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Analysis Of Factors Affecting The Distribution Of People's Business Loans For The 2012-2020 Period

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A R T I C L E I N F O

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ABSTRACT

The country's economy is significantly assisted by banks because, as an institution, they facilitate the transfer of money in the form of deposits and loans to a large number of individuals. Most bank operations involve providing loans to local businesses and the general public. Inflation, interest rates, Gross Regional Domestic Product (GRDP), Non Performing Loans (NPL), and Capital Adequacy Ratio (CAR) are just a few examples of challenges faced by the business world in the lending process. This study is to assess the impact of factors such as inflation, interest rates, gross domestic product (GDP), non-performing loans (NPL), and credit availability on the distribution of People's Business Credit from 2012 to 2020. A quantitative approach has been taken for this study. This is known as the study of causal relationships between events. Indonesia Stock Exchange, there are 43 banking and financing companies listed between 2012 and 2020. In the period 2012-2020, the Indonesia Stock Exchange listed 23 banks. By using multiple linear regression test, the data were found. Based on the results of this data search, inflation has no effect on the company's lending for the 2012-2020 period. Interest rates have no influence on the distribution of KUR from 2012 to 2020. GRDP has an impact on the allocation of business loans during the period 2012-2020. For the period 2012-2020, non-performing loans did not have much influence on the distribution of People's Business Credit. CAR affects the company's credit distribution between 2012 and 2020. For the period 2012-2020 the distribution of People's Business Credit is influenced by inflation, interest rates, GRDP, NPL, and CAR.

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1. INTRODUCTION

Banks contribute significantly to the country's economy as entities that channel funds, savings and loans, which ultimately improve the lives of individuals. One approach to obtaining financing is to issue capital market money collected from outside the organization. The capital market is a place where companies can raise capital and where

investors can earn profits. Most bank operations involve disbursing business loans to the public. Smallholder companies must consider various factors, including inflation, interest rates, GDP, Non-Performing Loans-NPL, and Capital Adequacy Ratio-CAR, when allocating credit.

To finance the economy, banks have placed a strong priority on lending money. The spread of bank loans is increasing every year. In 2019, bank loans increased by 6.08 percent. Helping this is a well-managed risk profile, along with ample capital and liquidity. The regions with the highest increase in bank credit were BUKU IV (7.8 percent), followed by BUKU III (2.4 percent), BUKU II (8.4 percent), and BUKU I (6.4 percent). (www.kontan.co.id, January 16, 2020).

Profits are obtained from the difference in interest rates on deposits and loans. Loans cover the bank's income. Business actors in the banking credit industry provide assistance to other business actors in the form of credit advances such as investment loans and working capital loans. Payment of these loans is closely related to the problem of inflation. When labor and product costs increase and the value of the rupiah falls, clients withdraw money from the bank to deal with their problems. This reduces the desire to save and take out bank loans.

Banking is indistinguishable from the risk of rising credit interest rates. The main source of income for banks is interest payments on loans. This forced banks to increase their lending. This method of lending offers the advantage of interest income, which is collected in return for money lent to members of the general public. BI Rate is used to describe bank lending rates. Bank policy is determined by the BI Rate which is announced to the public. Inflation causes interest rates to rise and fall every year. Loan volumes increase as interest rates fall.

Credit distribution is influenced by regional GRDP, so that the average wage of the community in that location is obtained. People have the option of spending their full paycheck or depositing it in the bank. High GRDP attracts investors, affecting the impact channeled by banks.

This high interest rate supports an increase in loan interest income, but has the unintended effect of increasing the number of non-performing loans (NPLs). A faltering economy, stagnant sectors, or declining consumer purchasing power can all put pressure on NPL growth. Even though the business is running normally, the bad personality of the debtor is one of the causes of non-performing loans

There is a very large amount of capital involved in directing credit to local communities, bank operations cannot be separated from capital. Bank capital is used to prepare for future risks, especially credit risk. To mitigate risk, banks must issue approved capital. The greater the CAR value, the greater the credit risk. Banks with large enough capital can channel more credit, and the progress of credit built will increase lending itself.

If high inflation generally results in an increase in total credit, then Bank Rakyat Indonesia Agro Niaga Tbk experienced the highest inflation in 2013, which led to an increase in total credit despite the fact that high inflation usually resulted in a decrease in total credit. In 2014, the number of loans increased with the highest interest rate of Bank Mestika Dharma Tbk, while the number of loans decreased with a high interest rate. The overall decline in loans was a direct result of the increase in capital in 2020. The increase in loan arrears at Bank Negara Indonesia (Persero) Tbk in 2019 led to an increase in the number of loans; however, an increase in arrears debt should lead to a reduction in total borrowing. Information on non-performing loans and bank capital can be seen in the notes accompanying the financial statements.

