



Analysis Of Financial Performance Due To Credit Restructuring Policy At Batam City BPR

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ABSTRACT

This study aims to determine the difference in financial performance when implementing a credit restructuring policy with the enactment of POJK No. 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of COVID-19 during the COVID-19 pandemic and BPR financial performance is assessed based on SEOJK No. 11/SEOJK.03/2022 concerning the Assessment of the Health Level (TKS) of BPR and BPRS. The study population is Conventional Rural Credit Banks (BPR) in Batam City, Riau Islands whose financial ratio reports can be obtained through the Financial Services Authority (OJK) website, so that with the selection criteria, the research sample becomes 9 BPRs. This research method is a comparative quantitative method with an analysis technique using the Wilcoxon Test. The results of the study explain that banking financial performance based on NPL Semester I/2020 and NPL Semester I/2021 shows differences after the implementation of the credit restructuring policy during the COVID-19 pandemic.

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INTRODUCTION

A country's economic growth cannot be separated from the role of financial institutions in advancing economic equality in its society. All bodies that, through activities in the financial sector, withdraw money from the community and channel the money back to the community (Law Number 14 of 1967). Indonesian banking has the function of collecting and channeling public funds and aims to support the implementation of national development in order to increase the distribution of development and its results, economic growth and national stability, towards improving the standard of living of many people. It was further explained that banking financial institutions are legal entities that carry out activities to collect funds from the public in the form of savings (current accounts, savings and deposits) and distribute them to people who need funds in the form of credit and/or other

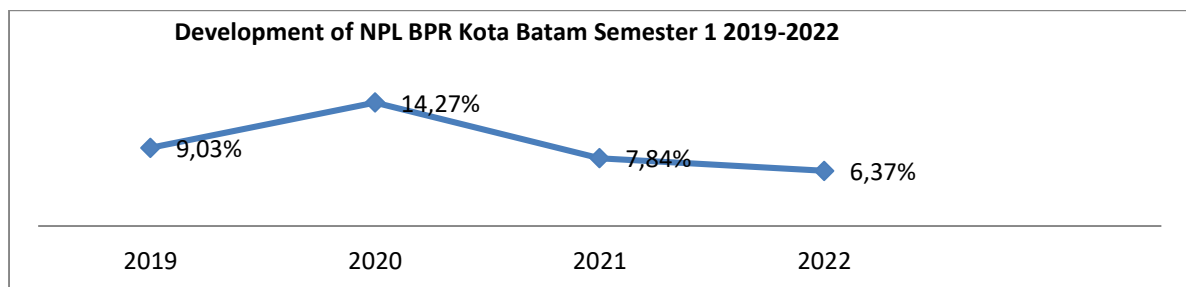


forms in order to improve the level of the lives of many people to achieve a just and prosperous society based on Pancasila and the 1945 Constitution (Simatupang et al., 2019).

The COVID-19 pandemic outbreak hit Indonesia in March 2020 and had an impact on banking activities. The Government Regulation on Large-Scale Social Restrictions (PSBB) which was implemented in April 2020 in an effort to prevent the spread of the corona virus, had an impact on the community's economy. This is really felt by Micro, Small and Medium Enterprises (MSMEs) because people's purchasing power has decreased and their income has decreased, thus having an impact on the operations of BPRs where the most credit is distributed to MSMEs. This condition is caused by the decline in people's purchasing power, so many BPRs are waiting for the right time to carry out credit transactions (Supeno, 2020). As a result, problems arise where debtors do not make timely payments of principal and interest installments, which are BPR's main source of income.

This problem is also felt in BPR in Batam City. If this condition continues, it is feared that BPRs will not be able to maintain profits and poor profitability ratios as a result of high NPL (Non Performing Loan) ratios along with the increasing number of BPR problem loans and slowing credit growth. during the pandemic. To prevent the NPL ratio from getting worse, the Financial Services Authority (OJK) issued a credit relaxation policy, namely the Republic of Indonesia Financial Services Authority Regulation (POJK) Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of Coronavirus Disease 2019 which has come into effect since March 16 2020. The main content of the policy is the implementation of credit restructuring to debtors affected by COVID-19 by submitting a credit restructuring application to the BPR. Credit restructuring is an improvement effort carried out in credit activities for debtors who have the potential to experience difficulties in fulfilling their obligations.

The following is data on the BPR NPL ratio in Batam City in Semester I 2019 to Semester I 2022 before and during the pandemic. COVID19 cases began to occur in Indonesia in March 2020, so the author uses NPL data for June 2019, 2020, 2021 and June 2022 as a comparison. The result was an increase in BPR's NPL in June 2020.



