

FACTORS AFFECTING THE NON PERFORMING LOAN
(Studies The Case On PT. Bank Rakyat Indonesia Tbk Branch Binjai)

Pipit Buana Sari, SE., MM

Lecturer of Faculty of Sosial Sains University of Pembangunan Panca Budi

Tri Juwita Sari S. E

Alumni of Faculty of Sosial Sains University Of Pembangunan Panca Budi

Abstract

Credit is accounts receivable which represents the cash that delayed its acceptance, so the presence of bad credit is a factor that can make the weak condition of an institutional financial and non-financial. This study aims to determine the influence of factors internal and external to the Non-Performing Loan on PT. Bank Rakyat Indonesia Tbk. This study uses the method of descriptive qualitative. The study population is the debtor in the PT. Bank Rakyat Indonesia Tbk Branch Binjai as many as 172 people and take 6 people, customers, as the sample of the study. Researchers use interview techniques to gather research data. Then based on the results of the research can be concluded there is the influence of internal factors which causes bad credit in some the absence of a clear separation between the personal property and company. If viewed from the side of the externalities then factor the causes of the credit jammed the misuse of credit made by the customer to the business that they manage. So it can be said that there is an influence between the internal and external factors on bad credit on PT. Bank Rakyat Indonesia Tbk Cabang Binjai. If implementation and management of internal factors and external customers are less good then it will cause a reduction in revenue on the business customer so resulting in bad credit at PT. Bank Rakyat Indonesia, Tbk Branch of Binjai.

Said Key: Non-Performing Loan, The Customer, The BankFactor Internal and External

I. INTRODUCTION

A. Background Of The Problem

Credit is an activity the largest of the financial institutions or non-financial, banking, financing institutions because credit has a value of the greatest asset if compared with the funds disbursed, therefore it is appropriate that credit gets the most attention of the perpetrators of banking. According to Mahmoeddin (2011), credit is a source of income the largest from the bank compared to other sources of income. For the company and the banks that apply the credit system, credit is accounts receivable is cash that is pending acceptance, so the presence of bad credit is a factor that can make the weak condition of a financial institution or non-financial.

Non-Performing Loan reflect the credit risk, the higher the NPL, the greater the also credit risk in liability by the bank (Ali, 2012). As a result of the high NPLS in the banking system should provide backup is large, so that in the end the capital of the bank to participate is eroded. The magnitude of the NPL is to be one of the causes of the difficulty of banking in the channel credit. The lower the NPL ratio will be more low-level credit problems are happening which means the better the condition of the bank. According to Riyadi (2011) ratio of *Non-Performing Loans* is the ratio between the amount of credit given by the level of the collectibility of which is nonperforming loans compared with total credit given by the bank.

According To Sinungan (2010:210), some of the steps in the provision of credit or what is often called with the credit procedure are the collection of information, assessment (analysis) credit, credit decision, and implementation (disbursement) credit. An assessment of the credit is done with considering the 5C, is a principle that consists of *Capacity* (capability assessment), *Capital* (assessment of the capital), *Collateral* (assessment of the collateral), and *Condition* (assessment of the business prospects of the debtor). In addition to applying 5C, also applying the principle of the 4P which consists of *personality*

(assessment of character), *Purpose* (destination), *Prospect* (the prospect of the debtor's business), and *Payment* (payment).

The various steps in the process the granting of such credit has been done by the officials of the credit carefully, with continuous monitoring, so that in the future specific credit can be given back with better and bring expected profits. Bad credit is credit experiencing difficulties in repayment according to the agreement so there are arrears or there is a potential loss in potential the debtor thus has a possibility of the onset of risk in the later day for the banks. Bad credit is a risk that can not be removed from the activity of financial institutions and non-financial but can minimize. When the rate of return of credits has decreased, it can be a disruption of the rate of return the funds raised from the community. Funds customers of PT Bank Rakyat Indonesia, Tbk Cabang Binjai belonging to the in the collectibility of current and collectibility is problematic for the year 2016 is presented in the table below.