Based on the details above, it can encourage researchers to conduct a study entitled "Analysis of Factors Affecting KUR Distribution in 2012-2020".

2. RESEARCH METHOD

2.1 Research Method.

This Study Uses A Quantitative Methodology To Analyze The Data. Causal Relationships Are The Focus Of This Form Of Quantitative Research.

2.2 Population and Sample

According to Tersiana, the main concern of all researchers is the population (2018:75). The sample was taken from 43 banks listed on the Indonesia Stock Exchange between 2012 and 2020.

According to Kesumawati (2017:11), the sample is very important for the population and must be able to manage the population under review. Purposive sampling was used to collect research samples.

The sample used in the research [research:

a. During 2012-2020, the Indonesia Stock Exchange will be home to several publicly traded financial institutions.
b. During 2012-2020, the Indonesia Stock Exchange will be home to several financial institutions whose listings are publicly traded.
c. A financial institution that recorded an increase in revenue for consecutive years from 2012 to 2020.

The conclusion of the study is based on the standards discussed previously, and the sample consists of 23 banks listed on the Indonesia Stock Exchange between 2012-2020.

2.3 Data Collection Method

In addition to documentation and literature review, data collection methods are also supported. Obtaining financial statements from banks and conducting literature studies are the two methods used in this study.

3. RESULTS AND DISCUSSIONS

3.1 Normality Test

The residual normality test is used to test whether the residual value resulting from the regression is normally distributed or not. A good regression model is to have residuals that are normally distributed. There is some method to do the normality test such as histogram graphic, normal probability plot of regression graphic and one sample Kolmogorov Smirnov statistic.

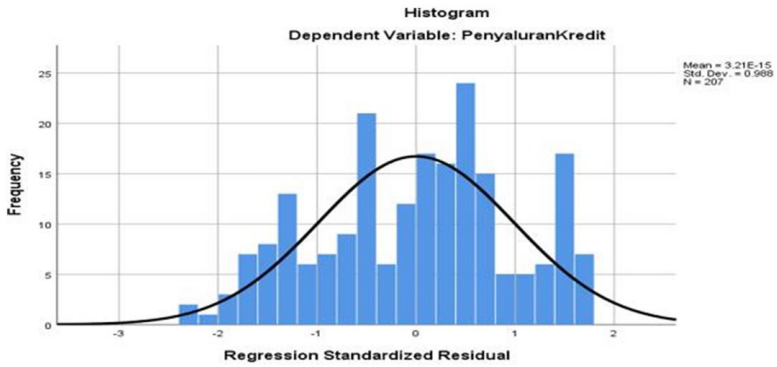

Figure 1. Histogram Graphic

Based on the picture above, it can be seen that the line forming a bell, not going left or right. This shows that the data is normally distributed and meets the assumptions of normality.

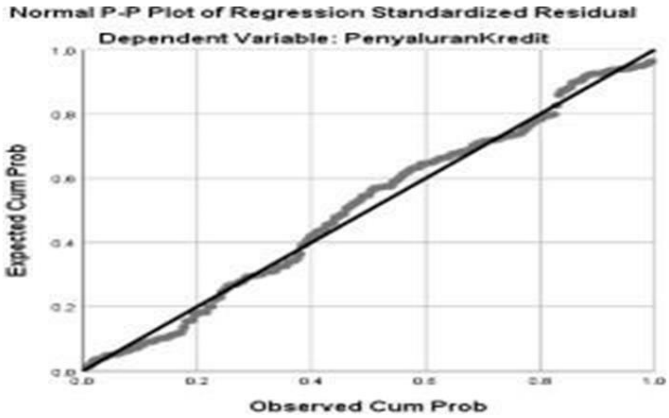

Figure 2. Normal Probability Plot of Regression Graphic

Based on the picture above, it shows that the data (dots) spreads around the diagonal line and follows the diagonal line. So from this figure it is concluded that the regression model residuals are normally distributed.

Table 1. One-Sample Kolmogorov Smirnov Test

		Unstandardized Residual
N		207
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.55772778
Most Extreme Differences	Absolute	.062
	Positive	.056
	Negative	-.062
Test Statistic		.062
Asymp. Sig. (2-tailed)		.052[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: Research Result, 2022

Based on the table above, the results of the Kolmogorov-Smirnov normality test prove that the significant value is greater than 0.05, namely 0.052, it can be concluded that the data is classified as normally distributed.

