

ABSTRACT

Lending growth in Indonesian Banking is fluctuative. It caused by some variable from previous studies. This research aim to analyze the factors considered to affect bank lending, namely: Non Performing Loan (NPL) and Return on Assets (ROA).

Using purposive sampling method, this study focus on 28 commercial bank that listed on Indonesia Stock Exchange (BEI). This research using panel data regression with Fixed Effect Model (FEM) with 5% level of significant.

The results showed that simultaneously there is a significant influence between the Non Performing Loan (NPL) and Return on Assets (ROA) on bank lending. Partially Non Performing Loan (NPL) significantly gives negative effect on bank lending and Return On Assets (ROA) has no effect on bank lending.

Keywords: Non Performing Loan (NPL), Return On Assets (ROA), Bank Lending.