

THE INFLUENCE OF CAPITAL ADEQUACY (CAR), GROWTH OF THIRD PARTY FUNDS (DPK), NON- PERFORMING CREDIT (NPL) ON CREDIT DISTRIBUTION OF CONVENTIONAL COMMERCIAL BANKS ON THE INDONESIAN STOCK EXCHANGE 2017–2021

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Abstract: Credit distribution carried out by banks is one of the state's income sectors, which in this case is used to maintain economic stability, improve the level of community welfare, help develop MSMEs through capital loans provided by banks, therefore indirectly credit distribution is carried out banking is an effort to increase the level of welfare of citizens, the level of demand for credit has increased from year to year. On the other hand, banks also consider CAR, DPK, NPL obtained from lending, there is a fear that banks will not be able to collect funds, excessive credit distribution will result in risks bad and non-performing loans widened which made banks lose their balance. The aim of this research is to determine empirically the influence of the capital adequacy ratio, growth of third party funds, non-performing loans on the distribution of bank credit registered in BEI for the 2017-2021 period. The population in this research is 46 banks. With this population, banking samples were taken using the method purposive sampling resulted in 26 banks that met the specified criteria. The type and source of data obtained from secondary data sources, the research method used is quantitative using multiple linear regression processed with the SPSS16 program. The results of multiple linear regression analysis and hypothesis testing can be concluded that simultaneously (F test) CAR, DPK Growth, NPL have an effect on banking credit distribution, while the results of partial analysis (T test) CAR, DPK Growth do not have a significant effect on credit distribution due to funds collected by the bank exceeds the reference provided by the IDX so that the bank has funds that are not distributed. It can be said that the amount of CAR, DPK has no influence on credit distribution, while for NPL it has a significant negative effect, which means that if credit distribution increases, the bank will experience The increase in NPL or bad credit, this problem requires banks to limit the distribution of credit funds in order to reduce the level of losses faced by banks.

Keywords: Capital Adequacy Ratio, Growth of Third Party Funds, Nonperforming Loans, and Credit Distribution

1. Introduction

The strength of the economy in Indonesia will be stronger if the financial condition is healthy, because developing a country requires money. Financial services are the most important part of the payment traffic activity process, one of which is banking, which is an institution or agency that operates in the financial sphere, the financial system functions to channel funds from those who have excess to those who lack (Pratiwi, 2020). Since its inception, it has been

regulated in the laws and regulations within the country of Indonesia. Banking as a contemporary source that provides savings and borrowing (credit) facilities. The establishment of banking is aimed at assisting the community in improving welfare through MSME development programs, and participating in the development of the Indonesian economy. Banking activities ranging from storage to distribution are aimed at the common good, starting from creating jobs through the establishment of MSMEs which encourage a reduction in the existing level of unemployment and also increase the per capita income of a country. Banks are intermediation institutions whose job is to act as intermediaries related to financial matters (Erdi. Y. Mamahit, 2018).

Banks must be careful in carrying out their operational activities so that they can guarantee customers' trust in using banking services, especially savings and loans, the smooth running of company operational activities greatly supports increasing company value. In Law Number 10 of 1998 concerning Banking, Banks are stated as business entities that collect funds from the public in the form of savings and distribute them to the public in the form of credit and/or other forms in order to improve people's living standards. The law regulates how banking works from money savings services in the form of savings, current accounts and deposits and distribution through loans to the public, this will have benefits for both parties who use these services. (Eko Satria Prabowo, Farida Titik Kristianti, 2018). According to (Pratiwi, 2020), the provision of credit by banks to the public can be classified into three parts, namely consumption, multipurpose and working capital credit. With these various categories, it will make applications made by customers easier and can be taken into consideration by banks in granting credit.

Banking is not far from the word money, money is a means of payment that people use all the time, the use of money depends on the needs of each individual, the needs are different for each community, especially when the prices of basic commodities and fuel increase as a result of the issue of scarcity, many people are hesitating. to meet his needs. Banks provide credit services with various types of programs on offer, quite a few people take part in these programs. In article 1 paragraph 11 of Law No. 10 of 1998, credit is the provision of money or bills that can be equated with it, based on an agreement or loan agreement between the bank and another party which requires the borrower to pay off the debt after a certain period of time with interest. (Eko Satria Prabowo, Farida Titik Kristianti, 2018).