Table 1.1. The list of the Collectibility of the Loans Based on the Loan PT. The People's Bank Of Indonesia, 2011 – 2016

No	Year	The Collectibility Of The Loans	
		Smoothly	Troubled Credit
1	2011	Rp.172.894.000.000	Rp.9.250.000.000
2	2012	Rp.121.062.000.000 R	Rp.7.727.000.000
3	2013	Rp.125.421.000.000	Rp.9.149.000.000
4	2014	Rp.122.088.000.000	Rp.6.123.000.000
5	2015	Rp.114.050.000.000	Rp.8.584.000.000
6	2016	Rp.127.118.000.000	Rp.8.123.000.000

Source: PT. BRI Bank Rakyat Indonesia

In the year 2011 customers who pay credit smoothly most of Rp.172.894.000.000. 2011 non-performing loans are very high Rp.9.250.000.000. 2012 customers who pay credit smoothly decreased to Rp.121.062.000.000. 2012 credit the problematic decreased to Rp.7.727.000.000. 2013 customer the pay credit with smoothly increased to Rp.125.421.000.000. 2013 non-performing loans increased to Rp.9.149.000.000. 2014 customers who pay credit smoothly decreased to Rp.122.088.000.000. 2014 credit problematic also decreased to Rp.6.123.000.000. 2015 the customer pays a credit with smoothly decreased to Rp.114.050.000.000. But there is an increase in customer problematic in the return of the credit to Rp.8.584.000.000. The year 2016 is the customer who pays his credit with the current increased from a year earlier to Rp.127.118.000.000. 2016 happens the decrease in the level of non-performing loans to be Rp.8.123.000.000. In the following description it is seen the up and down in return the credit smoothly and problematic. Up and down is called the fluctuation.

Factors Internal in this study consists of aspects of marketing and production, aspects of the financial arrangements, aspects of the management of loan funds, the technical aspects, and management aspects (Arif, 2011). External factors the customer in this research are the factors that cause the occurrence of bad debts which comes from outside the ability of customers and beyond the control of the customer. From the side of the external customer leads to bad debts include, among others, government policy, development technology, and the character of the customer (Arif, 2011). The results showed inconsistent between each of the results of previous studies. Therefore, this study is important for research to obtain a clear picture and relevant results from inconsistent that happened in the previous research.

B. The Formulation Of The Problem

Based on limitation of the above problems and to clarify issues as the basis of this writing, the authors formulate the problem as follows:

1. How is the condition of internal factors, external factors, and Non-Performing Loan on the customer at PT. BRI Tbk?

2. How is the influence of internal factors against the occurrence of Non-performing Loans on the customer on PT. BRI Tbk?
3. How is the influence of External factors against the occurrence of Non-Performing Loan on PT. BRI Tbk?

C. The purpose of Research

The purpose of this research is as follows:

1. To describe the conditions of internal and external factors that affect the Non-Performing Loan at PT. BRI Tbk.
2. To determine the influence of Internal Factors against the Non-Performing Loan on PT. BRI Tbk
3. To find out the influence of External Factors against the Non-Performing Loan on PT. BRI Tbk

II. REVIEW LIBRARY

A. THE FOUNDATION OF THE THEORY

1. Non-Performing Loan (NPL)

Credit risk is the risk losses associated with the possible failure of borrower funds to meet the obligation or the risk that the debtor does not pay back the debt. High credit risk is reflected from the position of the worst financing problems are often known as *Non-Performing Loan (NPL)*. According to Ismail (2009), *Non-Performing Loan (NPL)* credit is problematic, namely where state customers not able to pay part or all of its obligations to the bank as has been di promise. Every bank should be able to manage credit to provide credit to the community and in repayment of the credit by the terms and the applicable provisions so as not to cause a credit crunch. Non Performing Loans are loans that are in arrears exceeding 90 days. According to Ismail (2009), problem Loans are divided into :

- a. Credit less Smoothly (*substandard*) with the following criteria :
 1. There arrears in principal and/or interest that have exceeded 90 days.
 2. Happen violation contract that has been agreed for more than 90 days.
 3. Against an indication of the problem of finance faced by the debtor.
 4. Documentation weak loan.
- b. Credit doubt (*doubtful*) with the following criteria :
 1. There the arrears of the installment of principal or interest that has exceeded 180 days.
 2. The occurrence of overdraft is permanent
 3. Happen capitalization of interest
 4. Documentation weak legal good to the credit agreement and the increase in the best.
- c. Credit jam (loss) with the following criteria :
 1. There the arrears of the installment of principal or interest that has exceeded 270 days
 2. Loss operations closed with a new loan
 3. In terms of the law and market conditions, the guarantee can be availed at fair value.

