



## Analysis Of Non-Performing Financing Factors In Sharia Savings And Loans Cooperative (KSPPS) Alfa Mar'atus Sholihah, Cirebon City

Linda Sari<sup>1</sup>, Nanda Aisyah Safitri<sup>2</sup>, Irwan Sutirman Wahdiat<sup>3</sup>, Mardih<sup>4</sup>

<sup>1</sup>Universitas Swadaya Gunung Jati, Cirebon, West Java, Indonesia. Email lindasari260403@gmail.com

<sup>2</sup>Universitas Swadaya Gunung Jati, Cirebon, West Java, Indonesia. Email nandasafitri577@gmail.com

<sup>3</sup>Universitas Swadaya Gunung Jati, Cirebon, West Java, Indonesia. Email irwan.sutirman@gmail.com

<sup>4</sup>Universitas Swadaya Gunung Jati, Cirebon, West Java, Indonesia. Email mardiberkah1980@gmail.com

\*Corresponding Author: nandasafitri577@gmail.com

### Abstract

**Background.** Non-Performing Financing (NPF) poses a significant challenge to Sharia cooperatives, affecting their financial stability and growth. It is essential to understand the factors that contribute to NPF in order to enhance operational efficiency and ensure compliance with Sharia principles.

**Aims.** This research was conducted to identify various factors contributing to the emergence of Non-Performing Financing (NPF) in the Sharia Cooperative Alfa Mar'atus Sholihah.

**Methods.** This study uses a descriptive, qualitative approach categorized as field research. The main data source comes from primary data collected through observations, interviews, and documentation involving the secretary and employees of the Sharia Savings and Loans Cooperative Alfa Mar'atus Sholihah.

**Results.** The findings indicate that the factors causing NPF in the Sharia Cooperative Alfa Mar'atus Sholihah consist of internal factors, such as the financing process and the profit-sharing system, as well as external factors, such as the character of customers and economic growth.

**Conclusions.** Based on research at KSPPS Alfa Mar'atus Sholihah, internal and external factors influence Non-Performing Financing (NPF). Internally, while the financing system is adequate with proper education and monitoring, issues arise in installment payments and unclear profit-sharing agreements. Externally, NPF is affected by member characteristics like low repayment ability and reliance on stable economic growth. To reduce NPF, the cooperative should strengthen education, monitoring, and member engagement, while staying responsive to economic changes.

**Implications.** These findings provide insights for the management of KSPPS Alfa Mar'atus Sholihah to improve financing procedures and customer education, as well as to consider customer characteristics and economic conditions in financing management.

**Keywords.** Financing, Profit-Sharing, Customer Character, Economic Growth.



© 2025 The Author(s). This article is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/), which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source.

## INTRODUCTION

In recent decades, the Sharia-based economic system has become increasingly evident within Indonesia's economy. This development is not limited to Islamic banking but has also expanded into other sectors such as Islamic rural banks (BPR Syariah), Islamic mutual funds, and cooperatives that apply Islamic principles. Sharia cooperatives serve as a tangible form of people's financial institutions that operate under cooperative law while conducting all business activities under Sharia values derived from the Qur'an and Hadith. One of the main services offered by Sharia cooperatives is savings and loan products, which are managed without interest (riba) and emphasize the principles of justice and member welfare. This phenomenon reflects that Sharia cooperatives hold great potential in supporting inclusive and sustainable economic development for the Muslim community.

Sharia cooperatives operate based on principles sourced from the Qur'an, one of which is reflected in Surah Al-Ma'idah verse 2, emphasizing the importance of mutual assistance (ta'awun) and cooperation (syirkah) in goodness, while prohibiting collaboration in sinful matters. According to (Undang-Undang Republik Indonesia Nomor 25 Tahun 1992 tentang Perkoperasian), savings and loan cooperatives are one type of cooperative enterprise recognized by law. In practice, savings and loan cooperatives in Indonesia operate under two systems: one that follows conventional principles and another that is based on Sharia principles.

According to Article 8 of (Undang-Undang Republik Indonesia Nomor 10 Tahun 1998), the disbursement of financing must be carried out through an analytical process that adheres to the principle of prudence. The purpose of this principle is to ensure that customers have the ability to fulfill their obligations as agreed, thereby minimizing the potential for non-performing financing. However, in practice, the risk of problematic financing cannot be entirely avoided, and this may negatively affect the performance of Islamic banks themselves (Karim, 2010). In the operational practice of Sharia cooperatives, the provision of financing to members is often accompanied by a feasibility analysis to assess the prospective recipient's ability to run and sustain their business. Although this step aims to minimize risk, in reality, not all financing proceeds as expected. Cases are still found where members struggle to repay the funds within the agreed timeframe, whether due to financial incapacity or a lack of responsibility. This condition is known as Non-Performing Financing (NPF) and has become one of the main challenges in maintaining the quality of financing in Sharia cooperatives. This phenomenon indicates that even after conducting analysis, the risk of

problematic financing remains a challenge that must be faced by Islamic financial institutions.

