

ABSTRACT

This study aims to examine the factors that influence non-performing loan banking which are listed on the Indonesia Stock Exchange. This study uses 6 independent variables, namely the Composition of Local Board of Directors, (JDL), Composition of Foreign Board of Directors (JDAs), Composition of Affiliated Board of Directors (JDAf), Frequency of Audit Committee Meetings (FRKA), Frequency of Credit Committee Meetings (FRKK), Frequency Risk Monitoring Committee Meeting (FRKPR), with bank size (SIZE) and Size of audit firm (BIG 4) and one dependent variable, Non-performing loan.

The sample selection technique used in this study was purposive sampling criteria (1) Banking companies that listed their shares on the Indonesia Stock Exchange, (2) the company had sufficient data to conduct research. The sample data obtained were 17 banking companies. The analytical method used is multivariate regression. The classic assumption test and hypothesis test used are using the t-statistic test, the determination coefficient test (R²), and the F-statistic test to test the effect of model variables together with a significance level of 5%. This study also conducted a classic assumption test including normality test, autocorrelation test, heteroscedasticity test, and multicollinearity test.

Data normality test results, showed that the research data were normally distributed. The results of testing classic assumptions with multicollinearity test, autocorrelation test, and heteroscedasticity test found no data that deviates from the classical assumptions. From the conditions above shows that the data used in this study has met the requirements to use the multiple linear regression equation model. The analysis in this study shows that the composition of the Local Board of Directors (JDL) has no influence and negatively related, the composition of the Foreign Board of Directors (JDAs) has no effect and is related, the composition of the Board of Affiliates (JDAf) influential and is positively related, the Frequency of Audit Committee Meetings (FRKA) has no effect and is positively related, Frequency of Credit Committee Meetings (FRKK) has no effect and is negatively related, Frequency of Risk Monitoring Committee (FRKPR) meetings has no effect and is negatively related, with bank size (SIZE) having no effect and is negatively related and Size of audit firm (BIG 4) influential and negatively related.

Keywords: non-performing loan (npl), composition of the board of directors, frequency of committee meetings, size of audit firm.