The large number of requests for credit from the public creates a great opportunity for many people to participate in opening a credit loan institution, with various offers that are promoted, both for long periods, large limits and also a process that is quite easy, there are also online loans or loans that are only can be accessed anytime and anywhere, just with a photo of your KTP as collateral for online loans, amidst economic difficulties. This has become a competitor to banking. Technological developments have made various institutions publish digital-based payment applications so that they can attract customers to use them. mobile banking services. The fundamentals of the Indonesian economy are influenced by several factors, namely the real sector and the financial sector (Erdi Y. Mamahit, 2018). Credit distribution is a manifestation of these factors which enable economic productivity to develop. Behind the distribution of credit carried out by banks, banks also take many risks that may occur, risks that will occur within the scope of the bank can occur in several events that do not result in bank profits, even up to failure in the flow of payments (Alichia, 2013). Some risks that can occur in banks include: operational risk, death risk, health risk, technology risk, market risk, risk of changes in interest rates, and credit risk. (GALIH, 2011).

With this, bank financial institutions are divided into 3 types, namely central banks, commercial banks and also people's credit banks. The bank used in this research is a commercial bank on the Indonesian stock exchange. The reason I chose to use a commercial bank as the object of research is because commercial banks are banks that are familiar to the

public in the savings and loan process, so there are many operational activities carried out. by banking which can be used as an object of research, especially in credit distribution.

The capital adequacy ratio or CAR is a capital coverage ratio aimed at accommodating the risks that a bank is likely to face, such as credit and assets. The higher the CAR percentage, the better the bank is at facing possible risks that it experiences. At a minimum, banks must have a CAR of 8% because it is to protect customers and maintain economic stability. Recap in the 2017 databox, the movement of the capital adequacy ratio was 23.18%, in 2018 the CAR decreased not too much, namely 0.21% and was in the position of 22.97%, in 2019 the CAR increased by 0.43% and is at 23.40%, 2020 CAR continues to increase which is not much different from the previous year, namely 22.83% and in 2021 CAR experiences a fairly high increase, even the largest increase in the last 5 years, namely 1.77% and reached 24.04%. The rise and fall of the Capital Adequacy Ratio or CAR can change at any time due to several factors. If the CAR is below 8%, the bank is declared unable to meet the capital adequacy value in distributing funds, however, the majority of banks in Indonesia have a CAR above 8%.

Even with the increase in cars, the potential impact of risk factors, both from a macro and external perspective, must be taken into account, apart from the influence of Covid, CAR is also influenced by rising prices due to inflation which triggers a crisis in the cost of living in developing countries, especially Indonesia. Be vigilant in maintaining the CAR ratio, apart from that, foreign investors are making a lot of withdrawals as a result of the increase in interest rates issued by Bank Indonesia's monetary policy. The Financial Services Authority (OJK) noted that the development of DPK or Third Party Funds in banking. In 2017 the ratio increased by 19.85% with a value of IDR 876.32 billion. In the following year 2018 third party funds had an increase in the ratio of 6.44% from the previous year with a growth value of IDR 341.07 billion, in 2019 there was an increase in the ratio of 6.53% with an increase of IDR 368.23 billion from 2018, in 2020 the increase was not large enough with a ratio of 9.5% from 2018. - In the previous year, the value range was IDR 570.45 billion from 2017 to 2020. Indeed, there was no decrease in deposits, in fact there continued to be an increase or development in deposits, although not much for 2021. Interest wars have become a trend among conventional banks which are caused by customers comparing interest from one bank to another. This causes customers to switch deposits, which results in a decrease in deposits and third parties, whereas in this case the increase in interest makes entrepreneurs protest. To reduce interest rates, in other words, entrepreneurs also need capital loans from banks in the form of credit distribution. Problematic credit or Non-Performing Loan (NPL) is a loan that is doubtful, not current, bad or can be said to be a condition where the debtor is unable to pay the installments that have been agreed upon within a certain period of time. Problematic credit is when the debtor does not pay the installments in less than 90 days. and the creditor can no longer believe that the debtor will pay installments in the future, including loans that have been paid but have not been repaid by the due date. This has a big impact on credit distribution, where the higher the NPL, the more difficult it is for banks to distribute credit again. BI has decided to maintain the NPL level at less than 5%. Many banks have decided to sell NPLs to other banks and focus on profitable loans. reduce the number of losses.

