

ABSTRACT

This research aims to analyze the influence of bank size, loan to deposit ratio (LDR), bank inefficiency, credit growth, and capital adequacy ratio (CAR) to credit risk that measured by non performing loan (NPL). Case study on conventional commercial banks listed on Indonesia Stock Exchange (IDX) in 2010-2014.

The number of sample used in this research were 30 banks. The data used were obtained from financial statements and banking annual report published by Indonesia Stock Exchange in 2010-2014. The analytical method used in this research is Multiple Linear Regression Analysis where previously performed classical assumption that includes Normality Test, Multicollinearity Test, Autocorrelation Test, and Heteroskedastisitas Test.

Based on the results of tests performed, bank size, loan to deposit ratio (LDR), bank efficiency, credit growth, and capital adequacy ratio (CAR) have significant effect on non-performing loans (NPL). bank size, loan to deposit ratio (LDR), bank inefficiency, and credit growth have positive impact on non-performing loans (NPL). While capital adequacy ratio (CAR) have negative but not significant impact on non-performing loans (NPL). Based on the coefficient determination R^2 , variable bank size, loan to deposit ratio (LDR), bank inefficiency, credit growth, and capital adequacy ratio (CAR) have 44.2% effect against non-performing loans (NPL). While the remaining 55.8% is influenced by other variables that are not used in this study.

Keywords: *Non-Performing Loan (NPL), Bank Size, Loan to Deposit Ratio (LDR), bank inefficiency, Credit Growth, and Capital Adequacy Ratio (CAR).*