

## THE EFFECT OF DEBTOR CONDITIONS, INTERNAL CONDITIONS AND ENVIRONMENTAL CONDITIONS OF THE BANK ON NON-PERFORMING LOAN PT. INDONESIA PEOPLE'S BANK (PERSERO) MEDAN GATOT SUBROTO BRANCH

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### ABSTRACT

*This research was conducted with the aim of knowing the effect of the internal condition of the debtor, the internal condition of the bank and the bank's environment on the non-performing loan (NPL) of PT. Bank Rakyat Indonesia (Persero), Tbk. Gatot Subroto Medan Branch. The population in this study is the debtor of PT. Bank Rakyat Indonesia (Persero) Medan Gatot Subroto Branch throughout 2017, totaling 566 debtors. The sample in the study was determined based on the minimum number of samples needed to reduce bias in all types, namely 200 debtors. The data in this study were analyzed using quantitative methods. Based on the analysis results, it can be concluded that the debtor's internal condition, the bank's internal condition and the bank's environment have a significant effect on the non-performing loan (NPL) of PT. Bank Rakyat Indonesia (Persero), Tbk. Gatot Subroto Medan Branch. Every increase in the goodness of the debtor's internal condition, the bank's internal condition and the bank's environment has an impact on improving non-performing loans (NPL).*

Keywords: Non-performing loan, debtor's internal condition, bank's internal condition, bank's environmental conditions.

### INTRODUCTION

Bank is an intermediary institution (financial intermediary) whose job is to receive deposits from customers and lend them to other customers (economic units) who need funds. For public deposits, the bank provides a reward in the form of interest, while for the provision of loans (credit) the bank charges interest to the borrowers. Credit is the largest activity in the banking world. The amount of credit disbursed greatly determines the achievement of a bank's profit. In addition to making a large contribution to banking profits, at the same time credit is also one of the factors that causes the fragility of banks as a result of the uncertainty that is always inherent in loans disbursed by banks.

According to Andrianto, Moeljadi, and Andarwati (2017) said non-performing loans are loans with bad collectibility, plus loans that have doubtful collectibility that have the potential to become bad. Ali and Pratiwi (2020) said the level of non-performing loans of a bank can be known by calculating the ratio of non-performing loans (NPL). According to Yulianeu and Riyadi (2020), the NPL ratio is a comparison between the number of loans extended and the collectibility level which is non-performing loans compared to the total loans extended by banks. The lower the NPL ratio indicates the lower the level of non-performing loans, which means the better the condition of the bank, and conversely, the higher the NPL ratio indicates the higher the level of non-performing loans, which means the better the condition of the bank.

The phenomenon of non-performing loans is a phenomenon that almost occurs in most banks throughout the world, including banking in Indonesia, in this case also experienced by PT. Bank Rakyat Indonesia (BRI) Medan Branch Gatot Subroto. From the debtor's point of view, the NPL of PT. BRI Medan Gatot Subroto Branch throughout 2014 to 2017 was smaller than the 5% NPL Aman required by Bank Indonesia, in 2014 of 2.77%, decreased to 2.55% in 2015, then increased to 3.05% in 2016, and fell again to 2.64% in 2017. In 2018 the debtor's NPL of PT. BRI Medan Gatot Subroto Branch again rose to 3.05%, and fell again to 3.01% in 2019.

Artini, Setiawina and Djayastra (2015) shows that internal and external conditions as well as the condition of prospective LPD debtors have a positive and significant effect on lending. The provision of credit has a negative and significant effect on the NPL of the LPD. Trisnawati (2016) found that the bank's internal factors (credit portfolio and Capital Adequacy Ratio) and bank external factors (*Gross Domestic Product*, *BI Rate* and exchange rate) significant influence on Non Performing Loan (NPL) in National Private Commercial Banks (foreign exchange) in Indonesia. Barus and Erick (2016) found that the bank's internal factors which include LDR, NIM, BOPO, SBI Interest Rate and Firm Size have a positive effect on NPL, while inflation has a negative effect, and CAR has no effect on NPL. Aprilia (2017) proves that the bank's internal factors include: *Loan to Deposit Ratio (LDR)* and *Allowance for Earning Asset Losses (PPAP)* positive effect, whereas *Capital Adequacy Ratio (CAR)* negative effect on NPL. Banking companies registered with Bank Indonesia for the period 2011 – 2015.