On the other hand, banks will experience losses in distribution to the public, but if they do not distribute credit, banks will not experience economic stability and will not experience profits. From the diagram above, it is clear that NPL or Non-Performing Loans in 2017 had a ratio of 2.59 with a value of IDR 122,921.64 billion, in 2018 NPL decreased by 0.22 and occupied a ratio of 2.37% with a value of IDR 125,263.52 billion. , for 2019 the NPL experienced an increase of 1.16% with an assessment of IDR 141,834.38 billion, a fairly large increase in NPL from previous years, in 2020 the NPL ratio again decreased by 0.21% with the current ratio being 3.32% worth IDR 167,707 billion and at the end of 2020 the NPL increased again, although the increase was not large enough but it also had an impact on banking finances,

increasing the ratio by 0.03% so the ratio was 3.35% with a value reaching IDR 186,160.88 billion. The ratio of NPL me to banking NPL to bad credit can also cause a recession. A recession itself is a condition where a country's economy is deteriorating, which can be seen from negative gross domestic product (GDP), increasing unemployment, and negative real economic growth for two consecutive quarters. -continuously. With this, an increase in Capital Adequacy (CAR), a decrease in Third Party Funds (DPK) as a result of an increase in interest rates and a decrease in the value of the banking rupiah as well as an increase in Non-Performing Loans (NPL) made banks lose balance while the number of loans disbursed decreased. On the other hand, banks need funds from capital adequacy and third party funds, while Non-Performing Loans (NPL) continue to rise, banks need credit distribution for the spinning wheel of banking finance. On the other hand, high NPLs make banks think about lending other than the bank's side of the problem. in disbursing credit. (NPL), namely credit risk, market risk, liquidity and profitability, CAR indicators namely Profitability, asset quality, company size and Liquidity.

According to research (Amrozi, Akhmad Imam, Sulistyorini, 2020) regarding the influence of DPK, NPL, CAR on credit distribution, the conclusion is that NPL and CAR have no effect on credit distribution, but on the other hand research (HUDA, 2014) says that CAR has an influence on credit distribution. credit. According to the differences of opinion above, I can conclude that the research I took was "The Influence of Third Party Funds (DPK), Capital Adequacy Ratio (CAR) and Non-Performing Loans (NPL) on Credit Distribution to Commercial Banks Listed on the Indonesian Stock Exchange". Capital Adequacy Ratio (CAR), Third Party Funds (DPk), Non-Performing Loans (NPL) are used in the research for the Independent variable, and Credit Distribution is used for the Dependent variable.

2. Literature Review, Framework Of Thinking, Hypothesis

Capital Adequacy Ratio (CAR)

Capital Adequacy Ratio (CAR), is a ratio used to measure the adequacy of bank capital for business development purposes and to accommodate risks arising from bank operational activities. CAR shows the extent to which the decline in asset value is costed by the bank's own capital, apart from being obtained from there, the bank also obtains funds from the public, debt, and so on (GALIH, 2011). A good level of Fund or Capital value will create a sense of security in among fund owners, if a sense of security arises then that sense of trust will also be present in the perception of fund owners. This creates opportunities for banks to collect more funds (Adnan, Ridwan, 2016). Just as the Indonesian regulation discussing CAR no 14/18/PBI/2012 explains that minimum capital is set at a minimum of 8% to 9% of weighted assets, Bank Indonesia also has the right to increase the CAR value again so that bank operational activities can run smoothly. for Bank activities (Eko Satria Prabowo, Farida Titik Kristianti, 2018).

Factor Capital Adequacy Ratio (CAR)

There are several factors that can influence the capital coverage of a bank, including:

1. Profitability, the ability of a business to generate profits in a certain period at the level of sales, assets, share capital.
2. Asset quality, a benchmark regarding the level of possibility of receiving back funds invested in productive assets with certain criteria.
3. Company size, a size scale that can be seen from total assets, organization, value of shares in the company.
4. Liquidity, the ease with which an asset can be cashed in without being influenced by its market price.

Third Party Funds (DPK)

Third party funds are a source of funds originating from the public in the form of savings, current accounts and deposits. DPK functions as a deposit for public funds which will be channeled back to the community in the form of credit, in Bank Indonesia Regulation No. 10/19/PBI/2008 explains "DPK is a bank's obligation to residents in rupiah and foreign currency" (GALIH, 2011). DPK is the most important part of the bank as mentioned in (Dendawijaya, 2005). This is because the funds managed by the bank in its operational activities are almost 80% -90%. DPK is very important for banks because it measures the bank's success in financing operational activities from these funds. DPK can also be said to be a collection of bank funds which will be distributed back to the community in the form of credit distribution.

