



**IMPLEMENTATION OF PEOPLE'S BUSINESS CREDIT
PROVISION TO PT. BANK NEGARA INDONESIA (PERSERO)
Tbk,**

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ABSTRACT

The aim of this researcher is to determine the process of resolving problem loans at PT Bank Negara Indonesia (Persero) Tbk. This research uses quantitative methods to descriptively describe the problem credit resolution process at PT Bank Negara Indonesia for the 2020-2023 period. The results of this research show that the implementation of credit provision is in accordance with the principles of credit provision, however, the growth rate of People's Business Credit for the 2022-2023 period has seen a decline in the implementation of credit distribution due to lack of socialization and lack of document requirements so that distribution to prospective customers becomes a problem.

Keywords: *Bank, People's Business Credit*

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INTRODUCTION

One of the objectives of Indonesian banking, which is explained in Law no. 10 of 1998 that "Indonesian banking aims to support the implementation of national development in order to increase equality, economic growth and national stability towards improving the welfare of the people at large", so People's Business Credit is expected to be able to help the community's economic growth as one of the development goals national. People's Business Credit is a government priority program in supporting local product business in the form of a policy of providing credit or financing for working capital and investment to individual debtors or productive and viable business entities. The large number of types of credit offered is certainly very profitable, because it will definitely be easier to choose the type of credit that suits the debtor's needs, so that needs can be targeted to the type of loan being made. Through innovation, the bank's programs are always oriented towards community needs, one of which is People's Business Credit . Of these micro, small and medium businesses, there are many people who want to create a business that keeps up with the times but still have difficulty in getting capital for the business, one of which is West Sumatra. West Sumatra is a potential area for distributing People's Business Credit because most of the productive businesses in West Sumatra consist of Micro, Small and Medium Enterprises and Cooperatives .

The implementation of People's Business Credit is expected to be able to contribute to the development of the real sector and poverty alleviation programs, influence the unemployment rate and expand employment opportunities and improve people's living standards. The credit granting process requires consideration and analysis. Upon submitting an application for a credit loan, of course you must follow various procedures established by the bank concerned. Apart from that, the applicant must know the rights and obligations that will arise from each party, namely debtors and creditors. The problem with the People's Business Credit program is not only focused on the interest rate which cannot help local product business, but is also hampered by distribution which cannot fully reach small businesses which really need funds. The reason for the low absorption capacity of People's Business Credit recently is due to requirements that local product business cannot fulfill. One of the reasons is uncompetitive interest rates. The obstacle in providing this credit is that the business run by the customer experiences a decline or loss, making it difficult to pay the loan, this is what causes bad credit.

In implementing procedures for granting credit, banks must pay attention to the principles of granting credit. The bank must carry out careful research on prospective debtors, such as knowing the character, capacity, capital, collateral and economic conditions of the debtor. With the stipulation of implementing regulations for People's Business Credit and supporting policies, it is hoped that the distribution of People's Business Credit by Bank BNI can run well and be fully supported and implemented by credit implementers/officials so that the plan for distributing People's Business Credit can be realized as expected. Starting from the description above, the author is interested in discussing at an advanced level the procedures for implementing People's Business Credit in granting credit. In the procedures for implementing people's business credit at PT. Bank Negara Indonesia (Persero) Tbk. The Padang Main Branch Office still has a lot of bad credit, this is caused by customers who are unable to pay off within the specified time period. The occurrence of bad credit is something that often happens in banking. One of the reasons bad credit can occur is due to failure to manage the funds provided by the bank to open a business. Income that does not reach this target is what makes customers unable to pay off credit according to the agreement. The following is the amount of People's Business credit distributed by PT. Bank Negara Indonesia (Persero) Tbk.

Tabel.1.
Amount of People's Business Credit Distributed
At PT Bank Negara Indonesia (Persero) Tbk
Period 2020 -2023
(in IDR 000)

| No | Tahun | Amount of People's Business |
|----|-------|-----------------------------|
| 1 | 2020 | 32.602.000 |
| 2 | 2021 | 44.008.000 |
| 3 | 2022 | 52.708.000 |
| 4 | 2023 | 44.101.000 |

Sumber : PT. Bank Negara Indonesia (Persero) Tbk

In table 1. above, in 2020 the amount of People's Business Credit distributed was IDR. 32,602,000,000, In 2021 the amount of People's Business Credit distributed will

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increase to Rp. 44,008,000,000, and in 2022 the amount of People's Business Credit distributed will increase again to Rp. 52,708,000,000 Then in 2023 the amount of People's Business Credit distributed will decrease to Rp. 44,101,000,000.

