



Analysis of Implementation of Credit Risk Management in Management Micro Business Financing at PT. Permodalan Nasional Madani UlaMM Balikpapan

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ABSTRACT

This study aims to analyze how the implementation of management risks in microbusiness financing at PT Permodalan Nasional Madani ULaMM Balikpapan so that it can be known the extent of risk management that has been owned company to deal with existing risks. The results of this study indicate that the risk of late installment payments financing until unable to pay off its obligations is a credit risk faced by the company, but the company has prepared risk management. In dealing with these risks, there are stages of pre- and post-risk management risks owned by the company in order to face risks that occur or will occur with the aim of minimizing the losses experienced by the company carried out properly in accordance with the standard financing procedures that are owned company, from identifying each risk to controlling it so that every risk that occurs can be overcome by the company.

INTRODUCTION

The development of Micro Enterprises in Indonesia has increased considerably significantly every year, of course this is a good response for country's economic development, because it can promote economic growth Indonesia National in the future. The existence of Micro Enterprises cannot be eliminated or avoided from Indonesian society today because of Micro Enterprises very useful in terms of distributing community income (Tanjung, 2017). Besides that, they are also able to create new ideas with various kinds of creativity which is in line with efforts to maintain and develop the elements local traditions and culture.

In an effort to build a people's economy, the President of the Republic of Indonesia has provided directives to carry out the development of Class Up MSMEs and Modernization of Cooperatives. The role of MSMEs is very large for Indonesia's economic growth, with amounted to 99% of the total business unit. MSME Contribution to GDP also reached 60.5%, and employment absorption was 96.9% of the total absorption of the national workforce. According to data from the Ministry of Cooperatives, Small Enterprises, and Medium Enterprises (KUKM) in 2018, the number of MSME actors is 64.2 million or 99.99% of the number of business actors in Indonesia. The absorption capacity of MSME workers is as many as 117 million workers or 97% of the absorption capacity of the business world. Meanwhile, the contribution of MSMEs to the national economy (GDP) is 61.1%, and the remaining 38.9% was contributed by large business actors the amount is only 5,550 or 0.01% of the number of business actors. the MSMEs dominated by micro business actors, amounting to 98.68% with absorption capacity about 89% work. Meanwhile, the contribution of micro-enterprises to GDP is only approx 37.8%. From the data above, Indonesia has the potential for a strong national economic base strong because the number of MSMEs, especially micro-enterprises is very large and absorption capacity very large workforce. The government and business actors must raise the 'class' micro business to medium business. This business base has also proven strong in facing an economic crisis. Micro businesses also have a high turnover of transactions fast, using domestic production and in contact with primary needs public.

Micro Enterprise is one of the fields that contributes significantly in spurring Indonesia's economic growth. Micro, Small and Enterprises MSMEs are productive business units that stand alone, which are carried out by individuals or business entities in all economic sectors (Halim, 2020). Micro Enterprises are productive businesses owned by individuals and/or business entities individuals who meet the criteria for Micro Enterprises as stipulated in this Law, namely with a maximum total asset of Rp. 50,000,000, - (Fifty Million Rupiah) and the number of omzet maximum Rp. 300,000,000, - (Three Hundred Million Rupiah).. The number of perpetrators in micro-stocks that absorb a large number of workers is a great opportunity in economic development and improvement efforts welfare, but micro, small and medium enterprises have recently become one of the victims who felt the most severe impact due to the Covid -19 pandemic

which has been going on for 1 year and until now it is unclear when end of this pandemic.

This causes many business actors to even closed his business due to losses so that the need for additional capital to restore the business. This is confirmed by the survey conducted by the Central Statistics Agency (BPS) entitled Impact of Covid-19 on business actors which was held July 10-26 2020, found only around 42 percent of business actors were can last for three months, namely from July to October 2020 and 58 percent the rest can still last over 3 months. The development of the number of MSMEs in the city of Balikpapan is quite good, head of the service Industry Trade Cooperatives & SMEs (Disperindagkop) East Kalimantan M Yadi Robyan Noor stated that there was an increase in the number of business actors up to 37,000 MSMEs during the Covid-19 pandemic. "Workers increase, income also increases. [A total of] 1.7 million workers were absorbed," he said at the Halo Kaltim event, Tuesday, (14/6/2022). Meanwhile, Head of the East Kalimantan Financial Services Authority (OJK) Made Yoga Sudharma said that MSMEs are better off using KUR (Business Credit). People) to avoid online loans. He added, OJK East Kalimantan together Relevant stakeholders have launched the kurkaltim.com website, Guna make it easier for SMEs to find access to finance. "Very banking support the MSME world to grow through this credit financing," he said.