Non-Performing Loans (NPL)

NPL or what can be called not performing loans in Bank Indonesia calls them loans with questionable quality or non-current and bad debts. This is a condition where the loan repayment process is problematic. This is caused by an economic crisis in a country which results in an increase in bad loans. . NPL is a condition where a person or institution is unable to pay the loan that has been borrowed or can be said to be a bad loan. If this is experienced by banks, it will affect the company's policy of issuing credit. The NPL experienced by national banks resulted in banks losing their ability to generate optimal profits from these operational activities. According to (Fauzi, 2018) Banking has a level of measurement related to finance, looking at banking NPL can determine whether the banking financial condition is healthy or not. In credit distribution, this can be measured by the higher the NPL ratio, the less healthy banking finances are. The high percentage of NPLs in banking causes a bank's profit level to decrease, not achieving targets and the risk of credit distribution getting stronger will cause an imbalance in financial traffic. NPL is used in measuring non-performing loans, which include substandard credit, doubtful credit, bad credit that the bank has distributed according to (Sania, Zulcha Mintachus, Wahyuni, 2016).

According to (Veithzal Rivai Zainal, 2015) problem credit is where payments have not been completed or have not met the targets desired by the bank. According to (Haryanto, 2017), the ratio that shows the quality of credit distribution in NPL is that the lower it is, the better the credit distribution given. If there is an increase in NPL, it will have an impact on decreasing credit distribution because banking income has decreased. NPL reflects the credit risk borne by the bank according to (Fitri Puji Astutik, 2017). NPL is also the debtor's failure to fulfill the obligation to pay the principal and interest installments agreed upon by both parties. (Zuhroh, D., & Sukmawati, 2012).

Problem loans include:

1. Credit for which payment has not yet reached the Bank's target.
2. Not paying in installments due to difficulties in completing payments, for example: principal payments, fine payments, interest payments, etc.
3. Continuous arrears in payments, bad credit and doubtful credit.
4. Credit that has the potential to be detrimental to banking in the future.

According to (Simanjuntak, Timbul Hamonangan., 2012) Explaining that non-performing loans or NPLs are "debtors who are unable to complete their obligations in the agreement that has been mutually agreed upon, and in the end it will be detrimental to both the debtor and the creditor themselves because both parties will not get positive incentives such as which has been planned. The higher the NPL, the bank will lose balance in the quality of the credit it distributes. From the definition above, it can be concluded that problem credit is the act of a debtor who is unable to complete the agreement with the creditor that has been agreed upon due to several

factors. This affects both parties, the bank will also suffer losses because of this or it could be said that the bank will experience financial imbalance in its operational activities.

3. Research Methodology

Research Object

The object is the author's target in making observations for research. According to (Supriyati, 2012) the research object is the variable studied by the researcher at the place where the research was conducted. This research was determined by the author in accordance with the problems faced which will be examined, namely banking credit distribution using financial analysis, namely CAR, DPK, NPL are carried out at commercial banks that provide credit services registered on the IDX in the 5 year period starting from 2017-2021. This research uses the IDX as a research location because the IDX is a stock exchange in Indonesia that has accurate, complete, quality data. good data and guaranteed authenticity.

Types and research approaches

The research used in this thesis is quantitative research with a causal associative approach. Quoted from (Sugiyono, 2018) quantitative data is a research method based on positivistic (concrete data), research data is in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem being studied to produce a conclusion. Associative causal itself means research that asks about the relationship between two or more variables (Sugiyono, 2018) or can be said to be a cause and effect relationship. This research takes data from a fairly large population and does not focus too much on data. With a large population, this research is easy to analyze using existing formulas and SPSS on the computer and statistics to complete the data calculations. From here, the variables used are dependent and independent variables used to determine the relationship between CAR (Capital Adequacy Ratio), DPK (Third Party Funds), NPL (NonPerforming Loans) on credit distribution. Research variables are attributes or assessments of a person, object or activity that the researcher examines, studies and draws conclusions (Sugiyono, 2018). In this research the variables used are

Independent Variable (Independent Variable)

The independent variables used are Capital Adequacy Ratio (CAR) [(X) _1], Third Party Funds (DPK) [(X) _2), non-performing loans (NPL) [(X) _3).

1. Capital Adequacy Ratio (CAR) X1, CAR is the capital ratio of a bank's ability to provide funds for business development and accommodate the risk of losses resulting from bank operational activities.
2. Third Party Funds (DPK) X2, Funds collected by banks from the wider community consist of demand deposits, savings and deposits. These funds are the main part of the bank which is used to distribute funds to certain posts which generate income, one of which is credit distribution.
3. Non-Performing Loans (NPL) X3, Non-Performing Loans (NPL), is a financial ratio that shows there is a problem regarding the difference between the recording and the results received due to the economic crisis being faced which has caused bad credit.

