dependent Variable: non-performing financing

Figure 4.
Multicollinearity Test Results

Source: SPSS 27 (processed data)

The results of the multicollinearity test show a tolerance value of 0.825 greater than 0.05 and a VIF of 1.213 less than 10.00, so it can be concluded that there is no multicollinearity in the regression model.

Heteroscedasticity Test

The results of the multicollinearity test in this study can be seen in the following image:

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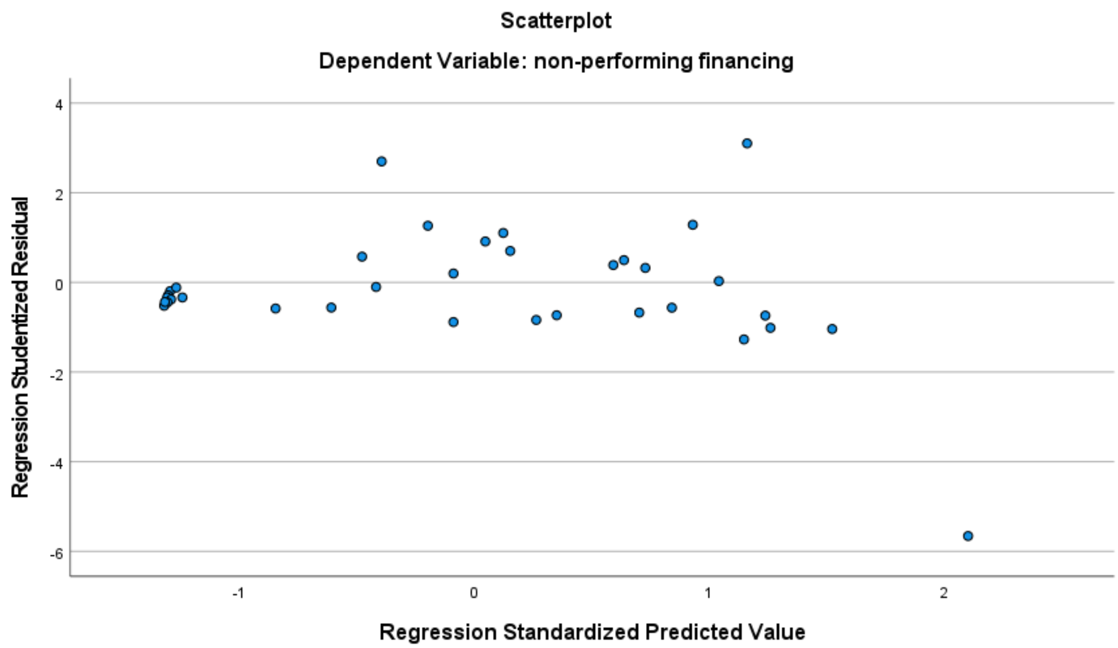

Figure 5.
Heteroscedasticity Test Results

Source: SPSS 27 (processed data)

Based on the results of the heteroscedasticity test using a scatterplot, it can be seen that the residual points are randomly distributed around the zero line and do not exhibit any particular pattern. This condition indicates that the regression model does not experience heteroscedasticity symptoms, thus the assumption of homoscedasticity can be declared fulfilled.

Autocorrelation Test

The results of the autocorrelation test using Durbin-Watson (DW) can be seen as follows:

Model Summary [b]

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.548 [a]	.300	.230	1,709	1,648

Figure 6.
Model Summary

Source: SPSS 27 (processed data)

Based on the results of the autocorrelation test using the Durbin-Watson method, the dW value was 1.648. This value is between the upper limit (dU) and

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(4 − dU), namely 1.5838 < 1.648 < 2.41. With the basis of decision making dU<dW <(4−dU), this indicates that the regression model does not experience autocorrelation, so that the classical assumption of autocorrelation can be declared fulfilled.

Partial Test (t-Test)

The results of the t-test by comparing the t-table with the calculated t-table can be seen in the following image:

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1,178	4,309		-.273	.786		
	mudharabah	.122	.094	.247	1,301	.203	.825	1,213
	musharakah	.032	.044	.139	.731	.470	.825	1,213

a. Dependent Variable: non-performing financing

Figure 7.
Coefficients
Source: SPSS 27 (processed data)

Based on the partial t-test results, the mudharabah financing variable has a significance value of 0.203, while the musyarakah financing variable has a significance value of 0.470, both of which are greater than 0.05. These findings indicate that mudharabah and musyarakah financing do not significantly influence Non-Performing Financing (NPF). However, both variables still show a positive relationship with NPF.

