

Analysis of Non-Performing Credit Settlement at PT. Bank NTB Syariah

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ARTICLE INFO



ISSN: 2620-6196
Vol. 6 Issues 2 (2023)

Article history:

Received – September 23, 2023

Revised – September 25, 2023

Accepted – September 25, 2023

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Keywords:

Non-Performing, Credit, Settlement, Financing, Sharia Bank.

ABSTRACT

This study aims (1) to analyse the factors that cause problem financing at PT Bank NTB Syariah (2) to find out how to solve problem financing at PT Bank NTB Syariah (3) to find out what are the obstacles to solving problem financing at PT Bank NTB Syariah. This type of research uses qualitative research. The data collection method used in this research is the interview method. Checking the validity of the findings using source triangulation so that it is easy to analyse various problems that occur at Bank NTB Syariah. The results of the study, (1) There are 2 factors that cause problem financing, namely, external factors and internal factors from customers (2) Efforts made by PT. Bank NTB Syariah in solving Problem Financing, namely: Doing billing by telephone media, Short Message Service (SMS) and WhatsApp, using very polite and smooth language, considering it as customer service, increasing intensive hospitality with customers, transferring customers, restructuring financing, collateral auctions by submitting the Customer's collateral auction process to the KPKLN. The last step is insurance claims and write-offs.

INTRODUCTION

West Nusa Tenggara Regional Development Bank (Bank NTB Syariah) is a bank owned by the Provincial Government of West Nusa Tenggara together with City/Regency Governments throughout West Nusa Tenggara. Bank NTB Syariah officially carried out operational activities in accordance with sharia principles on September 24, 2018. PT Bank NTB Syariah was established with the aim of becoming a trustworthy, reputable, and community-chosen Sharia Bank, providing more enthusiasm for Bank NTB Syariah to be able to continue providing services sharia banking to help the community in sharia banking transactions and improve the regional economy in West Nusa Tenggara. According to Law No. 21 of 2008 concerning Islamic Banks article 1 point 7, Islamic banks are banks that carry out their business activities based on sharia principles and according to their type consist of Islamic commercial banks and Islamic people's credit banks, while financing according to UURI No. 21 of 2008 concerning Islamic banks based on article 1 point 25 is the provision of funds or equivalent claims in the form of profit sharing transactions in the form of mudharabah and musyarakah.

Financing in Islamic Banks requires caution in its distribution, so that the bank must manage it using the precautionary principle. This is needed to ensure that investment funds from creditors are perfectly managed by the bank as an intermediary institution. One form of the prudential principle in financial governance in bank operations is a guarantee as a guide for the bank to ensure that the debtor performs the achievements agreed in the contract. (Law Number 23 of 1999 concerning Bank Indonesia Article 25). Islamic banks in providing financing hope that the financing runs smoothly, the customer complies with what has been agreed upon in the agreement and pays in full when due. However, it can happen that during the financing period the customer experiences difficulties in making payments which results in losses for Islamic banks. Any problematic financing, Islamic banks will try to save financing,

Usanti and Abd (2013: 109). Rescuing financing is a technical term that can be used among banks for efforts by debtors who still have good business prospects but have difficulty paying principal and/or other obligations, so that debtors can repay their obligations.

PT Bank NTB Syariah continues to develop and improve MSMEs and MSME activities. In June 2020, PT Bank NTB Syariah launched two programs at once, namely Special Financing for Micro, Small and Medium Enterprises (MSMEs) and Special Contractor Financing. One of the risks that occur in Islamic bank financing is the risk of bad financing. The risk of financing jams is a risk that often occurs in Islamic banks. This is because financing is an activity that dominates the use of bank funds where around 70% -80% of funds are disbursed through this activity. The financing risk that often occurs is the failure to repay some of the financing provided and it becomes problematic, affecting the bank's income and operations. According to Bank Indonesia Regulations, the credit NPL ratio may only be less than 5%. Based on research conducted by Ningsih et al (2022: 252), the NPL value of PT Bank NTB Syariah in 2019 was 1.36% and in 2020 it was 1.26%. In 2021 the NPL value of Bank NTB Syariah is 1.18%. This NPL value is below 5% so it can be concluded that PT Bank NTB Syariah has very healthy quality and is classified at Composite rating 1 (PK – 1), which means that the bank's condition reflects that the bank is in a very healthy phase.

