

ABSTRACT

Bank is a financial institution that functions as financial intermediation. Bank receives fund from peoples and distributes the fund through credit. Credit distribution are in form of investment, goods and service distribution and consumption as those facilities concern fund usage. This research was performed to investigate the influence of interest rate, non performing loan, capital, and saving on credit distribute at BPR published financial report during period 2007 – 2009.

The sample of this research was selected based on purposive sampling with the following criteria: (1) BPR published financial report during period 2007 - 2009; and (2) BPR reported earning during period 2007 - 2009. The Data was based on publicity Bank of Indonesia Directory from 2007 to 2009. Sample was acquired 103 of 264 BPR. Data was analyzed with multi linier regression of ordinary least square and hypotheses was tested using t-statistic and f-statistic at level of significance 5%.

The analysis signifies that non performing loan, capital adequacy and partial saving has a significant influence on credit distribution of BPR; while interest rate does not influence the credit distribution. BPR manager requires to increase customers' saving amount by promoting through benefit bonus given to customers in order to encourage them to increase the saving and it results on larger amount for credit distribution. BPR manager also needs to pay attention on amount of Non Performing Loan and Credit Adequacy as a bank with large asset is required to manage its NPL and to make efficiency in order to get optimum interest income.

Key Words : interest rate, non performing loan, capital, saving, and credit distribute