Source: Conventional BPR Publication Report – Financial Services Authority, (2023)

figure 1. Development of NPL BPR Kota Batam

Based on data figure 1 above, it can be seen that the BPR NPL ratio has an average in the period June 2019-2022 explaining that in 2019 it had a value of 9.03%, and in 2020 there was an increase of 5.24% to 14.27%. However, in 2021 there was a decrease to 7.84% and so too in 2022 there was another decrease to 6.37%. If we look at the average NPL of 9.38% for 4 periods, then BPR Kota Batam is still considered high because it exceeds the maximum threshold (5.00%). However, when viewed from 2020-2022 there was a continuous decline. This is feared to affect the performance of the BPR Kota Batam industry in the future, because BPR's income and profits are also decreasing.

Several previous studies examining the impact of credit restructuring during the COVID-19 pandemic on financial performance explained that banking financial performance based on NPL/NPF was no different before and after the implementation of the credit restructuring policy during the

COVID-19 pandemic, while for LDR/FDR, ROA, and CAR there were differences (Rimbawan, 2022). Meanwhile, research (Wardhani & Ismunawan, 2021) in their research on the impact of the COVID-19 pandemic on BPR profitability concluded that NPL, LDR, and NIM partially did not have a significant effect on ROA, while BOPO partially had a significant effect on ROA. However, if simultaneously the four independent variables have a significant effect on ROA. The same thing was also conveyed in the study (Kusumawardani, 2022) in his research analyzing changes in the profitability ratio before and during the COVID-19 pandemic and its relationship to profit growth. The results showed that simultaneously profitability had an effect on profit growth, while partially the ROA, ROE and BOPO ratios had an effect on profit growth but the NIM ratio had no significant effect on profit growth.

Based on the explanation of the problem above, and supported by previous studies that state differences in the results of their research, the author is also interested in discussing the analysis of BPR financial performance before and after the POJK No. 11/POJK.03/2020 policy using the productive asset quality ratio measured by NPL at Conventional BPRs in Batam City.

LITERATURE REVIEW

People's Credit Bank (BPR)

Rural Credit Bank is a banking financial institution that accepts deposits only in the form of time deposits, savings, and/or other forms that are similar to that and distributes funds as a BPR business. Rural Credit Institutions began during the Dutch colonial era in the 19th century, with the establishment of the Village Granary, Village Bank (BD), Farmer Bank (BT), and Village Trading Bank (BDD), with the aim of helping farmers, employees, and laborers to free themselves from the trap of moneylenders (loan sharks) who supposedly provide credit at high interest rates. With the issuance of Law No. 7 concerning Banking in 1992 (Law No. 7/1992 concerning Banking), a clear legal basis was provided as one type of bank other than a general bank. In accordance with Law No. 7/1992 concerning Banking, Non-Bank Financial Institutions that have obtained a business license from the Minister of Finance can adjust their business activities as a Bank (Meriyati & Hermanto, 2021). Law No. 10 of 1998 concerning amendments to Law No. 7 of 1992 states that "Credit is the provision of money or bills that can be equated with it based on an agreement or loan agreement between a bank and another party that requires the borrowing party to repay the debt after a certain period of time with an amount of interest, compensation or profit sharing".

According to (Tampubolon, 2004), credit risk is an exposure that arises as a result of the failure of the counterparty to fulfill its obligations. On the one hand, this risk can come from various functional activities of the bank such as loan distribution, treasury and investment activities, and trade financing service activities recorded in the bank's books. Furthermore, According to POJK no. 18/pojk.03/2016 concerning the implementation of risk management for commercial banks, credit risk is the risk due to the failure of other parties to fulfill their obligations to the bank, including credit risk due to debtor failure, credit concentration risk, counterparty credit risk, and settlement risk (PJOK NO.18/PJOK.03/2016, 2016). Meanwhile. Further according to (Wardhani & Ismunawan, 2021) credit is a bank operational activity that has high risk. Banks must be able to control non-performing loans so that the npl ratio remains low and bank profitability remains stable.