Non-Performing Financing (NPF) refers to financing categorized as substandard, doubtful, or even default (Lestari dkk., 2023). In practice, Sharia cooperatives tend to offer financing with more flexible mechanisms, especially to support the small and medium enterprise (SME) sector. However, this flexibility also opens up the possibility of greater NPF risk. There are two main sources of problematic financing: internal and external factors. Internal factors include the procedures for financing disbursement and the profit-sharing system implemented by the cooperative for its members. Meanwhile, external factors may stem from the character of the customers or from the community's income conditions, which affect their ability to repay the funds.

The COVID-19 pandemic has increased the level of non-performing financing in savings and loan cooperatives, and various strategies have been implemented to address this issue, such as sending warning letters, conducting field visits, restructuring loan tenures, and taking legal action through collateral sales. Variations in the timeliness of financing installment payments affect both the time and cost incurred by Islamic financial institutions. Therefore, various efforts must be made to resolve problematic financing in order to survive in a competitive environment (Bangun dkk., 2023).

Alfa Mar'atus Sholihah Cooperative, located in Cirebon City, West Java, is a Sharia-compliant financial institution that focuses on financing services as its main product, specifically targeting low-income members to meet their business capital needs. One of the main advantages of this cooperative is that it does not require collateral in the form of physical assets and offers a simple and accessible financing application process, making it a favored choice among its members. Although this ease of access is intended to improve the economic well-being of its members, from the cooperative's perspective, it has also presented a number of challenges.

One of the most serious challenges faced by the Alfa Mar'atus Sholihah Cooperative is the increasing number of Non-Performing Financing (NPF) cases. This condition not only reflects a high level of risk in financing operations but also has a direct impact on the financial stability of the cooperative. When NPF levels rise, the cooperative is forced to allocate more funds as reserves to cover potential losses. As a consequence, the amount of working capital available to disburse new financing becomes limited. This situation makes it challenging for the cooperative to grow its business and expand its service outreach to

members who require business capital. The table below presents the total financing disbursed by the Alfa Mar’atus Sholihah Sharia Cooperative along with the Non-Performing Financing figures:

**Table 1.** Financing and Non-Performing Financing (NPF) of Alfa Mar’atus Sholihah Sharia Cooperative

Description	Year		
	2022	2023	2024
Financing Disbursed	115.721.354	111.911.504	67.523.158
NPF (%)	4,45	4,72	6,42

(Source: Financial Report of Alfa Mar’atus Sholihah Sharia Cooperative, 2024)

Based on the table above, the financing disbursed from 2022 to 2024 shows a consistent decline. The highest financing occurred in 2022, amounting to IDR 115,721,354, while in 2024, the amount decreased significantly—down by 1.97%. On the other hand, the NPF ratio at Alfa Mar’atus Sholihah Cooperative has continued to rise from 2022 to 2024, starting at 4.45% in 2022 and reaching 6.42% in 2024.

A previous study conducted by (Gunawan dkk., 2023) found that Koperasi Mitra Dhuafa focused its services on providing financing to low- to middle-income communities by offering a simple loan application process without requiring collateral. One of the challenges faced by Koperasi Mitra Dhuafa was the emergence of Non-Performing Financing (NPF), triggered by various factors. A major cause was the decline in business activity due to the impact of the COVID-19 pandemic, followed by economic conflict, financial difficulties, and even household-related problems.

To address this issue, the cooperative took proactive steps by approaching problematic borrowers directly to understand the root causes of non-payment and offering solutions. One solution included rescheduling financing installments to give members extra time to fulfill their obligations. Additionally, the cooperative implemented preventive strategies, such as simplifying the disbursement process for the next financing cycle and providing incentives in the form of food packages before Eid al-Fitr, as a form of moral support for members.

This study aims to identify the internal and external factors that contribute to Non-Performing Financing (NPF) or problematic financing at the Alfa Mar’atus Sholihah Sharia Savings and Financing Cooperative.

## LITERATURE REVIEW

### Sharia Cooperatives

(Batubara, 2021) states that cooperatives are a form of business unit established by individuals or legal entities whose activities are carried out based on cooperative principles and rooted in the values of kinship to build a people-based economic movement. Sharia cooperatives are understood as an economically structured business entity that operates systematically, emphasizing the principles of democracy, independence, participation, and social responsibility. All operational activities are based on Islamic law (sharia) principles, upholding ethical and moral values, and ensuring that business activities are free from elements that contradict Islamic law, particularly in terms of halal compliance (Buchori dkk., 2019).

