

***The Role of Customer Financial Statements in Credit Approval at Bank
Bengkulu Putri Hijau Branch Office***

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ABSTRACT

Bank Bengkulu Putri Hijau Branch Office (KCP) adopts a comprehensive and specific approach in analyzing the financial statements of prospective borrowers, with the aim of ensuring credit quality and minimizing risk. The objectives of this study are 1) To determine and analyze the role of financial statements in the credit granting process at Bank Bengkulu Putri Hijau Branch Office, 2) To identify the key elements of financial statements that are of primary concern in credit evaluation at Bank Bengkulu Putri Hijau Branch Office, 3) To identify and evaluate the relationship between financial statements and credit risk at Bank Bengkulu Putri Hijau Branch Office. The analytical method used in this study is a qualitative descriptive method using the interactive model of Miles and Huberman. The results of the study show that financial statements play a major role in credit approval by Bank Bengkulu KCP Putri Hijau. Financial statements provide information about the financial health of customers, portfolio performance, and the level of risk faced, which is used to determine credit policy, resource allocation, and risk management so that the bank remains stable and competitive. Some key elements of financial statements in credit evaluation at Bank Bengkulu Putri Hijau Branch Office are accounts in the income statement, such as net operating income and net profit. Meanwhile, accounts in the balance sheet include total current assets and total assets. The relationship between financial statements and credit risk at Bank Bengkulu Putri Hijau Branch Office is analyzed by examining financial statements, including the Debt Service Coverage Ratio (DSCR), Current Ratio, Net Profit Margin (NPM), and Return on Assets (ROA). These ratios help assess a company's ability to repay loan installments, thereby minimizing credit risk or loan defaults before approval.

Keywords: Financial Statements, Credit Approval.

1) Student (Accounting)

2) Supervisors

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