Mutiara: Multidiciplinary Scientifict Journal
Volume 3, Number 4 April 2025
p-ISSN 2988-7860 ; e-ISSN 2988-7992

Impact of Credit Amount and Nonperforming Loan on Financial Performance in Institution Moris Rasik Finance Service S.A By Mediating Interest Rates in the Branch Office Oe-Cusse

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KEYWORD

Credit Amount, Non-Performing Loan, Financial Performance

ABSTRACT

This study aims to evaluate the impact of credit amount and non-performing loans (NPLs) on the financial performance of Moris Rasik Finance Service S.A. in Timor-Leste, with interest rates acting as a mediator. A survey research design was used, with a sample of 275 clients selected through purposive sampling. Data was collected via questionnaires and analyzed using Structural Equation Modeling (SEM) with Smart PLS 4.0. The results indicate that credit amount and NPLs have a significant impact on financial performance, while interest rates do not significantly affect financial performance. In conclusion, effective credit and NPL management can improve financial performance, whereas interest rates do not play a significant role. This study recommends strengthening credit monitoring and NPL risk management systems to enhance the overall financial performance of the institution.

INTRODUCTION

The presence of the Financial Services Institutions Moris Rasik S.A. is a financial institution that operates in the state of Timor-Leste, with a system that is the function of providing credit to poor women. Abrao de Vasconcelos, Governor of the Central Bank of Timor-Leste, presented the main plan for the development sector in Timor-Leste on August 28, 2014, which aims to inventory the financial sector in late 2013 and prepare a comprehensive development map for the financial sector for the decade to 2025 (Aizat & Nazjmi, 2019; Johan & Rusliyana Sari, 2023; MAHAENI et al., 2022; Pham & Nguyen, 2024; Pratama, 2020; Sharma & Shrivastava, 2021). Financial performance is the growth of micro-financial banks and the financial micro bank industry is a rapid growth and plays an important role in the global financial sector since 31 December 2010, there are 1395 global Micro financial Institutions with an estimated 200 million basic loans with a total out Inter-regional, South Asia, east Asian and the pacific region where growth is growing in terms of loans (Ahmad & Jamil, 2020; Anshika & Singla, 2022; Barus et al., 2024; Effiom & Edet, 2022; HANGGRAENI & SINAMO, 2021; Sasidharan et al., 2023; Weber, 2012; Zheng et al., 2022). Sub-Saharan Africa, Middle East and North Africa South Asia has begun to take the lead in terms of loans that surpass 50% of the basic worldwide loans, as Latin America continues to lead in terms of an outline portfolio of $16 billion, or 36% of the overall global portfolio (Rifki, 2010) reviewed (Otieno et al., 2016). According , looked at how managing nonperforming loans affected the financial performance of the commercial bank and found some links between credit risk management as determined by applying the According to (Widianingsih & Cipta, 2023), the objective of

an organization's financial performance analysis is to ascertain whether financial activities have been carried out in compliance with financial regulations.

To better understand financial management, financial development should know how much credit is available to all societies, including credit deposits made by banks, which are important financial institutions that have never been left behind by credit and play a significant role in the country's economy. The process of distributing credit has never led to credit being. The round credit includes weekly, monthly, or four-week credits for the following products: LNLB, LNLS, LBFW, and LSFW. The quantity of financial performance at the time of credit has a substantial impact on the amount of credit. However, it is also hard to find a client using someone else's name to look at their credit, and it is hard to find a client using someone else's name to look at their credit when they are having problems. This is because the amount of client credit that does not measure the client's ability to effect credit risk and financial development decreases, along with a decrease in income, and this is thought to have a significant impact on the risk of a poor portfolio, which is frequently included in non-performance since the client's capacity to repay the loan is impacted by social, cultural, and economic factors in addition to the human resources' capacity to manage the client's loan. According to (Rachman et al., 2019), credit risk is the potential for disclosure of either the debtors' or customers' failure to make payments. There are differences in the payment features of the Group Loan and SMEs Loan products. Research titled "Impact of the amount of credit and bad credit for Financial Performance" is planned to be conducted based on the empirical phenomenon previously reported. Oe-cusse branch through interest rate mediation by Moris Rasik S.A. In order to boost and revive the Timor-Leste economy, this can aid in the institution's strengthening process by attracting clients and assisting in the process of portfolio building. As previously stated, the quantity of credit available in institutions is a crucial pillar for economic expansion; nevertheless, during this period, the variables impacted by the expansion of rice products occasionally decline, which affects the availability of goods and the caliber of services.