Sharia cooperatives are prohibited from engaging in business involving elements of *maysir* (gambling), *gharar* (uncertainty), or *riba* (interest). In addition, legal regulations govern the types of derivative transactions permitted for sharia cooperatives, similar to other sharia-compliant financial institutions, so that they continue to operate within a sharia-compliant framework (Aji dkk., 2024).

Cooperatives also serve as an economic model that prioritizes the well-being of the people as its main focus and function as a vital pillar in the national economic structure. This means that cooperatives aim to empower their members through principles of justice, solidarity, and active participation in economic activities. Based on the needs and interests of members, cooperatives create opportunities for inclusive and sustainable economic growth, ensure that economic benefits are distributed equitably among all members, and strengthen the overall economic foundation of society (Nurbaiti & Perkasa, 2023)

### Non-Performing Financing (NPF)

According to (Supriyatni & Nurjamil, 2021), Non-Performing Financing (NPF) refers to the risk that arises from bank financing classified based on the quality of financing as non-performing, substandard, doubtful, or problematic. NPF refers to loans or financing that have defaulted or are close to default, typically when payments are overdue within a specified time frame, indicating potential losses for financial institutions. (Yunie Wijayanti, 2024) emphasizes the importance of managing such risks to maintain financial stability and ensure effective risk assessment in banking operations. In Islamic financial institutions, NPF is one of the key performance indicators used to evaluate institutional performance, reflecting the quality of productive asset management, particularly in the assessment of problematic

financing. Despite stricter rules applied to transactions and contracts in Islamic financial institutions, high NPF rates continue to be a critical issue that can disrupt the financial stability of these institutions. A high NPF rate indicates a failure of banking institutions to manage optimally and channel funds to the community for productive economic activities, which can ultimately hurt the institution’s overall performance (Asrizal, 2021).

**Table 2.** Criteria for Assessing Non-Performing Financing Ratings

No	Ratio	Criteria
1	NPF < 2%	Very Good
2	2% NPF < 5%	Good
3	5% NPF < 8%	Fair
4	8% NPF < 12%	Poor
5	NPF 12%	Very Poor

(Source: Bank Indonesia Circular Letter No. 9/24/Dpbs Year 2007)

Factors causing Non-Performing Financing (NPF) can be categorized into internal and external factors:

**Internal Factors**

1. Financing is the process of providing funds aimed at meeting the financial needs of individuals or entities experiencing a lack of resources. In conventional banks, the term "financing" is more commonly referred to as "credit" (Aravik & Hamzani, 2021). The financing process refers to the activity of providing funds or receivables of equivalent status, carried out based on a mutual understanding or agreement between the bank and the fund recipient, in which the recipient is obliged to repay the funds within a specified period, accompanied by compensation in the form of returns or a profit-sharing mechanism (Nurnasrina & Putra, 2018).

According to (Wisnuadhi dkk., 2022), the following are the requirements for customers before proceeding with financing in a sharia cooperative:

- a. Becoming a Member of the Cooperative: The customer must be registered as a member of the sharia cooperative.
- b. Filling Out the Financing Application Form: The customer is required to fill out the financing application form.

- c. **Attaching Identification Documents:** The customer must attach a copy of their ID card and other identification documents such as a family card or marriage certificate, if needed.
    - d. **Stating the Purpose of Financing:** The customer must state the intended use of the funds to ensure that the purpose does not involve any elements prohibited by sharia.
  2. Profit-sharing schemes are mechanisms applied in Islamic financial institutions to determine the proportion of profit distribution between the parties involved in a business partnership (Hasan, 2010). The method for determining the profit-sharing ratio in a sharia cooperative usually involves several steps that are agreed upon between the cooperative and the customer. Based on research conducted by (Katman & Syarifuddin, 2020), here are the procedures for determining the profit-sharing ratio:
    - a. **Establishing the Profit-Sharing Ratio (Nisbah):** The profit-sharing ratio is determined through an agreement between the customer and the cooperative, which usually involves negotiation. For example, the ratio could be set as 30% for the customer and 70% for the cooperative.
    - b. **Calculating the Average Savings Balance:** The cooperative calculates the average savings balance of each customer to determine the amount of profit share to be received.
    - c. **Calculating the Income:** After obtaining the total income from the financed business activities, the cooperative will calculate the remaining profit after deducting operational costs.
    - d. **Profit Distribution:** The calculated profit is then distributed to the customers according to the agreed profit-sharing ratio.

## **External Factors**

### **1. Customer Characteristics**

According to (Yuliana, 2016), the character or personality of someone who will receive financing must truly have a high level of trust. To assess the character of a potential debtor, it can be traced through their background, both in terms of work and personal conditions.