The Status of NPLS in principle based on the timeliness for the customer to pay obligations, either in the form of interest payments and return of principal loans. The process of the provision and management of good credit is expected to reduce NPL as small as possible. In other words, the high NPLS in the very influenced by the ability of Banks to run the process of granting credit with good and in terms of credit management, including action monitoring (*monitoring*) after the credits distributed and control measures when there is an indication of the deviation of the credit and an indication of default (Djohanputro and Kountur, 2007).

Bank Indonesia has set for *Non-Performing Loan (NPL)* amounted to 5%. If the Bank can suppress the NPL ratio below 5%, then the potential the advantages that will be obtained will be even greater, because the banks will be more and save money that is required to form reserves loss of problem loans or the Allowance for uncollectible accounts Productive (PPAP).

2. Factors Internal Customer

Factors internal factors-factors that exist in the customer's own. According To (Arif: 2011) factors – internal factors consist of :

a. Aspects of Marketing and Production

Marketing is a process needed to move goods and services from the location manufacturers to reach end consumers. In the process also contained the intent and purpose of the manufacturer, that is trying to satisfy consumer customers through the use of products

b. Aspects Financial Arrangements

According to financial Gitosudarno (2010:4) is a function of a company to pay attention to the flow of money inside, from the inside, from the outside company. Policies that are less harmonious in the set of tools the company's liquidity and capital, especially capital the third party can cause difficulties for example :

- 1.The company too much wear capital from outside will result in interest to be paid becomes too large, which will eventually press the profitability and liquidity.
- 2.Inequality between the period of the fund beyond which the received and the duration of use.
- 3.The company too much holding of such investments geebung, plant-soil, and so on (*over investment*)that there is no need to level the optimum activity of the company.
- 4.Policy sales and provision of bank credit to its customers in the form of accounts receivable a trade that is not by the needs of the funds illiquid (money), for example, the term accounts receivable that is too long will result in liquidity with all sorts of difficulties in causing it.

c. Aspects Management Of Loan Funds

The main problems that arise for companies or business activities that require funding are his search for the sources of funds with most lightweight terms. Because there are times when a company or business activity to obtain funds from a variety of sources. One source of funds might be a while more favorable than other funding sources, but sources the funds available may be insufficient to cover the needs of the company or its business activities, while funds in the other too expensive and the condition convoluted.

d. Aspects Technical

According to Muljono (2013:184) in general that can be used as an evaluation of the technical aspects, namely :

- 1.Location business
- 2.Facilities building business premises
- 3.Machine machine used
- 4.The process production

Suyanto (2012:46) added the location and technology selected a good capacity and kind must be suitable for the project or planned venture, while the experts, labor, and raw materials needed to be quite available at reasonable prices.

e. Aspects of Management

Management according to Mahmoeddin (2011) stated that management is generally associated with activity –the activity of planning, organizing, controlling, directing, motivating, communication and retrieval decisions made by each organization with the aim to organized to coordinate a variety of sources resources owned by a company that will produce a product or service efficiently.

Suyanto (2012:46) confirms that in the aspect of management or leadership of the company should be people who his personality no doubt, spirited self-employed, and have enough knowledge in the field.

The difficulties caused by the organization and management according to Suyatno (2012:121), among others form :

- 1.The conflict between the leadership of the
- 2.The most less skilled and less experienced
- 3.Faith that is not good, such as corruption and manipulation
- 4.Not efficient, waste materials, excess labor

3. Factors External Customers

Factors external customers in this study are the factors that cause the occurrence of the credit jammed or troubled from the outside the ability of the customer and beyond the control of the customer. From the external side of the customer who caused the credit problematic, among others :

a. Policy The government

Government policy cause occurrence of nonperforming loans Suyanto (2012:121) including :

1. The decrease in the rupiah resulted in price increases, especially in companies that many use imported goods as raw materials/auxiliary.
2. Rising the value of the rupiah would result in the receipt of rupiah exporters decreased, which could experience a shortage of dollars to get (buy/make) goods to be exported, thus will the shortage of liquidity and ultimately decrease the volume of the business.
3. Regulations from the government to the rejuvenation of the means of production will result in the need for funds to do the replacement.

