
ANALYSIS OF FACTORS INFLUENCING LIQUIDATION VALUE OF AUCTION GUARANTEES (CASE STUDY AT PT BANK NEGARA INDONESIA (PERSERO), TBK. REMEDIAL AND RECOVERY IN PALEMBANG REGION)

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Abstract: *The purpose of this research is to analyze of factors influencing liquidation value of auction guarantees, case Study at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. This type of research is a quantitative descriptive research. The sample for this research is 35 collateral units that sell well during the 2019 to 2021 period at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. The analytical method uses multiple linear regression analysis. The results show that exposure time has a negative and significant effect on property market value at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Economic growth has a positive and significant effect on property market value at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Location has a positive and significant effect on property market value at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Exposure time has a negative and significant effect on liquidation value of auction guarantees at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Economic growth has a positive and significant effect on liquidation value of auction guarantees at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Location has a positive and significant effect on liquidation value of auction guarantees at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Property market value has a positive and significant effect on liquidation value of auction guarantees at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region.*

INTRODUCTION

The banking sector has an important role in supporting national development. Moreover, the trend of economic growth in the modern era has led to higher levels of public consumption, but not everyone is able to fulfill it properly. As a business entity, banks have a strategic position in their activities economy. Apart from being a tool in setting monetary policy, banks are the main source of financing or credit for entrepreneurs and individuals (Siringoringo, 2012).

Bank lending activity is a source of profit income derived from interest income/profit sharing on loans. Quality credit distribution will also provide maximum results for the bank. Law Number 10 of 1998 Article 1 Number 11 concerning Amendments to Law Number 7 of 1992 concerning Banking formulates the notion that credit is the provision of money or claims that can be equated with it based on agreements and loan agreements between the bank and other parties which obliges the borrower to repay the debt after a certain period of time with interest.

The implementation of lending by banks also depends on the type of credit extended. The types of credit that are distributed are credit that does not use collateral and credit that uses collateral (Firdaus and Ariyanti, 2009). To gain confidence in the abilities and capabilities of the debtor, before giving credit the bank must conduct a thorough assessment of the nature, ability (capacity to create sources of funding), capital, collateral (competence to borrow), and business prospects of the debtor (condition of economy and sector of business) or this is often called the "5 C" (Sutojo, 1995).

Collateral is a part of the principle in credit assessment. The implementation of lending from banks to prospective borrowers is carried out with great care and refers to the 5 C principle.

The function of providing collateral is to give rights and powers to the bank to get repayment with these collateral items, if the debtor breaks his promise by not repaying his debt at the time specified in the agreement (Suyatno, 1994). The existence of this collateral is to minimize risks that may arise for banks, so that banks are required to apply credit principles, including asking for credit collateral to ensure that the receivables will be returned as agreed. General collateral in the form of land and building property.

If the credit application has been approved, the collateral rights over this land will be bound with mortgage rights. However, not all credit returns go smoothly. There are times when the debtor is unable to carry out his obligations properly. This is certainly a legal issue, on the one hand the debtor has defaulted (default), on the other hand the creditor bank does not want to be harmed even for various reasons. To answer this problem, based on the provisions referred to in Article 6 of Law Number 4/1996 concerning the Mortgage Act (UUHT), the creditor bank holding the first mortgage is given the right to sell the mortgage object on its own authority through a public auction and take the settlement. accounts receivable from sales.

Bad credit occurs when the bank has difficulty asking for installments from the debtor for some reason. Bad credit is uncollectible receivables or credit that has substandard criteria, is doubtful because it is experiencing difficulty in repayment due to certain factors (Hermanto, 2006). Bad credit can be interpreted as a loan that has difficulty repayment due to intentional factors and or due to external factors beyond the ability of the

debtor to control (Dahlan, 2001). Bad credit is a customer's difficulty in settling his obligations to the bank, either in the form of repaying the principal, paying interest, or paying bank fees which are borne by the debtor customer concerned.

PT Bank Negara Indonesia (Persero), Tbk. (herein after referred to as "BNI") is one of the State-Owned Banks where in general BNI banks offer deposit services as well as loan or financing facilities for both the corporate, medium and small segments.

The purpose of this research is to analyze of factors influencing liquidation value of auction guarantees, case Study at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region.

RESEARCH METHODS

This type of research is a quantitative descriptive research. Quantitative descriptive research is research that measures two or more variables (Pandiangan, 2015; Pandiangan, 2018, Pandiangan et al., 2022). Descriptive research is research that describes systematically, factually, and accurately regarding the facts, characteristics and relationships between the variables studied. Descriptive research is also research conducted to investigate circumstances, conditions, the results of which are presented in the form of research reports as they are (Pandiangan et al., 2018; Pandiangan, 2022).