Customer characteristics, according to (Kasmir, 2014) can be explained through the 5C concept, which is an important analysis method in credit assessment:

- a. Character: Evaluating the nature and reputation of the potential debtor, including their habits and personal background that reflect their reliability in meeting financial obligations.
  - b. Capacity: Measuring the potential debtor's ability to repay the loan based on income and the analysis of the business being conducted.
  - c. Capital: Assessing the capital owned by the potential debtor when applying for credit, which shows their financial strength.
  - d. Collateral: Goods or assets that are used as collateral to secure the loan, providing the bank with certainty if the debtor defaults.
  - e. Condition (Economic Conditions): Considering external factors such as the economic conditions that may affect the debtor's ability to repay the loan.
2. According to the Central Statistics Agency (BPS), economic growth is a continuous transformation process in the economic structure of a country that leads to improvements in economic conditions over a certain period. It involves increasing the capacity for producing goods and services, which is typically measured through Gross Domestic Product (GDP) growth or real national income. Economic growth reflects a country's ability to increase output and the well-being of its people over time.

According to (Regina, 2022), the factors influencing economic growth have been discussed in various studies. Here are some of the main factors identified:

- a. Population Size: Population growth can affect the demand for goods and services and increase the available labor force for production.
- b. Investment: Foreign Direct Investment (FDI) and Domestic Investment (PMDN) play important roles in increasing production capacity and driving economic growth.
- c. Government Spending: Government expenditure on infrastructure and public services can stimulate economic growth by creating jobs and enhancing productivity.
- d. Technology: The level of technology used in the production process can increase efficiency and output.
- e. Global Economic Conditions: External factors such as exchange rates, inflation, and global market conditions also influence domestic economic growth.

Internal factors affecting the Alfa Mar'atus Sholihah Cooperative include the financing process and profit-sharing system, which significantly impact the cooperative's

performance in providing financing. External factors such as the character of the customers and community income play a crucial role in determining the quality and success of financing. These two factors are interconnected and must be well-managed to minimize the risks associated with problematic financing.

## **METHOD**

This research uses a descriptive-qualitative method. The qualitative method was chosen because it is deemed appropriate for the issue being studied, namely the Non-Performing Financing (NPF) problem faced by Koperasi Alfa Mar'atus Sholihah, where the aim is to analyze the phenomenon and understand and analyze the underlying issues. Qualitative research should be based on the "emic" perspective, which means data collection is carried out in accordance with the reality experienced directly by the subjects in the field, covering what they feel, think, and authentically experience (Sugiyono, 2013). The approach used in this research is a case study, which focuses on the interaction between social environments, individuals, institutions, and organizations, as well as how the issues arising in the research location are handled (Sahide, 2019). The researcher conducted the study at Koperasi Alfa Mar'atus Sholihah, located at Jl. Kutagara No. 14, RT.04/RW.02, Pulasaren, Kec. Pekalipan, Kota Cirebon, West Java, to gather data on non-performing financing or problematic financing. This research was carried out because the cooperative experiences non-performing financing every year. The reason for choosing Koperasi Alfa Mar'atus Sholihah is that it is one of the most popular cooperatives in Cirebon City, with the majority of its members coming from the lower-middle economic class.

The data in this study were obtained from primary sources, meaning data collected directly from individuals or relevant parties through methods such as interviews or questionnaires (Harnovinsah, 2019). In this case, the researcher used a structured interview technique, where specific information was pre-designed to be extracted from the informants to obtain relevant data. Additionally, observation methods were used to facilitate the researcher in gathering data by directly observing and recording the behavior of the subjects of the study (Siti Romdona dkk., 2025) interviews with the Head of Koperasi Alfa Mar'atus Sholihah as data materials.

During the field research process, the researcher conducted a comprehensive analysis to achieve optimal results. The analysis involved reviewing various documents and interview results. There are three stages in the data analysis technique used in this research: data reduction, data presentation, and conclusion drawing. In the data reduction stage, the

information obtained was thoroughly and selectively examined. The researcher organized and sorted the data systematically based on the core issues or information deemed relevant and significant (Harnovinsah, 2019).

## **DISCUSSION**

Based on the interviews and observations conducted, the researcher was able to explain various internal and external factors that contribute to the occurrence of Non-Performing Financing (NPF) at Koperasi Alfa Mar'atus Sholihah. Through this research process, several findings were discovered regarding the causes, both internal and external, that affect the emergence of problematic financing at the cooperative.

Mrs. Sri Ernawati, the Secretary of Koperasi Alfa Mar'atus Sholihah, explained that the analysis of Non-Performing Financing occurs due to two factors: internal and external factors.

### **Internal Factors**

#### **a. Financing Process**

Financing is the process of providing funds to meet the financial needs of individuals or entities that are experiencing a shortage of resources. In conventional banking, financing is commonly referred to as a loan (Aravik & Hamzani, 2021). According to (Undang-Undang Republik Indonesia Nomor 10 Tahun 1998), financing is defined as the process of providing funds by a bank to a debtor who is required to repay the amount borrowed along with interest or compensation according to the agreement stated in the contract, with a repayment deadline determined based on the type of financing agreed upon.

