

## **ABSTRACT**

*This study aims to determine the level of financial inclusion and analyze the effect of the level of financial inclusion on poverty based on the role of BPR in 34 provinces of Indonesia. The data used are Indonesian Statistics Agency (BPS) and Financial Services Authority (OJK), analyzed using two methods, Principal Component Analysis (PCA) and Panel Data Regression Analysis. The results of the analysis show that based on the ranking of 34 provinces in Indonesia in 2019-2023, there is 1 province that is included in the high Financial Inclusion category, namely Central Java. Furthermore, there are 3 provinces that fall into the medium financial inclusion category, namely East Java, West Java, and Bali. Meanwhile, 30 other provinces fall into the low financial inclusion category, and the 2 provinces with the lowest financial inclusion are North Maluku and Gorontalo. The analysis found that financial inclusion in rural banks can reduce poverty, but the impact is not statistically significant.*

**Keywords** *Financial Inclusion, Indonesia, PCA, Panel Data, Poverty.*



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