b. The development of Technology

The company may incur difficulties that have a capital base in the oldness of production tools used. This can result in products that are marketed not preferably again, the cost of production increased, raw material wastage, and so on. Depending on the adjustment of the company/adaptation with changes in technology and the mastery of the market, then the only action is to replace means of production used with the production tools of the new so that the required investment credit and even funds for working capital.

c. Character Customer

Characters customer ratings to prospective borrowers about the habits, properties personal, way of life, family circumstances, hobbies, and the social. Assessment of the character is quite difficult because each individual has the nature and properties of different. Therefore the manager must have expertise and skills as well as knowledge psychological to be able to analyze the nature of the customer. Character assessment the customer is beneficial to know the extent to which the level of honesty as well as the good faith of the customer to meet its obligations.

4. Techniques The Resolution Of Problem Loans

The follow-up in addressing problem loans that can be done by the parties the bank with do a rescue, so it will not cause loss. Rescuers can be done to provide relief in the form of the payment term or the amount of the installment, especially for credit affected or by doing a foreclosure for credit who intentionally fails to pay. Rescue against bad credit according to Kashmir (2010:103) done with some methods:

a. *Rescheduling*, that is the way :

1. Extend credit period, in this case, the customer is given the lightening in the issue of the credit period, for example, the extension of the term time credit of 6 months to 1 year so that customers have longer to return it.
2. Extend installment period, in this period installment credit extended payment, for example from 36 times to 48 times.

b. *Reconditioning systems*, with how to change various requirements such as:

1. Capacity interest, namely by way of interest used as a debt of the principal.
2. Delay interest payment until a certain time, i.e., only the interest can delayed payment, while the principal of the loan must be paid as usual.
3. The decline in interest rates, the decline like the flowers will be influenced the number of installments increasingly small, so it is expected to help relieve customers.
4. Liberation interest, it is given to the customer to consider the customer is not going to be able to pay such credit. Will but the customer still must pay the principal the loan until it is paid off.

c. *Restructuring*, that way

1. Add the amount of credit
2. Add equity that is with the deposit cash as well as some of the owners

d. A combination is a combination of the three methods above.

Foreclosure on the collateral is a last resort if the customer is already completely had no faith better or is no longer able to to pay all debts.

B. Framework of Think

In this research, the researcher uses the research variables Factors include the Internal Customer and the external Factors of the customer. Here research conceptual framework :

