

ABSTRACT

This study aims to analyze the influence of Capital Adequacy Ratio (CAR), Net Interest Margin (NIM), Loan to Deposit Ratio (LDR), Inefficiency (INEF), and Institutional Ownership (IO) as independent variables on Non-Performing Loan (NPL) as proxy Credit Risk as the dependent variable on conventional commercial banks listed in Indonesia Stock Exchange in the period 2013 to 2018.

Data collection methods in this study were obtained through library research and documentation. The data source in this study was taken from the Banking Annual Report found on the Otoritas Jasa Keuangan (OJK) and the company's website. The sample in this study used a purposive sampling technique. The number of sample banks that fit the criteria and are used in this study are 34 conventional banks in Indonesia. The data analysis method in this research uses multiple linear regression.

The results of this study show that Capital Adequacy Ratio (CAR) and Institutional Ownership (IO) has a negative and significant effect on Credit Risk (NPL), Inefficiency (INEF) and Loan to Deposit Ratio (LDR) has positive and significant effect on Credit Risk (NPL). Net Interest Margin (NIM) has no significant effect on Credit Risk (NPL).

Keyword: *Capital Adequacy Ratio, Net Interest Margin, Loan to Deposit Ratio, Inefficiency, Institutional Ownership, Non-Performing Loan (NPL), Credit Risk.*