The financial services sector plays a vital role in the economic development of any nation, and this holds especially true for Timor-Leste, a developing country with a rapidly growing financial sector. Among the key institutions contributing to this growth is Moris Rasik Finance Service S.A., which serves as a crucial source of credit for poor women in rural areas. The institution's primary function is to provide microfinance services, which enable women to access credit for entrepreneurship and economic empowerment. Despite the importance of financial institutions in fostering economic growth, the management of credit, particularly the challenge of non-performing loans (NPLs), remains a critical issue that can undermine the stability and performance of these institutions.

Prior research has shown that credit management is closely tied to financial performance. For instance, Otieno, Nyagol, and Onditi (2016) found a significant relationship between effective credit risk management and the improved financial performance of microfinance institutions in Kenya. Similarly, Wicaksana and Rachman (2018) highlighted how NPLs can hinder the growth of financial institutions, particularly in developing regions where the risk of credit default is high. These studies emphasize the need for robust credit management strategies to ensure the sustainability of financial institutions.

This study seeks to fill a gap in the existing literature by focusing specifically on the impact of credit amount and NPLs on the financial performance of Moris Rasik Finance Service S.A. in Timor-Leste, with interest rates acting as a mediating factor. Unlike previous studies that have broadly examined microfinance institutions, this research focuses on a single institution in a specific regional context, offering a more detailed understanding of the local dynamics. The novelty

of this study lies in its exploration of how interest rates mediate the relationship between credit management practices (credit amount and NPLs) and financial performance, a factor that has not been extensively explored in previous research on Timor-Leste.

The primary objectives of this study are to assess how credit amount and NPLs affect the financial performance of Moris Rasik Finance Service S.A., and to explore the mediating role of interest rates in this relationship. By focusing on a real-world institution, this study aims to provide valuable insights for policymakers, financial managers, and stakeholders in the microfinance sector. The findings from this research can help improve credit management practices, reduce the risk of NPLs, and ultimately enhance the financial performance and sustainability of financial institutions in Timor-Leste. The study's results will not only contribute to the academic literature but will also offer practical recommendations that could lead to better financial outcomes for the institution and its clients.

METHOD

Objects or persons with specific features that the researcher decides to study and subsequently draws conclusions from make up the population that exists in a generalization region. Therefore, the units, people, things, or subjects that have a few of their own characteristics in the Institute Moris Rasik Finance Service S.A make up the population in this study. This study, the population is the group loan Client credit, and the has a sample of part of the sum and characteristics that exist, from the population. Thus, the determination of the sample with modelling (fully) or census, taken from the total number of client, provided help and facilitated the researcher to fill the questionnaire prepared and distributed to the respondents to meet their level of knowledge in the group loan credit client. The meaning of population as a generalisation zone includes objects or subjects that have quality characteristics for use for research to be studied and drawn as a conclusion according to Sugiyono (2013: 80), reviewed (Beerbaum & Ahmad, 2015) The population in this research was 275 clients at the Institution Moris Rasik Financial Service S.A. The sample according to (Siswadhi, 2017) is part of the quantity and characteristics possessed by the population.

Purposive sampling is a method of selecting a sample while taking specific factors into account. Questionnaires and observation techniques (observations) are two methods for gathering data. By sending instruments, such as surveys to employees of government organizations, primary sources of data are obtained that directly supply data to data collectors.