According to Ismail (2011) In general, there are two factors that cause non-performing loans, namely internal factors and external factors of the bank. Bank internal factors such as inaccurate analysis, collusion between bank officials who handle credit and customers, limited knowledge of bank officials on the type of debtor's business, too much interference from related parties, weakness in carrying out coaching and monitoring debtor credit, etc.

The findings of several previous studies above show that the relationship between bank internal and external debtor factors with NPL is still debatable and needs to be reviewed more deeply and comprehensively. The phenomenon of the inconsistency of the relationship between the bank's internal factors and external debtors with NPL and an increase in debtors in arrears at PT. BRI Medan Branch Gatot Subroto, is the idea that underlies the re-appointment of this research topic.

## THEORETICAL BASE

### Credit

#### Definition of Credit

Banks manage people's money and turn it into various kinds of investments to improve people's lives. Credit is the right to receive payment or the obligation to make payments in the future due to the delivery of goods now. Susilo, Triandaru, and Santoso (2000) said credit is the provision of money or bills based on an agreement or loan agreement between a bank and another party that requires the borrower to pay off its obligations after a certain period of time.

#### Lending Principle

In conducting credit assessments, credit officers generally use credit scoring principles known as 5Cs. The credit principles are as follows: (1) Character, an assessment based on the good faith of the prospective debtor, 2) Capacity, based on the customer's willingness to pay off his obligations and interest, 3) Capital, on the capital or wealth owned by the prospective customer, 4) Collateral, on goods or collateral submitted by the debtor as collateral for the loan received, 5) Condition, on the environmental conditions the company is in, and 6) Constraints, on the possibility of predictable obstacles (Yulianeu & Riyadi, 2020).

### Non-Performing Loans

#### Definition of non-performing loans (Non-Performing Loans)

Cashmere (2016) mentions several elements contained in the provision of a credit facility, including: trust, agreement, time period, remuneration, and credit risk. Siamat (2005) said a risk due to the failure or inability of the customer to return the loan amount received from the bank along with the interest in accordance with a predetermined period of time.

#### Factors Affecting the occurrence of Non-Performing Loans

Giving credit without prior analysis will be very dangerous for the bank. Customers, in this case, sometimes provide fictitious data, so that the credit may not actually be feasible, but it is still given. according to Rivai (2018) Credit policy provisions need to be established so that every bank has and implements a good credit policy. Ismail (2011) said in general there are two factors that cause non-performing loans, namely internal factors and external factors of the bank. Bank internal factors such as instant approval processes, incomprehensible credit terms, inappropriate analysis, collusion between bank officials who handle credit and debtors, limited knowledge of bank officials on the type of debtor's business, excessive interference from related parties, weaknesses in conducting coaching, monitoring and controlling debtor credit and unsystematic credit collection processes. External factors consist of intentional elements committed by customers and unintentional elements.

#### Debtor's Internal Condition

The condition of the debtor is a business condition that is currently being faced by the debtor who will make credit and will later become a factor in the ability of the debtor to repay credit at the bank. (Maryandi, Yaya, & Supriyono, 2016). Debtor's condition includes debtor's condition, credit profile, credit category, credit utilization, debtor integrity, debtor's business condition and debtor's specific condition. (Winarso, Gunanta, & Prayitno, 2020).

#### Bank Internal Condition

To achieve healthy credit goals, banks need to pay attention to several factors that can affect the credit process, either directly or indirectly. These factors consist of internal conditions and external conditions of the BPR. according to Jayanti (2013) the internal condition of the bank in the form of strengths and weaknesses of the BPR which is reflected by how good the quality of human resources and the quality of the business processes/procedures applied to the bank.

#### Bank Environmental Conditions

according to Jayanti (2013) Bank environmental conditions are the actual conditions around the bank's establishment. The bank's environmental condition is a condition outside the company's activities/operations which is taken into consideration in provide credit to debtors, where this condition also has an influence on company policies in providing credit.

## RESEARCH METHODS

### Research sites

This research was conducted at PT. Bank Rakyat Indonesia (Persero) Medan Gatot Subroto Branch which is located at Jalan Gatot Subroto No. 38 Sei Sekambang B, Medan Sunggal District, Medan City. This research was conducted within a period of ± 5 (five) months, starting from November 2020 to March 2021.

