



## Analysis Of Non-Performing Loan (Npl) Loans Impact Coronavirus Disease 2019 (Covid-19) Case Study At Pt. Banten Regional Development Bank, Tbk Cilegon Branch Office

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### **Abstract**

**Purpose** - The purpose of this paper was to find out how the impact of covid-19 on NPL loans and how Bank Banten Cilegon's efforts in carrying out restructuring/relaxing NPL loans in the covid-19 pandemic situation.

**Design/methodology/approach** - The method used in this research is a qualitative descriptive research method. The technique used in data collection where the source of the data obtained is primary and secondary data.

**Finding** - PT. The Banten Regional Development Bank, Tbk Cilegon Branch Office implements a credit restructuring/relaxing policy for customers affected by covid-19 in accordance with the policies stipulated by POJK Number 11/POJK.03/2020. In addition, PT. The Banten Regional Development Bank, Tbk Cilegon Branch Office also applies the precautionary principle. This aims to minimize the risk of non-performing loans that can occur at any time. The impact of covid-19 on NPL credit has a major impact on bank health and bank liquidity.

**Originality** - From the results of the discussion, with the covid-19 PT. The Banten Regional Development Bank, Tbk Cilegon Branch Office rescued credit, namely by carrying out credit restructuring/relaxation for debtors affected by the covid-19 pandemic in accordance with the policies stipulated by POJK Number 11/POJK.03/2020 by providing leniency in paying arrears. Both arrears of principal, interest and extending the installment period. However, if the NPL credit had previously experienced a loss before the covid-19 pandemic, the bank could not process restructuring /loan relaxation

**Keyword** - Analysis, Non Performing Loans (NPL), and Covid-19

**Paper Type** – Research Paper



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## Introduction

Indonesia is a developing country with a goal main namely to create equitable welfare \_ for whole layer society . Growth economy national is one \_ important factors that can be done to achieve that purpose . Growth optimal economy and efforts to reduce number poverty is a challenge alone for Indonesia. Banking sector own position central to development economy a country. It doesn't go away from role strategic bank as an institution intermediation . This role is emphasized in Article 3 of Law Number 7 of 1992 concerning Banking as has been amended by Law Number 10 of 1998 which states function main Indonesian banking collects and distributes public funds ( Hadi , 2021).

Banks have objective principal in the transaction form increase level life society . By facilitating community to raise funds \_ savings . These deposits can be channeled to other forms of society credit or otherwise. In order operate its function as a distributor of public funds (financial intermediary), the bank has facility form credit . Facility credit is bank products that are most in demand by the public in the effort fulfil need . As an effect from globalization , the times continue development and need life public always Keep going increases , as a result source income no longer feels sufficient . Society does various innovation to unlock various new types of business . In development activities business , community require additional funds. The credit extended by the bank is intended to provide additional funds, so that it can provide profit for second parties ( Hadi , 2021).

Giving credit has give chance for society to develop something effort . Thus, level unemployment expected will reduced . By channeling funds to society , goals main state ie increase people's welfare began to be achieved with its presence lots of new jobs. Whole This activity was carried out as an effort to help accelerate even distribution growth economy until it reaches the direction enhancement level life society . Facility credit can provide advantage , however development economy influenced by global conditions which are full of uncertainties . Something that is expected to run smoothly , can be hampered because of condition certain . At the beginning of 2020, the world was being hit by an outbreak of Coronavirus Disease 2019 or Covid-19 whose spread was getting out of control . No escape from that, since early March 2020 the Covid-19 pandemic has enter Indonesian territory. The Covid-19 pandemic made economy around the world is becoming unstable and impactful hard for community and non- financial institutions or institutions finance . During the Covid-19 pandemic , the banking world was one of the most affected where the funds have been distributed in the form Credit is given to MSME actors ( Micro , Small and Medium Enterprises ) or affected communities impact pandemic . This condition makes return credit from MSME customers , both principal and interest, are hampered . Return a number installment tree credit and interest , constituting main source of income in the sector banking . Conditions like this of course will have a big impact to performance profitability owned by the bank, so owned profitability \_ participate experience decline consequence affected Covid-19 pandemic ( Hadi , 2021).

OJK has emit policies regarding credit through Regulations The Financial Services Authority (POJK) of the Republic of Indonesia No.17/POJK.03/2021 concerning the second amendment on POJK No.11/POJK.03 concerning economic stimulus national policy as a countercyclical impact spread of coronavirus disease 2019 (covid-19). The stimulus in question is one of them restructurisation credit / relaxation credit . The stimulus policy consists of: of , assessment quality credit , financing , provision of other funds based only accuracy payment principal , and or interest for loans up to 10 billion . Then provision This restructuring can be applied to banks without limitation ceiling credit . The debtor gets treatment specifically in this POJK are debtors (including MSME debtors ) who experience difficulties in fulfilling liability to the bank due debtor or business debtor affected from the spread of Covid-19, either directly or in the sector economy . Several sectors The economics mentioned are tourism , transportation , hospitality , trade , processing , agriculture , and mining . OJK provides authority to the bank to determine criteria debtors who can receive treatment this particular , then restructurisation

Credit can be done in various ways, among others by way of declining ethnic group interest, extension period time, reduction arrears principal, reduction arrears interest, addition facility credit / financing, and/or conversion credit / financing into temporary equity participation (Ramli, 2020). With its policy restructuring this credit of course will make cash flow in the bank reduced. If cash is reduced drastically then it can affect the level bank liquidity during the restructuring period. Because the reduced amount of cash will not be capable of covering debt period short bank, so will influence the ability bank liquidity considering many MSME actors who propose restructuring credit.

Liquidity is the ability of a company to fulfill obligations period short (Raffis & Ananda, 2020). Liquidity is generally about a cash position company and ability to fulfill obligations (pay debts) that are due on time. If associated with the institution banking, yes interpreted ability of each bank time to pay off term debt in short if suddenly billed by customers or related parties (Kholiq & Rahmawati, 2020). Liquidity problems banking can be caused by credit stuck. Credit Loss can be interpreted as a loan that is experiencing repayment difficulties consequence exists factor intentional and or because factor external outside ability control debtors (Mewoh et al., 2013). If credit congested left and left untreated can have an effect on the level banking health. Credit problem will bring the bank face risk credit consequence inability debtors in paying credit (Bidari & Nurviana, 2020). Credit problems traffic jams or Non-Performing Financing during the Covid-19 pandemic is very dangerous bank liquidity, especially large-scale banks small businesses or banks that only rely on savings and loan business activities (Astari, 2020). problem credit is causes of difficulties for the bank itself, ie in the form of difficulties, especially concerning level banking health. Credit The problem itself can be caused by a variety of things factor, for example There is intentional from parties involved in the credit process, errors in the granting procedure credit, or caused by other factors such as factor macro economy. In the world of banking, credit Non-performing loans are loans whose installments are not paid according to what was previously agreed. As stated in the settings classification collectability the last credit is contained in OJK Regulation Number 40/POJK.03/2019 concerning Evaluation Quality Commercial Bank Assets. Based on Article 10 POJK No. 40/POJK.03/2019, then quality credit determined by factor assessment that includes prospect effort, debtor performance, and capability pay. With attention third factor the assessment, based on Article 12 paragraph (3) POJK No.40/POJK.03/2019, then quality credit set become:

1. Current, that is credit without arrears
2. In Caution Special, that is owned credit \_ arrears tree for 1 to 90 days
3. Substandard, ie \_ owned credit \_ arrears tree for 91 to 180 days
4. Doubtful, ie owned credit \_ arrears tree for 181 to 270 days

Jams, that is owned credit \_ arrears tree for more than 270 days (Article 12 paragraph (3) POJK No.40/POJK.03/2019 (Aprianto, 2021).

