Analysis Of The Influence Of Third-Party Funds (DPK), Capital Adequacy Ratio (CAR), ReturnOn Asset (ROA), Loan To Deposit Ratio (LDR) And Non Performing Loan (NPL) On The Distribution Of Banking Credit (Case study of BANK BRI, Mandiri and BNI period 2018-2020)

Angga Dutahatmaja
Smart Multifinance
angga.dutahatmaja08@gmail.com

Received: January, 2022; Accepted: February, 2022; Published: March, 2022

ABSTRACT

Research Objective: the purpose of this study is to examine the dominant factors that affect the amount of bank credit. The selection of these factors is based on the results of previous research studies. The purpose of this study was to determine the effect of third party funds (DPK), capital adequacy ratio (CAR), return on assets (ROA), non-performing loans (NPL) and loan to deposit ratio (LDR) on bank lending partially.
Research Method: this research method uses quantitative research methods. The number of samples in this study were three state-owned banks registered with the OJK, namely Bank BRI, Bank BNI and Bank Mandiri for the period 2018-2020 (quarterly data). The data analysis methods used are classical assumption test, multiple regression analysis and t test with SPSS 26 program.
Research Result: the results of this study that the variables of Third Party Funds and Loan to Deposit Ratio variables have a positive and significant effect on lending while the variables of Capital Adequacy Ratio, Return to Assets and Non Performing Loans have no effect on lending.

Keywords: third party funds, capital adequacy ratio, return on assets, non-performing loans, loan to deposit ratio, lending

Introduction

One of the financial sectors that determines the stability of the economy in a country is banking. Banking is one of the fields that has an important role in terms of the development of a country. This is because all aspects of costs in development involve banking. Banks as financial institutions serve as financial intermediaries between parties who have excess funds with parties who need funds. This is seen in the main activities of banks that receive deposits from all levels of society in various forms, savings, deposits, and current accounts and provide credit to people who need funds. The role of financial institutions is indispensable by a country for the economic development of the country. Financial institutions have a considerable contribution to improving the welfare of society as well as the economic growth of a country. The provision of services by banks makes it very easy for people to get services in terms of financial transactions (Adnan et al., 2016). Credit distribution has a role to play in helping

People carry out various activities, such as investment, distribution, and consumption of goods and services. Considering all these things related to money, it will indirectly have an impact on the smooth economic development activities of the community.

Channeling credit has many risks, especially credit risk. Credit risk is the risk that occurs due to failure to fulfill its obligation to make payments to the Bank. Therefore, an excellent credit analysis is needed so that the credit given to the community can be in accordance with the target and can return in accordance with the rules and agreements that have been agreed so that there is no default or default.

Several factors that can affect banks in distributing credit to parties in need, namely Third Party Funds (DPK), *Capital Adequacy Ratio* (CAR), *Return on Asset* (ROA), *Non Performing Loan* (NPL) and Loan to Deposit *Ratio* (LDR). DPK is a fund collected from the community, can be in the form of savings, current accounts and deposits. ROA is a bank measuringmeasure to measure the level of rentability or profitability of the Bank. CAR is a capital ratio that demonstrates the Bank's ability to provide funds for business development purposes and accommodate risks for losses caused by the Bank's operational activities. NPL is the ratio or percentage of the amount of credit that is problematic. LDR is a ratio used as a measuring tool for the bank's ability to pay all public funds and its own capital by relying on credit that has been distributed to the community. So that the Bank must improve performance to maintain the stability and profitability ofthe Bank in order to be able to provide a very important role to distribute credit to people in need.

The results of research that has been done before show there are many factorsthat affect the amount of banking credit distribution. In this study, these factors were limited to factors that predominantly influenced the distribution of banking credit that was deivized from banking credit theory and the results of upstream research studies. These factors are, Third Party Funds (DPK), *Capital Adequacy Ratio* (CAR), *Return on Assets* (ROA), *Non Performing Loan* (NPL) and Loan to Deposit *Ratoi* (LDR) as independent variables and Credit Distribution as dependent variables. Penelitian is carried out at three state- owned banks that have been registered with OJK, namely Bank BRI, Bank Mandiri and Bank BNI. Observation period 2018-2020 (in quarterly form).

This study will examine the influence of independent variables, namely Third Party Funds (DPK), *Capital Adequacy Ratio* (CAR), Return on *Assets* (ROA), Non

Performing *Loan* (NPL) and *Loan* to*Deposit Ratio* (LDR) partially against dependent variables ofcredit distributors.