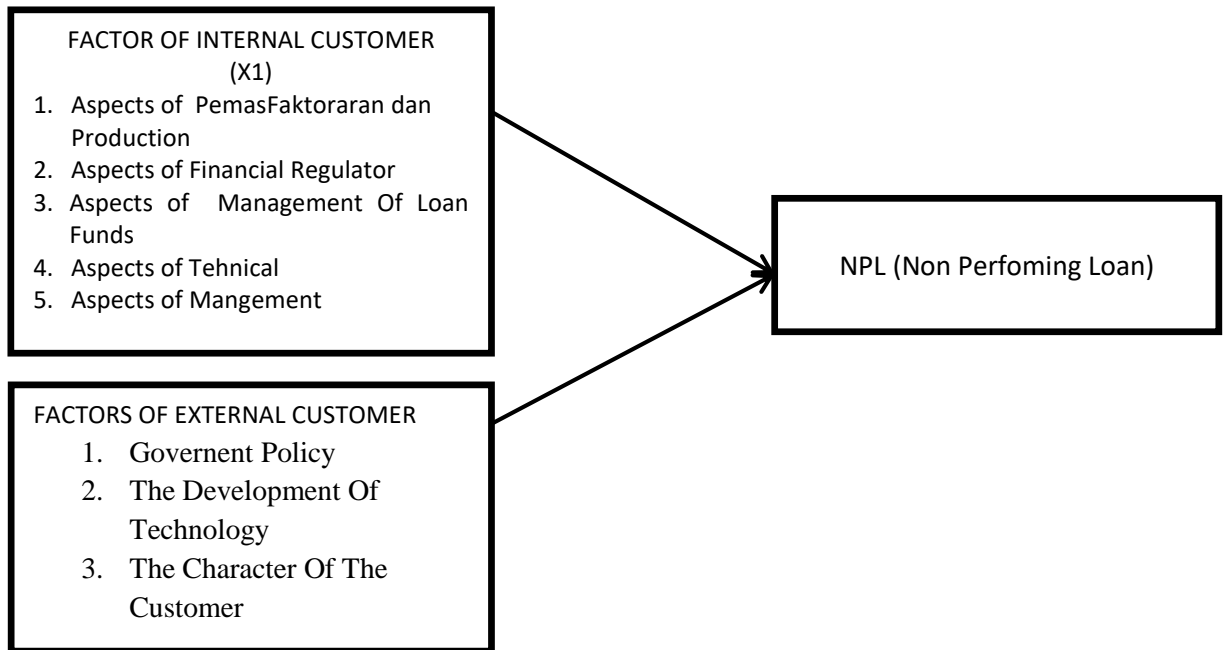


Figure 2.1. Research Conceptual Framework

III. RESEARCH METHODS

This type of approach in research conducted is a qualitative research approach. Research qualitative is not just an attempt to describe data, but such a description is the result of the collection of the has been carried out both through in-depth interviews, observation, or documentation. Data collection is not guided theory but guided by the facts found at the time of the research in the field (Sugiono,2013)

A. Operational Definition Of Variables

In research this variable independent comprising from Factors Internal in symbol right with “X1”, Factor External symbolized with “X2”. The dependent variable is the variable that is affected or which become due to the independent variable (Sugiyono, 2006). The dependent variable used in this study is Non-Performing Loan (NPL) symbolized by “Y”.

B. Population and Sample

The population taken is 172 customers who experience bad credit in PT. The People's Bank Of Indonesia Tbk Branch of Binjai.The sample is taken from the customer that experiences credit jammed selected randomly based on the list of customers who experience bad credit at PT. Bank Rakyat Indonesia Tbk Branch of Binjai at the year of 2017. Research this takes a sample of as many as 6 credit customers jammed. Of the 172 clients who have bad credit, only 6 customers willing to be interviewed. 2011 as much as

2 customers. 2012 and 2013 nil. The year 2014 as many as 2 customers. The Year 2015 as many as 1 customer. 2016 as much as 1 customer.

C. Data Collection Techniques

Interview technique was used because considered to be the most beneficial to obtain information from the respondents. Through interviews, respondents were allowed to explain their opinions, as well as recount the experience and observations of their own.

IV. RESULTS RESEARCH AND DISCUSSION

A. Results Research

1. Characteristics Sample and Bank Rakyat Indonesia, Tbk Branch of Binjai

Bank Rakyat Indonesia, Tbk branch Binjai has become a partner for the good customer experience in the city of Binjai, and about the city of Binjai, one of them with giving credit to the customer. The following will be presented the amount of the provision of credit which has been distributed by the company.

Table 4.1. The Amount Of Credit The Period Of 2011 – 2016

Year	The number of The Provision Of Credit	The number of Customers	The percentage of %
s/d 2011	Rp 182.144.000.000	451	38%
s/d 2012	Rp 128.789.000.000	430	29%
s/d 2013	Rp 134.570.000.000	446	5%
s/d 2014	Rp 128.211.000.000	410	9%
s/d 2015	Rp 122.635.000.000	427	4%
s/d 2016	Rp 135.241.000.000	440	10%

Source: PT. Bank Rakyat Indonesia Tbk Cabang Binjai

In table 4.1 showed the presence of the fluctuations or ups and downs of the amount of the provision of credit at PT. Bank Rakyat Indonesia Tbk Branch of Binjai Years 2011-2016. The amount of the provision the largest credit occurred in the year 2011 amounting to Rp 182.144.000.000 with the number of debtors amounted to 451 customers.