The development of MSMEs at this time has experienced an increase from year to year in various regions in all cities in Indonesia. One of them is the City of Balikpapan, which also has an important role in growth economy in East Kalimantan. With the growing economy East Kalimantan is also influenced by MSME actors. This can be seen from the number of MSME business owners is very large and spread across the city of Balikpapan with various types of business sectors.

LITERATURE REVIEW

MSME Contribution to GDP reached 60.5%, and employment absorption was 96.9% of the total absorption of the national workforce. According to data from the Ministry of Cooperatives, Small Enterprises, and Medium Enterprises (KUKM) in 2018, the number of MSME actors is 64.2 million or 99.99% of the number of business actors in Indonesia. The absorption capacity of MSME workers is as many as 117 million workers or 97% of the absorption capacity of the business world. Meanwhile, the contribution of MSMEs to the national economy (GDP) is 61.1%, and the remaining 38.9% was contributed by large business actors the amount is only 5,550 or 0.01% of the number of business actors. the MSMEs dominated by micro business actors, amounting to 98.68% with absorption capacity about 89% work.

METHODOLOGY

1. Research Paradigm

In this instance, the author employs the qualitative research paradigm and uses people as study subjects. A number of procedures are used in qualitative research technique to address research issues and accomplish the objectives of science. In-depth interactions between researchers and people being investigated, the naturalness of social ties, and a situational approach that makes the study more focused are all highlighted in qualitative research.

2. Form of Research

The author uses a qualitative research method with a desk approach riptide, Qualitative method is a research procedure that produces data descriptive in the form of words or verbal from people and behavior that can be observed (Moleong, 2018). This study aims to find out how the procedure financing carried out by PT Permodalan Nasional Madani (Persero) Branch Balikpapan in providing financing to customers.

This research was conducted at the Balikpapan branch of PT Permodalan Nasional Madani located in Balikpapan Permai Complex, Jl. Jenderal Sudirman No.12A, Damai, Kec. Balikpapan City, Balikpapan City, East Kalimantan 76114 and the research was conducted in April to June 2023.

3. Data Sources and Types

Sources and types of data used in this study are primary data obtained from the field with the method of observation or interviews with people directly involved with the object of research and secondary data, namely data that not given directly to the data collector, usually the data source originating from documents or records archives. Researchers get extra data through various sources, ranging from books, online journals, articles, news, and previous research as supporting data and complementary data.

4. Data Collection Techniques

Through data collection the process of recording events, information, and matters related to the research subject can be used to support research conducted. Techniques used by researchers in data collection are in-depth interviews, observation, documentation, and triangulation.

5. Research Informants

Informants in this study are as follows:

- a. Key Informants (Key Informants), namely informants who have information online thoroughly about the issues raised by researchers. Key informants in this research is the Head of Unit Office PT. Civil National Capital ULaMM Balikpapan.
- b. Main Informants, namely those who are directly involved in social interactions researched and know technically and in detail about the research problem will be floods. The main informants in this research are employees who carry out directly regarding risk management.

- c. Supporting Informants, namely those who can provide information though indirectly involved in the social interactions studied. Supporting informants in this study were the customers of PT Permodalan Nasional Madani ULaMM Balikpapan

RESULT AND DISCUSSION

Profile PT Permodalan Nasional Madani

PT. Permodalan Nasional Madani, abbreviated as PNM, is an Owned Enterprise State (BUMN) which started its steps on June 1, 1999, next called PNM, was established by the government through RI Government Regulation No. 38/39 May 29, 1999; Minister of Justice Regulation No. C-11.609.HT.01.TH.99 date June 23, 1999; and Decree of the Minister of Finance No. 487/KMK.017.1999 dated 13 October 1999, as a Special Financial Institution (non-banking) which aims to developing, promoting, and maintaining Micro, Small, and Medium Enterprises (MSMEs). In the early period of PNM's operation (1999-2008), empowerment activities MSMEs are implemented indirectly through financial institutions Partners, both Commercial Banks, BPR/S, Cooperatives and Micro/Sharia Financial Institutions (LKM/S) with Program Credit and LKM/S financing schemes.