LITERATURE REVIEW

Signalling *Theory*

Brigham and Houston (2014) explainedthat the WA signal is a clue given by the company related to management actions in the company's project assessment efforts. The main focus of signal theory is communicating actions taken by internal companies that cannot be observed directly by parties outside the company. This information can be useful for outsiders, especially investors when they are able to capture and interpret the signal as a positive signal or sinyal negative.

Signal theory is a statement in the form of encouragement that managers of companies that have good company information, so that managers will be encouraged to convey information about the company to prospective customers. investors, with the aim that the company can increase the value of the company through signals in reporting on the company's annual report (Scott, 2012).

Understanding the Bank

In Law No. 10 of 1998 on Banking, Bank is mentioned as a business entity that collects funds from the community in the form of deposits and distributes them to the community in the form of credit and or other forms in order to improve people's standard of living. A commercial bank is a bank that carries out business activities conventionally and or based on sharia principles, which inits activities provide services in payment traffic (www.ojk.go.id).

Conventional Bank is a Bank that conducts business activities conventionally and based on its type consists of Conventional Commercial Bank and People's Credit Bank. Conventional Commercial Bank (BUK) is a Conventional Bank that in its activities provide services in payment traffic. People's Credit Bank (BPR) is aconventional Convention Bank whose activities do not provide services in payment traffic (www.ojk.go.id).

Credit

The word credit comes from the Greek word "credere" which means belief. The meaning of the word has the implication that every credit activity must be based on trust. Without trust, there will be no credit or in turnthere is noprospective customer agreeing on credit, because the provision of credit by the bank has economic value to the customer, both individually and business entity (Taswan, 2010). Credit is a form of giving the trust of a person or institution ifthe person given the trust in time will fulfill all obligations for what has been entrusted as entrusted according to what has been entrusted according to what has been entrusted. agreed, (Cashmere, 2012). Understanding according to Law no.10 of 1998, article 1 number 1, credit is the provision of money that can be equated with it, based on the agreement or loan agreement between the bank and other parties that require the borrower to pay off his debt after a certain period of time withinterest.

Third Party Funds

Third party funds or DPK is money obtained from individuals, companies, governance, households, cooperatives, and foundations (Amrozi and Sulistyorini,2020). DPK is all funds that have been collected bybankssourced from the wider community (Cashmere, 2000). DPK is a source of bank funds that come from the community as customers in the form of savings (saving*deposit)*,current account (demand*deposit)*,and deposit (time*deposit)*(Masdjojo and Devi, 2013).

The greater the third party funds raised by the Bank, the role of the Bank to disburse funds to be channeled to underfundedparties through credit can also increase.

Capital Adequacy Ratio

Capital isan important basic element that must be owned by a bank. In the world of capital banking is illustrated by the use of capital *adequacy ratio* (CAR) orby another sense that *capital adequacy ratio* (CAR) is a capital ratio as an indicator to show that the ability of banksin the provision of funds, good for business development needs and can accommodate credit risks received as a result of bank operations. The higher car, the greater the financial resources that canbe used for business development purposes

$$CAR = \frac{Modal}{ATMR} \times 100\%$$

and anticipate potential losses caused by credit distribution (Masdjojo and Devi, 2013). While according to Riyadi (2017) that CAR is one of the important ratios to withstand default risk, where the higher the CAR ratio, the better a company will be to withstand the risk of default in any credit or asset with high risk. So CAR is a ratio that must be owned by the Bank for minimum capital fulfillment. Regulation from Bank Indonesia No. 10/15/PBI/2008 explains "banks are obliged to provide minimum capital of 8% (eight percent) of risk- weighted assets (ATMR)". The *capital adequacy ratio* is as follows:

Return on Assets

ROA is one of the valuation methods used to measure the level of rentability or profitability of a bank, namelythe level of profit that is dicapai by a bank with all the funds in the bank, how the operational efficiency of a bank to earn a profit from every rupiah on assets owned. The higher the LEVEL of ROA, the more optimal the use of assets to generate income and the better the bank's position from the use of assets. *Return on assets* is an indicatorthatif the ROA ratio increases then bank assets have been used optimally to obtain income. If the ROA ratio of a bank increases, it also increases the level of profit that will be achieved by the bank and the better the position of the bank in terms of asset security (Dendawijaya, 2003). The standard that has been determined by Bank Indonesia so that ROA can be categorized as good isestimated at 1.5%, but the benchmark is not a standard benchmark. The measurement *of return on assets* is as follows:

Non performing Loan

NPL or problem credit is credit that has difficulty in terms of repayment (Masdjojo and Devi, 2013). NPL is the percentage of the amount of credit problems (with criteria of less smooth, doubtful, and bad) against the total credit issued by the bank. Problematic credit can be interpreted as a loan that has difficulty in repayment due to the existence of interest factors and or because external factors are beyond the debtor's control (Putri and Akmalia, 2016). NPL reflects credit risk, the greater the NPL the greater the credit risk borne by the bank. The greater the NPL shows that the bank is unprofessional in its credit management, while giving an indication that the level of risk on lending to the bank is quite high in line with the high NPL faced by banks (Masdjojo and Devi, 2013). In addition, the higher amount of problematic credit will also make banks reluctant to provide large amounts of credit because they have to form a write-off fund for large problem loans. The greater the bad loan experienced by banks, the distribution of creditto the community willdecrease. *Non-performing loan* measurements are as follows:

$$NPL = \frac{\text{Total problem credit}}{\text{Total credit distribution}} \times 100\%$$

Loan to Deposit Ratio

LDR is a ratio used to measure how far the bank's ability to pay all public funds and its own capital by relying on credit that has been distributed to the community (Masdjojo and Devi, 2013). LDR is also used to reducebankliquidity risk in terms of anticipating sudden and massive withdrawals by depositors (bank*rush)*(Masdjojo and Devi, 2013). According to the provisions of the central bank, the safe limit of a bank's LDR is 110%, according to the recommendation of Bank Indonesia,a safeLDR is in the range of 78%-100% (PBI No. 12/19/PBI/2010). The *loan to deposit ratio* is as follows:

$$LDR = \frac{\text{Credit}}{\text{DPK}} \times 100\%$$

Previous Research

The Effect of Third Party Funds (DPK) on Credit Distribution

Research on the influence of third-partyfunds on credit distribution has been conducted by several previous researchers. Research has been conducted by Masdjojo and Devi (2013), Fitrianingsih and Riyadi (2017), Permatasari and Yulianto (2018), Harmayati and Rahayu (2019), Effendy et al. (2019), Amrozi and Sulistyorini (2020), Novianti and Indraswarawati (2020), and Puspasari et al. (2020). The results of the study stated that third-party funds had a significant and positive effect on the distribution ofbanking credit. But there are other studies that contract the results of the study, namely the results of research conducted by Pratiwi and Prajanto (2019) stated that third party funds have no effect on the distribution of banking credit.

The Effect of *Capital Adequacy Ratio* (CAR) on Credit Distribution

Research on the effect *of capital adequacy ratio* on credit distribution has been conducted by several researchers knowlu. Research conducted by Amrozi and Sulistyorini (2020), Fitrianingsih and Riyadi (2017), Pratiwi and Prajanto (2020), Triwidodo (2020), Harmayati and Rahayu (2019) that the capital *adequacy ratio* has no effect on the distribution of bank credit. According to Masdjojo and Devi (2013) and Permatasari and Yulianto (2018) stated that the capital *adequacy ratio* has a negative and significant effect on the distribution of banking credit. But according to Effendy et al. (2019) stated that *the capital adequacy ratio* has a significant effect on the distribution of banking credit.

The Effect *of Return on Assets* (ROA) on Credit Distribution

Research on the effect *of return on assets on* credit distribution has been conducted by several previous researchers. Research conducted by Masdjojo and Devi (2013), Novianti and Indraswaraswati (2020), Pratiwi and Prajanto (2020), Triwidodo (2018) and Permatasari and Yulianto (2018) states that the return on assets has a positive and significant effect *on* the distribution of banking credit. Research conducted by Puspasari et al. (2018) stated that *return* on *assets* had no effect *on* credit distribution while research conductedby Harmayati and Rahayu (2019) and Permatasari and Yulianto (2018) stated that return on assets had a negative and significant effect *on* credit distribution.

The Effect *of Non* Performing *Loans* (NPL) on Credit Distribution

Research on the influence of *non-*

performing loans on credit distribution has been conducted by several previous researchers. Research conducted by Masdjojo and Devi (2013) and Effendy et al. (2019) states that *non-performing loans* have no significant effect on bank credit distribution. Research conducted by Fitrianingsih and Riyadi (2017), Triwidodo (2018) and Permatasari and Yulianto (2018) stated that *non-performing loans* have a negative effect and signifikan on credit distribution. Meanwhile, according to Amrozi and Sulistyorini (2020) and Harmayati and Rahayu (2019) stated that non *performing loans* have no effect on credit distribution. Another opinion was also obtained by research conducted by Puspasari et al (2018) that *non-performing loans* have a positive and significant effect on the distribution of banking credit.