The tool employs a Likert scale questionnaire with (five) possible ratings, from '1' (strongly disagree) to '5' (strongly agree) for responses to the assertions provided by the tools. A structural equation model (SEM) is employed in the data analysis method. The Smart PLS 4.0 program is used by this study data processing tool. The results of the descriptive analysis generally present the frequency distribution in the form of tables or graphs. It may contain a percentage unit or Respondents. Analysis of indifferences used to test validity with reliability the relationship between indicator and variable, mediation, and internal model (outer model measurement), with the relationship be-tween variable and variable, mediation, and ex-ternal model (inner model measurement). Because it can be used for small 30 samples, formative or reflexive indicators, multivariable analysis, and no normality tests with data. Data analysis tools to analyse the relationship between many variables. In addition to being used to ana-lyse the relationship between variable and small sample, the analysis will divide parts 3 (three) namely: building the relationship between indica-tor and variable, analysing the out model (Measurement model) to see the validity of the relation-ship between indicator and variable and analysing the relationship of the meaning of the relationship between variable using the path coefficient.

RESULT AND DISCUSSION

There are 275 client creditors in Institution Moris Rasik Finance service S.A in all who responded to the survey. 100% percentage of the 275 -meter survey's participants all women, clients were Al-most all clients across the territory of Timor-Leste are mostly women, more than women who have been crediting at the Financial Service Moris Rasik S.A. always through group formation in a village where staff have been trained for a week after attending have group recognition text (GRT) to legalize a credit centre and then to process money and make credit proposals in accordance with the established credit cycle. And for men they are not included in the credit group, but they are supported to obtain credit. And the respondent based on the level education of the client such as. 0.36 percentage Under-graduate totals 1 client, 0.72 percentages are D3 graduates total 2 clients, 26.90 Percentage are Secondary Education total 74 clients, 38 per-centages are Basic Education total 105 clients, 33.82 percentages are Non School total 93 clients. Many clients are not in school but with the Financial Service Policy Moris Rasik with the mission that to provide credit to poor women and widows in rural areas according to the needs and products that are available. Therefore, clients who do not go to school as a priority and these clients before making credit in financial services Moris Rasik S.A they will attend training for two weeks on the credit process especially must know about the centre discipline, credit discipline, and credit risk after training will according to Group recognize text (GRT) objective to know about customer knowledge and customer credit process based on credit cycle and capacity clients and clients who go to school are also included in all training.

Evaluation of Outer and Inner Model

The result of testing the measurement model (out-er model) is that the latent variable needs the factor load for the convergent validity test to be higher than 0.70. Mathematical computations or quantitative models that analyse the covariance matrix structure with specific modelling can be used to assist in this decision-making process.Which, after meeting the criteria for assessing composite reliability, discriminant validity, and convergent validity in the instrument quality test on the outer model, preceded through a path diagram in this study. The average percentage of covariance extracted from a collection of latent variables measured by loading standard indicators in the algorithm iteration process in PLS is dis-played in the following test by examining the Average Variance Extracted (AVE) value, which necessitates a score greater than 0.50. If compo-site reliability has a value higher than 0.70, it will be deemed eligible to determine the reliability of indicators on a variable.