Table 4.2. The amount of Credit that Troubled Period 2011 – 2016

Year	The number of The Provision Of Credit	The number of Customers	The percentage of %
s/d 2011	Rp 9.250.000.000	36	15%
s/d 2012	Rp 7.727.000.000	26	16%
s/d 2013	Rp 9.149.000.000	31	18%
s/d 2014	Rp 6.123.000.000	20	33%
s/d 2015	Rp 8.584.000.000	30	40%
s/d 2016	Rp 8.123.000.000	29	5%

Source: PT. Bank Rakyat Indonesia Tbk Brach of Binjai

In table 4.2 showed the presence of fluctuations in the amount of non-performing loans at PT. Bank Rakyat Indonesia Tbk Brach of Binjai Years 2011-2016. The amount of the provision non-performing loans occurred in the year 2011 which amounted to Rp 9.250.000.000 with the number of creditors by 36 customers. In 2012 the decrease in the number of problem loans amounting to Rp7.727.000.000 with

several creditors 26 of the customer. In the year 2013 PT. The People's Bank of Indonesia increased the provision of credit troubled by 15% from the previous year with the number 31 creditors. In 2014 the decline in non-performing loans with a difference of Rp 3.026.000.000 of the year 2013 by the number of creditors as many as 20 customers. In the year 2015, the amount of credit problematic increased by 29% from a year earlier with the amount of 30 creditors. In the year 2016, the amount of credit the problematic decreased with the difference of Rp 461.000.000 with the number of creditors as much as 29 customers. The rise and fall of the number of the provision of credit are problematic in table 4.2 are called fluctuations. Of the 29 customers that fall into the category of nonperforming loans, taken 6 the customer as a sample in the study.

Table 4.3. The number of Troubled credit who Carried out the Interview

Year	The number of The Provision Of Credit	The number of Customers
2011	Rp 700.000.000	1
2012	-	-
2013	-	-
2014	Rp 300.000.000	2
2015	Rp 100.000.000	1
2016	Rp 400.000.000	2

Source: PT. Bank Rakyat Indonesia Tbk Brach of Binjai

In table 4.3 the amount of the provision the largest credit in the year 2011 with the amount of Rp 700.000.000 with 1 person of customer that willing to be interviewed of the total overall by 36 customers who experience credit problems. On the years 2012 and 2013, no customer willing interviewed. In 2014 the amount of non-performing loans amounted to Rp 300.000.000 with the number of creditors 2 people customers who are willing to in interviewed from a total of as many as 20 customer experience credit is problematic. In the year 2015 the amount of credit the problem of Rp 100,000,000 by the number of creditors 1 person customers are willing to be interviewed from the overall total as much as 30 customers. In the year 2016, the amount of problem loans Rp 400.000.000 with the number of creditors 2 people customers willing to be interviewed from a total of as many as 29 customers.

Table 4.4. Overview of General Business Respondents

No.	Initials Name Entrepreneurs	Year Stand	Form Business	The field Business	Business home / Forward
1.	A	2011	Contractors	Services	Forward
2.	E	2011	Pharmacies	Health	Forward
3.	M	2014	Home eat	Culinary	Forward
4.	F	2016	Coffee Shop	Culinary	The beginning
5.	W	2014	Studio photo	Services	The beginning
6.	R	2015	Boutique	Fashion	The beginning

Source: Author, 2017

In table 4.4 the customer engaged in the services as much as 2 people. The customer engaged in the field of health as many as 1 person. A customer engaged in the culinary field as much as 2 people. And customers engaged in the field of fashion as much as 1 person. Of the 6 customers, 3 people who

attempt to develop from the beginning, and 3 people who attempt to develops with to continue the family business.

B. Discussion

1. Factors external influence the bad credit at PT BRI Cabang Binjai

As for the external factors will be described by the table below

Table 4.5

External Factors Customer

Name The debtor	Policy The government	The development of Technology	Character Customer
AH	<ul style="list-style-type: none"> a. The presence of government regulations that affect the income b. Easy obtain credit funds from banks 	<ul style="list-style-type: none"> a. Not provide a budget for repairing equipment b. Always pay attention to the development of technology 	<ul style="list-style-type: none"> a. Abuse credit funds for personal purposes in excess b. Late pay the principal of the loan at under 9 times.
ICE	<ul style="list-style-type: none"> a. The rise in electricity rates that affect the income b. Obtain credit funds from the bank easily 	<ul style="list-style-type: none"> a. Equipment adequate 	<ul style="list-style-type: none"> a. Late pay the loan principal under the 9 times
MR.	<ul style="list-style-type: none"> a. The rise in electricity tariffs and raw materials that affect the income 	<ul style="list-style-type: none"> b. Always follow the development of technology c. The presence of the budget for the repair of faulty equipment 	<ul style="list-style-type: none"> a. Late pay the loan principal under the 9 times b. The presence of misuse of credit funds for personal purposes is constantly constantly
AF	<ul style="list-style-type: none"> a. The rise in electricity rates that affect the income b. The rise the raw material that greatly affects their income 	<ul style="list-style-type: none"> a. Equipment used to follow the development of technology b. Always update the equipment, to make it look modern 	<ul style="list-style-type: none"> a. Abuse credit funds for personal purposes b. Late pay the loan principal as much as 3 times