Effect *of Loan to Deposit Ratio* (LDR) on Credit Distribution

Research on the *loan to deposit ratio* to credit distribution has been conducted by several previous researchers. Research conducted by Amrozi and Sulistyorini (2020), Masdjojo and Devi (2013), Puspasari et al. (2018), Harmayati and Rahayu (2019) states that the *loan to deposit ratio* has a positive and significant effect on the distribution of banking credit. Another study conducted by Triwidodo(2018) stated that the loan *to* deposit *ratio* has no effect on the distribution of banking credit.

Hypothesis

Based on the background of the problem, literature review and review of the results of previous research, the hypothesis of this study is as follows:

H1: Third party funds have a positive and significant effect on the distribution of credit to state- owned banks (BRI, Mandiri, BNI) registered with OJK for the period 2018-2020

H2: *Capital adequacy ratio* has a positive and significant effect on credit distribution to state- owned banks (BRI, Mandiri, BNI) registered with OJK for the period 2018-2020

H3: *Return on assets* has a positive and significant effect on credit distribution to state-owned banks (BRI, Mandiri, BNI) registered with OJK for the period 2018- 2020

H4: *Non performing loans* have a negative and significant effect on the distribution of credit to state-owned banks (BRI, Mandiri, BNI) registered with OJK for the period 2018-2020

H5: *Loan to deposit ratio* has a positive and significant effect on the distribution of credit to state-owned banks (BRI, Mandiri, BNI) registered with OJK for the period 2018-2020

METHOD

Type of research

This research uses quantitative research methods using uji hypotheses andstatistical tests to get results in the form of conclusions. This research includes a type of descriptive research.

Tenik Sample Withdrawal

The population in this study is a state-owned bank that is officially registered with OJK. While in determining this sample using a non *probability sampling* technique(*purposive sampling*), the number of samples in thisstudy is three state-owned banks that have been registered with OJK.

Data Collection Methods

The data collection in this study uses documentation methods. The type of data used in this study is secondary data taken from the data of the publication report on a quarterly banking basis that has been officially published through the official OJK (www.ojk.go.id) website.

Data Analysis Methods

Data that has been obtained through a series of data collection methods is still being processed further. Furth er processing in this study is expected to produce data that can answer the problem. The data processing circuit is as follows:

1. Classic assumption test
   This classical assumption test consists of a normality test, a multicollinearity test, aheteroskedasticity test and an autocorrelation test.
2. Multiple linear regression analysis
3. Test hypotheses using the t test

ResearcherVariables an

The variables selected in this study are third-party funds (DPK), *capital adequacy ratio* (CAR), *return on assets* (ROA), *non performing loans* (NPL), *loan to deposit ratio* (LDR) as independent variables while for dependent variables are credit distribution.

ANALYSIS

Research Result Descriptive statistical analys

The purpose of descriptive analysis is to or provide an overview of the objects studied through sample or population data. The results of descriptive statistical analysis can be seen in the following table:

Table 1 Descriptive Statistical Analysis

	N	Min	Max	Mean
Third Party Funds	36	460,419,333	1,062,702,079	756,611,467
Capital Adequacy Ratio	36	16.07	22.55	19.7781
Return on Asset	36	1.38	8.8	3.0761
Non Performing Loan	36	1.75	4.25	2.6597
Loan to Deposit Ratio	36	82.58	97.94	90.6122
Credit Distribution	36	414,960,819	884,269,043	684,960,857
Valid N	36			

Source: OUTPUT SPSS 26 (processed data)

Based on table 1, the Third Party Fund variable (DPK) has a minimum value of Rp 460,419,333 and a maximum value of Rp 1,062,702,079 with an average of Rp 756,611,467. The lowest DPK in Bank BNI in the first quarter of 2018 while the highest DPK in Bank BRI in the third quarter of 2020.

The *Variable Capital Adequacy Ratio* (CAR) has a minimum value of 16.07% and has a maximum value of 22.55% with an average of 19.78%. The lowest CAR value was in Bank BNI in the first quarter of 2020 while the highest CAR value was in Bank BRI in the fourth quarter of 2019.

Variabel *Return on Assets* (ROA) hasa minimum value of 1.38% and has a maximum value of 8.8% with an average of 3.08% The lowest ROA value was in Bank BNI in the second quarter of 2020 while the highest ROA value was in Bank BNI in the second quarter of 2020. third quarter of 2020.

Variable *Non Performing Loan* (NPL) has a minimum value of 1.75% and has a maximum value of 4.25% with an average of 2.66%. Thelowest NP L value was in Bank BNI in the second quarter of 2019 while the highest NPL value was in Bank BNI in the fourth quarter of 2020.