The initial stages of introducing KSPPS Alfa Mar'atus Sholihah to the public began with direct approaches from the cooperative. They actively went to the field to provide socialization regarding business development opportunities through the financing access provided by the cooperative. The financing scheme offered by KSPPS Alfa Mar'atus Sholihah is considered to have a fairly good system because the relationship between the cooperative and the members is not limited to fulfilling rights and obligations alone. In practice, the relationship between the cooperative and members extends beyond savings and financing; the cooperative also provides education to its members, guiding them to start various types of businesses such as trade, livestock, and other ventures.

The financing requirements at KSPPS Alfa Maratus Sholihah are relatively simple, requiring only an ID card (KTP), family card, and the formation of a member group. This system makes it easier for the cooperative to monitor its members. Additionally, KSPPS Alfa Maratus Sholihah does not require any collateral from members when applying for financing. The process from registration to fund disbursement at KSPPS Alfa Maratus Sholihah takes approximately one week. The initial loan that can be applied for by members ranges from 500,000 to 1,000,000 IDR. However, the disbursed amount is not entirely as requested, as part of the funds will be set aside for mandatory savings and basic savings. After the financing installments are fully paid, these savings will be returned to the member.

After the funds are disbursed, approximately one week later, the cooperative conducts monitoring to provide guidance on business development. The installment payments are made weekly to ease the members' financial burden. On the designated day, a cooperative officer will visit one of the group members' homes, which is used as a gathering place. The financing process implemented by KSPPS Alfa Maratus Sholihah is in accordance with the applicable standard operating procedures (SOP).

b. Profit Sharing

According to (Hakim dkk., 2022), the profit-sharing system is a form of cooperation between the fund owner and the business manager based on the principle of mutual assistance. In this mechanism, both parties make an agreement in advance to run a joint business, where the profits earned will be divided according to the proportion agreed upon at the outset. At KSPPS Alfa Mar'atus Sholihah, the profit-sharing scheme is a unique advantage offered to the public. In practice, the profit distribution must be agreed upon at the start of the contract in accordance with Islamic principles, and the profit-sharing percentage is determined based on mutual agreement without any pressure or coercion from either party.

KSPPS Alfa Mar'atus Sholihah applies an Islamic financing system with a revenue-sharing scheme, which is the division of business profits based on the income earned. In this system, the profits are shared between the cooperative as the *mudharib* (fund manager) and the customer as the *shahibul maal* (capital owner) according to the agreement made at the start of the contract. If a loss occurs, the responsibility is shared proportionally between both parties, as long as the loss is not due to negligence

by either party. This system emphasizes the principles of transparency, fairness, and mutual consultation in every financing process conducted.

In practice, KSPPS Alfa Mar'atus Sholihah establishes a minimum financing standard for each customer, which is IDR 10,000. As the fund manager (*mudharib*), the cooperative operates the profit-sharing mechanism in distributing financing. However, in certain contexts, the cooperative also acts as the *shahibul maal* or capital owner, depending on the type of financing product used. The profit-sharing scheme implemented by KSPPS Alfa Mar'atus Sholihah is set at 20% per year, as a form of return on the cooperation between the cooperative and the customer.

The profit-sharing system at KSPPS Alfa Mar'atus Sholihah is based on an agreement between both parties. Customers first choose the type of savings for deposit customers, while for financing customers, they choose the type of financing, whether using *murabahah* or *mudharabah*. For *murabahah*, the financing is provided to cover part of the member's needs. The profit is shared, with a portion going to KSPPS Alfa Mar'atus Sholihah and the rest going to the customer according to the agreed contract, with the cooperative receiving 80% and the customer 20%. For *mudharabah*, the financing is provided to cover the full capital required by the member. The profit is shared between KSPPS Alfa Mar'atus Sholihah and the customer according to the agreed contract. The profit-sharing for each customer is based on the proportion of the customer's savings divided by the total capital, multiplied by 20% of the profit.

Another profit-sharing system is voluntary, where both parties genuinely agree to the contract without any compulsion or coercion. Furthermore, the system does not involve *riba* (interest), meaning that neither party is harmed. For financing customers, they are not burdened by the agreed profit-sharing terms. Profit Sharing Implemented by KSPPS Alfa Mar'atus Sholihah is in accordance with the principles.

## **External Factors**

### **a. Characteristics of Customers**

Customer characteristics refer to the personality or attitude of the individual who will receive financing, and they must possess a high level of trustworthiness. To assess the nature of potential borrowers, it is essential to review their background, both from their professional life and personal life (Yuliana, 2016). Financial analysis, especially in terms of character, becomes one of the most effective efforts to minimize

financing risk. This understanding includes the ability to select members who have the potential to fulfill their financing obligations.