Literature Review

In law number 21 of 2008 article 1 the meaning of Islamic banking is: "Sharia banking is everything that concerns Sharia Banks and Sharia Business Units, including institutions, business activities, and methods and processes in carrying out their business activities". "Sharia banks are banks that operate in accordance with Islamic sharia principles or banks whose procedures for operation refer to the provisions of the Al-Qur'an and Al-Hadith" (Syafi'i Antonio, in Anugrah and Mahfuddhotul, 2020: 3)

Financing is one type of Islamic bank business activity. What is meant by financing is the provision of funds or equivalent claims in the form of:

- 1) Profit sharing transactions in the form of murabaha and musyarakah.
- 2) Lease transactions in the form of ijarah or lease purchase in the form of ijarah Rompiiya bitamlik
- 3) Lending and borrowing transactions in the form of qardh receivables and,
- 4) Leasing transactions in the form of ijarah for multi-service transactions. (Wangsawidjaja, 2012:78-70)

The function of financing in the economy is that financing can increase the utility (efficiency) of capital/money, increase the usability of goods, increase circulation and traffic of money, (Rifai, Susanti, & Setyaningrum, 2017). According to Muhammad in Ilyas (2018: 7-8), in general, financing objectives can be divided into 2 groups, namely: financing objectives for the micro level and financing objectives for the macro level.

Funding is basically given based on trust. Thus, the provision of financing is a gift of trust. This means that the achievements given really must be believed to be returned by the recipient of the financing in accordance with the time and terms that have been mutually agreed upon. Based on the above, the elements of financing include (Rivai and Arviyan, 2010:170)

- 1) There are two parties,
- 2) There is shahibul mal trust in mudharib based on the mudharib's achievements and potential.
- 3) There is an agreement, in the form of an agreement between shahibul mal and other parties who promise.
- 4) There is delivery of goods, services, or money from shahibul mal to mudharib.
- 5) There is an element of time (time element).

According to Muhammad in Mashuri (2015: 115-116), the type of Islamic bank financing will be realized in the form of productive assets and non-productive assets. Types of productive assets in Islamic

banks, allocated in the form of profit-sharing financing include: mudharabah and musyarakah financing while financing based on the principle of buying and selling (receivables) includes: murabahah financing, salam istishna.

- 1) Mudharabah Financing, Application: working capital financing, project financing, export financing.
- 2) Musyarakah Financing, Application: working capital financing, and export financing.
- 3) Murabaha financing, Application: investment financing for capital goods, consumptive financing, working capital financing, and export financing.
- 4) Salam Financing, Application: financing of the agricultural sector, and manufacturing products.
- 5) Istishna Funding, Application: construction/project financing/manufacturing products.
- 6) Ijarah financing, Application: lease financing.
- 7) A Qard loan or bailout is a provision of funds and/or bills between an Islamic bank and a borrower that requires the borrower to make payments at once or in installments within a certain period.

Non-performing financing is a distribution of funds carried out by financing institutions such as Islamic banks where in the implementation of financing payments by customers, things such as things that do not go smoothly occur. Non-performing loans or (Non-Performing Loans / NPLs) and in Islamic banking known as Non-Performing Financing (NPF) can be interpreted as loans that experience repayment difficulties due to intentional factors or external factors beyond the ability of the debtor's control. 12 financing where the debtor does not meet the requirements promised and the financing does not meet the installment schedule and in terms of productivity, namely its relation to the ability to generate income for the bank, has decreased or decreased and may even no longer exist. (Djamil, 2012:66).

Islamic banks will supervise and foster the development of business projects on financing managed by customers, because the profits to be obtained by Islamic banks will come from profits that are generated based on the agreed ratios of the business managed by the customer so that if the business managed by the customer fails then Islamic banks must bear the risk of losing funds that have been given to customers. (Usanti and Abd, 2013:101)

Settlement of troubled financing in a bank can be done with the first step in knowing the symptoms of potentially problematic financing, the bank must immediately make efforts to resolve it before the problem causes losses to the bank. The initial step to avoid problem financing is preventive in nature, namely analyzing customers where necessary so that the bank gains confidence that the financing provided can be returned by its customers.

RESEARCH METHOD

This study uses a type of quantitative research. This research method uses a descriptive qualitative method. The research was conducted at PT Bank NTB Syariah, Address: Jl. Pejanggik No. 30, Mataram Bar., Kec. Selaparang, Mataram City, Nusa Tenggara Bar. 83126. The type of data used in this research is qualitative. The data source used in this study is primary data, obtained from interviews with employees of PT Bank NTB Syariah. The data collection method used in this research is the interview method. The data analysis technique used is triangulation.

RESULTS AND DISCUSSION

There are 2 factors that cause problematic financing, namely, external factors and internal factors.
External Factors

External factors are factors that occur beyond the control of bank management, such as natural disasters, conflicts or wars, changes in economic conditions for customers and trade or customer companies, technological changes, and even divorce can be one of the external factors for problematic financing.

