

## **ABSTRACT**

*This study aims to identify the effect of internal performance and macroeconomic conditions on the credit risk of Regional Development Banks in Indonesia in the 2017-2021 period. This research is a quantitative research using statistical data. The population used in this research is Regional Development Banks in Indonesia from 2017 to 2021, there is bad condition of economy because the impact of Covid-19 in the period of this research .*

*The sample used in this research is from 24 Regional Development Banks in Indonesia that have been registered with the Financial Services Authority (OJK). The data for this research were obtained from library sources available at the Financial Services Authority, the Central Bureau of Statistics and Bank Indonesia. The research data was processed using the Error Correction Model (ECM) by Eviews 10 software and using Microsoft Excel.*

*The results of this study indicate that the Credit Growth Ratio has a positive effect on NPLs both in long term and in the short term. CKPN/ECL receipts have a positive effect on NPL both in the long term and in the short term, BOPO has a negative effect on NPL both in the long term and in the short term, inflation has a positive effect on NPL both in the long term and in the short term, GRDP has a negative effect on NPL both in the long term and short term.*

**Keywords:** *Regional Development Bank, Macroeconomics, Economy Growth, Credit Risk, Bank Performance.*

