

**ANALYSIS FACTORS THAT AFFECT OF PROCYCLICALITY
BANKING SECTOR IN INDONESIA
(PERIOD OF 2009: Q1-2013: Q4)**

By

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ABSTRACT

This study aims to identify and analyze the factors that affect procyclicality of the banking sector in Indonesia. The used variables independent are Loan to Asset Ratio (LTA), Operating Expenses and Operating Income (BOPO) and the Concentration Ratio (CR4). In this study, the data used is panel data with research period March 2009 to December 2013 and 4 banking companies classified as having the largest assets in Indonesia as a cross section.

This study using the tool of analysis is the method of multiple linear regression analysis of panel data models. The results showed that the right model to explain the effect of the Loan to Asset Ratio (LTA), Operating Expenses and Operating Income (BOPO) and the Concentration Ratio (CR4) to procyclicality is Fixed Effect Model. Fixed Effect Model explains that in partial LTA and BOPO negative effect on procyclicality.

Keywords: Procyclicality, bank lending rates, the Loan to Asset Ratio (LTA), Operating Expenses and Operating Income (BOPO), Concentration Ratio (CR4), multiple linear regression analysis of panel data models, Fixed Effect Model.