### Population, Sample and Sampling Technique

#### Research Population

Population is a very important first step in a research. This illustrates how the population, sub-sub-unit population, general characteristics of the population and the extent of the population is illustrated. The population in this study is the debtor of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto. The population in this study is a finite population (can be calculated), as many as 21,408 debtors. The target population in this study is debtors who have non-performing loans, namely

debtors who are in arrears 3, 4 and 5 or are in the collectability criteria of substandard, doubtful and bad. Based on the NPL documentation survey conducted, 566 debtors became the target population in this study.

### Research Samples and Sampling Techniques

The sample is the part of the population that is used to estimate the characteristics of the population. Sugiyono (2016) said that in determining the number of samples to be taken in a study, it is necessary to consider the characteristics of the population and the ability to estimate. Ferdinand (2002) said the minimum number of samples needed to reduce bias in all types of SEM estimates (structure equation model) is 200. Based on this view, then the number of samples to be studied in this study is 200 debtors.

Many methods can be applied in sampling, but for purposes of inference (inference) that generalizes the population, the most important requirement is the need for samples to be taken at random (probability samples), where every element of the population has an equal chance (fair chance). ) to be selected as a sample (non-zero probability of selection), random nature means the use of an unbiased probability method in selecting samples. The random sample in this study was conducted using the MS Excel program.

### Research design

The type of research conducted in this research is explanatory research. The approach used in this research is quantitative method.

### Sources and Data Collection Techniques

#### Data source

The data used in this study are qualitative and quantitative data. Both types of research data were collected from two sources, namely primary data sources and secondary data. Primary data sources are data collected by researchers from the first source", in this context is the debtor. While secondary data sources are data collected by researchers who come from documents presented by primary data sources, namely PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto.

#### Data collection technique

The data in the study were collected using a questionnaire method. This method is done by giving questions (questionnaires) to the respondents. After being given the opportunity for a certain period of time to fill out the list of questions, the researcher then withdraws it to be used as primary data for the researcher.

### Data analysis technique

The data collected in this study using descriptive statistical analysis includes: minimum, maximum and standard deviation values.

### Research Instrument Quality Test

#### 1. Validity test

The validity test is intended if  $r$  count is positive and  $r$  count  $>$   $r$  table, then the score of the question/questionnaire statement is valid and vice versa, if  $r$  count is negative and  $r$  count  $<$   $r$  table, then the score of the question/questionnaire statement is invalid (Ghozali, 2005).

#### 2. Reliability Test

Reliability test is used to determine the research instrument used can be used many times at different times.

### Classic Assumption Test

Classical assumption test performed in this study include:

#### 1. Normality test

Normality testing in this study uses the approach *Kolmogorov-Smirnov Test*. A data is said to be normally distributed if score *asymp. Sig. (2-tailed)* greater than  $\alpha$  5%.

#### 2. Heteroscedasticity Test

Heteroscedasticity test is carried out to determine whether in a regression model there is an inequality of variance from the residual of one observation to another observation. If the variance from the residual of an observation to another observation remains, it is called homoscedasticity.

#### 3. Multicollinearity Test

Multicollinearity test was conducted to determine whether the proposed regression model has found a strong correlation between independent variables. If there is a strong correlation, there is a multicollinearity problem that must be overcome.

### Multiple Linear Regression Analysis

Multiple linear regression analysis in this study was used to analyze the effect of more than one independent variable on the dependent variable.

### Coefficient of Determination Analysis (R<sup>2</sup>)

Analysis of the coefficient of determination is an analysis used to determine the strength of other variables outside the independent variables studied in explaining the dependent variable.

**Hypothesis test**

The hypothesis in this study was tested using the test *t* to test the hypothesis partially and the F test to test the hypothesis simultaneously.

**RESEARCH RESULT**

The main data in this study were collected through questionnaires which were successfully collected and answered in full by the research respondents. From the questionnaires distributed to 200 respondents of the research sample, until the deadline for collecting the questionnaires, this study succeeded in collecting 196 questionnaires, while the remaining 4 questionnaires did not return until the specified time limit. Thus the response rate of the questionnaire in this study was 98%.

**Respondent Demographics**

The demographics of the respondents in this study are matrixed in Table 1. below.