Simultaneous Test (F Test)

The results of the F test by comparing the calculated F value with the F table and the P value can be seen in the following image:

ANOVA [a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6,740	2	3,370	.867	.430 [b]
	Residual	124,337	32	3,886		
	Total	131,077	34			

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a. Dependent Variable: non-performing financing
b. Predictors: (Constant), musyarakah, mudharabah
Figure 8.
ANOVA (Analysis of Variance) F test table
Source: SPSS 27 (processed data)

The results of the F-test showed that the F-value obtained was 0.867 with a significance level of 0.430. This significance level exceeds the 0.05 limit (0.430 > 0.05). Thus, it can be concluded that overall (simultaneous) mudharabah and musyarakah financing do not have a significant impact on Non-Performing Financing (NPF).

Coefficient of Determination R [2]

Model Summary [b]

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.548 [a]	.300	.230	1,709	1,648

Figure 9. Model Summary
Source: SPSS 27 (processed data)

Based on the results of the determination coefficient analysis, the R Square value was obtained at 0.300. This indicates that the musyarakah and mudharabah variables are able to explain 30% of the variation in Non-Performing Financing, while the remaining 70% is explained by other variables not included in the research model.

Discussion

Based on the research results, there is no significant influence of the mudharabah and musyarakah variables on Non-Performing Financing (NPF). This is supported by the results of the t-test analysis that has been conducted, which found that the mudharabah variable has a significant value of 0.203 (> 0.05) and the calculated t is at 1.301. This indicates that mudharabah, separately, does not have a significant influence on Non-Performing Financing (NPF). Thus, the hypothesis that mudharabah influences NPF is rejected.

The insignificant effect of mudharabah on NPF indicates that changes in mudharabah financing do not directly impact financing problems in Islamic banks. This may be due to the fact that mudharabah financing is typically accompanied by strict bank supervision and a profit-sharing mechanism tailored to the debtor's business performance, thus better managing the risk of late payments. The results of this study align with research conducted by Putri (2025),

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which states that mudharabah financing has not been shown to significantly impact the level of Non-Performing Financing.

Meanwhile, the musyarakah variable showed insignificant results with a significance value reaching 0.470 (> 0.05) and a calculated t-value of 0.731. This indicates that individually, musyarakah does not significantly influence NPF, so the second hypothesis in this study is also rejected. The insignificant effect of musyarakah suggests that this cooperative-based financing is not the main factor influencing the level of problems in financing. This condition may be caused by the application of the principle of prudence applied by Islamic financial institutions when providing financing, such as conducting feasibility analysis on customers, monitoring the development of the business being run, and implementing strict risk mitigation measures both before and during the financing period.

Based on the results of the F analysis, the F value was obtained at 0.867 with a significance level of 0.430 (>0.05). This indicates that the mudharabah and musyarakah variables do not have a significant impact simultaneously on Non-Performing Financing (NPF). The insignificance of the F test results indicates that the applied research model cannot effectively explain the overall influence of the independent variables on the dependent variable significantly. In other words, changes that occur in NPF cannot be adequately explained by only considering the mudharabah and musyarakah variables.

This indicates that other factors beyond the research design have a greater influence on NPF levels, such as the quality of risk management in the banking sector, the overall economic situation, the inflation rate, the base interest rate (or similar rates in Islamic financial institutions), and the nature and actions of borrowers in fulfilling their financial obligations. This research aligns with the findings of Zaelina (2021) who stated that mudharabah and musyarakah did not significantly influence NPF.

Based on the results of the coefficient of determination test, the R Square value was obtained at 0.300 and the Adjusted R Square value was 0.230. This indicates that the mudharabah and musyarakah variables can only explain approximately 23% of the changes in NPF, after taking into account the number of variables and samples used in the study. The small Adjusted R Square value means that the model cannot explain the variables examined sufficiently well. Therefore, approximately 77% of the changes in NPF are influenced by other factors not included in this research model. This condition strengthens the results of the previous F test which showed that there was no significant influence simultaneously. The low coefficient of determination value indicates that NPF

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performance in Islamic banks is not only influenced by the type of financing such as mudharabah and musyarakah, but also influenced by various other factors, both originating from outside the bank and from within the bank, such as financing quality, risk management ability, general economic conditions, and bank policies in handling problematic financing.

CONCLUSION

Based on the research conducted, it was concluded that mudharabah and musyarakah financing individually did not have a significant impact on Non-Performing Financing (NPF) in Islamic Commercial Banks during the 2020–2024 period. This is evident from the significance value of each variable exceeding 0.05, thus the first and second hypotheses were rejected. However, both variables showed a positive relationship with NPF. Simultaneously, mudharabah and musyarakah financing did not have a significant impact simultaneously on Non-Performing Financing (NPF). As can be seen from the results of the F analysis that has been conducted, the F value obtained was 0.867 with a significance level of 0.430 (> 0.05). In addition, the effectiveness of the model in explaining NPF variations is relatively low, with a coefficient of determination value reaching 0.300, indicating that 23% of the NPF variation can be explained by these two variables, while the remainder is influenced by other factors not included in this study. Overall, the regression model used has met all classical assumptions, so the results of this study can be considered valid and can be used as a basis for conclusions.

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