Credit problem also occurs due to several factors, viz which internal factors originate from debtors, such as decreasing condition business, failure in a business, family problems or because bad character \_ from si own debtor. Whereas factor external reason credit problem for example that is as it is incident outside power debtor like a disaster nature and war (force majeure). Plus, credit problem too \_ happen Because error from the bank itself, that is not enough know its own customers (Darussalam, 2013).

Covid-19 pandemic has greatly affected the economy society and cause decrease in rate health in banking especially in 2020, as we are know credit traffic jams existed before \_ the covid-19 pandemic, however debtor still want to get the relaxation. President Joko Widodo said the Financial Services Authority (OJK) would give relaxation or relaxation MSME credit for a value of under 10 billion. Self relaxation can form delay payment up to 1 year ahead and decrease flower. This relaxation is given to

those who have difficulty paying consequence impact of covid-19. But OJK explained policy for offenders affected businesses \_ This pandemic should not be used by irresponsible parties answer ( Ulya , 2020). Therefore the research object used in this study is PT Bank Pembangunan Daerah Banten, Tbk Cilegon Branch Office , where this Banten bank is one of the banks that has been affected impact from the Covid-19 pandemic . Bank Banten is a bank that is located under supervision Financial Services Authority (OJK), Bank Indonesia (BI), Capital Market Supervisory Agency ( Bapepam ), Audit Agency Finance (BPK), and Guarantee Institutions Deposits (LPS). Bank Banten is a mobile bank in the field In banking , its main business activities are to collect public funds for later distributed in the form gift good loan to individuals and business entities .

The facilities provided by the bank are used fulfil need public classified into 3 based objective its use that is , credit investment , working capital, and consumption . Credit Investment is Credit investment is credit period medium or long given to debtors to finance capital goods in order rehabilitation , modernization , expansion or erection new project , for example purchase land and buildings for expansion factory , the payment of which from results business with capital goods financed . Whereas working capital loans are working capital loans provided both in rupiah and foreign currency to meet working capital that runs out in one cycle business with term a maximum period of one year and can be extended according to the agreement between the party concerned . Whereas credit consumptive is credit individuals for non- business purposes , including credit home ownership . Credit consumption is usually used to finance purchase cars or goods consumption goods other durable ( Aprianto , 2021).

## **Literature review**

### **Bank**

Banks originate from the Italian word "banco" which means bench . Seat this is what the bank uses to serve its operational activities to customers . \_ Term The bench officially and popularly becomes a bank .

Definition of Bank According to Prof GM Verryn Stuart, a bank is a business entity institution purposeful finances \_ give credit , both with tools self- pay , with the money he earned from others, by the way circulate tools new payments in the form of demand deposits .

According to Law no. 10 of 1998, a bank is a business entity that collects funds from society in shape savings and distribution to society in shape credit and or other forms in order increase level many people's lives .

According to Kasmir (2010), a bank is an institution the financial part the main thing is to raise funds from society and distribute it back in and out of society as well as give other banking services .

Based on With this definition , it can be explained more broadly that a bank is companies or institutions engaged in the financial sector , that is activity Banking is always related to finance , meanwhile business banking covers three main activities , viz raise funds from people who have excess funds, channeling funds to people in need, as well give services in the past cross payment and circulation of money.

### **Types of Banks**

In simple terms , the way banks work begins from savings deposited by customers . \_ Funds raised from savings customers will lent to those who need capital at a higher interest rate . Funds raised Can invested back to the instrument other investments such as government debt securities ( bonds ). Earned interest from difference borrower or proceeds investment that is given back to the customer here's what 's next will be profit the bank .

1. Types of Banks According to their Functions

a) Credit Banks (BPR)

Rural Credit Bank (BPR) is a type of bank that carries out business activities conventionally or based on sharia principles, which in its activities do not provide services in the past cross payment. BPR activities are much narrower if compared to commercial banking activities.

This is because BPRs are prohibited from accepting deposits demand deposits, foreign exchange activities, and insurance as is done in other types of banks in general. Credit Bank Duties People:

- Raise funds from society in shape savings form deposit futures, savings, and or other equivalent forms.
- Give credit.
- Provide financing and placement of funds based on Sharia principles, in accordance with the provisions stipulated by Bank Indonesia.
- Placing the funds are in the form of Bank Indonesia Certificates (SBI), deposits futures, certificates of deposit, and or savings at other banks.

With its potency business financing micro like today's BPR, many people are competing to establish this agency without exists learning comprehensive and basic. Book *Clever Management of BPR & Financial Institutions Financing* This micro is arranged in order give one alternative guide to whole parties involved in the institution finance micro.

b) Central Bank

central bank in a country, in general, is a responsible agency answer on policy monetary policy in the territory of the country. The function and role of the central bank trying to keep stability mark currency, stability sector banking, and the financial system as a whole.

In Indonesia, the function of the central bank organized by Bank Indonesia (BI). As a central bank, BI has One objective singular, that is achieve and maintain stability rupiah value. Stability This rupiah value contains two aspects, viz stability mark currency against goods and services, as well stability to another country's currency.

To reach BI's goals are supported by three pillars which are: three areas of work. The three areas of this task are to determine and implement policy monetize, regulate and maintain smooth payment system, as well regulate and supervise banking in Indonesia. Bank Indonesia Duties:

- Implement and settle policy monetary.
- Manage and maintain smooth payment system.
- Manage and supervise the performance of the banks.

In its own execution, within the central bank there is policies included in the basics theory and empirical policy Monetary as well as applicable principles and practices. Learn it all in the book *Central Bank Policy: Theory & Practice*.

c) Commercially Owned Bank

Commercial banks are banks that carry out business activities conventionally and or based on deep sharia principles activities give services in the past cross payments in their activities give services in the past cross payment. The nature of the services provided is general, in the sense of being able to provide whole service existing banking. Likewise with the area of operation that can be carried out in all regions. Common bank often called a commercial bank. Commercial Bank Duties:

- Raising funds from society in shape savings.
- Channeling funds to society in shape loan.
- Issuing money through payments credit and investment.