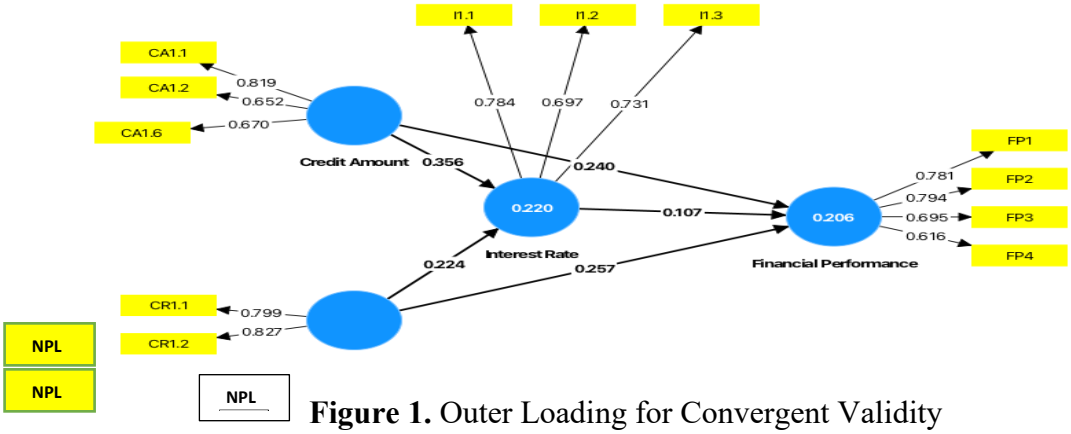

Figure 1. Outer Loading for Convergent Validity

Table 1. Fornell-Larcker Criterion for Discriminant Validity

	Credit Amount	Non performing Loan	Financial Perfor-mance	Interest Rate
Credit Amount				
Non Performing Loan	0.465			
Financial Performance	0.565	0.612		
Interest Rate	0.717	0.597	0.428	

Table 2. Heterotrait-Monotrait for Discriminant Validity

	Credit Amount	Non Per-forming Loan	Financial Perfor-mance	Interest Rate
Credit Amount				
Non Performing Loan	0.465			
Financial Perfor-mance	0.565	0.612		
Interest Rate	0.717	0.597	0.428	

As can be seen from the AVE score for the moderating influence being the biggest among others, the output values of Outer Loading and Average Variance Extracted (AVE) from this re-search data can be considered to have met the standards of convergent validity. Each variable's composite reliability value then satisfies the criteria, which are more than 0.7, and the moderation composite reliability also has the highest score, making it the most dependable. The structural model (Inner Model) is tested when the approved model satisfies convergent and discriminant validity requirements. According to (Ambarwati et al., 2023), the inner model test starts with the specification of the R-Square coefficient of determination. Each variable's composite reliability value then satisfies the criteria, which are more than 0.7, and the moderation composite reliability also has the highest score making it the most dependable.

The structural model (Inner Model) is tested when the approved model satisfies convergent and discriminant validity requirements. According to ((Kurniasih et al., 2022)), the R-Square coef-ficient of determination is specified at the start of the inner model test as 0.67 (strong), 0.33 (mod-erate), and 0.19 (weak). The validity of this model was tested using convergent validity (outer loading and average variance extracted/AVE) and discriminant validity

Table 3. CA, CR for Reliability and AVE for Convergent Validity Test.

Construct	Cronbach's alpha	Composite reliability (rho_a)	Composite re-liability (rho_c)	Average vari-ance extracted (AVE)	Category (>0.7)
Credit Amount	0.545	0.583	0.759	0.515	Reliable
Non-Performing Loan	0.487	0.489	0.796	0.661	Reliable
Financial Perfor-mance	0.699	0.718	0.814	0.526	Reliable
Interest Rate	0.587	0.597	0.782	0.545	Reliable

Tabel 4. Output R-Square Adjusted

Construct	R-square	R-square adjusted
Financial Perfor-mance	0.206	0.197
Interest Rate	0.220	0.214

Based on the R square value, it shows that the variation in interest rate can be explained by the collectability of 22%, the remaining 78% is ex-planned by variations in other variables that are not included in the model. Variations in financial performance can be explained by credit collecta-bility and non-performing loans by 20.6%, the remaining 79.4% is explained by variations in other variables that are not included in the model. Figure 2 and Table 4 show that convergent validity based on the outer loading of all indicators meets the minimum threshold of 0.7, except for two indicators with an outer loading value below 0.7 but above 0.6. According to (Hair et al., 2014)), the minimum value of outer loading for exploratory research is 0.6. The convergent validity of AVE values of all constructs greater than 0.5 (Table 1), which mean all constructs in this model have good convergent validity.

Hypotheses Testing

Hypothesis testing using the path coefficient with a probability t-statistic parameter (P-value). The relationship between one variable and another is considered significant if the t-statistic value is greater than the minimum value of 1.96, and the probability value (P-value) is lower than 0.05 (Hair et al., 2014). In figure 2 below it is shown that the Coefficient of the Credit amount variable causes three item in the Coefficient of the Disbursed Credit Variable there are two items, while in the Coefficient of the Interest rate there are three items and in the Coefficient of Finance Performance generates four items. Among these variables the coefficient path that is not supported is the interface rate variable for finance performance because the value of the respondent Interest rate is greater than finance performance.