**Table 1. Demographics of Respondents**

Gender	Frequency	
Man	123	62.76%
Woman	63	32.14%
<b>Amount</b>	<b>196</b>	<b>100%</b>

  

Age	Frequency	
20 – 30 years	33	16.84%
31 – 40 years	85	43.37%
41 – 50 Years	61	31.12%
> 50 years	17	8.67%
<b>Amount</b>	<b>196</b>	<b>100%</b>

  

Education	Frequency	
Elementary-high school	104	53.06%
Diploma three (D3)	62	31.63%
Bachelor Degree (S1)	24	12.24%
Second degree (S2)	6	3.06%
<b>Amount</b>	<b>196</b>	<b>100%</b>

  

Business Length	Frequency	
< 5 year	63	32.14%
5 – 10 years	52	26.53%
11 – 15 years	44	22.45%
16 – 20 Years	28	14.29%
> 20 years	9	4.59%
<b>Amount</b>	<b>196</b>	<b>100%</b>

Table 1 above shows that demographically, the respondents in this study were dominated by male sex, as many as 123 people (62.76%). Judging from the age, dominated by the age between 31-40 years, as many as 85 people (43.37%). Viewed from the level of education, dominated by respondents with the last education level SD-SMA, as many as 104 people (53.06%). Judging from the working period, dominated by length of business <5 years, as many as 63 people (32.14%). It can be concluded that the respondents in this study were dominated by male respondents aged between 31-40 years, with elementary-high school education with less than 5 years of business.

**Data Analysis Results**

**Validity and Reliability Test**

The results of the validity and reliability test of the statement instrument used to measure each variable indicate that the entire value of Corrected Item-Total Correlation is greater than  $r$  table  $n$  198  $\alpha$ 5% = 0.139 and Cronbach's Alpha value is greater than 0.8. Thus, it can be justified that all statement instruments used to measure the variables in this study were declared valid and reliable.

## Descriptive Statistical Analysis Results

### Descriptive Statistics of Non-Performing Loans (Y)

Non-performing loan (NPL) in this study is the dependent variable whose variance is influenced by the variance of the independent variable of the debtor's internal condition, the bank's internal condition and the bank's environmental condition. Based on the data described, it is in the collectability range of 3-5, the mode value is 4, the average score is 3.847 with a standard deviation of 0.742. This description shows that in general the credit collectibility level of PT. Bank Rakyat Indonesia (Persero), Tbk. Gatot Subroto's Medan branch is in doubt.

### Descriptive Statistics of Debtor's Internal Condition (X1)

The debtor's internal condition in this study is the first independent variable whose variance is suspected to affect the variance of the NPL dependent variable. Operationally, it is measured using 4 (four) questionnaire statement instruments, namely: the condition of the credit debtor, credit utilization, debtor integrity and debtor fraud. The data is in the range of answers 1 and 5, the median value is 3, the mode value is 3, the average score is good or somewhat cooperative in solving credit problems. Utilization of loans disbursed is at an average score of 3.225 with a standard deviation of 1.184. The debtor integrity indicator is at an average score of 3.440 with a standard deviation of 1.044. The debtor fraud indicator is at an average score of 3.372 with a standard deviation of 1.154.

### Descriptive Statistics of Bank Internal Condition Variables (X2)

The internal condition of the bank in this study is the second independent variable whose variance is thought to affect the variance of the NPL dependent variable. Indicators of natural factors in the PT environment are at an average score of 3.102 with a standard deviation of 1.305. This description shows that in general the respondents of this research are quite good natural factors. The average score of economic growth is 3.286 with a standard deviation of 1.211. The business competition factor indicator is at an average score of 3.102 with a standard deviation of 1.253. The indicator of changes in government regulations in the environment is at an average score of 3.117 with a standard deviation of 1.321.

## Classic Assumption Test Results

### Data Normality Test

The results of the normality test of the data in this study showed the Assymp Sig (2-tailed) value of 0.060 was greater than  $> 5\%$ . It can be concluded that all data used in this study are normally distributed.

### Heteroscedasticity Test

Heteroscedasticity test in this study was conducted using the Glejser test approach. A variable is said to be free from heteroscedasticity deviations, if all of the independent variables used have no effect on the assumed unstandardized residual value (AbsUt). The results of the heteroscedasticity test in this study are shown in the following table.