Dependent Variable (Dependent Variable)

Providing credit is a bank activity that is carried out in the form of loans as the main activity of the bank in the form of millions of rupiah to gain profits and also participate in the welfare of society (Alichia, 2013). The dependent dependent variable is credit distribution which is

distributed directly to the community. Distribution data Credit taken from the Indonesian Stock Exchange. Credit distribution data will be equalized to avoid abnormal data distribution.

Population and Sample

The population and sample must be determined in the research to be used as test material for the problems being faced and also for data processing to draw conclusions. This research uses data from banks that participate in credit distribution on the Indonesia Stock Exchange in 2017-2021. The banks used as the population in this research are 46 banks registered on the IDX. In this research, the purposive sampling method was used by selecting or take using certain criteria, namely:

- Banks that publish consistent complete financial reports for 2017 – 2021 are available on Idx.
- Banking that is not delisted on the BEI (Indonesian Stock Exchange)
- Banks that have a complete sample of the required data, namely CAR (Capital Adequacy Ratio), DPK (Third Party Funds), NPL (Non Performing Loans) so that there are 26 commercial banks listed on the IDX, namely

Table 1. Bank Sample

CODE	Company
AGRO	Bank Rakyat Indonesia Agriniaga Tbk
BABP	PT Bank MNC Internationa Tbk
BACA	Bank Capital Indonesia
BTPN	Bank Tabungan Pensiunan Nasional
BBKP	Bank Bukopin Tbk
BNLI	Bank Permata
BBNI	Bank Negara Indonesia
MEGA	Bank Mega
BBRI	Bank Rakyat Indonesia Agriniaga Tbk
BCIC	PT Bank Jtrust Indonesia
BDMN	Bank Danamon Indonesia
BEKS	PT Bank Pundi Indonesia
BJTM	Bank Pembangunan Daerah Jatim
BJBR	Bank Pembangunan Daerah Jabar dan Banten
BKSW	PT Bank QNB Indonesia
BMRI	Bank mandiri
BNBA	Bank Bumi Arta
BNII	PT Bank Maybank Indonesia
BSIM	Bank Sinarmas
BBCA	Bank Central Asia Tbk
BVIC	Bank Victory Internasional
INPC	Bank Artha Graha Internasional
MCOR	Bank China Construction
MAYA	Bank Mayapada
BBTN	Bank Tabungan Negara
NISP	Bank OCBC NISP

This research is secondary data in the form of historical reports that have been compiled in bank archives and ratios regarding bank finances have been included in reports available on

the Indonesia Stock Exchange. The data used is annual report data that has been published on IDX (Indonesia Stock Exchange) .

Data Types and Sources

The data used in this research is secondary data in the form of banking financial reports and financial ratios for each bank which are listed on the Indonesia Stock Exchange (BEI). Banking financial reports are published via the Indonesian Stock Exchange (IDX).

Data Grouping Methods

Documentation techniques are used in the data collection method by recording and reviewing annual banking reports listed on the Indonesian stock exchange which are published on the Indonesian Stock Exchange (IDX).

4. Discussion

General description of credit distribution

Credit distribution is carried out by many institutions, both non-banking and banking institutions, with the large demand for credit from the public encouraging banks to become increasingly volatile in providing funds to the public. In this case, credit distribution institutions, especially banks, and recipients of funds are mutually beneficial. Banks receive a percentage of interest from the credit they have provided and people can get funds quickly and easily for urgent needs or business capital. The public can choose which bank to borrow from because each bank has a different percentage, but also note that the interest rate has been set by the IDX, where banks may not set an interest rate that exceeds the IDX determination. As is known to many people, they think that banks only focus on interest, but people don't really understand about banks because banks, in receiving interest, also take into account the appropriate credit position, the banking capacity in providing funds, third party fund providers, the risks faced. . The number of bank calculations in order to distribute funds must be carried out carefully so that credit distribution can run according to the predictions that have been made so that the bank can operate smoothly.

