

ABSTRACT

The Covid-19 pandemic caused an increase in commercial bank NPL from 2.6% (2019) to >3% (2020-2022), revealing the ineffectiveness of traditional credit assessment approaches that rely on collateral-heavy approach. This study analyzes the hierarchy of criteria priorities and specific characteristics in medium-sized credit facility decisions at BRI Denpasar using Analytical Hierarchy Process (AHP). Quantitative descriptive analytical method with 3-level hierarchical structure: objectives, three main criteria (financial performance, collateral assessment, business type), and seven sub-criteria. Primary data collected from 25 credit officers through pairwise comparison questionnaires, secondary data from 17 medium-sized credit customer companies for 2022-2024 period (ceiling $\geq$ Rp25 billion, operating $\geq$ 3 years). Analysis used geometric mean and SpiceLogic software validation with $CR \leq 0.1$. Results show financial performance dominance (54.8%), followed by business type (24.1%) and collateral assessment (21.1%). Highest sub-criteria: liquidity ratio (22.5%) with optimal Current Ratio 1.5-2.5, profitability ratio (18.0%) with sustainable ROA 8-15%, solvency ratio (14.3%) with DER 0.5-1.5. Business track record (12.0%) prioritized over business sector (10.0%), confirming shift towards character-centric evaluation. Research proves paradigm shift from collateral-heavy to integrated assessment prioritizing defensive financial capability and business integrity. AHP Score formula empirically validated with risk distribution 35.3% low, 29.4% medium, 23.5% high, 11.8% very high, providing objective framework for standardizing applicable medium-sized credit processes.

Keywords: *bank credit, Analytical Hierarchy Process, criteria priority weights, defensive financial performance characteristics, character-centric evaluation, post-pandemic credit assessment paradigm shift*