SUMMARY

RIFQI HADYAN. Factors affecting Non-performing consumer loans (case of Bank XYZ: ABC Branch). Supervised by NUNUNG NURYARTONO and TUBAGUS NUR AHMAD MAULANA.

Bank is a financial institution that have an important role in an economy of a country that can affect the economy both micro and macro. Banking has large market share of around 80% of the entire financial system in Indonesia. The bank has an important function in the economy matter, namely as a financial intermediary, that is raising funds from the public in the form of deposits and redistributing these funds to the public in the fomr of loan. The role of banks as financial institutions has never been separated from the loan probles. Funds redistribution is the bank's main activity. The greater the amount of loan distributed, the greater the risk that must be borne by the bank. Therefore, it is important for the banks to pay attention to the quality of loan.

Bank XYZ is one of the banks in Indonesia that has stood for a long time and also known as a bank that is focused and consistent in the micro, small, and medium business sectors. During the last five years from 2013 to 2017 Bank XYZ's loan growth experienced an increasing trend. However, the growth of the loan accompanied by an increase in NPL, where the highest increase occurred in 2015 at 0.34%.

Bank XYZ took part in the competition in the consumer loan for the first time in 2007 by issuing three types of loans, that is mortgage loans, vehicle loans, and multi-purpose loans. From 2013 to 2017, bank XYZ's consumer loan recorded a positive growth trend. The smallest growth occurres in 2015 which was 3.78%. However, the growth of the loan was followed by absolute NPL which is also increased. Although in percentage terms the NPL has decreased in the past five years.

This research took a case at the branch ABC of bank XYZ, where the branch ABC office is a special work unit that have the same level as the bank XYZ regional office but operate as operational branch offices (serving public). The branch ABC has the second largest consumer loan portfolio of all bank XYZ work units throughout Indonesia, amounting Rp 3,021 billion. Even though it has the second largest portfolio, it can only generate profits of Rp 1,666 billion, still lower than other regional work units, especially in DKI Jakarta. Judging from the loan quality, the branch ABC NPL showed poor performance compared to the bank XYZ located in the Jakarta area, having the third highest absolute NPL from all offices in throughout Indonesia.

Based on the problems, the objectives of this research are to identify the characteristics of debtors based on the collectability of bank XYZ debtors and analyze the factors that affect non-performing loans. By doing a descriptive analysis of the internal factors of debtors of consumer debtors of bank XYZ, based on the collectibilty and the collectability level and analyzing the factors that affect the NPL consumer loans using logisctic regression analysis. Variables of internal debtor factor include gender, age, marital status, education, employment, tenor, collateral value, and debt burden ratio. The results of the analysis are consumer loans are dominatesd by male (71.3%) with a percentage of NPL 2,4. With a percentage of

NPL of 2.4%, age 31 – 40 (39.5%) with NPL of 2.9%, marital status (77.6%) with NPL of 2.6%, S1 education (67.4%) with 2.7% NPL, fixed income work (80.7%) with 2.5% NPL, collateral value at intervals> 150 million - 300 million (29.9%) with 4.9% NPL, and 61 - 120 months tenor (40.2%) with 3.3% NPL. Furthermore, modeling is carried out throughloistic regression which can providde information on variables that influence the Bank's XYZ consumer loan NPL at the ABC branch office. Variables that have a significant effect are gender, education, employment, and tenor / credit period at a real level of 10%. Variables information on variables that influence the Bank's NPL consumer loan at the Branch BC office. Variables that have a significant effect are gender, education, employment, and tenor / Bandai 10%

The managerial implications that need to be considered are further model development such as the prediction of the time the debtor's ability to pay credit, the debtor will jam, and other segmentations, in-depth direct review to obtain complete and accurate information from the debtor for the purpose of using credit, and conformity between terms time given with the ability to pay the debtor every month.

Keywords: adverse selection, debt burden ratio, consumer loan, non-performing loan, logistic regression

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