In August 2008, PNM introduced an innovative capital loan service for micro and small businesses small businesses with direct financing for both individuals and business sectors through the Micro Capital Services Unit (ULaMM). ULaMM comes with an inclusion training, consulting services, mentoring, and financial management support and market access for customers. Now, ULaMM offices are spread across 628 financing units, with an area coverage of 2,837 sub-districts in Indonesia

In line with business development, in 2015, PNM launched a capital loan service for underprivileged women who are MSME actors through Fostering a Prosperous Family Economy (Mekaar). Mekaar is equipped with business assistance and group services. Now, Mekaar is spread across 2,172 service offices, covering areas in 3,428 sub-districts in Indonesia. PNM made it happen consistent role as the government's strategic solution by providing access to capital that includes financial, intellectual and social aspects for all the largest MSME players throughout Indonesia. Through three scopes of access to financial capital (financing), intellectual capital (education and information), and social capital (business network) PNM is expected to grow into a leading financial institution that is always able to give birth to strong and independent MSME actors.

Vision and Mission of PT. PNM

PNM has a Vision of becoming a leading financing institution in increasing value added in a sustainable manner for Micro, Small, Medium Enterprises and Cooperatives (UMKMK) based on the principles of Good Corporate Governance (GCG) or Good Corporate Governance.

While the mission of PT. PNM are as follows:

1. Carry out various efforts related to the Company's operations, to improve business feasibility and entrepreneurial abilities of business people SMEs

2. Assist MSME actors to obtain and then increase MSME financing access to financial institutions, both banks and non-banks, which will ultimately increase their contribution in expanding employment opportunities and improving people's welfare
3. Increase the creativity and productivity of employees to achieve the best performance in the MSME development effort

To realize the company's vision, mission and goals, PNM develops a corporate culture that holds a strong commitment to product and service quality, a clean, transparent and professional company, a conducive working atmosphere and improving human resource competence.

Development of ULaMM Unit Balikpapan Microfinance Disbursement

Development of Microfinance Disbursement at PT. Permodalan Nasional Madani specifically at the Balikpapan Micro Capital Service Unit (ULaMM) office as of date June 31, 2023, as follows:

Table 1. Distribution of Non-performing Financing and Loans for the end of 2022

No		Indicator Total	%
1	Funding Disbursement	6,828,452,981	
2	NPL 199.652.203		2,92%

Based on the information in table 1, the NPL of PNM ULaMM Balikpapan at the end of the year 2022, the percentage of NPL is 2.92% of the total financing distribution of 6.828.452.981.

Activity ULaMM Balikpapan Financing

In general, the ULaMM Balikpapan financing process is in accordance with the policy book ULaMM financing and operations in 2022 can be described as follows:

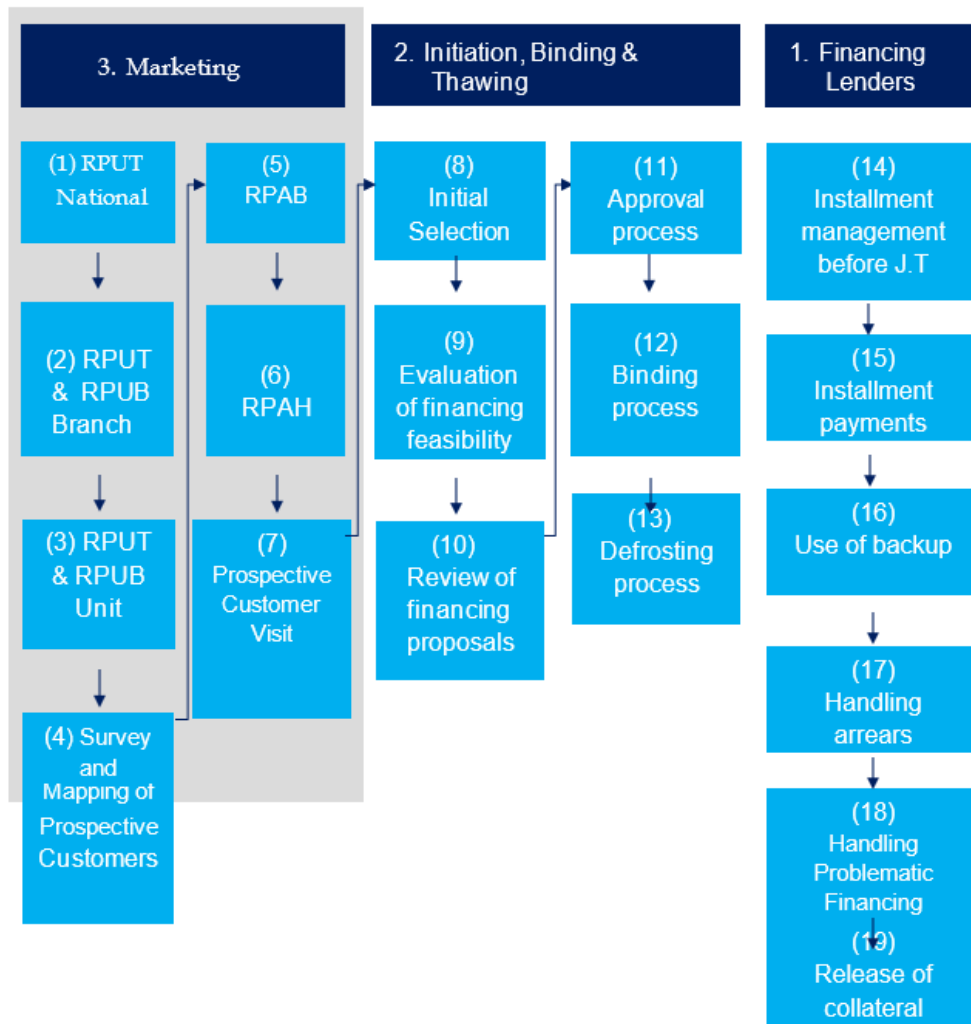


Figure 1. Activity ULaMM Balikpapan Financing

Based on the ULaMM financing process above, ULaMM financing is grouped into 3 (three) activities, namely:

1. Activity Marketing
2. Activity initiation, binding and disbursement of ULaMM financing
3. Activity financing management

The general description of each activity is as follows:

1. Marketing Activities

ULaMM financing marketing activities include the following activities:

- 1) Compilation of a national annual ULaMM Marketing Plan (RPUT). carried out by the Division of Research, Product Development and Portfolio (RPP)
- 2) Preparation of the annual ULaMM Marketing Plan (RPUT) for branches and ULaMM Monthly Marketing Plan (RPUB) implemented branch branch leader, Deputy Branch Manager and/or ULaMM Business Manager (MBU)
- 3) Preparation of Units and Plans Annual ULaMM Marketing Plan (RPUT). Unit Monthly ULaMM Marketing (RPUB) carried out by the Unit Head ULaMM (KUU)
- 4) Survey and Mapping of Prospective Customers carried out by the Unit Head ULaMM and Micro Account Officer (AOM)

- 5) The preparation of the Monthly AOM Marketing Plan (RPAB) is carried out by AOM
- 6) Preparation of the Daily AOM Marketing Plan (RPAH) is carried out by AOM
- 7) Visit Activities to Prospective Customers carried out by AOM

2. Initiation activities, binding and disbursement of ULaMM financing

Initiation activities, binding and disbursing ULaMM financing, activity as follows :

1. The initial selection process, namely verification of completeness, validity, suitability of all required data and documents, as well as INI and SLIK checking processes OJK regarding ULaMM funding applications, this activity carried out by AOM, ULaMM Cashier and Administration (KAM) and KUU
2. Activity evaluation of financing feasibility, namely feasibility assessment activities business and collateral valuation with a scoring system in accordance with the 5C criteria. This activity is carried out by AOM with validation by KUU
3. The review process for the ULaMM financing proposal was carried out by Business Executor at Branch Office
4. The approval process for the ULaMM financing proposal is carried out by the ULaMM financing committee
5. The process of binding financing carried out by AOM, KAM and Head of Units ULaMM
6. The process of disbursing financing is carried out by KAM and the Executor Finance in branch offices