WF	a. The rise in electricity rates that affect the income	b. Not provide a budget to improve the standard.n c. Equipment follows the development of technology	a. Late pay the loan principal under the 9 times
RD	a. The rise in electricity rates that affect the income	a. Equipment does not follow the development of technology	a. Abuse credit funds for personal purposes excessive b. Combine the purposes of the personal income of its business c. Late pay the loan to the bank under 9 times

2. Factors Internal and external customer viewed from the side of the good and less good affects bad credit at PT BRI Branch of Binjai

The results of the interview the customer can see from the table below :

Table 4.6

Internal Factors The Customer Viewed From The Side Of The Good & Less Good

No	Factors Internal	Better	Less good
1	Aspects of Marketing and production	6 Customer	-
2.	Aspects Financial Regulator	2 Customer	4 Customer
3.	Aspects Management Of Loan Funds	1 Customer	5 Customer
4.	Aspects Technical	2 Customer	4 Customer
5.	Aspects of Management	One Customer	5 Customer

Table 4.7

External Factors Customer Viewed From The Side Of The Good & Less Good

No	Factors External	Better	Less good
1.	Policy The government	6 Customer	-
2.	The development of Technology	1 Customer	5 customer
3.	Character Customer	6. Customer	-

Overview of assessment a bad credit from the interviews it can be concluded that during the of the year 2011 s/d 2016 internal Factors of the customer consists of the marketing aspect and production of, aspects of the financial arrangements, aspects of fund management loans, technical aspects, and management aspects. It turns out those aspects of financial arrangements a relatively large contribution to the occurrence of bad credit at PT. Bank Rakyat Indonesia Tbk Branch of Binjai. Viewed from the side of the internal causes of occurrence of bad debts because yet there is a clear separation between personal property and possessions separator. The absence of the person who is assigned specifically to manage the finances of the company. Companies in the research sample, in general, do not exercise control over the company's financial and other business activities. Still lack understanding by business owners in running a business special related to financial management. External factors the customer consists of government policy, technological developments, and the character of the customer. The character of the customer has a greater contribution to its influence from one aspect of government policy and aspects of the development of technology to bad credit at PT. Bank Rakyat Indonesia Tbk

Branch of Binjai. The presence of government policies that do not support business activities. The lack of the development of technology is not adequate to process activities business. The misuse of credit made by the customer to the business that they manage. Bad debts what happens on PT. Bank Rakyat Indonesia Tbk Branch of Binjai is relatively large, seen from the number of customers who are late to repay the principal loans. There is an influence between the factors internal to the credit jammed on PT. Bank Rakyat Indonesia Tbk Branch of Binjai, because if the implementation of the and management of internal factors customers less the better it will because of a reduction in income on customer business and resulting in bad credit at PT. Bank Rakyat Indonesia, Tbk Branch of Binjai. There is the influence of external factors on credit jammed at PT. Bank Rakyat Indonesia Tbk Branch of Binjai, because if the application and the implementation of external factors customer less the better it will be lead to reduced revenue at the business customers and lead bad credit at PT. Bank Rakyat Indonesia Tbk Branch of Binjai. There is an influence between internal factors and external factors against bad credit at PT. Bank Rakyat Indonesia, Tbk Branch of Binjai. Internal factors have influenced larger against bad loans compared to external factors.

V. CONCLUSION AND SUGGESTIONS

A. Conclusion

Based on the results of research and discussion it can be concluded in this research is as follows:

1. Factors internal

If it is assessed from the side of the internal factors then the factors cause the occurrence of the credit misfire namely:

- a. There has been no clear separation between personal property and possessions separator.
- b. The absence of the person who is assigned specifically to manage the financial company.
- c. The company in the study sample, in general, does not exercise control over the company's financial or other business activities.
- d. Still lack understanding by business owners in running a business special related to financial management.