The application of the 5C principle in assessing customers is already included in the existing Standard Operating Procedures (SOP). The application of the 5C principle is as follows:

1. Character

The character of a potential borrower is a crucial factor that is often the main cause of problematic financing. In KSPPS Alfa Mar'atus Sholihah, this aspect must be assessed more deeply, not just by observation during formal meetings. To avoid financing risks in the future, the character assessment must be supplemented with information from the borrower's environment, such as neighbors or colleagues. This step is important so that the cooperative truly understands who will receive the funds and ensures that the individual has good integrity and responsibility.

2. Capacity

The ability of the customer to repay the financing. In the assessment process, KSPPS Alfa Mar'atus Sholihah prioritizes the capacity aspect of the prospective customer as the main indicator. This ability is assessed from various aspects, including the development of the business, educational background, and skills in running and managing the business. Income stability is also a key factor, as insufficient or fluctuating income is often the main cause of low repayment capacity. To address this, the cooperative encourages customers to increase their income, for example, by taking on side jobs or developing existing businesses. On the other hand, customers are also encouraged to be more prudent in managing their finances so that economic burdens do not interfere with their repayment obligations. Customers are advised to evaluate their spending carefully and manage debt wisely to alleviate financial burdens. Customers can maintain stable income by seeking jobs that offer better pay.

3. Capital

In assessing the feasibility of potential borrowers, KSPPS Alfa Mar'atus Sholihah conducts direct verification in the field, particularly for customers who are entrepreneurs. The visit aims to assess the current state of the business, observe financial indicators, and make economic projections for the future.

Meanwhile, for customers who work as private employees or government officials, the cooperative requires the last three months' salary slips as references. In this case, the financing given is limited to a maximum of 40% of the total monthly income. Interestingly, KSPPS does not only consider capital from the financial statement perspective but also looks at the availability of physical assets such as stock or inventory owned by the business as part of the customer's financial strength.

#### 4. Collateral

Collateral provided by prospective members to KSPPS Alfa Mar'atus Sholihah serves as security for the financing that will be provided. Having collateral can cover the risk if the member experiences payment difficulties. The data obtained for collateral includes the type of collateral (BPKB/Certificate), ownership status (legality of ownership documents), location, and whether the collateral is secured through an agreement (underhand/notarial).

#### 5. Condition of Economy

The general economic condition of the prospective member is crucial, as it will affect the financing to be provided. Data that can be assessed from the condition principle includes the business prospect (good, moderate, or poor), the business risk (good, moderate, or poor), relationship with other sectors, business competition, developments in technology used, and the socio-political situation.

#### b. Economic Growth

According to (Patta & Yana, 2018), economic growth is a process of increasing production capacity in an economy, which is reflected through a surge in national income. Economic growth and financing have a mutually related relationship. This is because financing can increase capital resources and economic activity, thereby impacting economic growth. KSPPS Alfa Mar'atus Sholihah plays an important role in increasing regional income, especially for traders who lack capital to develop their businesses through financing loans. The financing received by KSPPS Alfa Mar'atus Sholihah members is crucial as it helps business actors meet their needs in order to grow.

Although not yet fully developed, economic development in Cirebon in 2024 shows positive economic growth and investment. This indicates the positive impact of the mudharabah financing received. The income level and business growth of

members are significantly influenced by the mudharabah financing provided by KSPPS Alfa Mar'atus Sholihah in Cirebon. This is because the amount of capital used determines business income: the larger the capital, the greater the income. Conversely, if the capital is small, the income will also be smaller. Thus, community welfare will increase along with the higher income earned.

The business growth of KSPPS Alfa Mar'atus Sholihah members is influenced by mudharabah financing. Most members who received financing experienced significant benefits that helped their business development and improvement. Entrepreneurs felt the positive impact of the profit-sharing system applied to their loans, or what is known as financing provided by KSPPS Alfa Mar'atus Sholihah. After receiving mudharabah financing—previously agreed upon—their businesses began to grow and improve significantly. This has greatly supported the economic condition of the KSPPS Alfa Mar'atus Sholihah members, leading to an increase in their income. The economic growth in Cirebon is aligned with principles that can reduce the NPF (Non-Performing Financing) level in KSPPS Alfa Mar'atus Sholihah.

## **CONCLUSION**

Based on research conducted at the Sharia Savings and Loans Cooperative (KSPPS) Alfa Mar'atus Sholihah, it can be concluded that Non-Performing Financing (NPF) is in accordance with both internal and external factors.

Internal factors contributing to NPF include the financing process carried out by the cooperative, in which the system is considered adequate through providing education to members and offering convenience in financing requirements. However, although the disbursement and monitoring processes are well-executed, there are challenges in installment payments that may affect financing performance. Moreover, the profit-sharing system, despite being fair and transparent, may become a problem if there is no clear agreement between the cooperative and the members.