Analysis of the Application of Credit Risk Management in Financing Management Micro Enterprises at the ULaMM Unit PNM Balikpapan Office

Analysis of the Application of Credit Risk Management in Micro Business Financing at The ULaMM Balikpapan Unit PNM Office includes ULaMM Financing Management Activities

3. Financing Management Activities

Financing management activities include the following activities:

- 1) Management activities before maturity, namely notification to customers via telephone regarding the due date and installment payment amount. This activity is carried out by KAM
- 2) Activity installment payments in cashless (non-cash) which customers can pay through the channels (payment gateway) Which provided by the company but not limited to:
 - Mechanism Virtual Account with an open payment pattern
 - Mechanism Payment Point Online Bank (PPOB) with a close payment pattern
 - Mechanism Billing Payment with a close payment payment pattern
- 3) Activities using reserve funds carried out by AOM, KAM, Head ULaMM Unit, Branch Manager and PBI Division (head office)
- 4) Arrear handling activities, namely billing activities, giving letters warning to customers who are in arrears and financing restructuring. This activity is carried out by KAM, AOM, Head of the ULaMM Unit, Collection Executor,

Implementation Remedial, Remedial Manager, ULaMM Assistant Business Manager, Business Manager, Deputy Branch Manager, Branch Manager and PBI Division.

5) Activities for handling problematic financing carried out by the Executor Fix itl, Remedial Manager, and Remedial Division.

6) Collateral disposal activities carried out by, KAM, AOM, Head of ULaMM Unit, Operations Implementation, Operations Manager, Branch Manager.

Basically every institution engaged in financing in each Its business processes are always faced with conditions of uncertainty the potential for risks to arise both from the internal and external environment which can hamper the Company's goals, one of which is Credit Risk. Credit Risk referred to is the risk that arises due to the failure of the customer and/or other parties in fulfill obligations to the company, so it is necessary to apply risk management in the financing carried out.

Mulyadi, M. (2015). The purpose of risk management is to monitor sources risks, supply the business with risk information, reduce the losses caused by risk, instilling a sense of security in stakeholders, and maintain the stability and expansion of the company. PNM implements management risks to reduce potential losses.

From the results of research conducted at the PT Madani National Capital Office ULaMM Balikpapan, the implementation of risk management is divided into 2 stage, namely:

1. The first stage is pre-risk resistance, namely risk management carried out the first time the customer submits an application financing. At this stage PT Permodalan Nasional Madani ULaMM Balikpapan has its own policy regarding the procedure for accepting prospective customers as well procedures for identification of prospective customers, starting from filling out the form up to verification of field visits to be carried out to carry out investigations customer business, this is done to find out the customer profile and to knowing the seriousness of the customer in paying the financing installments proposed to avoid risks and minimize the risk of unexpected events will happen.
2. Then the next stage is when risk management is carried out, procedures issued in accordance with PT Permodalan Nasional Madani regulations where the procedure is also in accordance with Bank regulations Indonesia. The process carried out by the company in the implementation risk management namely:
 1. Risk Identification, This process is done by means of analysis on the character of the risks that are happening or that will be faced, For gain confidence and protect the company as a creditor, then in this requires a very good and thorough assessment of the candidate customers, known as the 5C principle (Character, Capacity, Capital, Collateral, Conditions of Economic) that is :