Credit Quality and Non Performing Loan (NPL)

Credit collectibility or also known as credit quality is the state of principal payments or principal installments and credit interest paid by customers using loan facilities (credit) (Khairi & Widayati, 2020). POJK Policy No. 33/POJK.03/2018 concerning Productive Asset Quality and Establishment of BPR Productive Asset Write-off Provisions, states that Productive Assets are the provision of BPR funds in rupiah currency to obtain income, in the form of credit, Bank Indonesia certificates, and placements in other banks (Financial Services Authority, 2018). Credit is the provision of money or bills that can be equated with it, based on an agreement or loan agreement between the BPR and the borrower which requires the borrower to repay their debt after a certain period of time with interest. The quality



of productive assets in the form of Credit is determined to be current, in special attention (DPK), less current, doubtful and bad.

Non Performing Loan is a comparison between total non-performing loans and total loans given to debtors. A bank is said to have a high NPL if the number of non-performing loans is greater than the number of loans given to debtors. If a bank has a high NPL, it will increase costs, both productive asset reserve costs and other costs, in other words, the higher the NPL of a bank, the more it will disrupt the performance of the bank (Ali, 2004). The high level of non-performing loans causes delays in bank income that should be received, thus reducing the level of profitability of a bank (Pinasti, 2018). The Non Performing Loan (NPL) ratio shows the ability of bank management to manage problematic loans provided by the bank. Credit in this case is credit provided to third parties excluding credit to other banks. Bank Indonesia sets a reasonable Non Performing Loan (NPL) rate of 5% of its total credit portfolio. The large level of Non Performing Loan (NPL) indicates the presence of problematic loans in the bank, the greater the problematic loans in the bank indicate that the bank cannot withdraw funds that have been given by the debtor, thus affecting the profit obtained by the bank (Aprilia & Handayani, 2018).

Credit Restructuring

Restructuring according to (Hariyani, 2010) in a broad sense includes changes in organizational structure, management, operational systems and procedures, finance, assets, debt, shareholders, legal and so on. Meanwhile, according to (Rivai, Veithzal, & Idroes, 2007), restructuring is an effort to save by making changes to the terms of the credit agreement in the form of providing additional credit or converting all or part of the credit into company equity and bank equity which is carried out with or without rescheduling and reconditioning. Meanwhile, (Firdaus, Rachmat, Ariyanti, 2009) stated that credit restructuring is an effort made in its credit business activities so that debtors can fulfill their obligations. Furthermore, Credit Restructuring is an improvement effort made by banks in credit activities for debtors who have difficulty fulfilling their obligations, which is carried out, among others, by changing the terms of the credit agreement in the form of providing additional credit or converting all or part of the credit into company equity and bank equity which is carried out with or without rescheduling and reconditioning (Rimbawan, 2022).

Credit Restructuring is a new alternative in reducing NPL. Credit Restructuring is an improvement effort carried out by Banks in credit activities for debtors who are having difficulty in fulfilling their obligations. The advantage of credit restructuring for banks is that by saving the business of the restructured debtor, the Bank's NPL value can be reduced and the CKPN (Allowance for Impairment Losses) which should be budgeted for potential problematic credit can be saved and can be used for other financing (Rimbawan, 2022). POJK Policy No. 33/POJK.03/2018 Article 21 states that BPR can carry out Credit Restructuring for Debtors who meet the criteria: a) the debtor has difficulty paying the principal and/or interest on the Credit; and b) the debtor has good business prospects and is considered capable of fulfilling obligations after the Credit is restructured.

Bank Health Level

Based on Bank Indonesia Circular Letter No. 6/23/DPNP dated May 31, 2004, the assessment of bank health level is a qualitative assessment of various aspects that affect the condition or performance of a bank through the assessment of capital aspects, asset quality, management, profitability, liquidity and sensitivity to market risk. The classification of bank health level is divided into four categories, namely healthy, fairly healthy, less healthy, and unhealthy. BPR health is a form of consumer or community assessment of the level of development of a bank which will later become a major influence for the community to join the bank. A healthy bank is used as a benchmark by the community that the bank is able to develop and compete, and is able to survive in its time (Putri & Marlius, 2018).

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The assessment of bank health level is an assessment to see the bank's ability to carry out all its operational activities in accordance with applicable banking regulations. One of the indicators used to assess bank health is the bank's financial report because the financial report can show the overall financial condition of the bank including its shortcomings and advantages (Gandawari, Areros, & Keles, 2016). Meanwhile, according to (Indira, 2021), the level of bank health is the bank's ability to carry out banking operations normally and carry out all its obligations in accordance with applicable banking regulations.