Internal factors

Internal factors are factors that exist within the bank itself, such as incompetence of bank employees in analyzing, disobedience of bank employees in the procedure for providing financing. Family problems, and the most dominant main factor is managerial factors. The emergence of company financial difficulties caused by managerial factors can be seen from several things such as weaknesses in buying and selling policies, weak monitoring of costs and expenses, inappropriate receivables policies, excessive placement of fixed assets, insufficient capital.

Efforts to solve problematic financing at PT Bank NTB Sariah, namely by:

1. Doing billing using telephone media, Short Message Service (SMS) and Whatsapp with the language used is very polite and smooth, considering it as a customer service.
2. Increasing intensive hospitality with customers with a deliberative approach.
3. Transfer of Customers, by providing new Financing to other customers (family/heirs of the Customer who has bad Financing or other parties who voluntarily agree to settle the Customer's debt) with the following terms and conditions:
 - a. The provision of new Financing meets the Business Eligibility Requirements or in accordance with the provisions of the applicable Financing.
 - b. Part or all the new Financing (number) is used to pay or pay off the Customer's debts.
4. New Customers are fully responsible for paying off the new Financing provided and guarantee that there will be no future demands from the Bank regarding their willingness to pay/pay off old Customer debts.
5. Restructuring of Financing through rescheduling, reconditioning, and restructuring. If after the problematic Financing Restructuring is carried out, however, problematic financing still occurs, the Bank will carry out the collateral auction step by submitting the Customer's collateral auction process to the KPKLN.
6. Insurance Claims, to fulfill the Policyholder's rights as stated in the policy. For non-performing Financing that has Claim rights on Financing insurance, claim rights must be made to the Insurance company. Specially for non-performing financing that already has the right to claim insurance for its financing, it is obligatory to carry out its claim rights to the insurance company.
7. Write-off, write-off of Financing (Delete Book) is an administrative action by the Bank to write-off bad financing books from the balance sheet in the amount of the Customer's Liabilities without erasing the Bank's claim rights to the Customer. Deleting books is one way to improve PT's financing system. Bank NTB Sariah by moving troubled (jammed) financing that is difficult to handle from the balance sheet of PT. Bank NTB Sariah to become extracomtable. Even though the bad financing has been written off, this is only administrative in nature so that billing from Bank NTB Sariah customers is still being carried out until it is paid off.

in handling financing caused by force majeure on the part of customers at PT Bank NTB Sariah are caused by:

- a. Internal factors, namely the emergence of obstacles from internal factors, one of which is due to employee turnover, especially in the Collection Staff section at PT Bank NTB Sariah.
- b. External Factors, the emergence of obstacles from external factors can be caused by a number of things, including: the customer has not got a job, in the case of a sick customer, when the bank collects the customer's wife/husband who is sick is not at home, there are only children or helpers at the customer's house, and the customer has not received sufficient sales proceeds, so he cannot carry out his obligations.

Efforts made by PT Bank NTB Sariah to overcome these obstacles, include providing training to employees, especially new employees who handle financing, carrying out intensive billing and using a

persuasive approach, if problems arise, such as problematic financing then resolved in accordance with the applicable laws and regulations.

CONCLUSION

Factors causing problematic financing at PT. Bank NTB Syariah originates from two factors, namely factors from customers and factors from the Bank itself, Efforts to solve problematic financing at PT Bank NTB Syariah, namely by: Doing billing using telephone media, Short Message Service (SMS) and Whatsapp with the language used is very polite and smooth, considering it as a customer service, Increasing intensive hospitality, Transfer of Customers, by providing new Financing to other customers (family/heirs of the Customer who has bad Financing or other parties who voluntarily agree to settle the Customer's debt) with the following terms and conditions, New Customers are fully responsible for paying off the new Financing provided and guarantee that there will be no future demands from the Bank regarding their willingness to pay/pay off old Customer debts. Restructuring of Financing through rescheduling, reconditioning, and restructuring. If after the problematic Financing Restructuring is carried out, however, problematic financing still occurs, the Bank will carry out the collateral auction step by submitting the Customer's collateral auction process to the KPKLN, Insurance Claims and Write-off. Obstacles in handling financing due to force majeure on the part of the customer at the PT Bank NTB Syariah, comes from internal factors that come from the bank, as well as originating from external factors originating from the customer.

Acknowledgment

Acknowledgments allow the author to thank all those who have helped in its implementation study. Special thanks to the Institute for Research and Internal Service at Muhammadiyah University of Mataram LPPM UMMAT).

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