The *Variable Loan to Deposit Ratio* (LDR) has a minimum value of 82.58% and has a maximum tilapiai of 97.94% with an average of 90.61%. The lowest LDR value was in Bank BRI in the third quarter of 2020 while the highest

LDR value was in Bank Mandiri in the second quarter of 2019.

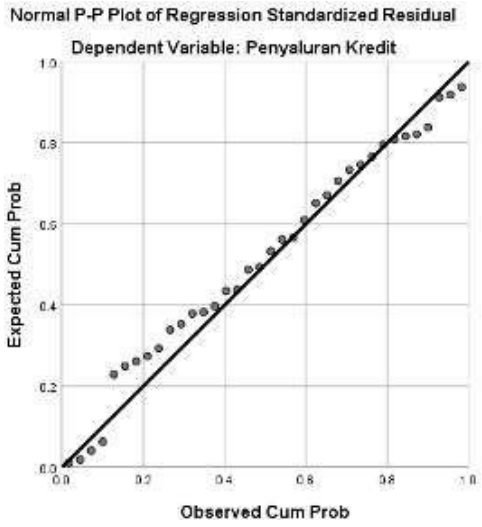
Credit Distribution Variable has a minimum value ofRp 414,960,819 and has a maximum value of Rp 884,269,043 with an average of Rp 684,960,857. The lowest credit distribution value was in Bank BNI in the first quarter of 2018 while the highest credit distribution was bank BRIin the first quarter of 2020.

Classic Assumption Test

In the classic assumption test in this study consists of:

a. Normality Test

The normality test is used to see if the regression model is normal or not. In this study can be seen from the results of the graph analysis, namely *the normal probability plot* graph as shown below.



Based on the *normal probability plot* graph such as the picture above it can be seen that the scattering points follow a diagonal line then it can be concluded that the data is distributed normally.

b. Multicollinearity Test

The results of the multicollinearity test can be seen through table 2 below:

Table 2 Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	BRIGHT
(Constant)		
Third Party Funds	0.51	1.962
Capital Adequacy Ratio	0.528	1.895
Return on Asset	0.863	1.159
Non Performing Loan	0.633	1.579
Loan to Deposit Ratio	0.594	1.683

Based on the table of multicollinearity test results above it can be known that the variable tolerance value of Third Party Funds is 0.51, Capital *Adequacy Ratio* is 0.528, *Return on Assets* is 0.863, *Non Performing Loan* is 0.633 and Loan *to* Deposit*Ratio* is 0.594 greater than 0.10 and also the value of Third Party Funds is 1,962, Capital *Adequacy Ratio* is 1.895, *Return on Assets* is 1,159, *Non Performing Loan* is 1,579 and Loan to Deposit *Ratio* is 1,683 smaller than 10.00. It can be concluded that there is no multicollinearity.

c. Heteroskedasticity Test

The results of the heteroskedasticity test can be seen through the *scatterplot* graph below:

From the display of the *scatterplot* graph of heteroskedasticity tests above, it is seen that the dots are scattered randomly and do not form a certain clear pattern. This indicates that heteroskedasticity does not occur, so the regression model is worth using.

d. Autocorrelation Test

The study used the Durbin-Watson test to detect the or absence of autocorrelation. Dw's scores in this study can be seen in the table below:

Table 3 Durbin-Watson Test results

Model	Durbin-Watson
1	1.272

Based on the *Durbin-Watson* test results table above, dw value is known which is 1,272 then this value will be compared with the signification table value of 5%, the sample number N = 36 and the number of independent variables 5 (K = 5). Based on the table obtained the value du = 1.80 with dl = 1.175. Therefore, withthe provisions dl ≤ d ≤ du then with a value of d = 1,272 located between dl and du (1,175 ≤ 1,272 ≤ 1,800) so there is no definitive conclusion about the or absence of autocorrelation symptoms. Then the next to detect the or absence ofgejala autocorrelation is to use the Test run test that can be seen in the table below:

Table 4 Run *test* results

	Unstandardized Residual
Test Valuea	217027.8638
Cases < Test Value	18
Cases >= Test Value	18
Total Cases	36
Number of Runs	14
With	-1.522
Asymp. Sig. (2-tailed)	0.128

Based on the table of *run test* results above it is known that the signification value of 0.128 is greater than 0.05 so it can be concluded that there are no symptoms of autocorrelation.

