ABSTRACT

The Analysis Of Factors That Defect Of Increasing Non Performing Loan And The Effect To Credit For Small And Medium Enterprises.
(Case : “Bank Rakyat Indonesia”)

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One of the main function of bank is intermediator. The credit channeling process urge banking management to investigate the motivating factors influencing Non Performing Loan to rise which is needed to maintain their credit channeling role. This research purposed to identify factors that motivating NPL to rise, and study the NPL rising impact credit channeling to the Micro, Small and Medium Business Sector (UMKM). Data analyzed in this research is BRI financial report from year 2004 to the second semester of year 2007. Two types of regression model were used to analyze. The first model has showed that Bank of Indonesia’s policy (KBI) variable significantly influence the NPL rise. There are ranges of KBI influence significance in every NPL level, before and after the implementation. The second regression model showed that the NPL level doesn’t give any influence to the credit amount channeled to the Micro, Small and Medium Business sector (UMKM).