Table 5. T and P Values for Hypothesis Test

Construct	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Analysis Results
Credit Amount -> Financial Per-formance	0.240	0.245	0.071	3.354	0.001	Accepted
Credit Amount -> Interest Rate	0.356	0.364	0.051	6.952	0.000	Accepted
Non-Performing Loan -> Finan-cial Perfor-mance	0.257	0.261	0.065	3.939	0.000	Accepted
Non -perform-ing Loan -> In-terest Rate	0.224	0.228	0.060	3.702	0.000	Accepted

Construct	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Analysis Results
Interest Rate -> Financial Per-formance	0.107	0.103	0.066	1.627	0.104	Not accepted
Credit Amount -> Interest Rate -> Financial Per-formance	0.038	0.038	0.025	1.502	0.133	Not accepted
Non -Perfom-ing Loan -> In-terest Rate -> Financial Per-formance	0.024	0.023	0.016	1.502	0.133	Not accepted

Impact of the amount of credit on the financial performance institution Moris Rasik finance service S.A. in Oecusse Branch

The test results show evidence that the Impact of the amount of credit with Moris Rasik Financial service S.A the amount of credit is measured by the following dimensions: Ledger is a credit, the amount of credit measured by the character, capital, guarantee, condition, and capacity of the Financial Performance in Moris Rasik finance service S.A in Oe-cusse Branch. The indicators show that the OL value with AVE is all items greater than 0.7 with 0.5 respectively. Therefore, all items are valid in accordance with the recommendations of (2014). Based on the influence test, the T values 3,354 was greater than 1.96, while the P- values 0.001 was lower than 0.05. This shows that credit amount (CA) has a significant positive impact on financial performance (FP). Therefore, a hypothesis (H1) can be supported. Based on this research to see the first variable The impact of the amount of credit with the Financial Design of Moris Rasik S.A based on the description of the amount of credit shows that the overall statement of respondents on the amount of credit is in the positive category it is agreed that the amount of credit depends on the financial development measured through the credit sign, but the implementation of the value The amount of credit will be less than the total average score because the credit allocation to the client is very experienced encouraging staff to motivate the client and form new centres or groups to increase the size of the loan and each staff to develop their resources. The research findings show that the amount of credit has a significant influence on financial performance in Moris Rasik Finance service of Life S.A.

Impact of Nonperforming loan on financial performance in Moris Rasik finance service S.A. in Oe-cusse Branch

The test results show that the impact of Non-performing loan with financial performance of Moris Rasik S.A. nonperforming loan can be measured by the size of the credit sign, and by the character, capital, guarantee, condition, and capacity of financial performance in Moris Rasik Finance service S.A. The indicators show that the value of OL and AVE items is all greater than 0.7 and 0.5 respectively. Therefore, all items are valid in accordance with the recommendations of Hair et al. (2014). Based on the influence test, the T values 3,939 was greater than 1.96, while the P- values 0,000 was lower than 0.05. Thus, it shows that the credit has been stopped Positive and significant influence on Financial performance. Therefore, a hypothesis (H2) can be support-ed. The research results show that non performing loan has a significant influence on financial

performance in Moris Rasik Finance service S.A. Based on the variable description of the impact of nonperforming loan on Financial performance in Moris Rasik finance service S.A shows that the respondent's statement non performing loan is in the good citizen category, Ekwoaba et all (2015) because the client himself is aware of non-performing loan because it is experienced in making good motivation for clients to understand the regulations of financial institutions. nonperforming forward as well as experience in strengthening the development of institution resources so that staff can follow the guidelines of the financial institution to be able to provide credit can follow the way of contracting and monitoring the future of the credit, in order to provide a better understanding of the company's financial statements. The research was conducted in the Financial Services of Moris Rasik S.A. for clients who made credit at the bank and financial institution, seeking his answers to the above problems, so the researcher conducted a sample survey of 275, the respondents and their sex the majority of the women the research stated that, the positive and signifi-cant relationship between the nonperforming loan for the Financial performance in Moris Rasik finance service S.A. has the purpose, namely, to measure the use in his re-search; Non Performance. The research indicates that financial services institutions contribute positively to financial performance, which is theoretically consistent with the belief that using non-performing loans has a favorable or acknowledged beneficial benefit.