- Offer financial services such as credit cards, checks travel , ATMs, money transfers between banks, and so on .
- Provide facilities for interstate or international trade .
- Serving storage goods precious .

## 2. Types of Bank Based the ownership

### a) Mixed Bank

Mixed bank is a type of bank that is a proprietorship the stock mixed between party foreigners and parties private national . The shares of this bank are mostly owned by Indonesian citizens , however part also owned by the parties foreign .

Examples of Joint Venture Bank ANZ Indonesia, Commonwealth Bank, Bank Agris , Bank BNP Paribas Indonesia, Bank Capital Indonesia, Bank Sumitomo Mitsui Indonesia and Bank Windu Kentjana International.

### b) Foreign Banks

foreign banks is branch from a bank that is abroad, whether owned private foreign or foreign government . \_ the ownership wholly owned by foreign parties . Examples of foreign banks : Bank of America, Bangkok Bank, Bank of China, Citibank, Deutsche Bank, HSBC, The Bank of Tokyo-Mitsubishi UFJ.

### c) Government Banks

State-owned banks are banks that are partially or wholly the stock owned by the Government of Indonesia. Examples of state-owned banks Bank Mandiri , Bank Negara Indonesia (BNI), Bank Rakyat Indonesia (BRI), State Savings Bank (BTN).

### d) National Private Bank

Private banks are banks where most of the shares privately owned \_ national as well as deed the establishment was also established by the private sector , the profit sharing is also for the private sector national .

Private bank divided into two, namely private banks national foreign exchange and private banks national nonforeign exchange . Examples of National Private Banks are Bank Muamalat , Bank Central Asia (BCA), Bank Danamon , Bank Duta, Bank Nusa Internasional, Bank Niaga , Bank Universal, Bank Mega, Bank Bumi Putra.

### e) Cooperative Banks

owned bank Cooperative is a type of bank which is ownership the stock owned by an incorporated company law cooperative . This bank applies principles and principles cooperatives in general . An example of a cooperative bank is the Indonesian cooperative commercial bank .

## 3. Types of Banks Based on Their Operational Activities

### a) Conventional Banks

Conventional bank is a type of bank that carries out conventional business activities in its activities give services in the past cross payment in general based on procedures and conditions that have been set . Conventional banks in general operate by ejecting products to absorb public funds , distribute funds that have been collected in a way emit credit , service service finance , and other services .

### b) Sharia Banks

Islamic bank is type all banking \_ something related \_ regarding sharia banks and sharia business units, including institutions , business activities , as well ways and processes in carrying out its business activities . In connection with Islamic banking, there are two concepts in Islamic

religious law , namely : prohibition the use of the system of interest , because interest ( usury ) is unlawful . As a substitute flower system is used for result . The principles that apply to Islamic Banks:

- Financing based on principle for results ( mudharabah ).
- Financing based on principle equity participation ( musharakah ).
- The principle of buying and selling goods by obtaining profit ( murabah ).
- Financing based capital goods rent pure without choice (ijara).
- Options transfer ownership on rented goods \_ from the bank by another party (ijarah wa iqtina).

### **Banking Functions**

The function of the bank is explained in the Act Republic of Indonesia Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking that is function main Indonesian banking is as a collector and distributor of public funds in the explanation contained in Law Number 10 of 1998 has two functions including :

1. Community Fund Collector  
Community fundraiser \_ Can shaped deposits , deposits futures , demand deposits , savings accounts , and other equivalents .
2. Channeling Community Funds  
Channeling community funds Can shaped credit or equivalent . In other words, the function of the bank as an institution intermediary finance between people who have excess funds with people who lack funds ( Mewoh et al., 2013). From the second From the definition above , it can be concluded that the function of a bank is to collect funds from society in shape savings as well as channeled return to society in shape credit .

### **Credit**

Actually the word " credit " originated from Language Roman namely credere which means " to believe " . When connected to the bank, then contained the notion that the bank as creditor believe lend some money to customer / debtor , because trustworthy debtor \_ his ability to pay paid off the loan after period specified time ( Mewoh et al., 2013).

Whereas the government itself defines credit in Law No.7 of 1992 as has been amended by Law No. 10 of 1998 concerning banking ( article 1 number 11) regarding banking , credit is the provision of money or bills that can be equated with it, based on consent or agreement borrow between the bank and other obliging parties party borrow to pay off debt after period time certain gift \_ flower . By this definition the word credit as if reserved for banking on principle operational conventional .

According to Supramono (1995) credit is agreement lending - borrowing money between banks as creditors and customers as debtors . In this agreement the Bank acts as the provider credit believe to customers in term agreed time \_ will returned ( paid ) in full . Grace time between giving and receiving back this achievement is something abstract , difficult \_ \_ touched .

### **Elements Credit**

Credit granted by a institution credit is gift trust . Based on the above , then \_ elements credit is :

1. Creditor , is the giving party credit ( loan ) to other party who gets the loan . The party can individual or business entity . Banks that provide credit to piak borrower is creditor .
2. debtor , is parties who need funds, or parties who receive loans from party other .
3. Trust (Trust), creditors give trust to the party receiving the loan ( debtor ) that the debtor will fulfil obligation to pay the loan is in accordance with the term time certain agreed . \_

4. Agreement, is something contract contract or agreement made \_ between the bank ( creditor ) and the borrower ( debtor ).
5. Risk, every fund distributed by the bank always contains exists risk of non- return of funds. Risk is the possibility that a loss will occur arise on distribution bank credit .
6. Term, is ever the time it takes the debtor to pay the loan to creditor .
7. Service Return, in return on funds disbursed by creditors, then debtor will pay certain amount of money in accordance with the agreement . In banking conventionally, the reward is in the form of interest, while in Islamic banking there are several kinds compensation, depending on the contract ( Nurrahma, 2021).

It is understood that credit activity will not happen if don't have these elements, because understanding the credit itself contains these elements, as well creditor must own trust to debtor to provide capital by agreement term - related credit \_ time, reply service form flowers and others.

#### Types Credit

In general types credits can be seen from various facet among others as follows:

##### a) In terms of Objective Credit

###### 1. Credit Productive (Productive Loan)

Credit given in order finance the debtor's working capital requirements so it can run production .

###### 2. Credit Consumptive (Consumer Loan)

Credit given for fulfilling need debtor who is consumptive .

###### 3. Credit Commercial (Commercial Loan)

Credit used for trading, usually to buy goods merchandise for which payment is made expected from results sale goods the merchandise .

##### b) In terms of Term \_

Based on Law Number 14/1967 Concerning trees \_\_ the timeframe consists above :

###### 1. Credit Period Short (Short Term Loan)

Credit period short that is term credit \_ time maximum 1 year. In credit period short covers credit account newspapers, credit exploitation, credit buyer, credit money order, credit sales

###### 2. Credit Period Medium (Medium Term Loan)

Credit period medium, that is term credit \_ time 1 to

3 years. Term credit \_ time Among these are the Permanent Working Capital Loans (KMKP) provided by the Bank to businessman class weak futures \_ minimum time 3 years.