From the explanation above, the author is interested in choosing the title for this final assignment about what problems occur in the implementation of People's Business Credit . "Implementation of Providing People's Business Credit to PT. Bank Negara Indonesia (Persero) Tbk,"

RESEARCH METHODS

Method of collecting data

Field studies (Field Research) involve direct research on the object in question by examining the results of the data obtained. This research can help the author complete the necessary data, with activities carried out by interviewing the parties concerned or the company, related agencies. Library research (Library Research) is research carried out by looking at and reading previous research references in the library.

Data Analysis Methods

The qualitative method is a qualitative method that focuses on in-depth observation. Therefore, the use of qualitative methods in research can produce a more comprehensive study of a phenomenon. Qualitative research that pays attention to humanism or individual humans and human behavior is a response to the awareness that all the consequences of human actions are influenced by the internal aspects of the individual. These internal aspects include beliefs, political views and social background of the individual concerned. Meanwhile, according to Sugiyono (2018:213), qualitative research methods are research methods based on philosophy that are used to research scientific conditions (experiments) where the researcher is the instrument, data collection and analysis techniques that are qualitative emphasize more on meaning.

ANALYSIS AND DISCUSSION

Understanding Credit

Credit is the provision of a loan or financing by a lender to a borrower with a repayment process that takes place in stages over a period of time mutually agreed upon by both parties. The nature of payment in credit is non-cash and installments. According to (Alanshari & Marlius, 2018) credit is something that society needs to encourage and facilitate trade activities, both in the field of producing goods and services and also to increase or meet people's consumption needs. Based on this understanding, it can be concluded that credit can be in the form of money or bills whose value is measured by, for example, banks financing credit for purchasing a house. The bank is the creditor, while the customer is the debtor. According to Muljono, credit is the ability to make a purchase or take out a loan with an agreement to pay in advance.

Understanding People's Business Credit

People's Business Credit is credit/financing for working capital and investment to micro, small and medium enterprises and cooperatives in the business and productive sectors by providing it through a direct pattern, indirectly by executing/channeling and the people's business credit is guaranteed by a guarantor company. Judging from the definition above, of course this credit is specifically aimed at micro businesses. (Kasmir, 2006) in (Zamien, 2013) People's Business Credit is working capital credit or also called investment in Micro, Small, Medium Enterprises and Cooperatives, in productive and viable business fields. Judging from the definition above, of course this credit is specifically aimed at micro businesses. Small Businesses and Medium Businesses.

Purpose of People's Business Credit

There are several objectives of providing People's Business Credit, namely to accelerate the development of the real sector and to empower local product business and provide a process of increasing access to financing for local product business and Cooperatives. As well as carrying out expanded work agreement poverty alleviation. With the existence of People's Business Credit, the Government is trying to provide easy steps for local product business and provide credit of up to Rp. 500 million which is focused on five business sectors such as fisheries, agriculture and maritime affairs, forestry cooperatives and industry and trade.

Elements of providing People's Business Credit

The term credit comes from the Greek word (*credere*) which means trust, so the basis of credit is trust. The word credit contains elements glued together into one. So if we talk about credit, it includes discussing the elements contained therein. According to Kasmir (2008), the elements contained in providing a credit facility are trust, namely a belief by the credit provider (bank) that the credit provided is good in the form of money, goods, or services will actually be received back in the future. This trust is given by the bank because before the funds are launched, in-depth research and investigations have been carried out on customers. Agreement In addition to the element of trust, credit also contains an element of agreement between the buyer and the credit recipient. The credit distribution agreement is stated in a credit agreement signed by both parties, namely the bank and the customer. Time period. Every credit granted must have a certain period of time, this period includes the agreed credit repayment period. Risk The risk of loss can be caused by two things, namely the risk of loss caused by customers deliberately not wanting to pay their credit even though they are able to and the risk of loss caused by customers accidentally, namely the occurrence of a natural disaster. Remuneration As a result of providing bank credit facilities, you certainly expect a profit of a certain amount. It is called interest for the bank.