Impact of interest rate on financial performance in Moris Rasik finance service S.A. in Oecusse Branch

The test findings demonstrate that the OL with AVE components is greater than 0.7 and 0.5, respectively, for the interest rate indicator, tax satisfaction, and financial performance tax problem. Thus, every item Valid in compliance with Hair et al. (2014)criteria. Additionally, according to the results of the SMART-PLS 4.0 test, the T value of 1.627 is less than 1.96 and the P-value is 0.104, which are based on the interest rate influence test (IR) on financial performance. Thus, it demonstrates that interest rates (IR) do not significantly and favourably affect financial performance. Thus, there is no evidence to support hypothesis (H5). The respondent's interest rate is higher than the financial performance's worth, which explains why. The corresponding statement on interest rates falls into the good category of citizens, according to the explanation of the varying influence of interest rates on financial performance. The client's leadership experience or managers and staff of the institution give a clear explanation to the client so that the client has good knowledge of the credit process and the payment of credit properly because the client understands the interest rate with a small or large percentage, the duration of the payment period week or year, and only how to obtain credit easily and quickly, which ultimately has an impact on financial performance because he has not been able to make a good payment for this reason. The client's research findings, which indicate that interest rates do not significantly improve financial performance, will not be adequately communicated. Interest rates on income, bank loans, and legal forms are used in other studies (Maykoba, 2016). However, interest rate levels are the indicators used in this study in accordance with Belo (2019). A good method of being quantifiable and accountable to boost the economic growth of clients in Timor-Leste is through financial performance. According to the aforementioned explanation, interest rates have little bearing on financial development, and financial institutions that support the growth of Timor-Leste's economy are the focus of financial design (Holbein 1967, Majkova 2016 and Hamid 2017).

Impact of the amount of Credit on interest rates in the Moris Rasik finance Services S.A

The test results demonstrate the influence of the interest rate and credit amount. According to the test results, the credit amount (CA) significantly raises the interest rate, as evidenced by the T values of 6.952 being less than 1.96 and the P-values of 0.000. Consequently, a hypothesis (H3) is able to be supported. The research has affected the amount of credit and interest rates as the most significant public bank activity to produce profits, in connection to the borrowers' ability to pay off their obligations (Greydi, 2013). Profit is always earned from the interest rate that the bank sets as the repayment for the credit that the professional extends to the loan. As a result, the interest rate at which the interest rate will drop starts to be credited, causing the credit amount to drop as well. The variable description Impact the quantity of credit on the interest rate indicates that the respondent's statement falls into the good category and finds a positive correlation between the interest rate and the evaluation of the impact of the amount of credit. The test findings demonstrate that the amount of credit significantly and favourably affects the interest rate. The research has affected the amount of credit and interest rates as the most significant public bank activity to produce profits, in connection to the borrowers' ability to repay their obligations. Profit is always earned from the interest rate that the bank sets as the repayment for the credit that the professional extends to the loan. As a result, the interest rate at which the interest rate will drop starts to be credited, causing the credit amount to drop as well. Determining interest rates on credit amounts has a significant impact on investors, and a low interest rate is likely to encourage many individuals to make investments.

Finally, the study examines the connection between the interest rate on Financial Design and the amount of credit. Although the research has provided an intriguing view of the quantity of credit and interest rate on financial success, it also confirmed that the amount of inflation credit has a greater beneficial influence than the interest rate.

Interest rate-driven nonperforming loan effects on Moris Rasik Finance Service S.A.'s financial services.