Then Bank Indonesia made improvements to the health assessment method for commercial banks by issuing a new policy in Bank Indonesia Regulation No. 13/1/PBI/2011 concerning the Health Assessment of Commercial Banks using the RGEC method (Risk Profile, Good Corporate Governance, Earnings, Capital). Bank Indonesia Circular Letter No. 13/24/DPNP/2011 explains that banks are required to conduct self-assessments of bank health levels using a risk approach (Risk-based Bank Rating/ RBBR) with an assessment scope consisting of Risk Profile factors, Good Corporate Governance (GCG), Earnings, and Capital to produce a composite rating of bank health levels (Dewi, 2018).

METHOD

This research method uses a comparative quantitative research method by analyzing secondary data in the form of BPR financial ratio reports in Batam City for the first semester of 2019-2022. This study uses quantitative data by analyzing, studying, and drawing conclusions from the financial performance of Rural Credit Banks (BPR) in Indonesia (Yasin & Fisabilillah, 2020). The population of this research object is 20 BPR or 112 financial ratio report data for Semester I in June 2019 - June 2022 in Batam City, Riau Islands Province. While the total number of samples used after selecting sample criteria is 9 BPR or 36 ratio report data. The sample criteria used as a reference are: 1) Financial Reports are available in full according to the information needed in this study, b) there is a decrease and increase (fluctuation) in the NPL ratio seen from 2019-2022. Samples that meet the criteria are: PT BPR Dana Nusantara, PT BPR Lesca Dana BATAM, PT BPR LSE Manggala, PT BPR Putra Batam, PT BPR Agra Dhana, PT BPR Ukabima Mitra Dana, PT BPR Dana Makmur, PT BPR Majesty Golden Raya, Dan PT BPR Satya Mitra Andalán.

The data analysis used in this study is nonparametric statistics with the Wilcoxon Test, where the Signed Rank Test is used to measure the difference in banking financial performance before and after the announcement of the implementation of POJK No. 11 of 2020. According to (Rudianto et al., 2020) The Wilcoxon Test is used to test conditions (variables) in paired samples or can also be used for before and after research which is used to test the comparative hypothesis of 2 paired samples. The probability value of Asym.sig 2 tailed <0.05, there is a difference in the average and the probability value of Asym.sig 2 tailed > 0.05, there is no difference in the average Negative ranks mean that the sample with the second group value (posttest) is lower than the first group value (pretest).

Furthermore, positive ranks are samples with the second group value (posttest) higher than the first group value (pretest). Furthermore, ties are the value of the second group (posttest) as large as the value of the first group. Data analysis begins by presenting the financial ratio report for 9 BPRs in Batam City. Then, divide the NPL ratio data into 2 (two) groups, namely the ratio before (pretest), medium and after (posttest) POJK No. 11 / POJK.03 / 2020 applies. This comparison is intended to see the comparison of financial performance based on the implementation of POJK No. 11 / POJK.03 / 2020 whether there is a decrease in the ratio or there is no significant difference. The final step provides a clearer picture based on table statistics and states the results of the study by formulating research conclusions.

RESULT AND DISCUSSION

The Financial Services Authority issued POJK No. 11/POJK.03/2020 to encourage optimization of banking performance, especially the intermediation function, maintain financial system stability, and support economic growth. During the implementation of this POJK, we need to know whether there



is a significant impact that can improve credit performance to boost performing loans so that they do not decline to non-performing loans. This can be measured by assessing the financial ratio of 9 Conventional BPRs in Batam City, where the NPL ratio during the implementation of the POJK can be seen as follows:

Table 1. BPR NPL Ratio Semester I 2019-2022

Nama BPR	2019	2020	2021	2022
PT BPR DANA NUSANTARA	3,18%	6,17%	2,69%	2,75%
PT BPR LESCA DANA BATAM	19,91%	80,97%	0,00%	0,00%
PT BPR LSE MANGGALA	8,24%	7,55%	7,18%	8,29%
PT BPR PUTRA BATAM	11,45%	17,94%	17,33%	16,91%
PT BPR AGRA DHANA	10,86%	16,03%	12,60%	4,15%
PT BPR UKABIMA MITRA DANA	2,30%	4,10%	3,14%	2,41%
PT BPR DANA MAKMUR	4,73%	11,54%	10,52%	8,13%
PT BPR MAJESTY GOLDEN RAYA	19,91%	21,15%	4,94%	3,62%
PT BPR SATYA MITRA ANDALAN	4,13%	7,56%	3,86%	2,83%

Data Source: Batam City Conventional BPR Financial Report (2023)

From table 1 it is clear that the NPL ratio can reveal banking credibility business practices that are influenced by credit distribution. Due to the COVID-19 pandemic, OJK announced that the credit restructuring policy would start in March 2020 and end in March 2023. Researchers compared the financial ratios measured by NPL in Semester I of 2019 (before the policy) with 2020-2022 (after the policy).

