ABSTRACT

The global economic crisis and economic uncertainty have resulted in credit risk becoming a threat to banks. The resilience of the banking sector is the main foundation in maintaining the economic stability of a country so that an understanding of credit risk becomes very crucial. The study aims to analyze the influence of systematic and bank-specific factors on credit risk. Independent variables used in this study are credit risk proxied by Non-performing Loan. While systematic factors use macroeconomic indicators.

This study uses a quantitative method with a statistical and dynamic panel data approach (GMM) as a data analysis technique. The population of this study were 100 conventional commercial banks listed on the Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam stock exchanges. The method used in the study to determine the sample was purposive sampling. The sample of this study was 37 conventional commercial banks in ASEAN countries for the period 2009-2023.

The results showed that GDP growth has a negative effect on credit risk. Meanwhile, Unemployment, Inflation, and Public Debt have no effect on credit risk. On the other hand, Bank Size and Capitalization have a positive effect on credit risk and Ownership Concentration has a negative effect on credit risk. Meanwhile, Profitability, Operational Inefficiency, Credit Growth, and Bank Diversification have no effect on credit risk. The implications of the results of this study indicate the importance of a balance between economic growth and internal bank governance in maintaining bank credit resilience.

The implication of this study is that the government and banking administrators should formulate policies that support banking sector stability and credit risk mitigation to create a banking system that is more resilient to systematic and specific pressures so as to support sustainable economic development in the ASEAN region.
Keywords: Systematic Factor, Specific Factor, GMM, Credit Risk