ABSTRACT

Credit Portfolio Optimizing 
A Case Study at PT. Bank Rakyat Indonesia (Persero) Tanjungkarang Branch
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The purpose of this study was to find an efficient (credit) portfolio, that maximizes return for a given level of risk or minimizes risk for a given level of return at BRI Tanjungkarang Branch. The data were collected from BRI Tanjungkarang Branch, BRI Head Quarter and any department of government such as BI (Bank Indonesia), BPS (Badan Pusat Statistik). This study calculates BRI Tanjungkarang Branch’s risk and return for the last 7 years. Portfolio risk and return theory were used to analyze the data, and quadratic programming were used to optimize the credit portfolio.

The results of study showed that the optimum portfolio would be reveal at portfolio return of 17.83 % with 1.153 % standard deviation, which represented its risk. The portfolio would be comprised of agribusiness 10.50 %, commercial trade sector 73.21 % and services 16.29 %.

The result suggest that management of BRI Tanjungkarang Branch should focus on the expansion of its credit to above mention sectors. To reduce overall risk, it is best to combine or add to the portfolio assets that have a negative (or a low positive) correlation, on the other hand combining negatively correlated assets can reduce the overall variability of returns, therefore they have to increase others sector of credit such as industry, also this sector was main contributor of gross domestic regional product.