

ABSTRACT

The research was conducted to analyze the effect of credit growth, credit risk, board size and asset composition on banking stability in the ASEAN-5 countries. The gap of phenomenon and difference of research result between one research with other research become main reason to doing this research

The population in this research is a banking company in the ASEAN-5 countries registered in Bloomberg 2013 - 2015. The sample in this research were as many as 50 banks using purposive sampling method. The data used were obtained from Bloomberg, Annual Report and World Bank. Analytical techniques used Ordinary Least Square Regression (OLS), statistikal t-test, f-test, and classic assumption test.

The results of this study indicate that the independent variables simultaneously affect the Stability of Banking. While partially indicated that Credit Growth experienced negative and not significant to Banking Stability. Board Size Variables have a positive and insignificant effect on Banking Stability. While for Credit Risk variable has a negative and significant influence on Banking Stability. And for variable of Asset Composition have positive and significant influence to Banking Stability. The result of determination coefficient test (R^2) shows that the independent variable can explain the banking stability variable of 20.1% and the rest can be explained by other factors.

Keywords: Bank Stability, Credit Growth, Credit Risk, Board Size, Assets Composition.