- a. **Character**, In identifying character customers. PT Permodalan Nasional Madani Office of ULaMM Balikpapan carried out a visit field to find information about the prospective customer through environmental verification to the place of business and residence, this Assessment intended to determine the good faith possessed by prospective customers or honesty possessed by the prospective customer, so that when it occurs the bank's credit problems are not encrypted in the risk at a later date.
- b. **Capacity**, In identifying the capacity of PT Permodalan Nasional Madani customers Office of ULaMM Balikpapan is to assess capabilities possessed by customers such as businesses owned, management carried out for a business, so that the bank is able give confidence to its customers to be able to pay off the loan is in accordance with the term. When the business is owned small, of course it can be said that it is not worthy of being given credit with a fairly large scale, as well as if the business venture or performance is owned decreased, then the provision of credit should not be given.
- c. **Capital**, In identifying customer capital, PT Permodalan Nasional Madani Office of ULaMM Balikpapan conducted an assessment of the capital owned by prospective customers, this assessment is not only based on size or the small amount of capital owned by the prospective customer focuses on the distribution of issued capital by the entrepreneur so that existing resources can be run effectively. ratio analysis the customer's business is carried out to find out the capital needed by customers, thereby minimizing the occurrence of misappropriation of funds.
- d. **Collateral**, In identifying Collateral / Collateral prospective customers of PT Permodalan Nasional Madani ULaMM Balikpapan Office already has one own provisions in conducting collateral feasibility analysis, for get business financing facilities, collateral that can be accepted by PT Permodalan Nasional Madani Office ULaMM Balikpapan is a certificate property rights, such as land and buildings as well as agricultural land or rice fields. It is. Condition, In identifying the condition of potential customers of PT Civil National Capital ULaMM Balikpapan Office did assessment of prospective customers' business prospects in the future aang, condition the general economy and the condition of the prospective customer's business sector attention to minimize the risks that may occur caused by the economic conditions. For that the need for monitoring post disbursement by conducting a review of the customer's business Periodically, this is done to anticipate business income future prospective customers are still able to pay the consequences deteriorating economy.

2. Slick OJK, PT Permodalan Nasional Madani ULaMM Balikpapan Office identify the discipline of prospective customers in conducting payment when making a loan at financial institutions others, so as to find out whether the prospective customer is eligible for given financing. The benefits of SLIK OJK are the next thing you need you know, here's the explanation:
 - a. The benefits of the OJK SLIK are to help assess the credit reputation of prospective borrowers, either as a substitute for or as a complement to collateral/guarantee.
 - b. OJK SLIK can also assist creditors in analyzing and making decisions credit decision.
 - c. Next, the benefit of the OJK SLIK is to reduce the level of bad credit risk or problems in the future.
 - d. Able to streamline creditor operational costs.
 - e. Furthermore, the benefit of the SLIK OJK is to get internal transparency credit management.
 - f. SLIK OJK can minimize the dependence of Reporters or service providers credit to conventional collateral.
3. Track Checking, identify the business run by the candidate customers whose use is to find out the business prospects in the future, that way you can find out whether the customer can do it repay the loan, then identify the collateral guaranteed by the prospective customer.

Exploring the potential of potential customers needs to be done to determine which steps to take can be taken in handling if the financing is in trouble, then must examine the main causes of problematic financing, that way risk control can be carried out in order to minimize the occurrence of risks. Financing risk is often associated with default risk. This risk refers on the potential losses faced by the company when financing is provided to customers stuck in making payments. Where customers can not afford fulfill the obligation to return the capital provided by the company.

This risk also includes the inability of customers to deliver their obligations should be obtained by the company that has been agreed at the beginning of the activity risk management, risk identification is a very important process, because by identifying risks carefully and thoroughly then step in determining the alternative settlement of troubled financing can be done. Risk identification does just that one limited to identify associated with microfinance products, but also identify the causes risk occurs, there are external and internal factors that can cause it emergence of risks, financing namely:

1. Internal factors that happened within the company that led to its emergence risks are among others less competent financing officers, poor analysis carried out by employees of the company is not quite right, so it can not predict what will happen over a period of time financing, Knowledge (knowledge) of employees is still not adequate, limited employee knowledge of the type of customer's business so no can perform financing analysis precisely and accurately, attitude (attitude) employees

are not prioritized, employee skills are still far from the word sufficient, Operational Systems and Procedures are not heeded, there is collusion between employees who handle financing as well as customers, so the company decide on financing that should not be given to customers, too much interference from the superiors so that the officers are not independent so weak in doing construction and financing monitoring.

2. External factors which can cause financing problems including is Side streaming, namely the customer uses funds not in accordance with the terms of the contract, for example in the credit application it is stated for disbursement of funds credit is used for business, but in practice credit disbursement funds used for consumption, the customer deliberately does not make payments financing installments, disruption of unfavorable economic conditions cause a decrease in business turnover so that it affects the the ability to pay customers to fulfill their obligations, then there is impairment in the value of collateral and the presence of financial problems or problems other personal.