External factors include member characteristics and economic growth. Member characteristics may increase NPF, such as low repayment ability or unwillingness to pay, contributing to the rise of NPF. On the other hand, the positive economic growth in the Cirebon area shows that financing provided by KSPPS Alfa Mar'atus Sholihah can improve income and member welfare. However, reliance on stable economic growth also becomes an important factor in maintaining financing performance.

Overall, to reduce NPF, KSPPS Alfa Mar'atus Sholihah must continue to improve education and monitoring processes for members, and consider member characteristics and needs in providing financing. Furthermore, maintaining good relationships with members and adapting to changing economic conditions are also key strategies in managing NPF risk.

## BIBLIOGRAPHY

- Aji, A. U., Fitriyani, Y., & Alfianto, A. N. (2024). PENGARUH BRAND IMAGE TERHADAP KEPUTUSAN NASABAH MENGGUNAKAN KSPPS AL HUSNA CABANG SECANG. *Jurnal Adz-Dzahab: Jurnal Ekonomi dan Bisnis Islam*, 9(1), 1–12.
- Aravik, H., & Hamzani, A. I. (2021). *Etika Perbankan Syariah: Teori dan Implementasi*. Deepublish.  
<https://balaiyanpus.jogjaprovo.go.id/opac/detail-opac?id=322389>
- Asrizal, S. (2021). Upaya Penanganan Non Performing Financing (NPF) Pada Unit Usaha Syariah Bank Sumut. *Account: Jurnal Akuntansi, Keuangan dan Perbankan*, 8(1).  
<https://doi.org/10.32722/acc.v8i1.3872>
- Bangun, C. F. B., Anggraini, T., & Aldiansyah, C. (2023). Strategi Bank Dalam Mengatasi Non Performing Financing (NPF) pada Masa Pandemi Covid-19. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, 4(1), 1–7.  
<https://doi.org/10.47467/elmal.v4i1.1266>
- Batubara, S. (2021). Peran koperasi syariah dalam meningkatkan perekonomian dan kesejahteraan masyarakat di Indonesia. *Jurnal Ilmiah Ekonomi Islam*, 7(3), 1–5.  
<https://doi.org/10.29040/jiei.v7i3.2878>
- Buchori, Nur. S., Harto, Prayogo. P., & Wibowo, H. (2019). *Manajemen Koperasi Syariah: Teori & Praktik*. Rajawali Pers.  
[https://elibrary.stebisigm.ac.id/index.php?p=show\\_detail&id=612&keywords=](https://elibrary.stebisigm.ac.id/index.php?p=show_detail&id=612&keywords=)
- Gunawan, S., Yuliawati, Y., & Ridwan, M. (2023). Analisis Faktor Penyebab Terjadinya Pembiayaan Macet Pada Koperasi Syariah Mitra Dhuafa. *Aksioreligia*, 1(2), 52–60.  
<https://doi.org/10.59996/aksioreligia.v1i2.239>
- Hakim, L., Ishak, K., Herlina, A., Febriyani, R., & Ernest, D. (2022). Praktik Bagi Hasil Mudharabah Dalam Meningkatkan Jumlah Nasabah Pada Pt. Bprs Ampek Angkek Candung Sumatera Barat. *Jurnal Tabarru': Islamic Banking and Finance*, 5(1), 40–52.. [https://doi.org/10.25299/jtb.2022.vol5\(1\).8380](https://doi.org/10.25299/jtb.2022.vol5(1).8380)
- Harnovinsah, A. (2019). *Modul 3 Metode Pengumpulan Data. Metodologi Penelitian*, 3–5. Retrieved from <http://www.mercubuana.ac.id>.
- Hasan, Z. (2010). IJBF PROFIT SHARING RATIOS IN MUDARABA CONTRACTS REVISITED. *The International Journal of Banking and Finance*, 7 No. 1, 1–18.  
<https://doi.org/10.32890/ijbf2010.7.1.8396>
- Karim, A. (2010). *Bank Islam Analisis Fiqih dan Keuangan* (4 ed.). PT. Grafindo Persada.  
<https://opac.ut.ac.id/detail-opac?id=25353>
- Kasmir. (2014). *Bank dan lembaga keuangan lainnya* (Ed. Revisi. Cet. 14). Rajawali Pers.  
<https://inlislite.uin-suska.ac.id/opac/detail-opac?id=25991>
- Katman, M. N., & Syarifuddin, S. (2020). SISTEM BAGI HASIL SIMPANAN PADA KOPERASI SYARI'AH BMT ASY-SYABAAB BKPRMI KAB. PINRANG. *EL MUDHORIB: Jurnal Kajian Ekonomi dan Perbankan Syariah*, 1(2), 14–23.  
<https://doi.org/10.53491/elmudhorib.v1i2.102>