###### 3. Credit Long Term (Long Term Loan)

Credit period long that is term credit \_ time more than 3 years. Credit period This length is generally a credit purposeful investment \_ increase the company's capital in order to perform rehabilitation, expansion ( expansion ) and establishment new project .

##### c. Viewed from small size activity rotation company

###### 1. Small Credit

That is credit given to entrepreneurs who are classified as entrepreneurs small . This credit is exercised based on policy of January 1990 which required banks to extend 20% of their credit to business activities small which is realized as an assessment health a Bank.

###### 1. Credit Intermediate

That is credit given to entrepreneurs whose assets are greater than businessman small .

###### 2. Great Credit

That is credit given to businessman with big assets . And usually credit used to expand network business his company .

#### Principles Giving Credit

According to Kasmir (2012: 136) before the facility credit is given, then the bank must feel sure that the credit given really will back . The confidence is earned from results evaluation credit before the credit is disbursed . The assessment uses several principles namely , 5C principles , 7P principles , and 3R principles .

1. Character

Character is a trait or character customer . Analyze this to find out nature or character a customers applicant credit , do have responsible character or character \_ answer to credit taken . \_ From this character or nature , will seen will customer to pay under conditions as difficult whatever . However , on the contrary If customers do not have desired trait \_ pay , customer will try avoid to pay with various reason of course . This character or nature will be seen from the past customers through observation , experience , history life , as well as the results of interviews with customers .

2. Capacity

Capacity ie analysis used to see ability customers in paying credit . This ability can be seen from income private for credit consumer and business financed for credit \_ trading or earning . This ability is important to assess so that banks do not experience it loss . To rate ability customers can be assessed from owned documents , results \_ confirmation with the owner \_ authority emit letter certain ( eg income someone ) , the results of interviews or through calculations ratio finance .

3. Capital

Capital is to assess the capital owned by the customer to finance credit . This is important because the bank will not finance the credit is 100%. It means must no capital from customer . The goal is if customers also have capital invested in these activities, customers will also feel own so that motivated to work earnestly so that the business is successful , and able to pay obligation the credit .

4. Conditions

Conditions ie current and future general conditions of course . conditions to be condition is assessed current economy , is it worth it to finance sector credit \_ certain . For example condition production plant some are booming market ( saturation ) . Thus , credit for the sector is reduced in contrast . Other mandatory conditions note is the condition environment around , for example condition safety and conditions social society .

5. Collaterals

Collaterals are guarantee customers provided to the bank in the framework financing the credit he applied for . This guarantee is used as a last resort for the bank in case something happens congestion to financed credit . \_ Why is collateral or collateral the last rating of 5 of C, this is because because the most important thing is the assessment above . If it's worth it , guarantee just just an addition, just in case There is unavoidable factors that cause \_ credit crashes , for example disaster nature . Besides that , to be a motivation customers in paying Because guarantee held by the bank. Whereas evaluation credit with 7 P analysis between other :

1. Personality

Personality ie evaluate customers from facet personality or behavior he did daily life as well as past personality , personality assessment includes emotions , behavior behavior , and action customers are facing a problem and solve it .

2. Party

Parties that is classify customers into classification particular or groups certain , based on capital, loyalty as well as character .

3. Purpose

Purpose is to know objective customers in taking credit , including types desired credit \_ customer

#### 4. Prospects

Prospect is to judge business candidate customers in the future profitable or not or in other words have prospects or vice versa , this is important to remember If facility financed credit \_ without have prospects , not only creditors who lose but also customers .

#### 5. Payment

Payment is measure of how the customer return existing credit \_ taken or from where is the source of credit returned .

#### 6. Profitability \_

Profitability is to analyze how ability customers are looking for profit , profitability is measured from period will still the same or more increased , with the additional credit to be he obtained .

#### 7. Protection

Protection the goal is how to protect the credit given is guaranteed protection , so credit given really \_ \_ safe , the protection provided by customers can be in the form of guarantee goods or guarantees insurance .

1. Returns appraisal \_ on result to be achieved company candidate debtor after obtain credit . If the results obtained are enough to pay loans and at the same time assist development business candidate debtor concerned so credit is given, and vice versa .

2. Repayment is take into account capability , schedule and term time payment credit by the candidate debtor , but the company can run .

3. Risk Bearing Ability is taken into account magnitude ability company candidate debtor to face risk , whether the company candidate debtor the risk is big or small . Ability company face risk determined by the amount of capital and its structure , type of line of business and management .

### Quality Credit

Bank credit according to quality based on possible risk according to the bank against condition and compliance debtor in fulfilling obligation to pay interest , installments , as well pay off the loan to banks. So, elements major in determining that quality is time payment interest , payment installments and repayments tree loan . The details are as follows:

#### 1. Credit pass (pass)

Credit classified fluent if fulfil criteria :

- Payment installment principal and/or interest appropriate time ; And
  - Own mutation active account ; or
  - Part of collateral - secured loans \_ cash ( Cashcollateral )
- #### 2. In attention special (special mention)

Credit classified as a credit under attention special if :

- There is arrears installment unpaid principal and/ or interest beyond 90 days ; or
- Sometimes happen overdraft ; or
- Mutation account relatively active ; or
- Seldom happen violation to agreed contract ; \_ or
- Supported by new loans

#### 3. Sub standard \_

Credit classified as credit \_ not enough fluent if fulfil criteria :

- There is arrears installment principal and/or interest that has been beyond 90 days ; or
- Often happen overdraft ; or
- Frequency mutation account relatively low ; or

- d. Happen violation to contract that was agreed more than 90 days ; or
- e. There is indication of financial problems encountered debtor ; or
- f. Documentation weak loans . \_

#### 4. Doubtful \_

Credit classified as doubtful credit \_\_ if fulfil criteria :

- a. There is arrears installment principal and/or interest that has been beyond 180 days ; or
- b. Happen characteristic exclamation \_ permanent ; or
- c. Happen default of more than 180 days ; or
- d. Happen capitalization flower ; or
- e. Documentation weak laws are good for agreements credit or binding guarantee .

#### 5. Jam (Loss)

Credit classified into credit \_ congested if :

- a. there is arrears installment principal and/or interest that has been beyond 270 days ; or
- b. from facet law or market conditions , the guarantee cannot be disbursed at value fair .

### **Credit Problematic ( Non Performing Loan)**

#### **Understanding Credit troubled**

NPL is comparison between credit problem with the amount of credit disbursed to society as a whole . NPL ratio or ratio credit problem is ratio showing \_ ability bank management in managing credit problems provided by the bank. The more high NPLs, then the more bad quality bank credit that causes the credit amount problem getting bigger, so a bank in condition problem getting bigger ( Tiwu , 2020).