4.2. Multiple Linear Regression Analysis

The results of multiple linear regression analysis conducted with the SPSS program are shown in the table as follows:

Table 5 Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Itself.
	B	Std. Error	Beta		
(Constant)	-749048006.5	31138122.41		-24.056	0
Third Party Funds	0.892	0.009	1.03	96.135	0
Capital Adequacy Ratio	-92673.728	859278.752	-0.001	-0.108	0.915
Return on Asset	1589498.35	995476.706	0.013	1.597	0.121
Non Performing Loan	3597066.32	2489090.701	0.014	1.445	0.159
Loan to Deposit Ratio	8241184.005	343799.088	0.238	23.971	0

a Dependent Variable: Credit Distribution

Analysis Results

Based on the table above it is known that the results of the calculation of multiple linear regression above obtained the following equation: Credit distribution = -749048006.5 + 0.892DPK + -92673.728CAR + 1589498.35ROA + 3597066.32NPL + 8241184.005LDR + e. From the equation It can be known that:

1. Constant of -749048006.5 means if third party funds, *Capital Adequact*Ratio, Return *on Assets,* Non PerformingLoans, *Loan to Deposit Ratio* are worth 0, then the distribution of credit value is -749048006.5.
2. The ThirdParty Fund Variable (DPK) has a regression coefficient value of 0.892. The value of the positive regression coefficient indicates that the DPK has a positive relationship direction towards credit distribution.This illustrates that if the variabell DPK rises one percent, assuming other variables remain it will direction towards credit distribution. This illustrates that if the LDR variable rises one percent, assuming other variables remain it will increase the Distribution of Credits by 8241184.005. increase the Credit Distribution by 1,007.
3. The *Capital Adequacy Ratio* (CAR) variable has a regression coefficient of -92673.728. The negative regression coefficient value indicates that CARhas the opposite relationship to Credit Distribution. This illustrates that if the

CAR variable rises one percent, assuming other variables remain it will decrease the Credit Distribution by -92673.728.

4. The *Return on Assets* (ROA) variable has a regression coefficient of 1589498.35. The positive regression coefficient value indicates that ROA has a positive relationship to Credit Distribution. This illustrates that if the ROA variable rises one percent, assuming the other variable remains it will increase the Credit Distributionby 1589498.35.
5. The *Non Performing Loan* (NPL) variable has a regression coefficient value of 3597066.32. The positive regression coefficient value indicates that the NPL has a positive relationship direction towards kr edit distribution. This illustrates that if the NPL variable rises by one percent, assuming other variables remain it will increase the Credit Distribution by 3597066.32.
6. The *Loan to Deposit Ratio* (LDR) variable has a regression coefficient value of 8241184.005. The value of the positive regression coefficient indicates that the LDR has a positive relationship

The first hypothesis regarding third party fund (DPK) research variables as independent variables. Test result t is based on table 5 that the coefficient of DPKshows a significance level of 0.00 (< 5%). For the resulting calculated value is 96,135 while the value t of the table is ± 1,696. Since the calculated t value is greater than the table's t value (96.135 > 1,696), Ho is rejected and H1 is accepted. So it can be concluded that DPK affects the distribution of credit to banking companies positively and significantly.

Hypothesis II

The second hypothesis regarding the *Capital Adequacy Ratio* (CAR) research variable as an independent variable. The result of the t test is based on table 5 that the coefficient of the CAR shows a significance level of 0.915 (>5%). For the resulting calculated t value is -0.108 while the table t value is ± 1,696. Karena the value of t calculated is less than thevalue ofthe table t (-0.108 < 1,696), then Ho is accepted and H2 is rejected. So it can be concluded that CAR has no effect on the distribution of credit to banking companies.

Hypothesis III

The third hypothesis regarding *the return on assets* (ROA) research variable as an independent variable. Test result t is based on table 5 that the coefficient of the ROA shows a significance level of 0.121 (>5%). For the resulting t value is 1,597 while the value of t tabelnya is ± 1,696. Since the calculated t value is less than the table's t value (1,597 < 1,696), Ho is accepted and H3 is rejected. So it can be concluded that ROA has no effect on the distribution of credit to banking companies.

Hypothesis IV

The fourth hypothesis regarding *non-performing loan* (NPL) research variables as independent variables. The t test results are based on table 5 that the coefficient of the NPL indicates a significance level of
0.159 (>5%). For the resulting calculated t value is 1,445 while the table t value is ± 1,696. Since the calculated t value is less than the table's t value (1,445 < 1,696), Ho is accepted and $H4_{is}$ rejected. So it can be concluded that NPL has no effect on the distribution of credit to banking companies.