Object of Research

Population is an area that is used as a source for finding data which will then be realized in a conclusion. (Sugiyono, 2012; 2015). The population used in this research is banks that have credit distribution activities. The sample is part of the population that is used as the research object. The sampling technique used is a purposive sampling method by selecting or taking using certain criteria, with this we can take 26 banking samples that have credit distribution activities registered on the IDX for the period 2017-2021. Based on data collection using the criteria that have been determined then obtain a list of bank data as follows:

Table 2. Banking Companies Listed on the IDX 2017-2022

CODE	Company
AGRO	Bank Rakyat Indonesia Agriniaga Tbk
BABP	PT Bank MNC Internationa Tbk
BACA	Bank Capital Indonesia
BTPN	Bank Tabungan Pensiunan Nasional
BBKP	Bank Bukopin Tbk
BNLI	Bank Permata
BBNI	Bank Negara Indonesia

MEGA	Bank Mega
BBRI	Bank Rakyat Indonesia Agriniaga Tbk
BCIC	PT Bank Jtrust Indonesia
BDMN	Bank Danamon Indonesia
BEKS	PT Bank Pundi Indonesia
BJTM	Bank Pembangunan Daerah Jatim
BJBR	Bank Pembangunan Daerah Jabar dan Banten
BKSW	PT Bank QNB Indonesia
BMRI	Bank mandiri
BNBA	Bank Bumi Arta
BNII	PT Bank Maybank Indonesia
BSIM	Bank Sinarmas
BBCA	Bank Central Asia Tbk
BVIC	Bank Victory Internasional
INPC	Bank Artha Graha Internasional
MCOR	Bank China Construction
MAYA	Bank Mayapada
BBTN	Bank Tabungan Negara
NISP	Bank OCBC NISP

Multicollinearity Test

The multicollinearity test method is by looking at the Tolerance and Variance Inflation Factor (VIF) values in the regression model. If the VIF value is less than 10 and the tolerance value is more than 0.1 then it can be concluded that a regression model is free from symptoms of multicollinearity. The results of data processing and decision making are as follows:

Table 3. Multicollinearity Test Results

Variabel	Nilai Tolerance	Nilai VIF	Sig.
Capital Adequa Ratio (CAR)	0,994	1,006	0,350
Pertumbuhan DPK	0,996	1,004	0, 880
Non Perfoming Loan (NPL)	0,997	1,003	0,2413

Source: SPSS 16 data processed 2023

The test results or data processing in the table above show that the data does not have symptoms of multicollinearity between each independent variable in the regression model, namely by looking at the VIF value and Tolerance value. The results of the calculation of the CAR Tolerance value ($0.994 > 0.1$), DPK Growth ($0.996 > 0.1$), NPL ($0.997 > 0.1$) indicates that there are no independent variables that have a value of less than 0.1, which means there is no correlation between the independent variables. The results of the Variance Inflation Factors (VIF) calculation also show that there is not one independent variable that has a VIF value of more than 10, such as Car ($10 > 1.006$), DPK Growth ($10 > 1.004$), NPL ($10 > 1.003$). So this regression model free from symptoms of multicollinearity.

Coefficient of Determination Test Results
Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,293	0,086	0,064	1,5564

Source: SPSS16 2023

The coefficient of determination (R²) functions to see the extent to which all independent variables can explain the dependent variable. If the determination number is stronger, it means that the independent variables provide almost all the information needed to predict the dependent variable. Meanwhile, a smaller value of the coefficient of determination (R²) means that the ability of the independent variables to explain variations in the dependent variable is limited.

Multiple linear regression

The data analysis used in this research is multiple linear regression analysis. Multiple regression is useful for predicting the influence of two or more predictor variables on one criterion variable or to prove whether or not there is a functional relationship between two or more independent variables (X) and a dependent variable (Y). Multiple regression analysis in this research was used to determine CAR, DPK, NPL on banking credit distribution listed on the IDX for the 2017–2021 period.

**Table 5
Multiple Linear Regression Test Results**

Variable	Coefficient	T Count	Significance
Konstanta	10,048	3,7	.000
Capital Adequatio(CAR)	0,086	0,752	.453
Growth of third party funds (DPK)	0,02	0,523	.602
Non Performing Loan	-0,715	-2,735	.007

$$Y = 10,0$$

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e \quad 48+0,086 X_1 + 0,02 X_2 -0,715 X_3 + e$$

$$a: \text{Konstanta} = 10,048$$

$$b_1 = 0,086$$

X1: Capital Adequacy Ratio (CAR)

$$b_2 = 0,02$$

X2: Growth of third party funds (DPK)

$$b_3 = - 0,715$$

X3: Non Performing Loan (NPL)

The coefficients of the multiple linear regression equation above can be interpreted as follows:

- Based on the regression equation, it shows that the constant value (a) is 10,048 units, this shows that if CAR, DPK, NPL are considered constant or equal to 0 (zero), then the amount of Credit Distribution is 10,048 units.
- Based on the regression equation, it shows that the economic growth coefficient value is 0.086 units, meaning that an increase in credit distribution of 1 unit will increase the use of the bank's capital adequacy ratio (CAR) by 0.086 units. This positive coefficient means that

- there is a unidirectional relationship between bank capital adequacy and credit distribution. If credit distribution increases, capital adequacy will also increase.
- c. c. Based on the regression equation, it shows that the regression coefficient value on the third party funds (DPK) variable is 0.02 units, meaning that if credit distribution increases by 1 unit, there will be a use of third party funds of 0.02 units. A positive coefficient means there is a unidirectional relationship between the minimum wage and labor absorption. If credit distribution increases, the value of third fund growth increases.
 - d. Based on the regression equation, it shows that the NPL coefficient value is -0.715 units, meaning that if the level of credit distribution increases by 1 unit, the non-performing loan will decrease by -0.715 units or in other words the NPL cannot be collected by 0.715 units. The coefficient is negative. This means that it is not in line with the level of credit distribution. If the value of the level of credit distribution increases, the value of non-performing loans decreases.

Hypothesis Test Results

Simultaneous Significance Test (F Test)

This F test aims to test the influence of independent variables consisting of CAR, DPK, NPL on the dependent variable, namely banking credit distribution registered on the IDX for the 2017-2021 period together (simultaneously). To determine the joint influence of the independent variables on the dependent variable, a probability of 5% (0.05) is used.

Table 6. F Test Results

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	567.712	3	189.237	3.027	.032 ^a
	Residual	7876.981	126	62.516		
	Total	8444.693	129			

Source: SPSS 16 Processed 2023

The decision making is as follows:

- a) If probability < 0.05 then H_0 is rejected
- b) If the probability is > 0.05 then H_0 is accepted

Based on the table above, the results of the simultaneous significance test (F) show that the significant value is $0.032 < 0.05$ and the calculated F value is $3.027 > F$ table 2.127. This means that H_0 is rejected and H_a is accepted, so it can be concluded that the estimated regression model is suitable for explaining the influence of variables. independent (X_1 , X_2 ,

Partial Significance Test (T Test)

This partial significance test or T test was carried out to see the influence of the independent variables consisting of CAR, DPK, NPL on the dependent variable, namely Banking Credit Distribution registered on the IDX for the 2017-2021 period partially with a validity degree of 5% (0.05). The decision making is as follows:

- a) If probability < 0.05 then H_0 is rejected
- b) If the probability is > 0.05 then H_0 is accepted

Based on partial regression testing in the table above, it shows that the economic growth variable (X_1) has a significance value of $0.453 > 0.05$ and a calculated T value of $0.752 < T$ table 1.978 so it can be concluded that H_0 is accepted. So, CAR does not have a significant effect on the distribution of banking credit listed on the IDX for the 2017-2021 period. The

results of the partial regression test on the Third Party Fund Growth (DPK) variable show that the significance value is $0.602 > 0.05$ and the calculated T value is $0.053 < T$ table 1.978, the results of this regression conclude that H_02 is accepted. So DPK does not have a significant effect on the distribution of banking credit listed on the IDX for the 2017-2021 period. In contrast to the results of the regression test on the NPL level variable, it shows that the significant value is $0.007 < 0.05$ and the calculated T value is $-2.735 > T$ table -1.978 So there is an influence between NPL and banking credit distribution listed on the IDX for the 2017-2021 period. The results of this regression conclude that H_03 is rejected. So, NPL has a significant negative effect.