Results Comparison Of NPL Based On The 2019 Reporting Year With The Year During Which The Policy Was Implemented

NPL in 2019 and 2020 is a condition where the Bank has not implemented a credit restructuring policy. The NPL ratio can be seen as follows:

**Table 2. Comparison of NPL Ratio 2020 with 2019
Wilcoxon Signed Ranks Test**

		N	Mean Rank	Sum of Ranks
NPL Juni 2020 - NPL Juni 2019	Negative Ranks	1 ^a	1.00	1.00
	Positive Ranks	8 ^b	5.50	44.00
	Ties	0 ^c		
Total		9		

NPL Juni 2020 < NPL Juni 2019

NPL Juni 2020 > NPL Juni 2019

NPL Juni 2020 = NPL Juni 2019

Data Source: SPSS Data Processing (2023)

Based on the research results in table 2 above, the Negative Ranks or negative difference between the NPL ratio as of June 2019 and June 2020 is 1, both in the N value, Mean Rank and Sum of Ranks. A value of 1 indicates that there is 1 (one) BPR where the NPL ratio in Semester I/2020 has decreased when compared to the NPL ratio in Semester I/2019 as shown in point-a, namely NPL June 2020 < NPL June 2019. The Mean Rank value shows that the average decrease is 1.00% with a positive ranking (sum of rank) of 1.00%. The BPR that experienced a decrease in the NPL ratio in June 2020 was BPR LSE Manggala, where in June 2019 the NPL ratio was at 8.24%, but in June 2020 the NPL ratio fell by 0.69% to 7.55%. This is because the NPL for substandard and doubtful loans in June 2020 was 3.15%

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of the total credit, while in June 2019 the NPL for substandard and doubtful loans reached 4.11% of the total. Along with the decrease in the ratio, the NPL of BPR LSE Manggala as a whole in June 2020 experienced a downward trend. Meanwhile, the Positive Ranks or positive difference between the NPL ratio as of June 2019 and June 2020 is 8 at the N value, the Mean Rank value is 5.50 and the Sum of Ranks value is 44.00. The value of 8 indicates that there are 8 (eight) BPRs where the NPL ratio in Semester I/2020 has increased when compared to the NPL ratio in Semester I/2019 as shown in point b, namely $NPL\ June\ 2020 > NPL\ June\ 2019$. The Mean Rank value shows an average increase of 5.50% with a positive number of ranks (sum of ranks) of 44.00%.

In contrast to BPR LSE Manggala which experienced a decrease in NPL, for other BPRs, namely BPR Dana Nusantara, BPR Lesca Dana, BPR Putra Batam, BPR Agra Dhana, BPR Ukabima Mitra Dana, BPR Dana Makmur, BPR Majesty Golden Raya and BPR Satya Mitra Andalan, the NPL ratio actually increased. This is due to the tendency of an increase in the number of non-performing loans which is not balanced by credit growth, so that it is the main cause of the NPL ratio also increasing. Ties are the similarity of the NPL ratio value in Semester I/2019 and Semester I/2020. From the results of the study, the Ties value was found to be 0 (zero), so it can be said that there is no similar NPL ratio value between the two years. The results of the NPL Ratio Test Statistics for the June 2019-June 2020 Period can be seen as follows:

Table 3. Test Statistics of NPL Ratio 2020 to 2019

Test Statistics ^a	
NPL Juni 2020 -NPL Juni 2019	
Z	-2.547^b
Asymp. Sig. (2-tailed)	.011

a. Wilcoxon Signed Ranks Test

b. Based on negative ranks.

Data Source: SPSS Data Processing (2023)

Based on the Test Statistics output in table 3 above, it is known that Asymp. Sig. (2-tailed) is worth 0.011. Because 0.011 is smaller than 0.05, H_0 is rejected and H_a is accepted (there is a difference in the ratio between NPL 2019 and 2020).