2. Factors external

If it is assessed from the side of the external factors then the factors cause the occurrence of the credit misfire namely:

- a. The presence of government policy has not supported the business activities of the customer.
- b. The presence of misuse of credit made by the customer to the business in governance.
3. There is an influence between the factors of internal and external to bad credit on PT. Bank Rakyat Indonesia Tbk Branch of Binjai, because if the implementation and management of internal and external factors customers is less good, it will cause a reduction in income on customer business and resulting in bad credit at PT. Bank Rakyat Indonesia Tbk Branch of Binjai.

B. Suggestions

1. For Company

- a. Need more attention than PT. Bank Rakyat Indonesia Tbk Branch of Binjai provides socialization or assistance to the customer related to internal factors, in particular aspects of the financial arrangements, so the customer will be able to take into account the financial and run his efforts so that congestion credit can be avoided.

2. For customer

- a. Expected that the next customer makes business planning more clearly and forming a business, this can be done starting from planning the type of business, the amount and source of capital, the estimated cost, until the preparation of the budget effort, so it is with business planning clear the customer can use the credit that they borrow by the needs of the business.
- b. The customer is expected to make bookkeeping financial ie by doing the recording of each transaction and all the evidence the transaction is documented, as well as the financial statements,

so the entry and exit of money can be seen more clearly and the customer can knowing more is the profit or loss they thanks.

- c. Need the separation between the personal finances with business finances so that the control and evaluation of the financial management of the business can be performed optimally.

3. For Further Research

This study only measures variable factors internal customers with several aspects including; aspects of marketing and production, aspects of the financial arrangements, aspects of management of loan funds, technical aspects and management aspects as well as the variable factors of external customers consisting of the policy the government, the development of technology and the character of the customer. For it is expected the research will examine other factors that were not studied and can affect the bad credit.

REFERENCES

- Adisaputra, iksan. 2012. *Analisis Faktor – Faktor yang Mempengaruhi Non Performing Loan pada Bank Mandiri*. Skripsi. (<http://repository.unhas.ac.id/> diakses 13 Maret 2017).
- Hamil, Marissya. 2015. *Faktor Internal dan Faktor Eksternal yang Mempengaruhi Non Performing Loan di bank Pemerintah dan Bank Swasta Jawa Timur Periode 2008-2012*. Jurnal Ilmiah Mahasiswa Universitas Surabaya Vol.4 No.2 (2015).
- Hasibuan, Malayu. 2011. *Dasar – dasar Perbankan*. Jakarta : BumiAksara.
- Kasmir. 2008. *Bank dan Lembaga Keuangan Lainnya*. Jakarta : PT RajaGrafindo.
- Kasmir. 2013. *Dasar – dasar Perbankan*. Jakarta : PT.RajaGrafindoPersada.
- Mahmoeddin. 2011. *100 Penyebab Kredit Macet*. Jakarta : BumiAksara.
- Muljono, Teguh Pudjo. 2013. *Manajemen Perkreditan bagi Bank Konvensional*. Yogyakarta : BPF.
- Muslim. 2012. *Analisis Faktor – Faktor yang Mempengaruhi Kredit Macet (Kurang Lancar, Diragukan, dan Macet) pada UMKM Industri Mebel di Kabupaten Jepara*. Skripsi. (<http://enprints.undip.ac.id/> diakses 3 Agustus 2016).
- Rusiadidkk. 2014. *Metode Penelitian: Manajemen, Akuntansi dan Ekonomi pembangunan*.
- Sinungan, Muchdarsyah. 2010. *Manajemen Dana Bank*. Jakarta : BumiAksara.
- Sugiyono. 2014. *Statistika Untuk Penelitian*. Bandung : CV Alfabet.
- Susilo, sri. 2013. *Bank dan Lembaga Keuangan Lainnya*. Jakarta : SalembaEmpat.
- Suyatno, Thomas, dkk. 2012. *Dasar – Dasar Perkreditan Edisi Empat*. Jakarta. PT.GramediaPustakaUtama.
- www.idx.co.id
- Yulianto, Arif. 2012. *Faktor Internal – Eksternal yang Mempengaruhi Kredit Macet pada Nasabah PD. BPR BKK Wonosobo*. Skripsi. (<http://lib.unnes.ac.id/> diakses 20 Maret 2017).