SUMMARY

DIAH DIANA SULISTYORINI. Economic Sector Portfolio Analysis in Middle and Small Segments at PT. Bank XYZ. Supervised by SRI HARTOYO and TRIAS ANDATI.

Credit is an investment decision in the banking business. Therefore, the concept of "high risk high return" become the focus of banks in managing credit. This research conducted in one of the state banks in Indonesia, which has the goal to increase credit distribution in the middle and small segments. Risk management is done by forming a diversified lending portfolio of economic sectors. Single Index Model is used to find the optimal composition of the economic sector. This model recommends economic sectors which included in the portfolio on the basis of Excess Return to Beta which represents the difference between the rate of return in the form of interest income with a risk-free asset returns divided by beta sectors of the economy itself. This research was expected can explain the performance of a portfolio of economic sectors and the establishment of an optimized portfolio of middle and small segments at the PT. Bank XYZ.

Research method used a case study approach about the analysis of risk and return with credit portfolio performance of the economic sector of middle and small segments. The Results of the analysis, subquently used as the basis to formulating the establishment of an optimal portfolio of economic sectors. Data obtained from monthly credit portfolio position in the segment of middle and small at PT. XYZ Bank during 2009 - 2013 in the form of distribution of credit in both segments either in the form of rupiah and USD (which has been converted with the exchange rate at the time).

The results showed that during the research period, the portfolio performance of economic sectors in the middle segment has realization return amounted to 0.8483 % already approach to the target 0.9216 % on the level of risk 0.2110 %. While on a small segment of the portfolio realized return of 0.3470 %, still far from the target set at 1.2918 % in the level of risk that is almost the same as the middle segment of 0.2171 %. Recommendation of optimal portfolio in middle segment by using a Single Index Model approach are economic sectors business services (19.68 %), electricity, gas and water (11.82 %), trade (20.31 %), agriculture (17.15 %), transportation (16.27 %) and mining (14.77 %). Recommendation on small segment are electricity, gas and water (24.28 %), construction (17.13 %), transportation (14.54 %), Industry (13.54 %), trade (10.62 %), mining (10.44 %) and agriculture (9.46 %). Those Recommendations on both segments generate the level of return and risk which better than the existing portfolio.

Keywords: credit, portfolio, return, risk, , Single Index Model