Comparison of NPL in 2021 with 2019 which shows the condition that the credit restructuring policy has been implemented. The NPL comparison ratio can be seen as follows:

Table 4. NPL Ratio for the Period of June 2019 with June 2021

Wilcoxon Signed Ranks Test				
		N	Mean Rank	Sum of Ranks
NPL Juni 2021 - NPL Juni 2019	Negative Ranks	5 ^a	4.80	24.00
	Positive Ranks	4 ^b	5.25	21.00
	Ties	0 ^c		
Total		9		

NPL Juni 2021 < NPL Juni 2019

NPL Juni 2021 > NPL Juni 2019

NPL Juni 2021 = NPL Juni 2019

Data Source: SPSS Data Processing (2023)

Based on the results of the study in table 4, Negative Ranks or the negative difference between the NPL ratio as of June 2019 and June 2021 is 5 at the N value, Mean Rank is 4.80, while the Sum of Ranks is 24.00. The value of 5 indicates that there are 5 (five) BPRs where the NPL ratio in Semester I/2021 has decreased when compared to the NPL ratio in Semester I/2019 as shown in point a, namely $NPL\ June\ 2021 < NPL\ June\ 2019$. The Mean Rank value shows that the average decrease is 4.80% with a positive ranking (sum of rank) of 24.00%. BPRs that experienced a decrease in NPL in June 2021 were



BPR Dana Nusantara, BPR Lesca Dana Batam, BPR LSE Manggala, BPR Majesty Golden Raya and BPR Satya Mitra Andalan. This is due to a decrease in the number of non-performing loans and an increase in the number of credit distributions.

Meanwhile, the Positive Ranks or positive difference between the NPL ratio as of June 2019 and June 2021 is 4 at the N value, the Mean Rank value is 5.25 and the Sum of Ranks value is 21.00. The value of 4 indicates that there are 4 (four) BPRs where the NPL ratio in Semester I/2021 has increased when compared to the NPL ratio in Semester I/2019 as shown in point b, namely $NPL\ June\ 2021 > NPL\ June\ 2019$. The Mean Rank value shows that the average increase is 5.25% with a positive ranking (sum of rank) of 21.00%. BPRs that experienced an increase in NPL in June 2021 were BPR Putra Batam, BPR Agra Dhana, BPR Ukabima Mitra Dana and BPR Dana Makmur. This was due to an increase in the number of non-performing loans and a decrease in the number of credit disbursements. Ties are the similarity of the NPL ratio values in Semester I/2019 and Semester I/2021. From the research results, the Ties value was found to be 0 (zero), so it can be said that there is no similar NPL ratio value between the two years. When viewed from the results of the Test Statistics, the NPL Ratio for the Period June 2019 and June 2021 can be seen as follows:

Table 5. Test Statistics of NPL Ratio 2021 to 2019

Test Statistics ^a	
NPL Juni 2021 - NPL Juni 2019	
Z	-.178^b
Asymp. Sig. (2-tailed)	.859

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

Data Source: SPSS Data Processing (2023)

Based on the Test Statistics output in table 5 above, it is known that Asymp. Sig. (2-tailed) is worth 0.859. Because 0.859 is greater than 0.05, H_0 is accepted and H_a is rejected (there is no difference in the ratio between NPL 2021 and 2019).

NPL in 2022 with 2019 is a condition where the Bank has experienced the Covid-19 condition, so it is still affected by the implementation of the credit restructuring policy. The NPL ratio can be seen as follows:

Table 6. NPL Ratio for the Period of June 2022 with June 2019

Wilcoxon Signed Ranks Test		Ranks		
		N	Mean Rank	Sum of Ranks
NPL Juni 2022 - NPL Juni 2019	Negative Ranks	5 ^a	6.20	31.00
	Positive Ranks	4 ^b	3.50	14.00
	Ties	0 ^c		
	Total	9		

a. $NPL\ Juni\ 2022 < NPL\ Juni\ 2019$

b. $NPL\ Juni\ 2022 > NPL\ Juni\ 2019$

c. $NPL\ Juni\ 2022 = NPL\ Juni\ 2019$

Data Source: SPSS Data Processing (2023)

Based on the research results in table 6 above, the Negative Ranks or negative difference between the NPL ratio as of June 2019 and June 2022 is 5 at the N value, the Mean Rank is 6.20, while the Sum of Ranks is 31.00. The value of 5 indicates that there are 5 (five) BPRs where the NPL ratio in Semester I/2022 has decreased when compared to the NPL ratio in Semester I/2019 as shown in point a, namely $NPL\ June\ 2022 < NPL\ June\ 2019$. The Mean Rank value shows that the average decrease is

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6.20% with a positive ranking (sum of rank) of 31.00%. BPRs that experienced a decrease in NPL in June 2022 were BPR Dana Nusantara, BPR Lesca Dana, BPR Agra Dhana, BPR Majesty Golden Raya and BPR Satya Mitra Andalan. This was due to a decrease in the number of non-performing loans and an increase in the number of credit distributions.

