ABSTRACT

Bank as a financial institution is expected to manage the funds of the community with the precautionary principle, the administration of funds, as well as in terms of the loans. Granting credits or loans made by banks not far from the risks that exist in it is credit risk. With this will impact on the company in generating profit.

Research as a purpose analyze lending and credit risk the effect on profitability at PT. Bank Negara Indonesia 46 (Persero), Tbk.

The study population from the year 1946 - 2010 is more than 64 years. The sample of this research is during the 7-calculated on a quarterly basis. The method used in this research is descriptive verifikatif with kuantitative approach. The data was collected by observation, interview and documentation. This study used multiple linear regression analysis.

Partial results show that the lending only help/influence 7.6% compared with the level of profitability, so little effect on the profitability of credit and credit risk contribution/impact on 51.8% profitability, so that test results show that the credit risk of a significant impact on profitability. While at the same time, lending and credit risk significantly effect the profitability of 52.0% in PT Bank Negara Indonesia 46 (Persero), Tbk, Bandung. This means that profitability in PT. Bank Negara Indonesia 46 (Persero), Tbk, is highly dependent on lending and credit risk simultaneously.

***Keywords**: lending, credit risk, profitability.*