The sample is part of the population which is believed to represent the characteristics of the population as a whole (Pandiangan et al., 2021; Pandiangan, 2022). The sample for this research is 35 collateral units that sell well during the 2019 to 2021 period at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region.

The right data collection technique is to consider its use based on the type of data and its source. Data that is objective and relevant to the subject matter of the research is an indicator of the success of a research. Data according to the source of this research is external data. Where this research is a document study research, namely research that takes samples from one population and uses documents that are directly related to the research conducted in this case research documents obtained from PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region, the documents obtained are in the form of data or pictures or monumental works related to research.

The analytical method uses multiple linear regression analysis. Multiple linear regression is a regression model that involves more than one independent variable. Multiple linear regression analysis was carried out to find out the direction and how much influence the independent variables have on the dependent variable (Pandiangan et al., 2022; Tobing et al., 2018).

RESULT

General Description

PT Bank Negara Indonesia (Persero), Tbk. or called Bank BNI is a government-owned banking institution which is one of the state-owned companies in Indonesia. Bank BNI is one of the oldest commercial banks in the history of the Republic of Indonesia, this bank was founded on July 5, 1946. Initially, Bank BNI was prepared to become a circulation

bank or central bank responsible for issuing and managing the currency of the Republic of Indonesia.

In 1955 the role of Bank BNI changed to become a development bank and then got the right to act as a foreign exchange bank. With the addition of capital in 1955, the status of Bank BNI changed to become a commercial bank with a juridical determination through the Emergency Law Number 1955.

Then on April 29, 1992, the legal form of Bank BNI was adjusted to become a Limited Liability Company (Persero). Bank BNI was the first state-owned bank to become a public company after listing its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange in 1996 with the aim of strengthening its financial structure and competitiveness in the national banking industry. Currently around 40% of BNI shares are held by the public and domestic or foreign institutions and the remaining 60% is held by the government of the Republic of Indonesia. As of December 2021, Bank BNI has 1 head office, 17 regional offices, 9 overseas office networks, and 2,228 office networks consisting of branch offices, sub-branch offices and business centers.

Bank BNI's vision is to become a financial institution that excels in service and performance in a sustainable manner.

Bank BNI's mission is:

1. Providing excellent service and digital solutions to all customers as the preferred business partner.
2. Strengthening international services to support the needs of global partners.
3. Increasing superior investment value for investors.
4. Creating the best conditions for employees as a place of pride to work and achieve.
5. Increasing awareness and responsibility to the environment and society.
6. Become a reference for the implementation of compliance and good corporate governance for the industry.

Results of Multiple Linear Regression Analysis

Table 1. Results of Multiple Linear Regression Analysis of Property Market Value

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3721469347	1227947637		3.031	.005
	Waktu Expose	-528297062	177672278.3	-.891	-2.973	.006
	Pertumbuhan Ekonomi	541865988.5	202918476.1	.661	2.670	.012
	Lokasi	1094715587	423656845.0	.562	2.584	.015

a. Dependent Variable: Nilai Pasar Properti

**Table 2. Results of Multiple Linear Regression Analysis
of Liquidation Value of Auction Guarantees**

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	12849134.9851	59277382.206		2.168	.038
	Waktu Expose	-36113570.394	8540137.140	-.113	-4.229	.000
	Pertumbuhan Ekonomi	55214482.383	9541970.967	.125	5.786	.000
	Lokasi	59378300.177	19802957.973	.056	2.998	.005
	Nilai Pasar Properti	.519	.008	.962	68.198	.000

a. Dependent Variable: Nilai Likuidasi

The results show that exposure time has a negative and significant effect on property market value at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Economic growth has a positive and significant effect on property market value at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Location has a positive and significant effect on property market value at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Exposure time has a negative and significant effect on liquidation value of auction guarantees at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Economic growth has a positive and significant effect on liquidation value of auction guarantees at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Location has a positive and significant effect on liquidation value of auction guarantees at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Property market value has a positive and significant effect on liquidation value of auction guarantees at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region.

CONCLUSION

The results show that exposure time has a negative and significant effect on property market value at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Economic growth has a positive and significant effect on property market value at PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region. Location has a positive and significant effect on property market value

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Based on the results of this study, researchers can provide the following suggestions:

1. For PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region so that this research can serve as input for PT Bank Negara Indonesia (Persero), Tbk. Remedial and Recovery in Palembang Region in determining the value of the liquidation of an asset to be auctioned.
2. It is hoped that this research will become input for the community to better understand that the auction value can be set below the market value due to several factors, namely exposure time, economic growth, and location.
3. For future research that will conduct research on liquidation values so that in their research they can add other variables so that the results of their research develop even more.

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