

## **ABSTRACT**

*Bank as a intermediation financial board has a function collecting fund from people as a saving and give them as a credit. Credit rate growth is very important for country's economic growth, but there is another macro variable which can influence economic and credit growth in a country. This research has an objective to find out the relation between credit growth causality and economic growth and how is the macro variable influence them.*

*The population oh this research is credit data from public bank, constant cost PDB 2000, inflation, and rate. Method which is used in this research is VAR to find out the relation between credit growth, inflation and rate, and also use Granger causality method to finda out causality relation between credit rate growth and economic growth.*

*The result of this research shows that credit rate growth has a positive influence to economic growth and vice versa ( economic growth has a positive influence to credit rate growth). In other side, suku bunga has no influence to credit rate n economic growth. Whereas , the result og Granger Causality Test shows that there is relation between credit rate growth and economic growth*

*Keywords : Credit growth, economic growth, inflation, rate, vector autoregression (VAR), granger causality,*