**Table 2. Heteroscedasticity Test Results**  
Coefficients<sup>a</sup>

Model		t	Sig.
1	(Constant)	4,769	,000
	Debtor's Internal Condition	,979	,329
	Bank Internal Condition	-1,468	,144
	Bank Environmental Conditions	,216	,829

a. Dependent Variable: Abs\_Ut

Table 2 above shows that all of the independent variables used in this study have no significant effect on the value of the assumed unstandardized residual (AbsUt), this can be seen from the sig tcount value of each independent variable greater than  $\alpha 5\%$ . Thus, it can be justified that all the variables used in this study are free from the assumption of heteroscedasticity.

### Multicollinearity Test Results

The results of the multicollinearity test in this study are shown in the following table.

**Table 3. Multicollinearity Test Results**  
Coefficients<sup>a</sup>

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Debtor's Internal Condition	,550	1,817
	Bank Internal Condition	,557	1,794
	Bank Environmental Conditions	,510	1,960

a. Dependent Variable: Abs\_Ut

Table 3 above shows that the overall tolerance value produced in this study is between 0.1-1.0, and the VIF value is between 1.0-10. Thus, it can be justified that all of the independent variables used in the study are free from the assumption of multicollinearity.

### Multiple Linear Regression Analysis Results

Based on the results of multiple linear regression analysis, the data analysis model in this study:

$$Y = 1.703 + 0.113X1 + 0.014X2 + 0.027X3 + 0.411$$

Where :

Y = Non-performing loan

X1 = Debtor's internal condition

X2 = Bank's internal condition

X3 = Bank environmental conditions

The data analysis model above interprets that the Non Performing Loan (NPL) of PT. Bank Rakyat Indonesia (Persero), Tbk. Gatot Subroto Medan Branch Medan has a positive constant value of 1.703 without being influenced by the variance of the independent variables of debtor internal conditions (X1), bank internal conditions (X2) and bank environmental conditions (X3). The estimation model produced in this study has an estimation error coefficient of 0.411.

### Results of the Coefficient of Determination Analysis (R2)

The results of the analysis of the coefficient of determination (R2) are shown in Table 4 below.

**Table 4. Results of the Analysis of the Coefficient of Determination (R2)**  
**Model Summary**

Model	Adjusted R Square
1	,693

a. Predictors: (Constant), Bank Environmental Conditions, Bank Internal Conditions, Debtor Internal Conditions

Table 4 above justifies the variables of debtor internal conditions, bank internal conditions and bank environmental conditions having the power of 69.30% in explaining NPL, while the remaining 30.70% NPL is influenced by variance of other variables that have not been disclosed.

### Hypothesis Testing Results

#### Results of Simultaneous Hypothesis Testing (Test F)

The results of simultaneous hypothesis testing are shown in Table 5 following:

**Table 5. Simultaneous Hypothesis Results (Test F)**  
**Model Summary**

Model	Change Statistics			
	F Change	df1	df2	Sig. F Change
1	147,673	3	192	,000

a. Predictors: (Constant), Bank Environmental Conditions, Bank Internal Conditions, Debtor Internal Conditions

\*) Ftable df1/df2 (3/192) on  $\alpha$ 5% = 2.65

Table 5 above shows that the Fcount value of the entire independent variable in this study, which is 147.673 is greater than Ftabledf1/df2 (3/192)  $\alpha$ 5% is 2.65 and the value of sig Fcount 0.000 is smaller than  $\alpha$ 0.05. Thus, it can be justified that hypothesis 1 (H1) which states "There is a simultaneous influence of debtor conditions, internal conditions and bank environmental conditions on non-performing loans of PT. Bank Rakyat Indonesia (Persero) Medan Branch", was accepted at the level of significance  $\alpha$ 5%.

#### Results of Partial Hypothesis Testing (t-test)

Partial test results are shown in Table 6 below.

**Table 6. Results of Partial Hypothesis Testing**  
**Coefficientsa**

Model		T	Sig.
1	(Constant)	16.034	,000
	Debtor's Internal Condition	11,455	,000
	Bank Internal Condition	2,884	,004
	Bank Environmental Conditions	3.046	,003

a. Dependent Variable: Non Performing Loan

$t_{table\ df\ (nk=192)\alpha 5\%}=1.653$

The table above shows that the  $t_{count}$  value of the debtor's internal condition variable is 11.455 which is greater than  $t_{table\ df\ (nk=192)\alpha 5\%}=1.653$  and the sig value of 0.000 is smaller than  $\alpha 5\%$ . These results mean that internal conditions have a significant positive effect on non-performing loans. Thus, empirically hypothesis 2 (H2) which states that there is an influence of the debtor's internal condition on the non-performing loan of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto, accepted at the level of significance  $\alpha 5\%$ .