Meanwhile, the Positive Ranks or positive difference between the NPL ratio as of June 2019 and June 2022 is 4 at the N value, the Mean Rank value is 3.50 and the Sum of Ranks value is 14.00. The value of 4 indicates that there are 4 (four) BPRs where the NPL ratio in Semester I/2022 has increased when compared to the NPL ratio in Semester I/2019 as indicated by point b, namely $NPL\ June\ 2022 > NPL\ June\ 2019$. The Mean Rank value shows that the average increase is 3.50% with a positive ranking (sum of rank) of 14.00%. BPRs that experienced an increase in the NPL ratio in June 2022 were BPR LSE Manggala, BPR Putra Batam, BPR Ukabima Mitra Dana and BPR Dana Makmur. This was due to an increase in the number of non-performing loans and a decrease in the number of credit disbursements. Meanwhile, if we look at the results of the Test Statistics, the NPL Ratio for the period June 2022 to June 2019 can be seen in the following table:

Table 6. Test Statistics of NPL Ratio 2022 to 2019

Test Statistics ^a	
NPL Juni 2022 - NPL Juni 2019	
Z	-1.007^b
Asymp. Sig. (2-tailed)	.314

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

Data Source: SPSS Data Processing (2023)

Table 6. Explains Ties is the similarity of the NPL ratio value in Semester I/2019 and Semester I/2022. From the research results, the Ties value was found to be 0 (zero), so it can be said that there is no similar NPL ratio value between the two years. Based on the Test Statistics output above, it is known that Asymp. Sig. (2-tailed) is 0.314. Because 0.314 is greater than 0.05, H_0 is rejected and H_a is accepted (there is no difference in the ratio between NPL 2019 and 2022).

Results Comparison of NPL based on reporting level before and during policy implementation

The results of the study are seen from the comparison of levels for each for 3 consecutive years (2019-2020, 2020-2021, and 2021-2022) explains the following results:

Table 7. Test Statistics of NPL Ratio 2010, 2021, 2022
Wilcoxon Signed Ranks Test (Ranks)

		N	Mean Rank	Sum of Ranks
NPL Juni 2020 - Juni 2019	Negative Ranks	1 ^a	1.00	1.00
	Positive Ranks	8 ^b	5.50	44.00
	Ties	0 ^c		
	Total	9		
NPL Juni 2021- Juni 2020	Negative Ranks	9 ^d	5.00	45.00
	Positive Ranks	0 ^e	.00	.00
	Ties	0 ^f		
	Total	9		
NPL Juni 2022 - Juni 2021	Negative Ranks	6 ^g	5.17	31.00
	Positive Ranks	2 ^h	2.50	5.00
	Ties	1 ⁱ		
	Total	9		

a. NPL Juni 2020 < NPL Juni 2019

b. NPL Juni 2020 > NPL Juni 2019

c. NPL Juni 2020 = NPL Juni 2019

d. NPL Juni 2021 < NPL Juni 2020

e. NPL Juni 2021 > NPL Juni 2020

g. NPL Juni 2022 < NPL Juni 2021

h. NPL Juni 2022 > NPL Juni 2021



f. NPL Juni 2021= NPL Juni 2020 i. NPL Juni 2022= NPL Juni 2021

Test Statistics ^a			
	NPL 2019 - NPL 2020	NPL 2020 - NPL 2021	NPL 2021- NPL 2022
Z	-2.547 ^b	-2.666 ^c	-1.820 ^c
Asymp. Sig. (2-tailed)	.011	.008	.069
a. Wilcoxon Signed Ranks Test			
b. Based on positive ranks.			
c. Based on negative ranks.			

Data Source: SPSS Data Processing (2023)

There is 1 BPR that has a smaller NPL ratio in June 2020 when compared to the NPL ratio in June 2019. Furthermore, there are 8 (eight) BPRs that have a larger NPL ratio in June 2020 when compared to the NPL ratio in June 2019. When viewed from the Asymp. Sig. (2 tailed) value of 0.011 which is smaller than 0.05, then Ho1 is rejected and Ha1 is accepted. This means that there is a difference in the NPL ratio before and when the credit restructuring policy is implemented.