Principles of Providing People's Business Credit

According to Maryanto (2011) "5C" is a tool or "tool" to see the extent of creditworthiness that will be given to prospective debtors and can be accounted for. One of the credit decisions determined by the "5C" principle is character, which

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concerns the nature of the debtor who must have good efforts and high commitment to repay all obligations in accordance with the agreement that has been signed jointly between the debtor and the creditor. For example, several descriptions of the character of a prospective debtor that will determine his character include: age, education, status, health, relationships, environment, responsibility towards all related parties. Capacity is an assessment of potential debtors regarding their ability to pay off their obligations from their business activities which will be financed with credit from the bank. So it is clear that the purpose of this capacity assessment is to assess to what extent the business results that will be obtained will be able to be paid off on time in accordance with the agreed agreement. Capasital (Capital) is the condition of wealth owned by the company it manages. This can be seen from the balance sheet, profit and loss report, capital structure, profit ratios such as return on equity, return on investment. From the conditions above, it can be assessed whether it is appropriate for the prospective debtor to be provided with financing, and what is the appropriate financing ceiling to be provided. Collateral (Guarantee) is a guarantee that may be confiscated if it turns out that the prospective debtor is truly unable to fulfill his obligations. This collateral is calculated last, meaning that if there is still doubt regarding other considerations, then you can assess the assets that might be used as collateral. Conditions, namely the financing provided, also needs to consider the economic conditions associated with the prospective debtor's business prospects. There is a business that is very dependent on economic conditions, therefore it is necessary to link economic conditions with the prospective debtor's business.

Stages of Providing People's Business Credit.

In general, the stages of lending by the banking world are not much different from one bank to another. The difference may only lie in the objectives of the bank and the requirements set based on their respective considerations. According to Mei Munthe, (2016): Procedures are a series of clerical (writing-writing) operations, involving several people in one or more departments, which are used to ensure uniform handling of business transactions that occur and to complete a particular activity. The purpose of the credit granting procedure is to ensure the creditworthiness of a credit, whether it is accepted or rejected. In determining the creditworthiness of a credit, an in-depth assessment is always carried out at each stage. If there may be deficiencies in the assessment, the bank can ask the customer to return it or even be rejected outright. According to Kasmir (2014), the procedure for granting credit by legal entities is as follows:

- a. Submission of documents. In this case, the credit applicant submits a credit application which is outlined in a proposal. then attached with other required files. Submitting a credit proposal should contain, among other things, the following: Background, such as a brief biographical history of the company, type of business field, company identity, names of management along with their knowledge and education, development of the company and its relations with government and private parties. The aims and objectives are to increase sales turnover or increase production capacity or establish a new factory (expansion) as well as other purposes. Credit amount and term. In this case, the application determines the amount of credit you wish to obtain and the credit period. We can assess the feasibility of the amount of credit and its time period from the cash flow and financial reports (balance sheet and profit and loss statement) for the last three years. If the results of the analysis do

- not match the application, then the bank will still be guided by their analysis in deciding the appropriate amount of credit and credit period to be given to the applicant. How applicants return credit. It is explained in detail the ways customers can return their credit, whether from sales or other means. Credit guarantee. This is a guarantee to cover all risks regarding the possibility of a credit default, whether intentional or not. The assessment of credit guarantees must be careful to avoid disputes, fakes and so on. Usually guarantees are tied to certain insurance.
- b. Investigation of loan files. The aim is to find out whether the files submitted are complete according to the requirements and are correct. If according to the bank it is not complete or sufficient, then the customer is asked to immediately complete it and if to a certain extent the customer is unable to complete the deficiency, then the credit application should just be cancelled.
 - c. Interview 1 is an investigation of a prospective borrower by directly dealing with the prospective borrower to ensure whether the documents are appropriate and complete as the bank wants. This interview is also to find out the customer's actual wants and needs.
 - d. On The Spot is a field inspection activity by reviewing various objects that will be used as business or collateral. then the results of on the spot 3 are checked with the results of interview 1. When you want to do On The Spot you should not tell the customer. so that what we see in the field corresponds to actual conditions.
 - e. Interview 2 is a file repair activity if there may be deficiencies after it has been carried out On The Spot in the field. The notes contained in the application at the time of interview 1 are checked with those at On The Spot to see if they are compatible and contain some truth. Credit application analysis is to analyze all risk factors related to a credit application and to assess the extent to which it is reasonable/worthy of financing, has legal validity and is in accordance with sound banking practices.
 - f. Credit decisions. Namely, the credit decision in this case is determining whether credit will be granted or rejected, if accepted, then the administration is prepared, usually the credit decision will include the amount of money received, the credit period and the costs to be paid. Credit decisions are usually team decisions. Likewise, for credit that is rejected, a rejection letter should be sent according to the respective reasons.
 - g. Signing the credit agreement/other agreements. This activity is a continuation of the credit decision, so before the credit is disbursed, the prospective customer first signs the credit agreement, binding the collateral with a mortgage and a letter of agreement or conditions deemed necessary, the signing is carried out between the bank and the debtor directly. or through a notary 8. Realization of credit Realization of credit is given after signing the required documents by opening a checking or savings account at the bank concerned.
 - h. Distribution or withdrawal of funds is the disbursement or withdrawal of money from

