

## SUMMARY

DUDY BUDIANA. The influence of macro and micro economic factors on towards NPL of Micro Small Enterprises (MSE) Bank XYZ. Supervised by HERMANTO SIREGAR and TUBAGUS NUR AHMAD MAULANA.

Non Performing Loan (NPL) is one of the parameters of bank performance that directly affect the bank's profit because it determines the cost that must be reserved by the bank for the quality of its assets. A small micro business segment is a segment of customers that pushes the pace of development in developing countries. The development of small micro business loans with good quality will be the benchmark of bank and government success in encouraging the expansion of quality credit.

Bank XYZ is one of the banks that focus on Micro Small and Medium Enterprises (MSMEs) with the channeling of credit through the UMK Directorate. Bank XYZ has a decrease in credit distribution and credit quality changes (NPL). In doing business Bank XYZ applies the principles of Do Good Do Well, so run the empowerment program as part of Customer Social Responsibility (CSR), as well as to maintain credit quality. Debtor training program which is one of the empowerment program is freeze considering the required budget is big enough. Bank XYZ is still considering and identifying the right alternative to continue the training of this debtor.

This research analyzes the influence of macro and micro economic factors on towards NPL of MSE Bank XYZ. Macroeconomic factors are analyzed in the form of inflation rate, BI rate, oil price, GDP growth and exchange rate. The microeconomic factors analyzed here are the number of debtor training classes, the average age of the debtor (credit disbursement in the month) and the portfolio of agriculture, hunting, forestry & plantation sectors. The method used is multiple linear regression for macroeconomic factors and panel data for microeconomic factors. The data used in this research is secondary data. Data for macroeconomic factors are quarterly data from 2010 to 2016 in the form of inflation, BI rate, oil price, GDP growth and exchange rate. Microeconomic data used in this study are monthly data from January 2011 to May 2016 in the form of number of training classes, average age of debtors, and percentage of agricultural sector portfolio, hunting, forestry and plantation.

The result of the research shows that BI rate has significant and positive effect to NPL, while oil price and exchange rate have significant and negative effect to NPL. All microeconomic factor variables significantly effect to NPL with the details of the training class and the average age of the debtor has negative effect to NPL and portfolio of agriculture, hunting, forestry & plantation sectors has positive effect to NPL.

Keywords: Macroeconomic factors, microeconomic factors, micro small enterprises, non performing loan.