For this reason, accurate and appropriate identification is needed to minimize it the possibility of a good risk occurring due to factor internal or external, things that identified as factors that provide opportunities for the emergence of these risks it is necessary to carry out proper data collection and comprehensive analysis as a reference main in deciding the financing submitted by prospective customers, so the sensitivity of the identification process carried out so that it needs to be done risk identification.

Basically every institution engaged in financing in every business process is always faced with conditions of uncertainty (uncertainty) that has the potential to arise risks both come from the internal environment as well as external factors that can hinder the Company's goals, one of which is Risk Credit. Credit risk referred to is the risk that arises due to customer failure and/or other parties in fulfilling obligations to the company, such risks This can be directly checked by the management so that it can act quickly and accurately. Collectability determination is part which is very important in the process of handling non-performing financing minimize the risk that occurs, determination collectability This is according to the agreement in the beginning.

Terms of Financing Quality

As for collectability set by PT Permodalan Nasional Madani. for customers who are late in making payments are for delays installment payments as follows:

Collectability Explanation

1. Smooth
installments up
to 30 (thirty) calendar days;
2. Inside attention special
3. Less fluent
4. Doubtful

There is a delay in installment payments that have exceeded 30 (thirty) calendar days up to 90 (ninety) calendar days;

There is a delay in payment of installments that have exceeded 90 (ninety) calendar days up to 120 (one hundred two twenty) calendar days;

There is a delay in installment payments that have exceeded 120 (one hundred twenty) calendar days up to 180 (one hundred eighty) calendar days;

5. Crash there is a delay in payment of installments that have exceeded 180 (one hundred eighty) calendar days; Financing quality conditions must be monitored and reported every day, for customers who experience delays in installment payments will be given a letter Warning with conditions as following :

Postponement Day of Remembrance Letters

> 7 - 14 days Warning Letter 1

> 14 - 30 Warning Letter 2

> 30 - 60 Warning Letter 3

If the customer does not also complete his installment obligations after giving the 3rd warning letter, then a letter will be sent next Pre Auction Notice, if the customer does not also make all payments arrears, then registration will be carried out at the State Service Office and Auctions (KPKNL) and the issuance of auction notification letters, notification letters auction given to customers whose contents are collateral to be auctioned along with the time and place of the auction to be included in the auction document.

Regarding the delay in fulfilling installment obligations by customers, prior to carrying out settlement actions or phaseout through the sale of collateral through the Office of the State Services and Auctions (KPKNL), first carried out rescue financing to existing customers able and great hope to return financing funds as well business potential that can still run, and the existence of collateral, then action what is done is to extend the time (Reschedule), changes in financing requirements (Recondition), realignment of financing given (Restructuring).

Based on POJK Number 40/POJK.03/2019, what is meant by credit restructuring is an improvement effort made by the bank in its activities credit to debtors who experience difficulties in fulfilling their obligations. The definition of restructuring in a broad sense includes changes in organizational structure, management, operations, systems and procedures, finance, assets, debt, holders stock, legal and so on. In general, the purpose of credit restructuring is to increase the debtor's ability to pay the principal and interest on the loan. The objectives of the restructuring are:

1. To avoid losses for banks because banks must maintain credit quality that has been given.

2. To help ease the debtor's obligations so that with this relief the debtor has the ability to resume his business and with reviving the business will earn some revenue used to pay debts and partly to continue activities his efforts.

3. With restructuring, settlement of credit through legal institutions can be avoided because settlement through legal institutions in practice requires a lot of time, money and effort and the results are lower than billed receivables.

Steps taken by banks in credit management to maintain asset quality productive and minimize problem loans by carrying out credit rescue. The steps taken are:

1. Rescheduling (Rescheduling) That is a change in credit terms regarding payment schedules or time periods including grace periods, either includes changes in the amount of installments or not adjusted accordingly cash flow projections sourced from the ability of the debtor's business is being experience difficulty. Rescheduling can be done in the form of:

- a. Extending the credit period, given to the debtor so that the debtor have a longer time to return it.
- b. Extend the installment period, so that the installments become smaller as the number of installments increases. Rescue efforts This credit through rescheduling is usually taken by the bank when following the bank's assessment of the debtor's financial difficulties is only temporary, moderate future business prospects and financial condition of the debtor better.