Based on Codification BI regulations , Non Performing Loan (NPL) is a ratio that measures comparison of credit amounts problem with total credit where :

- 1. Credit is credit given to party third (excluding credit to other banks)
- 2. Credit problem is credit with quality not enough fluent , doubtful and stalled
- 3. Credit problem calculated on a gross basis
- 4. Figures are calculated per position (not annualized )

Credit problem is one circumstances Where customers can no longer pay part or all installment along flower to the bank as it has been he promised . Credit problematic according to the provisions of Bank Indonesia is credit classified into collectibility Less Current (KL), Doubtful (D ) , and Loss (M)

NPL or credit problem is one \_ indicator key to assess performance banking function . one \_ the function of the bank is as an intermediary or liaison institution between parties who have excess funds with those who need funds. Of the many risk banking , results research mention that risk greatest experienced by the parties Banking is a risk credit Because many banks experienced take over or were frozen the operation Because emergence number credit bad debt in such a high amount , so it is very reasonable If risk credit occupy the first line that gets attention . NPLs are ratio finance subject matter that can provide assessment information on condition capital , profitability , risk credit , market risk and liquidation . Usually the NPL ratio is a term target short banking . The more tall NPL ratio then level bank liquidity to party funds third (DPK) will the more low . This is because Because Most of the funds channeled by banks are in the form of credit is DPK savings . Bank Indonesia (BI) through Bank Indonesia Regulation (PBI) Number 6/9/PBI/2004 Chapter II Article 2 paragraph 2 Letter f, stipulates that the ratio credit problem (NPL) is 5 %.

According to Djumhana (2006:427) argues that credit The problem itself is:

- 1. Potential credit \_ experiencing payment difficulties .
- 2. Loans experiencing difficulties in settlement his obligations \_ to the bank is good in shape payment return principal , interest , fines , as well as bank fees that become

burden the debtor concerned in accordance with the provisions stipulated in the agreement .

3. Loans categorized under Bank Indonesia regulations with collectability smoothly , in attention specifically , less smooth, doubtful and jammed .

factors Reason Credit troubled

According to Kasmir (2012:109) factors reason emergence credit problem can be seen from several groups, namely : Banking Internal Factors Covers weakness in analysis credit , weaknesses credit , collateral , natural resources , technology , and fraud bank clerk .

a. Weaknesses in Analysis Credit

1. Analysis Credit is not based on accurate data .
2. Incomplete credit information . \_
3. Too little credit .
4. Too much credit .
5. Term time credit too long
6. Term time credit is too short .

b. Weaknesses in Documents Credit

1. Data regarding credit is not well documented .
2. Supervision on physique document is not executed properly.

c. Weaknesses in Supervision Credit

1. Banks are lacking supervision on business customers continuously and regularly . \_
2. Limited data and information related to rescue and resolution credit .
3. Corrective actions are not implemented early and appropriately time .
4. The number of customers is too much .
5. Customers scattered .

d. Carelessness Bank Officer

1. Banks are too compromising .
2. The bank does not have policy sound credit . \_
3. Bank officers oversimplify the problem.
4. Competition between banks.
5. Retrieval wrong decision \_ time .
6. Continue to provide loans to business cycles decreased .
7. Not insured .

e. Weakness Policy Credit

1. The credit procedure is too long .

f. Collateral Weaknesses \_

1. Guarantees are not properly monitored and supervised .
2. The value of the collateral does not match.
3. Collateral fictitious .
4. The collateral has been sold .
5. Binding collateral weak .

g. Weakness Human Resources \_

1. Limited personnel who are experts in the field of rescue settlement credit .

2. Education and experience official very limited credit .
3. Lack power expert law to support the implementation of settlement and rescue credit .
4. Limited power expert for analysis credit .

h. Weakness technology

1. Limited facilities and infrastructure related to work \_ technical .  
2. Limitations in the bank matter technical , such as: good management, continuous supervision , neat administration . Fraud bank clerk

1. Bank officers are involved interest personal .
2. Discipline official credit in implementing systems and procedures.
2. Customer Internal Factors

Covers weakness character customers , abilities customers , disaster experienced \_ customer , carelessness customers and management customer .

a. Weakness Character Customer

1. The customer does not want to know or is not in good faith .
2. Customers lost gambling .
3. Customers disappeared .

b. Weakness Ability Customer

1. Can't afford return credit Because factor economy .

c. Business Smoothness

1. Ability business less customers . \_
2. Outdated production techniques . \_
3. Ability inadequate marketing . \_
4. Limited knowledge .
5. Experience limited .
6. Limited information .

External factors \_

Such a situation negative economy , adverse domestic politics , adverse state politics , situation \_ adverse nature , and regulations bad government . \_

a. Negative Economic Situation

1. Globalization impactful economy \_ negative .
2. Exchange rate changes currency .

b. Situation Adverse Domestic Politics

1. Substitute official certain .
2. Relationships diplomatic relations with other countries.
3. Existence turmoil social .

c. Politics of Other Countries which are Harmful

1. Protection by other countries.

2. Existence strike laborer abroad .
  3. Existence development politics with other countries.
  4. Policy from overseas industries by dropping price the goods so that hit price domestic tree .
- d. Situation Adverse Nature \_
1. Factor consequent nature \_ negative .
  2. The end natural resources . \_
- e. Regulation Bad Government \_
1. Limiting the number of supermarkets or malls in the area certain .
  2. Closing business certain to protect businessman small .

#### **Factor Management Incompetence**

Is inadequate record keeping , inadequate cost information , term capital insufficient length , failure to control costs, excessive overhead costs , lack supervision , failed to perform sales , investment too much , less control technical issues , and disputes between manager .

#### **Completion Credit troubled**

According to Hariyani (2010:41) argues that If rescue credit made \_ by the bank was not successful , then the bank can do action advanced form settlement credit stuck through the uninstal program credit stuck (write-off). Conditional write - off or write-off, and absolute write - off or write -off. If then the program writes off the book and writes off the bill also not yet succeed return credit funds disbursed \_ to debtor , then the bank can settle portfolio credit traffic jam through the lane litigation ( judicial process ) or non- litigation ( outside the judicial process ).

According to Abdullah and Fancis Tantri (2012:180) argued that rescue to credit jams can be done in the following way :

1. Rescheduling; this is done in a way extend period time credit , where the debtor is given relief within a period time for example ; extend period time credit from 6 months to 1 year, so debtor have longer time to return it . Extend period time , installments , this is almost the same as extending period time credit . In this case term time installment the credit be extended the payment, for example, from 36 times to 48 installments , thus the number of installments becomes small along with the increase in the number of installments .
2. Reconditioning; by the way change existing conditions such as capitalism flowers , that is flower be the main debt among others:
  - a. Delay payment interest until time certain , meanwhile tree the loan still must paid as usual.
  - b. Decline ethnic group interest , this is meant to be more lightening burden customer . For example if flower previously charged 20% reduced to 18% , this depends from relevant considerations
  - c. Liberation interest , liberation ethnic group flowers given to customers with the consideration that the customer still have obligation to pay tree loan until paid off .
4. Restructuring ; done by the way add sum credit , increase equity by depositing additional cash from owner .
5. Combination ; is combination from third type above .
6. Foreclosure guarantee ; is last resort when customers really do not have good intentions or not \_ pay all of his debts .

