ABSTRACT

Collection and distribution of funds is the main activity carried out by banks. One of them is a company engaged in finance, namely banking. In channeling bank funds, it is often faced with the presence of problem loans. Banking is always required to be able to manage problem loans that they experience, because if the problem loans experienced by a bank are getting bigger, the bank is threatened with bankruptcy. Factors that can affect the amount of NPL are usually due to Macroeconomics such as GDP or Bank Characteristics such as LDR, Bank Size.

The purpose of this study is to analyze and determine the effect of LDR, Bank Size, and GDP both simultaneously and partially on NPL.

The data used in this study are secondary data obtained from the banking annual financial reports listed on the IDX for the period 2014-2017. The sample obtained was 40 observations from 10 of the largest conventional banks covering the period 2014-2017. The method used is purposive sampling. The technique used in this analysis is panel data regression and descriptive statistics.

The results of this study indicate that there are simultaneous effects on LDR, bank size, and growth gross of domestic products against NPL. Bank size does not have a partial effect on NPL. While the LDR and growth of gross domestic products increase and are partial to the NPL.

Keywords: LDR, Bank Size, Growth GDP, Non Performing Loan.