ABSTRACT

In financing the national economy, credit in banking has an important role and is the motor of economic growth. Credit in Indonesian banks is still the first income to pay for operational costs, but every credit issued has risks, some of which have an impact on banking performance. This study was conducted to examine the effect of economic growth, inflation, interest rate, exchange rate and export growth on credit risk with NPL (Non Performing Loan).

The sample of this research is Commercial Bank based on property rights: Bank Persero, Regional Development Bank, Foreign Bank - Mixed period January 2008-December 2015 by using purposive sampling method. While the analysis method used is the classical assumption test and hypothesis test and multiple regression analysis.

The result of the research indicates that GDP to NPL shows that t value is negative. It means that GDP has a negative effect on credit risk with NPL in Bank Persero, Joint Bank and Foreign Bank. Inflation was significantly negative in NPLs in Bank BPD, Joint Banks and Foreign Banks, whereas in Bank Persero inflation was negatively related but not significant in NPLs. Interest rates are positively and significantly related to NPLs in Bank Persero, Joint Banks and Foreign Banks. Exchange rates have a negative and significant impact on credit risk in Persero Bank, Joint Bank and Foreign Bank. While in Bank BPD, the exchange rate variable has a positive and significant impact on credit risk. Export growth has a positive and insignificant impact on credit risk in Persero Bank, Joint Bank and Foreign Bank. While at Bank BPD have negative and insignificant effect.

Keywords: credit risk, GDP, inflation, interest rate, exchange rate, growth of export