

## ABSTRACT

The stability of the banking sector is a fundamental pillar of regional economic resilience, with credit risk, measured by the Non-Performing Loan Ratio (NPLR), serving as a key indicator of banking health. This study aims to examine the influence of bank-specific factors on NPLR and to analyze the moderating role of bank *Ownership* status (state-owned banks) in four ASEAN countries, Indonesia, Malaysia, Thailand, and the Philippines, over the period 2019 to 2024. The study employs panel data comprising 389 observations, estimated using the Fixed Effect Model (FEM) to capture both inter-bank variations and temporal dynamics. The regression results indicate that out of the five independent variables tested, two significantly affect NPLR, *Return On Assets* (ROA) and bank size, both demonstrating a negative relationship. These findings suggest that more profitable and larger banks tend to exhibit lower levels of NPL. Furthermore, interaction analysis reveals that bank *Ownership* status positively moderates the relationship between the *Cost To Income Ratio* (CIR) and NPL, indicating that the effectiveness of cost management on credit quality may vary depending on *Ownership*. This study contributes to the literature by providing empirical evidence challenging the role of capital buffers in ASEAN and highlighting poor management as the strongest determinant of NPL. Practically, the findings suggest that regulators should prioritize monitoring profitability and risk management, especially when banks have excess capital, as *Ownership* status no longer serves as the primary determinant of credit risk.