5. Discussion And Conclusion

1. The influence of the Capital Adequacy Ratio (CAR) on banking credit distribution listed on the IDX for the 2017-2021 period. Based on the test results above, it shows that there is no significant influence between the Capital adequacy ratio (CAR) on credit distribution with a significant value of $0.453 > 0.05$ and based on a 2-sided test on the individual parametric significance test (T test) the calculated T value is $0.752 < T$ table 1.978. It can be interpreted that in this regression model the hypothesis H_{a1} is rejected and H_01 is accepted, the results of the analysis show that the relationship between the Capital Adequate Ratio (CAR) and credit distribution has no significant effect. The results of this research are in line with the results of research conducted by (Eko Satria Prabowo, Farida Titik Kristianti, 2018) which is based on hypothesis testing and the results obtained show that there is no significant influence between the Capital Adequate Ratio (CAR) on credit distribution in banks registered in IDX for the 2017-2021 period
2. CAR is the bank's capital adequacy which is used to support the bank's operational activities, in this case it can be said to be a tool to support the risk of loss that the bank may face, in the 2017-2021 period is a period where the bank is in a difficult phase of economic turmoil. The incessant spread of Covid has made it difficult for banks to carry out operational activities, in this case the bank's CAR is at a normal level or can be said to be high but the CAR does not support direct credit distribution, the bank's CAR is profitability, asset quality, company size, liquidity.
3. The Effect of Growth in Third Party Funds (DPK) on Banking Credit Distribution listed on the IDX for the 2017-2021 period. Based on the test results above, it shows that there is no significant influence between the Growth of Third Party Funds (DPK) on credit distribution and the value shows that the significance value is $0.602 > 0.05$ and is based on a 2-sided test on the individual parametric significance test (T test) value. T count $0.053 < T$ table 1.978. It can be interpreted that in this regression model the hypothesis H_{a1} is rejected and H_01 is accepted, the results of the analysis show that the relationship between Third Party Funds (DPK) and credit distribution has no significant effect. The results of this research are in line with the results of research conducted by (Siti Mukarromah, 2018) which is based on hypothesis testing and the results obtained show that there is no significant influence between Third Party Funds on credit distribution in banks listed on the IDX for the 2017-2021 period. The incessant saving trend that spread among the community made banks accommodate a lot of funds. In the era when the pandemic was going on, people reduced loans to banks because of the economic crisis, because they were worried that they would not be able to pay the installments, people chose to take steps to save the remaining funds for the future. This could be resulting in third party funds not being channeled properly from the bank to the public.
4. The Influence of Non-Performing Loans (NPL) on Banking Credit Distribution listed on the IDX for the 2017-2021 period. Based on the test results above, it shows that there is a

significant negative influence between Non-Performing Loans (NPL) on credit distribution with a value showing that the significance value is $0.007 < 0.05$ and the calculated T value is $-2.735 > T \text{ table } -1.978$. It can be interpreted that in this regression model the hypothesis H_{a1} is accepted and H_{o1} is rejected, the results of the analysis show that the relationship between Non-performing loans (NPL) and credit distribution has a negative effect. The results of this research are in line with the results of research conducted by (Kharisma Citra Amelia and Sri Murtiasih, 2017) which is based on hypothesis testing and the results obtained show that there is a negative influence between non-performing loans on credit distribution in banks listed on the IDX for the 2017-2021 period.

5. Based on the results of data analysis and discussion obtained from research entitled "The Influence of Capital Adequacy Ratio, Growth of Third Party Funds, Non-Performing Loans on Banking Credit Distribution listed on the BEI 2017-2021", the conclusion of this thesis is as follows:
 - a. Based on the results of partial variable analysis, it is stated that the Capital Adequacy Ratio has no significant effect on the distribution of bank credit listed on the IDX 2017-2021. This means that the size of the CAR does not guarantee an increase in credit distribution.
 - b. Based on the results of a partial analysis of the Third Party Funds variable, it does not have a significant and negative effect on the distribution of banking credit listed on the IDX 2017-2021. This shows that the size of the funds collected by banks through deposits from customers, whether savings, deposits or current accounts, increases and decreases from year to year, and is not yet efficient in influencing credit distribution.
 - c. Based on the results of the analysis of the Third Party Funds variable, it has a significant negative effect on Banking Credit Distribution listed on the IDX 2017-2021. The results of the analysis show that the level of education has a positive relationship and has a significant effect. Because when the amount of output produced increases, producers will add workers with the aim of increasing profits or profits in a company. Apart from that, education is the main basis and requirement for obtaining work, because education always plays a positive role in the level of education of the workforce.
 - d. Based on the results of the F test (simultaneous) in research using multiple linear regression tests, it can be concluded that simultaneously or together the variables CAR, DPK Growth, NPL together have a significant effect on credit distribution.
 - e. Credit distribution carried out by banks is aimed at helping the community in increasing the level of welfare, the funds loaned can be used to develop MSME businesses, apart from that, the distribution of funds is also for the circulation of the rupiah in circulation, with the existence of an automatic credit distribution program banks must also look for funds from the public in the form of savings, current accounts, deposits, in this case the bank will not lack capital, apart from that the bank must also pay attention to the value of the CAR, DPK, NPL ratios so that it can limit credit distribution to avoid losses that will impact the bank itself.

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