Hypothesis V

The fifth hypothesis regarding *the Loan to*

Deposit Ratio (LDR) research variable as an independent variable. The t test results are based on table 5 that the coefficient of the NPL indicates a significance level of
0.00 (<5%). For the resulting calculated t value is 23,971 while the table t value is ± 1,696. Since the calculated t value is less than the table's t value (23,971 > 1,696), Ho is rejected and H5 is accepted. So it can be concluded that LDR affectshi credit distribution to banking companies positively and significantly.

Discussion

The Effect of Third Party Funds on Credit Distribution

Based on the results of the research it is known that the variables of Third Party Funds have a positive and significanteffect onthe distribution of credit to three state-owned banks (BRI, Mandiri, BNI) registered with OJK in 2018-2020, this is evidenced by the t test, namely the level of signification of 0.000 < 0.05 (5%). This is because the higher the Third Party Funds at the bank, the more credit distribution increases. These Third Party Funds are generally the largest funds held. This is in accordance with the function of the bank as a collection of funds from the community. The results of this study are in line with research conducted by Adnan et al. (2016), Amrozi and Sulistyorini (2020), Masdjojo and Devi (2013), Novianti and Indraswarawati (2020 and Fitri and Riyadi (2017) yang stated that Third Party Funds have a positive and significant effect on Credit Distribution. However, it rejects research conducted by Pratiwi and Prajanto (2020) which states that Third Party Funds have no effect on credit finance.

Effect of C*apital Adequacy Ratio* on Credit Distribution

Based on the results of research it is known that the *Capital Adequacy Ratio* variable has no effect on distribution at three state-owned banks (BRI, Mandiri, BNI) registered with OJK in 2018-2020, this is evidenced by the t test, namely the signification rate of 0.915 > 0.05 (5%). This is because the *Capital Adequacy Ratio* has not beenableto increase credit distribution to banks. Insignificant influence is possible for banks to prefer another alternative, namely by allocating capital for credit distribution and some of it is used to strengthen the capital structure. The results of this study are in line with research conducted by Adnan et al. (2016), Amrozi and Sulistyorini (2020), Fitrianingsih and Riyadi (2017), Pratiwi and Prajanto (2020), Triwidodo (2018), Harmayati and Rahayu (2019) which stated that the *Capital Adequacy Ratio* had no effect on the Credit Distribution. But reject the research conducted by Pratiwi and Prajanto (2020) and Effendy et al. (2019) which stated that the Capital Adequacy Ratio has a positive and significant influence on Credit Distribution.

Effect *of Return* on *Assets on* credit distribution

Based on the results of the study it is known that the *Return on Assets* (ROA) variable has no effect on credit distribution at three state-owned banks (BRI, Mandiri, BNI) registered with OJK in 2018-2020, this is evidenced by the t test, namely the level of signification of 0.121 > 0.05 (5%). In this study the small amount of ROA did not affect the results ofbanking credit distribution. In theory, the larger the ROA, the funds rolled out for credit distribution are getting bigger. The results of this study support research conducted by Harmayati and Rahayu (2019) and Permatasari and Yulianto

(2018) which states that ROA has no effect onCredit Distribution. But reject the research conducted by Pratiwi and Prajanto (2020), Novianti and Indraswarawati (2020) and Masdjojo and Devi (2013) which stated that ROA had a positive and significant effect on credit distribution.

Copyingh *Non Performing Loan* to credit distribution

Based on the results of research it is known that the *Non Performing Loan* variable has no effect on credit distribution at three state-owned banks (BRI, Mandiri, BNI) registered with OJK in 2018-2020, this is evidenced by the t test, namely the level of signification.
0.159 > 0.05 (5%). This is because the increase in *non-performing loans* can not necessarily affect the distribution of credit to banks. The greater the NPL level of a bank, the bank can be said to be unprofessional in managing its credit. It can also be interpreted that the high level of NPL is still within the limits of reasonableness so that credit distribution can still be done. The results support research conducted by Amrozi and Sulistyorini (2020), Harmayati and Rahayu (2019) which states that Non *Performing Loans* have no effect on Credit Distribution. But reject the research conducted by Puspasari et al. (2018) and Effendy et al. (2019) which stated that Non Performing Loans have a significant effect on Credit Distribution.