### **Restructurisation Credit**

Restructuring is a change of conditions related credit / financing \_ action to increase bank and/or convention funds all or part arrears flowers become trees new credits and/or conventions all or part Credit becomes an investment in the company , which can be accompanied by scheduling return and/or return requirements . Restructurisation Credit is an improvement effort made by the Bank in credit activities to debtors who are having difficulty meeting his obligations . According to Bank Indonesia Regulation Number: 14/15/PBI/2012 Concerning Evaluation Quality Commercial Bank Assets Article 1 states that Restructuring Credit is an improvement effort made by banks in credit activities to debtors who are having difficulty meeting obligations , which are carried out among others through:

- 1) Decline Credit Interest Rates ;
- 2) Extension Credit Period ; \_
- 3) Reduction Credit interest arrears ;
- 4) Reduction Arrears tree Credit ;
- 5) Addition Facility Credit ; and/or
- 6) Credit Conversion into Temporary Equity Participation

The reason the Bank does restructuring Credit may include the following:

- 1) The debtor does not payment obligations in accordance with the agreement set forth in the agreement credit and/or agreement co-sequences and debtors Still cooperative with the Bank, ie own good faith as well credibility management tall and has attitude positive in paying his obligations .
- 2) Restructuring done because \_ the debtor cannot do payment as agreed \_ but effort \_ debtor Still running and only can deliver payment part obligation , so it can be done restructuring so debtor still still good and still operate as well as walk keep going .
- 3) Fix documentation law so it can strengthen bank position .
- 4) When There is belief from the Bank that the debtor will do payment obligation after done restructuring credit .
- 5) The bank has confidence that the prospect business from debtor will improving .
- 6) Banks ca n't interesting all funds donated to debtors through execution from guarantee facility credit .

Restructurisation credit is improvement efforts made by banks in credit activities to debtors who are having difficulty meeting his obligations . Besides restructuring \_ credit or rearrangement have \_ understanding another , namely the change in conditions related credit \_ addition of bank funds, conversion part / whole arrears flowers become trees new credit , or conversion part / whole credit becomes bank participation or takes another partner to add inclusion .

It is understood that the restructuring credit is a bank program as a repair and rescue efforts made in credit activities to debtors who are having difficulty meeting obligations so that the bank does not suffer losses incurred \_ from credit that problem . In overcoming credit problem with the goal to avoid a very large loss in banking , Bank Indonesia took step by removing policy banking in order rescue credit problem policies issued by Bank Indonesia. Restructuring is one \_ efforts made so that the developer as customers bank borrower ( debtor ) can comply obligations by submitting an application for amendment (addendum) to conditions agreement existing credit \_ agreed beforehand. How in this policy , what is meant by restructuring is the efforts made by the Bank in business credit so that the debtor can fulfill his obligations . In operation a bank required a set regulations that provide limitation limitation for the parties to the transaction banking . Therefore it is necessary efforts to overcome credit that problem . Effort from restructuring credit is effort rescue credit problematic which includes effort Rescheduling , Restructuring and Reconditioning, for example by way of extend period time

credit , give grace period time payment , decrease ethnic group flower credit , and so on . Restructurisation credit can be given at any time customers good faith ( Nurrahma , 2021).

### **Research Methodology**

This research is a qualitative research. descriptive method was chosen as the method applied in this study. Primary data is used as a source of research data. Observation data collection techniques and structured interviews are appropriate techniques for this research. the researcher collects data, makes observations and confirms the suitability of the findings with the existing data on the respondents and then explains them in detail. The data collection process lasted for 3 months.

### **Finding**

#### *Impact Credit Non Performing Loan (NPL) After There is Pandemic Covid-19*

Covid-19 has had quite a big impact on the sector banking especially at Bank Banten, a lot debtors who are in payment arrears installments do not run smoothly and even cause rising NPL, to avoid the occurrence of bank NPLs at the time of going to distribute credit do analysis to effort and capacity debtors in accordance with the 5C principles . However this still does not rule out the possibility of it happening risk credit that appears later day , like during this covid-19 that happened enhancement very high NPL ratio which if this is not addressed immediately Of course will be very influential to bank health as well impact on the economy national . NPL figures are influenced both by internal factors and factors external bank and debtors .

##### a. Internal Factors

##### 1. Capital Adequacy Ratio (CAR)

Capital Adequacy Ratio (CAR) is a ratio functioning capital adequacy accommodate risk losses that the bank may face . The more CAR high then the better the bank's ability to bear risk from every credit or assets risky productivity . \_ If the CAR value is high then the bank can finance operational activities and provide a sizable contribution to profitability .

##### 2. Loan to Deposit Ratio (LDR)

Loan to Deposit Ratio (LDR) is a measurement traditional showing \_ deposit futures , current accounts , savings , and others that are used to fulfill application customer loan requests . The more LDR height then profit company the more increases ( assuming the bank is able distribute credit effectively , so the number of credits the jam will small ).

##### 3. Net Interest Margin (NIM)

Net Interest Margin (NIM) is a measure difference between the interest income generated by the bank or institution other financial and value interest paid \_ to give their loans , relatively to the number of brands . The more high NIM shows the more effective bank in the placement assets productive in shape credit , preferably when NIM shows minimal percentage , then will happen trend appearance credit stuck .

##### 4. Operational Income Operating Expenses (BOPO)

BOPO is used to measure level efficiency and ability of the bank to carry out its operational activities . This ratio compares between the total operational costs and operating income of the bank. operational costs This includes interest and other operating expenses . While operating income includes interest income and other operating income .

b. Factor external

1. SBI Interest Rate

SBI Interest Rate is indicator policy monetary policy in Indonesia apart from that, SBI is one of them instrument policy influencing market operations circulation of money. Ethnic group Rising SBI rates can result banking will also raised the tribe flower the deposit . By rising ethnic group flower deposit then the costs incurred banks to collect party funds these three also increased , so that the cost of banking funds will increase . If this happens so ethnic group flower loan banking will too increase so that might happen credit problem getting bigger.

2. Inflation

Inflation is an increase the overall price that may result the disturbance balance between flow of money and goods . Inflation happen Because exists inflation abroad which resulted rise price domestic goods . High inflation \_ will cause decrease in real income public so that standard life the community also goes down, so it is likely that the debtor will not be able to afford it pay .

3. Company Size

Size company can be measured by the amount of total assets . With large assets , the bank has a large volume of credit disbursed . So that with a large credit volume it can decrease level ethnic group flower . There is level ethnic group such low interest will be expedite payment credit will \_ zoom out credit problems faced by banks.

It is understood that impact from NPL credit that occurs banked will cause loss for the bank, because cash turnover in bank operations will hampered . This is because decreased cash supply along increasing NPLs. With it restructuring / relaxing the bank is expected to minimize the resulting impact from the covid-19 pandemic against health liquidity banking .