Test findings demonstrate how credit affects non-performing loans and interest rates. According to the test results, the P-value of 0.0000 was less than 0.05 and the T-value of 3.702 was higher than 1.96. This demonstrates that nonperforming loans significantly and favourably affect interest rates (IR). Consequently, it is possible to support a hypothesis (H4). Character, capital, guarantee, condition, and capacity are indicators used to measure nonperforming loans. The bank always suffers losses as a result of nonperforming loans, including interest revenue from receivables and cash loss from payments. Growth Interest Rate In order to measure the risk of interest rates in the bank book, one of the most straightforward risk management tools is gap analysis (Pradana et al., 2017), in which banks or policymakers look for the incorrect accumulation between assets, liabilities, and balance items. Considering the description of the variable Although the expert encourages and explains to the client the requirements and policies of the bank or financial institution, the impact of nonperforming loans on interest rates demonstrates that the respondent's statement falls into the sufficient good category and finds a positive relationship between the interest rate and the credit impact assessment Mal stop. Associated with credit so that the client is aware of the understanding. In addition, the expert creates a contract and reviews the business to determine the client's capacity to make credit so that the two future payments, independent of the test results, demonstrate that the nonperforming loan always affects the credit and that there is substantial interest in the credit payment so that it has no effect on the two tomorrows' payment.

Interest rates, nonperforming loans, and credit availability's effects on financial performance

According to the SMART-PLS 4.0 test results, the credit amount (CA) influence test on financial performance revealed that the T values 3.354 were higher than 1.96 and the P-values 0.001 were less than 0.05, demonstrating that the impact of credit amounts, nonperforming loans, and interest rates can support and have a significant influence on financial performance. This demonstrates that the credit amount (CA) significantly improves financial performance. A hypothesis (H1) can therefore be supported. This demonstrates that the credit amount (CA) significantly influences the interest rate in a positive way. Consequently, it is possible to support a hypothesis (H3). The P-value of 0.0000 was less than 0.05, while the T-value of 3,939 was more than 1.96. This demonstrates how non-performing loans significantly improve financial performance. Consequently, it is possible to support a hypothesis (H2). The P-value of 0.0000 was less than 0.05, while the T-value of 3.702 was higher than 1.96. This demonstrates that non-performing loans significantly and favourably affect the interest rate (IR). Consequently, it is possible to support a hypothesis (H4)

The research has several limitations: the researchers only looked at clients who had made credit at the Financial Services Institutions of Moris Rasik S.A., so they asked the following questions, which could also be used in the form of direct observation, as well as the clients who had not made bank credit. They also used a small sample of R-S? Retotaling 0.206, or 20%, so that they did not fully represent the entire population. A good population representation will also determine the quality of the data that implies the results of the research. Other factors must be included in order to lower NPL, as this study's R square value for assessing the relationship between credit collectability and NPL is poor. In an attempt to lower NPLs, new antecedents can be derived from both internal and external elements that impact NPLs. If the Bank's cultural traits and attributes are employed as control variables in the relationship between non-performing loans and financial performance, they are highly intriguing. To make inferences about the link between the variables in the model, research needs ongoing data.

Final Thought.

The findings of this study are:

The following conclusions can be made from the researcher's analysis of the research findings regarding the amount of credit measured by the character, capital, guarantee, condition, capacity, and interest rate indicators with the interest rate, tax satisfaction, and financial performance rate issues:

1. The quantity of credit indicates that the variable has a favourable and noteworthy impact on Financial Design; this "and shows its evidence in the probability of testing t count" is more than the significance level of 0.05. This "and shows its evidence in the probability of testing t count" is greater than the level of significance of 0.05, indicating that the nonperforming loan variable has a positive and significant impact on Financial Design.
2. Interest rate variables have a favourable but not statistically significant impact on financial design, as evidenced by the probability of testing the t count, which is significantly higher than the significance level of 0.05.
3. The outcome demonstrates the forecast capacity of the charges equivalent to the strong/large category by concurrently influencing the number of nonperforming loans and interest rates on financial performance

CONCLUSION

Based on the findings of this study, it can be concluded that both credit amount and non-performing loans (NPLs) significantly affect the financial performance of Moris Rasik Finance Service S.A., with interest rates acting as a mediator in this relationship. The study reveals that effective credit management and proper handling of NPLs can enhance financial performance. However, interest rates do not have a significant impact on financial performance in this case. It is recommended that the management of financial institutions strengthen the monitoring systems for credit and NPL risks while improving clients' understanding of proper credit management. Additionally, it is important to evaluate the applied interest rates to ensure they are reasonable and do not hinder access to credit for the community.

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