The explanation of table 6 above also explains that all BPRs experienced a decrease in the NPL ratio when credit restructuring was implemented (June 2021) when compared to the NPL ratio in June 2020. The Asymp. Sig. (2 tailed) value of 0.008 is smaller than 0.05, so Ho1 is rejected and Ha1 is accepted. This means that there is a difference in the NPL ratio when the credit restructuring policy is implemented. Furthermore, there are 6 BPRs that continue to experience a decrease in the NPL ratio during the June 2022 restructuring when compared to the June 2021 NPL ratio. Furthermore, there are also 2 BPRs that still experience an increase in the NPL ratio during the June 2022 restructuring compared to the June 2021 NPL ratio. This also found a Ties value of 1 which explains that there is 1 BPR that has the same NPL ratio value between the two years. The results of the Asymp. Sig. (2 tailed) value of 0.069 are greater than 0.05, so Ho1 is accepted and Ha1 is rejected. This means that there is no difference in the NPL ratio when implementing the credit restructuring policy.

Discussion

The results of the analysis of the credit restructuring policy based on POJK No. 11/POJK.03/2020 above occurred because Indonesia was in the Covid-19 pandemic, which has shown that in June 2020 there was a difference in the NPL ratio with 2019, where there were 8 BPRs that experienced an increase in the non-performing loan ratio with an average value of 5.50%. In June 2021, debtors were affected by COVID-19, so the NPL ratio decreased when compared to the NPL ratio in June 2020 with an average of 5.00%. Meanwhile, June 2022 also experienced a decrease from the 2021 NPL with an average value of 2.50%, where there were 6 BPRs that experienced a decrease in NPL and 2 BPRs experienced an increase in NPL, then 1 BPR had the same NPL ratio. This means that overall, the average NPL ratio decreased after credit restructuring was carried out.

This study was also expressed by (Adhinugroho, 2021) who stated that there had been a significant increase in credit restructuring between before and after COVID-19 faced by banks in Indonesia, this was also followed by a decrease in profitability between before and after COVID-19. Furthermore, research (Rimbawan, 2022) confirmed that banking financial performance based on NPL/NPF was no different before and after the implementation of the credit restructuring policy

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during the COVID-19 pandemic. Furthermore, research (Wicaksono et al., 2021) showed that there was a significant difference between Conventional Banks and Sharia Banks. Meanwhile, a different statement was expressed by research (Yasin & Fisabilillah, 2020) which concluded that before the COVID-19 pandemic, BPR NPL was still relatively stable and experienced insignificant increases and decreases. However, during the pandemic in the first quarter, BPR NPL experienced a significant increase of 1.03% to 6.25%. The biggest increase was in the second quarter, BPR NPL reached 6.54% and in the third quarter, BPR NPL managed to fall by 0.36% and then continued to fall to 5.33%.

CONCLUSION

Based on the results of the analysis and discussion above, it can be concluded that overall the average NPL ratio decreased after credit restructuring. This can be seen in the period of June 2021, there were 9 BPRs experiencing a decrease in the NPL ratio with the NPL ratio category, where only 5 BPRs were declared healthy, including (BPR Dana Nusantara, BPR Lesca Dana Batam, BPR Ukabima Mitra Dana, BPR Majesty Golden Raya and BPR Satya Mitra Andalan), and the category of Fairly Healthy only 1 BPR, namely BPR LSE Manggala, then the less healthy one is BPR Dana Makmur, while the unhealthy ones are BPR Agra Dhana and BPR Putra Batam. Meanwhile, in the period of June 2022, there were 6 out of 9 BPRs also experiencing the same thing with the NPL ratio category, namely 4 BPRs were declared healthy (BPR Agra Dhana, BPR Ukabima Mitra Dana, BPR Majesty Golden Raya and BPR Satya Mitra Andalan), fairly healthy BPR Dana Makmur and Unhealthy BPR Putra Batam. This shows that during the implementation of the credit restructuring policy, BPR Kota Batam was still able to have good financial performance, although there were still other BPRs that declined during the COVID-19 pandemic.

The author suggests to various parties that this article be a positive contribution, especially to the Conventional BPR Kota Batam to continue to pay attention to the principle of prudence and the application of risk management, BPR has guidelines for determining debtors and debtor business sectors affected by COVID-19, BPR has guidelines regarding the assessment of debtors (self-assessment) so that credit restructuring can be given and BPR must be able to improve performance so that the health level of BPR is maintained so that it can compete and gain the trust of the wider community, and BPR must have capable and reliable human resources in implementing the credit restructuring policy so that its implementation does not violate applicable regulations.

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