What are the efforts of PT Bank Pembangunan Daerah Banten, Tbk Cilegon Branch Office in implementing Restructuring / Relaxation NPL Credit On Situations Covid-19 pandemic .

Restructuring is a change of conditions related credit / financing \_ action to increase bank and/or convention funds all or part arrears flowers become trees new credits and/or conventions all or part Credit becomes an investment in the company , which can be accompanied by scheduling return and/or return requirements . Restructurisation Credit is an improvement effort made by the Bank in credit activities to debtors who are having difficulty meeting obligations (Sari et al., 2020). With it this pandemic then OJK issued policy restructurisation credit , as already regulated in POJK No.17/POJK.03/2021 concerning the second amendment on POJK No.11/POJK.03/2020 concerning economic stimulus national policy as a countercyclical impact spread of coronavirus disease 2019 (covid-19), to do rescue credit to the affected debtor impact of covid-19, content from these policies are as follows:

a. BUK, BUS, UUS, BPR, or BPRS can apply policies that support growth stimulus economics for the affected debtor impact spread of COVID-19 through March 31, 2023, which includes evaluation quality asset based on accuracy payment for credit / financing with a ceiling up to IDR 10 billion , stipulation quality fluent on restructured credit / financing , as well determination quality new credit / financing separately from existing facilities .

b. BUK, BUS, or UUS can apply policies that support growth stimulus economy for the Bank as an impact the spread of COVID-19, which includes stimulus:

1) Provision of education funds not enough of 5% of the HR spending budget for BUK or BUS, not only valid for 2020 and 2021, but also for 2022.

2) Determination quality Collateral Taken \_ Transfer (AYDA) by BUK, BUS or UUS obtained until March 31, 2020 based on quality collateral taken \_ over position end of March 2020 until March 31, 2023.

3) Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and Capital Conservation Buffer (CCB) are valid until March 31, 2022.

Based on this stimulus, giving restructurisation carried out according to policy banking respectively as creditor . It allows implementations as well as schemas restructurisation credit varies . \_ Because banking own different policies too , depending assessment to profile and capacity pay the debtor . However, the OJK also stressed banks so that this concession can be used responsibly answer so that moral hazard does not occur ( Ulya , 2020).

Based on POJK Number 48/POJK.03/2020 concerning amendments to POJK Number 11/POJK.03/2020 concerning economic stimulus national policy as a countercyclical impact the spread of the 2019 coronavirus disease , there are several policies related to this policy , among others other :

1) Policy for debtors affected by Covid-19

a) Restructuring Credit / Financing

1) Quality restructured credit / financing \_ set fluent since done restructurisation

2) Covid -19 restructured loans / financing are excluded from calculation asset quality low (KKR) in bank TKS assessment for BUK/BUS/UUS

3) Banks can adjust the mechanism agreement restructurisation fixed credit / financing \_ notice principle caution . \_ \_

b) Determination Quality Asset

Determination quality credit , financing , and/or provision of other funds with a ceiling of no more than Rp. 10 billion based on accuracy payment principal and/or interest or margin/ share results / ujah .

c) Giving Provision of New Funds

Determination quality credit / financing / provision of other funds that have just been carried out separately with quality credit / financing / provision of other funds that have been previously provided.

2) Policy For BUK, BUS, or UUS as an Impact Spread of Covid-19

a) BUK included in BUKU 3, BUKU 4, and foreign banks can adjust the lower limit fulfillment of liquidity coverage ratio and net stable funding ratio from 100% to 85% until March 31, 2022

b) BUK or BUS can provide education funds not enough of 5% of the spending budget human resources for 2020 and 2021

c) BUK, BUS, or UUS can determine quality collateral taken \_ transfer acquired up to March 31, 2020 based on quality collateral taken \_ over position end of March 2020

d) BUK or BUS that are included in BUKU 3 and BUKU 4 groups may not meet a capital conservation buffer of 2.5% of asset weighted by risk

3) Policy for Debtors Caught Impact of Covid-19

That is debtors who are having difficulty meeting the need for the Bank because debtor or business debtor affected from spread of Covid-19 both directly and indirectly

a) Assessment Quality Asset

Credit / financing / provision of other funds with a ceiling of ≤ IDR 10 billion can only be based on accuracy payment principal and/or interest /margin/ for results ujah

b) Provision of New Funds

1) Banks can provide credit / financing / provision and other new to debtor impacted by covid-19; And

2) Determination quality credit / financing / provision of other funds is carried out separately with quality previous credit / financing / provision of other funds (no uniform classification)

- c) Restructuring
  - 1) Restructuring credit and/or/ financing to debtors affected set fluent since restructurisation
  - 2) Banks can do restructuring for the whole credit / financing without looking at the limits ceiling and type credit / financing ( productive / consumptive )
  - 3) Credit for BUK or financing for restructured BUS or UUS, an exception may be made from calculation asset quality low
  - 4) Banks can adjust the mechanism agreement restructurisation regular credit or financing \_ notice principle caution \_ \_
  - 5) Mechanism agreement must listed and become one unity with guidelines determination affected debtor \_ impact of covid-19

4 ) Assessment of Restructured Debtors Based on Ability Endure Debtors , Among Others As Follows:

- a) Banks must do evaluation to ability debtors to be able to survive until the end of this POJK, among others related to potential growth business debtors and capabilities debtor to fulfill obligations according to the scheme restructuring .
- b) Assessment done to affected debtor \_ impact the spread of covid-19 which was restructured in accordance with POJK No.11/POJK.03/2020 (existing) and this POJK.
- c) Assessment to debtors can be done individually or collectively ( considering among other similarities characteristics and risks debtor )

d) In the event that the Bank considers that the debtor cannot survive , the Bank shall :

- 1) Assessment quality restructured credit or financing in accordance with POJK regarding quality assets ; And
- 2) Establishment backup
- e) Mechanism evaluation must listed and become one unity with guidelines determination affected debtor \_ impact of covid-19

From explanation above , it can be concluded that the criteria debtors who can be given restructuring credit / financing between other :

1) Debtors who are directly or indirectly affected deployment covid-19 and have good performance , with quality asset the debtor is at least current or in concern specifically , before exposure impact of covid-19; And

2 ) Capable debtors Keep going endure from impact of covid-19 and still own prospect effort .

Based on OJK provisions referred to in the implementation of restructuring / relaxation between other :

- 1) Decline Credit Interest Rates ;
- 2) Extension Credit Period ; \_
- 3) Reduction Credit interest arrears ;
- 4) Reduction Arrears tree Credit ;
- 5) Addition Facility Credit ; and/or
- 6) Credit Conversion into Temporary Equity Participation

Every banking do relaxation in accordance with the Bank's own policy . Bank Banten in doing relaxation credit for debtors themselves vary , can only pay just the interest , for example Person A has been paying for the past 3 months interest first then payment the main thing is next . For example after 3 months of paying flower after that just pay tree Then continued with interest until so on , or term extended time , it is meant to deliver \_ installment to debtors are small so that give relief to debtor .