The  $t_{count}$  value of the bank's internal condition variable is 2.884, which is greater than  $t_{table\ df\ (nk=192)\alpha 5\%}=1.653$  and the sig value of 0.004 is smaller than  $\alpha 5\%$ . This result means that the bank's internal condition has a significant positive effect on non-performing loans. Thus, empirically hypothesis 3 (H3) which states that there is an influence of the bank's internal conditions on the non-performing loan of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto, accepted at the level of significance  $\alpha 5\%$ .

The  $t_{count}$  value of the bank's environmental condition variable is 3,046 which is greater than  $t_{table\ df\ (nk=192)\alpha 5\%}=1.653$  and the sig value of 0.003 is smaller than  $\alpha 5\%$ . These results mean that the bank's environmental conditions have a significant positive effect on non-performing loans of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto, accepted at the level of significance  $\alpha 5\%$ .

## DISCUSSION

The phenomenon of non-performing loans is a classic credit phenomenon that is always inherent in every loan disbursed by banks to their debtors. Non-performing loans or often known as non-performing loans are non-performing loans where the debtor is unable to meet the payment of arrears on loans and interest within the period agreed in the agreement. Mahmoeeddin (2002) said that non-performing loans are loans where the debtor cannot meet the previously agreed requirements, for example regarding interest payments, repayment of loan principal and increasing collateral. Bank Indonesia Circular Letter No. 3/30/DPNP Dated December 14, 2001, said that a credit is categorized as non-performing, if the collectability is in the criteria of substandard credit, doubtful credit and bad credit. The level of credit problems disbursed by a bank can be known through the NPL ratio (Bank Indonesia, 2011). Yulianeu and Riyadi (2020) Non-Performing Loan ratio is a comparison between the number of loans granted and the collectability level which is a non-performing loan compared to the total loans extended by banks.

Many factors affect non-performing loans. Cashmere (2016) identify 2 (two) factors that affect NPL, including: first, the bank's internal factors that arise because the credit analyst is not careful, so that what should have happened was not predicted in advance or may have been miscalculated. Occurs due to collusion from the credit analyst with the debtor so that the analysis is carried out subjectively. Second, the customer's internal factors that arise because of an element of intentionality, the absence of an element of willingness to pay even though the customer is actually able to pay and the element of accident, meaning that the debtor is willing to pay but cannot afford it, the customer is in a disaster. Goddess (2009) in his research proves that 4 (four) factors affect NPL, including the internal condition of the debtor, the bank's internal condition, the bank's environmental condition and the lending strategy.

The results of research conducted in this study provide empirical evidence that either simultaneously or partially the internal condition of the debtor, the bank's internal condition and the bank's environmental conditions have a significant effect on the NPL of PT. Bank Rakyat Indonesia (Persero), Tbk. Gatot Subroto Medan Branch. The better the debtor's internal condition, the bank's internal condition and the bank's environmental condition, the better the non-performing loan will be.

## CONCLUSION

Based on the results of the analysis and discussion conducted in this study, it is concluded:

1. Simultaneously the condition of the debtor, internal conditions and environmental conditions of the bank have a significant positive effect on the non-performing loan of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto. This means that any increase simultaneously in the debtor's internal condition, internal conditions and environmental conditions of the bank, will have an impact on improving the non-performing loan of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto.
2. The debtor's internal condition has a significant positive effect on the non-performing loan of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto. This means that every increase in the debtor's internal condition will have an impact on improving the non-performing loan of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto.
3. The internal condition of the bank has a significant positive effect on the non-performing loan of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto. This means that every increase in the bank's internal conditions, it will have an impact on improving the non-performing loan of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto.
4. The bank's environmental conditions have a significant positive effect on the non-performing loan of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto. This means that every increase in the bank's environmental conditions, it will have an impact on improving the non-performing loan of PT. Bank Rakyat Indonesia (Persero) Medan Branch Gatot Subroto.

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