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an account as a realization of the granting of credit and can be taken according to the provisions and objectives of the credit, namely all at once and in stages.

General Description of People's Business Credit at PT. Bank Negara Indonesia (Persero) Tbk

BNI People's Business Credit is a credit facility from Bank Negara Indonesia to be used as additional productive business capital in the form of Working Capital Credit, customers can also use the credit facility as an investment. People's Business Credit, credit facilities are provided up to a maximum of IDR 500 million with a repayment period of up to 3 years for working capital credit and 5 years for investment credit. With the various benefits provided, People's Business Credit is the right choice for customers who want to develop their business and achieve success in the future.

General Business Credit Requirements:

- a. Individual;** Indonesian citizen, business has been running for at least 6 months, photocopy of e-KTP and family card, photocopy of marriage certificate (for those who are married), business permit or business statement from the village / sub-district, photocopy of guarantee documents for credit above Rp. 25 million (Proof of land ownership) and Taxpayer Identification Number for credit above Rp. 50 million
- b. Business Entity;** Photocopy of e-KTP and Family Card, Business permit or business statement from family / sub-district, Photocopy of collateral documents for credit above Rp. 25 million (Proof of land ownership) and Taxpayer Identification Number for credit above Rp. 50 million

Obstacles in implementing the provision of People's Business Credit (KUR) at PT Bank Negara Indonesia (Persero) Tbk.

Obstacles that occur in the process of providing credit to people with fixed incomes (KUR) are in the form of a lack of socialization of the field so that there are still many people who do not know that employee credit is available at PT. Bank Negara Indonesia (Persero) Tbk and the lack of completeness of the requirements submitted by customers so that the process for realization is hampered. PT. Bank Negara Indonesia (Persero) Tbk in the process of providing People's Business Credit experienced problems in the form of a customer radius from the People's Business Credit disbursing bank being quite far, Debtor Information System data for customers who had other loans in Non-Current conditions, the community received regional government assistance, the community received loan facilities from the regional government and People's Business Credit is not only distributed by PT. Bank Negara Indonesia (Persero) Tbk but is also distributed by many other banks.

How to overcome the obstacles faced by PT. Bank Negara Indonesia (Persero) Tbk in providing credit to people with fixed incomes (Employee Credit) and those without fixed incomes which has occurred is by conducting outreach on the availability, especially in locations far from the PT office. Bank Negara Indonesia (Persero) Tbk distributed brochures to offices/agencies/schools and put up banners about Employee Credit along with complete terms and conditions. One of the efforts made by PT. Bank Negara Indonesia (Persero) Tbk to overcome obstacles in the People's Business Credit distribution process that occur, namely by improving the quality of employees to be more creative in offering loan products to customers, conducting outreach to customers

so that good relationships between customers and the bank are established and putting up banners and distributing brochures regarding People's Business Credit along with complete terms and conditions.

CONCLUSION

Implementation of providing people's business credit to PT. Bank Negara Indonesia (Persero) Tbk uses credit granting principles and credit worthiness analysis as well as credit service review aspects. In the 2020-2022 period, the distribution of people's business credit continued to increase, but in the 2020-2023 period there was a decline in the distribution of people's business credit, this is due to lack of socialization, lack of completeness of requirements, problems in the form of distance from business location, Debtor Information System data for customers who have other loans in non-current condition, people get regional government assistance, People's Business Credit not only distributed by PT. Bank Negara Indonesia (Persero) Tbk but is also distributed by many other banks

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