2. Reconditioning (Readjustment) Namely changes in part or all credit terms that are not limited to changes in payment schedules, term time, and or other requirements as long as they do not involve changes maximum credit balance and conversion of all or part of the loan to bank participation. Reconditioning can be done by changing the various Existing requirements such as:

- a. The reduction in interest rates is intended to further ease the debtor's burden so that with a decrease in credit interest, the amount of interest that must be paid the debtor each payment date becomes smaller than the interest rate previously set.
- b. Reduction of loan interest arrears, given with the aim of being able to afford it lighten the debtor's burden by reducing interest arrears on credit or completely write off loan interest arrears. Rescue step by removing part or all of the expected credit interest arrears the debtor has the ability to return to continue his business so generate income that can be used to pay off debt basically. Although there is a reduction in interest arrears, but the debtor remains obliged to pay the principal of the loan until it is paid off.
- c. Reduction of principal arrears of credit, is the most restructuring the maximum amount given by the bank to the debtor because of the reduction in principal arrears usually followed by the complete elimination of interest and fines as well as assets bank in the form of principal debt is not returned and is a loss that become a burden on the bank.

3. Restructuring (Rearrangement) Namely changes in the terms of credit in the form addition of bank funds; and or conversion of all or part of interest arrears become a new credit principal, and/or convert all or part of the credit into participation in the company. Restructuring can be done by:

- a. With the addition of credit facilities, it is hoped that the debtor's business will resume and grow which can then generate income that can used to return old debts and additional credits new.

- b. Acquisition debtor's collateral/assets, the bank takes over the credit collateral the value of the guarantee compensated with a credit amount equal to value collateral taken. In other words, credit collateral taken over by the bank paid by using outstanding credit.

Analysis of Problematic Financing at PT PNM Unit ULaMM Balikpapan

To analyze problem loans, you can use the NPL (Non Performing Loan) in accordance with SE BI No. 21/11/DNDP/2010. Where problem loans are loans that are included in the collectibility category substandard, doubtful, and loss on credit PT PNM Unit ULaMM Balikpapan micro business for the 2023 period ending on June.

Table 2. Non-performing Credit Report for Micro Business Credit PT PNM Unit ULaMM Balikpapan Period in 2023 Cut off 30 June

No	Indicator	Total	%
1	Distribution of Financing	5,126,404,024	
2	NPL	0	0

To find out NPL, you can use the following formula:

Troubled Financing

Non Performing Loan (NPL) = $X \times 100\%$ Financing Disbursement So that :

$$\text{Non Performing Loan (NPL)} = \frac{0}{5.126.404.024} \times 100\% = 0,00\%$$

Based on the calculation data, it can be concluded that the NPL of PT PNM ULaMM Balikpapan on June 30, 2023 is 0.00% no financing channeled throughout 2023 which is non-performing financing (NPL).

Based on table 2, it can be concluded that PNM has problem financing ULaMM Balikpapan in June 2023 if compared to year-end NPL 2022 of 199,652,203 equivalent to 2.92% experienced a very significant improvement significant to 0.00% NPL.

Basically, non-performing loans are a common condition that often occurs in the world of financing which is a risk from the distribution of financing that concerned. Although problematic financing is difficult to avoid, however the company must continue to manage these non-performing loans carefully so that can minimize the risk and can provide benefits for PT PNM ULaMM Balikpapan.

CONCLUSION AND RECOMMENDATION

The financing process carried out by PT. Permodalan Nasional Madani ULaMM Balikpapan is in accordance with the standard provisions issued companies that play an important role in determining and minimizing risk financing that will occur in the future, through this process the company can identify and determine the eligibility of prospective customers who will get financing facilities, starting from identifying the business being run up to with the collateral/guarantee provided by the customer as a condition for obtaining financing is disbursed.

To minimize the risk of microfinance that occurs, PT Permodalan Nasional Madani ULaMM Balikpapan has implemented a pre-risk process where the process is carried out starting from the time the prospective customer submits the application financing application, so that pre-risk management done by company in order to minimize potential losses in the event of congestion payment of installment payments by customers. Then next management post risk, namely management carried out when the customer fails to comply obligations, then the company already has collectability myself for overcome this problem so that the risks that occur can be overcome or not harm the company, instill a sense of security in stakeholders, and maintain the stability and expansion of the company. PNM implements management risks to reduce potential losses.

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