- Lestari, D., Yuliawati, & Hadyantari, F. A. (2023). *Analisis Faktor-faktor yang Mempengaruhi Non Performing Financing pada Bank Umum Syariah di Indonesia. 2 No 1*.  
<https://ejournal.upnvj.ac.id/iesbir/article/view/5740>
- Nurbaiti, I., & Perkasa, R. D. (2023). Pengaruh Modal Sendiri, Modal Pinjaman, Dan Volume Usaha Terhadap Selisih Hasil Usaha (SHU) Pada Koperasi Simpan Pinjam. *Innovative: Journal Of Social Science Research*, 3(4), 3440–3450.  
<https://doi.org/10.31004/innovative.v3i4.3751>
- Nurnasrina, A. P., & Putra, P. A. (2018). Manajemen pembiayaan bank syariah. *Pekanbaru: Cahaya Pirdaus*, 23.  
[https://www.researchgate.net/profile/PopiPutra/publication/348928953\\_Manajemen\\_Pembiayaan\\_Bank\\_Syariah/links/60178e6fdcc071ba91fe6/Manajemen-Pembiayaan-Bank-Syariah.pdf](https://www.researchgate.net/profile/PopiPutra/publication/348928953_Manajemen_Pembiayaan_Bank_Syariah/links/60178e6fdcc071ba91fe6/Manajemen-Pembiayaan-Bank-Syariah.pdf)
- Patta, Y., & Yana, F. (2018). *Menembus Badai Ekonomi dalam Perspektif Kearifan Lokal. Sah Media*.  
[https://books.google.co.id/books/about/Menembus\\_Badai\\_Ekonomi.html?id=i11tDwAAQBAJ&redir\\_esc=y](https://books.google.co.id/books/about/Menembus_Badai_Ekonomi.html?id=i11tDwAAQBAJ&redir_esc=y)
- Regina, T. (2022). Analisis Faktor-Faktor Yang Mempengaruhi Pertumbuhan Ekonomi Di Indonesia. *Kompleksitas: Jurnal Ilmiah Manajemen, Organisasi Dan Bisnis*, 11(1), 36–45.. <https://doi.org/10.56486/kompleksitas.vol11no1.201>
- Sahide, M. A. K. (2019). *Buku Ajar Metodologi Penelitian Sosial: Keahlian Minimum untuk Teknik Penulisan Ilmiah*. Fakultas Kehutanan, Universitas Hasanuddin.  
<https://id.scribd.com/document/493613582/Buku-Ajar-Metodologi-Penelitian-Sosial>
- Siti Romdona, Silvia Senja Junista, & Ahmad Gunawan. (2025). TEKNIK PENGUMPULAN DATA: OBSERVASI, WAWANCARA DAN KUESIONER. *JISOSEPOL: Jurnal Ilmu Sosial Ekonomi dan Politik*, 3(1), 39–47.  
<https://doi.org/10.61787/taceee75>
- Supriyatni, R., & Nurjamil, N. (2021). The Urgency of Handling Non-Performing Financing in Sharia Banks in the Development of Indonesian Sharia Economics. *PADJADJARAN Jurnal Ilmu Hukum (Journal of Law)*, 8(1), 26–46.
- Undang-Undang Republik Indonesia Nomor 10 Tahun 1998 tentang Perubahan atas Undang-Undang Nomor 7 Tahun 1992 tentang Perbankan (1998).  
<https://bphn.go.id/data/documents/98uu010.pdf>
- Undang-Undang Republik Indonesia Nomor 25 Tahun 1992 tentang Perkoperasian (1992).  
[investasi.id/regulasi/Documents/UU\\_No\\_25\\_Tahun\\_1992\\_Perkoperasian.pdf](https://investasi.id/regulasi/Documents/UU_No_25_Tahun_1992_Perkoperasian.pdf)
- Wisnuadhi, B., Mayasari, I., Danisworo, D. S., Munawar, G., Mauluddi, H. A., Firdaus, L. H., & Wirasta, W. (2022). Implementasi produk pembiayaan murabahah di koperasi syariah berkah kabupaten bandung barat. *Journal of Applied Islamic Economics and Finance*, 2(2), 278–285.  
<https://doi.org/10.35313/jaief.v2i2.3681>
- Yuliana, D. (2016). Analisis faktor–faktor yang mempengaruhi kredit macet dana bergulir di PNPM mandiri perdesaan kecamatan Guntur Kabupaten Demak. *Jurnal STIE*, 8 No. 3.  
<https://jurnal3.stiesemarang.ac.id/index.php/jurnal/about>
- Yunie Wijayanti. (2024). *Manajemen Risiko Perbankan dan Transformasi Digital*.  
<https://doi.org/10.13140/RG.2.2.12629.23524>