Effect of *Loan to Deposit Ratio* on credit distribution

Based on the results of research it is known that the *Variable Loan to Deposit Ratio* (LDR) affects the Distribution of Credit to three state-owned banks (BRI, Mandiri, BNI) registered with OJK in 2018-2020, This is evidenced by the t test, namely the signification rate of 0.000 < 0.05 (5%). This is because the higher the LDR, the higher the distribution of credit channeled. The amount of credit provided will be greatly influenced by the funds received by the bank, so it will ultimately affect the magnitude of the LDR ratio. LDR will show the level of the bank's ability to channel Third Party Funds collected by the bank. The results of this study are in line with research conducted by Adnan et al. (2016), Amrozi and Sulistyorini (2020), Mardjojo and Devi (2013), Puspasari et al. (2018), Harmayati and Rahayu (2019) who stated that the *Loan to Deposit Ratio* has a positive and significant effect on Credit Distribution. But rejecting the research hasbeen done by Triwidodo (2018) which states that the *Loan to Deposit Ratio* has no effect on credit distribution

CONCLUSIONS

Based on the results of the analysisusing descriptive analysis and statistical analysis (multiple linear regression) as well as hypothesis testing, the following conclusions can be taken:

1. Third Party Fund Variables have a positive and significant effect on the distribution of credit to state-owned banks (BRI, Mandiri, BNI) registered with OJK for the period 2018-2020.
2. The *Capital Adequacy Ratio* variable has no effect on the distribution of credit to state-owned banks (BRI, Mandiri, BNI) registered with OJK for the period 2018-2020.
3. The *Return on Assets* variable has no effect on the distribution of credit to state-owned banks (BRI, Mandiri, BNI) registered with OJK for the period 2018-2020.
4. Non *Performing Loan* variables have no effect on credit distribution to banks listed in the LQ45 Index in 2014-2018.

5. The *Loan to Deposit Ratio* variable has

REFERENCES

Adnan, Ridwan and Fildzah.2016. Influence of Bank Size, Third Party Funds, Capital Adequacy Ratio, and Loan To Deposit Ratio on Credit Distribution on Banking Companies listed on the Indonesia Stock Exchange.Jurnal Dinamika Akuntansi and Business.Volume 3(2);49-64.

Amrozi and Sulistyorini. 2020. Effect of DPK, NPL, CAR, and LDR on Credit Distribution (Case Study on Banks Listed in LQ Index45 Year 2014-2018. PETA Journal.Volume 5 (1); 85-98.

Brigham & Houston. 2014. Basics a positive and significant effect on the distribution of credit to state-owned banks (BRI, Mandiri, BNI) registered with OJK for the period 2018-2020.

Fitrianingsih and Riyadi. 2020. Analysis of the Influence of DPK, CAR, NPL, LFR, BOPO and JIBOR on The Distribution of Working Capital Loans in Public Banks Book IV (Period 2012-2017). Bandage Review 5 (1);15-24.

Harmayati and Rahayu. 2019. Factors Affecting Credit Distribution at Commercial Banks That Go Public on the Indonesia Stock Exchange. Journal of Management economics and accounting. (46);119-131. Permatasari and Yulianto. 2018. Financial Performance Analysis: The Ability of Islamic Banks in Financing Distribution. Journal of Indonesian Accounting. Vol. 7 (1); 69-79.

Pratiwi and Prajanto. 2020. Internal and External Factors as Determinants of Increasing Credit Distribution of Commercial Banks in Indonesia. Journal of Economic and Business Research. Vol. 5 (1); 16-26.

Prihartini and Dana. 2018. Influence of CAR, NPL and ROA on People'sBusiness Credit (Case Study at PT Bank Rakyat Indonesia, Tbk.). E-Journal of Management Unud. Vol. 7 (3); 1168-1194.

Puspasari, Dewi and Sopilah. 2020. Influence of Third Party Funds (DPK), *Loan to Deposit Ratio* (LDR), *Non Performing Loan* (NPL), and *Return on Assets* (ROA) on The Amount of Credit Distribution (Case Study at PT. Bank Rakyat Indonesia, (Persero) Tbk.). Scientific Journal of AA. Vol. 4 (3); 1556-1566.

Devi. 2013. Analysis of Factors Affecting The Distribution of Banking Credit. Journal of Indonesian Business Management Vol. 42 (2); 131-142.

Novianti and Indraswarawati. 2020. Influence of Third Party Funds, *Return on Assets*,and Credit InterestRates on The Distribution of Credit Of People's Credit Banks in Denpasar City. Journal of Hita Akutansi and Finance.

Putri, Yua M.W and Akmalia A.2016.Influence of Bank Size, Third Party Funds, Capital Adequacy Ratio on Credit Distribution in Banking: Case study on Banking listed on IDX. Journal Balance.Volume XII;82-93.

Scott, William R, (2012). Financial Accounting Theory. Sixth Edition Toronto, Ontario: Pearson Canada Inc.

Taswan (2010). Banking Management: Concepts, Techniques and Applications. Yogyakarta: UPP STIM YKPN.