Based on analysis author , this is done to suppress magnitude losses suffered by the Bank, cause if the bank does reduction by eliminating part or all arrears principal and or interest Of course will cause very big loss for the Bank.

In any bank usually no free from role debtor in it , various characteristic debtors are also familiar with various character , there is debtors who always comply with the provisions of the Bank by always paying arrears on time, and there are also debtors who are naughty and frequent postpone doing \_ payment the arrears . Indeed, this is not forever Because factor intentional from si the debtor , however maybe Because factor from outside which allows the debtor not to pay arrears according to the agreement . Not only other banks but also Bank Banten experienced the same problem related to debtors who have problem to numbers increasing collectibility \_ soared . The following is the outstanding credit data MSME segment Bank Banten KC Cilegon .

Table 1. Credit Outstanding Data Bank Banten KC Cilegon MSME segment

DATA OUTSTANDING CREDIT SEGMENT MSMEs BANK BANTEN KC CILEGON PERIOD DECEMBER 2018- 2021												
YEAR	CABBAGE 1	N	CABBAGE 2	N	CABBAGE 3	N	CABBAGE 4	N	CABBAGE 5	N	AMOUNT OS	AMOUNT NOA
2018	3,488,931,276	14	-	0	-	0	-	0	166,953,662	1	3,655,884,938	15
2019	6,544,960,182	40	-	0	-	0	-	0	-	0	6,544,960,182	40
2020	2,437,297,645	21	1,237,543,178	1	-	0	457,014,266	3	927,986,998	4	5,059,842,088	38
2021	3,680,366,666	22	465,751,878	7	-	0	-	0	628,977,918	2	4,775,096,462	31

From the table above can be seen in 2019 before it existed pandemic , Bank Banten Cilegon Branch are in collectibility Current (KOL 1) Rp . 6,544,960,182, while on collectibility Under Attention Special (KOL 2), Substandard ( KOL 3), Doubtful (KOL 4) or Loss (KOL 5) do not have arrears credit . That's because in 2019 it hasn't happening the covid-19 pandemic .

In 2020 covid-19 entered Indonesia which resulted in all sector experience One of them is the decline in the sector economy especially in the MSME field, as is the case arrears credit at first are in collectibility smoothly becomes increasingly increased to collectibility in attention specifically , less smooth , no doubt so that arrears credit experienced \_ jam . This resulted collectibility at Bank Banten experienced a significant increase , as the data above initially showed are in collectibility current (KOL 1) of Rp. 2. 437,297,645, collectibility in attention special (KOL 2) of Rp. 1,237,543,178, collectibility not enough current (KOL 3) there is no amount of arrears debtor against Bank Banten, it is because collectability increased on the debtor so that increase in collectability doubtful (KOL 4) of Rp. 457,014,266 then ultimately adds up to collectibility traffic jams (KOL 5) of Rp. 5,059,842,088.

In 2021 collectibility in the category in concern specifically (KOL 2) experienced decline compared to collectibility in attention special (KOL 2) in 2020 and on collectibility not enough fluency (KOL 3) and collectibility doubtful (KOL 4) absent number arrears debtor , meanwhile collectibility by category stuck (KOL 5) experienced decline compared to the previous year i.e. 2020, that is to say after exists restructuring / relaxation , experiencing NPL loans decrease and can be smooth return after implemented restructuring . Whereas before \_ the covid-19 pandemic , credit with KOL 3, KOL 4, and KOL 5 cannot get restructuring / relaxation . But there is a possibility that it could get restructuring / relaxation , however This needs to be analyzed first the debtor gets relaxation , whether the debtor is really affected by covid-19 or not, if The debtor is affected by Covid-19, then the debtor can get restructuring / relaxation in accordance with the policies set by Bank Banten on a permanent basis apply principle caution . increasing the collectibility makes all banking do rescue credit by the way restructuring / relaxation credit for affected customers \_ the covid-19 pandemic according to policy determined by the government through POJK Regulation Number 11/POJK.03/2020. Bank Banten also implements relaxation for affected customers \_ pandemic in accordance with existing regulations

permanently notice principle caution . In 2021 Bank Banten KC Cilegon has implemented it relaxation credit in accordance with the stipulated OJK regulations so that collectability not enough current , doubtful , and stalled worsened now the more slowly getting better even Can back to smooth .

Based on explanation , author concluded that prior to existence the later covid-19 pandemic after exists the covid- 19 pandemic , the debtor gets relaxation that is debtors who are in collectability Current (KOL 1) and Under Attention Special (KOL 2), meanwhile debtors with collectability Substandard (KOL 3), Doubtful (KOL 4) and Loss (KOL 5 ) cannot done restructuring , unless the debtor is in business truly impacted by covid-19, if he is not affected the bank ca n't process relaxation the credit . That's because the previous condition which was not smooth , and was jammed was not a factor from the pandemic but because it's a condition from business that had declined before the pandemic .

## Conclusion

Impact the covid-19 pandemic against credit Non Performing Loan (NPL) at PT. Banten Regional Development Bank, Tbk Cilegon Branch Office the more increase that causes loss for the bank and influence level banking health . Because cash turnover in bank operations will hampered . This is because decreased cash supply along the increase in NPL so that influential to bank liquidity

PT. Banten Regional Development Bank, Tbk Cilegon Branch Office have solution to do rescue to affected credit \_ the covid-19 pandemic that is by way restructuring / relaxation credit in accordance with POJK policy No.17/POJK.03/2021 regarding the second amendment on POJK No.11/POJK.03/2020 concerning economic stimulus national policy as a countercyclical impact spread of coronavirus disease 2019 (covid-19). Relaxation at Bank Banten is given to those who have difficulty paying consequence impact of covid-19, relaxation credit for debtors themselves vary , can only pay interest first then payment the main thing is carried out in the next month or term time the payment extended , it is meant to deliver installment to debtors are small so that give relief to debtor , it applies \_ If the debtor is still in collectability Current (KOL 1) and collectability Under Attention Special (KOL 2) because the debtor is still have prospect good try . Whereas debtors whose collectability is Substandard ( KOL 3), Doubtful (KOL 4) and Loss (KOL 5) cannot done relaxation because that was the condition before it happened the covid-19 pandemic , because before it existed the covid-19 pandemic could have been a condition business the debtor is declining or quality decreased goods . \_

Based on the results of the discussion that has been outlined so writer provide suggestions , namely : Banks in giving relaxation credit to debtor should first analyze \_ debtor who wants to start creditor or debtor who wants to apply for relaxation whether the debtor has prospect good work or not. If the debtor has prospect bad business , then it could be that the debtor has problems paying installment the arrears . This is what will come later will influential to level banking health . That's why the bank must always apply principle be careful when giving credit to candidate debtor .

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