3.2 Multicollinearity Test

Multicollinearity is a condition in the regression model where there is a perfect or near perfect correlation between independent variables where a good regression model should not have a perfect or nearly perfect correlation between the independent variables. The commonly used test method is to look at the Tolerance and Variance Inflation Factor (VIF) values in the regression model where the VIF value is less than 10 and has a Tolerance value of more than 0.1.

Table 2. Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Inflasi	.342	2.920
	Sukubunga	.399	2.506
	PDB	.465	2.152
	NPL	.969	1.032
	CAR	.860	1.162

Source: Research Result, 2022

Based on the table above show that all the variables have a tolerance value more than 0.1 and VIF value less than 10 which can be concluded that there is no problem found in multicollinearity test.

3.3 Heteroscedasticity Test

Heteroscedasticity is a condition where in the regression model there is an inequality of variants from the residuals from one observation to another where a good regression model does not occur heteroscedasticity.

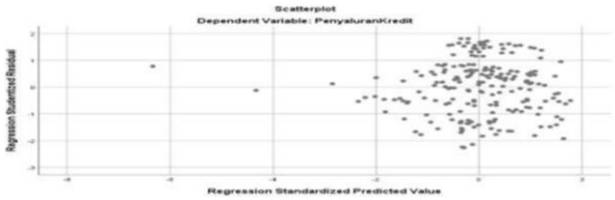

Figure 3. Scatterplot Graphic

Based on the scatterplot graph presented, it can be seen that the dots spread randomly and do not form a clear pattern and are spread either above or below zero on the Y axis. This means that there is no heteroscedasticity in the regression model, so the regression model can be used to predict achievement based on the input of the independent variable.

3.4 Multiple Linear Regression Analysis

Multiple regression analysis is an analysis to determine whether there is a significant influence between two or more independent variables on one independent variable.

Table 3. Multiple Linear Regression Analysis Test

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	31.614	1.206		26.207	.000
	Inflasi	.011	.082	.014	.132	.895
	Sukubunga	-.065	.123	-.054	-.528	.598
	PDB	1.904E-13	.000	.290	3.078	.002
	NPL	-.033	.096	-.023	-.348	.728
	CAR	-.103	.018	-.401	-5.776	.000

a. Dependent Variable: PenyaluranKredit

Source: Research Result, 2022

$$Credit\ Distribution = 31.614 + 0.011\ Inflation - 0.065\ Interest\ rate + 1.904\ E-13\ GDP - 0.033\ NPL - 0.103\ CAR \quad (1)$$

a. If Credit Distribution is 31,614, then Inflation, Interest Rates, Gross Domestic Product, Non Performing Loans, and Credit Availability Ratios are considered zero. This is indicated by the constant 31,614.
b. Inflation of 0.011 indicates an increase of one unit in the amount of Inflation; therefore, Credit Disbursement increased by 0.011.
c. Interest rate - 0.065 is an increase of one unit of interest rate value, therefore Credit Distribution decreased by 0.065.
d. GRDP of 1.904 E-13 is an increase of one unit in the value of GRDP, thereby increasing Credit Distribution by 1.904 E-13.

e. Since NPL -0.033 represents a one unit increase in the number of NPLs, Credit Distribution decreases 0.033.
f. Since CAR -0.103 represents an increase of one unit of CAR value, Credit Distribution decreased by 0.103.

3.5 Coefficient Determination

Analysis of determination or also called R Square symbolized by R^2 is used to determine the magnitude of the influence of the independent variable (X) together on the dependent variable (Y) where the smaller the coefficient of determination, this means the effect of the independent variable (X) on the dependent variable (Y) is getting weaker. Conversely, if the coefficient of determination is closer to number 1, then the effect of the independent variable on the dependent variable is getting stronger. Thus, if coefficient determination is 0, this indicates that there is no percentage contribution of influence given by the independent variable to the dependent variable. However, if the coefficient of determination is 1, then there is a contribution that the independent variable gives to the dependent variable is perfect.

Table 4. Coefficient Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.410[a]	.168	.148	1.57698

a. Predictors: (Constant), CAR, NPL, Inflasi, PDB, Sukubunga

Source: Research Result, 2022

It is determined that the modified R Square affects credit distribution by 0.148 or 14.8 percent, while the remaining 85.2 percent is influenced by other variables that have not been studied.

3.6 Simultaneous Hypothesis Test (F Test)

F test or regression coefficient test is used to determine whether simultaneously the independent variable has a significant effect on the dependent variable. In this case, to find out whether simultaneously the independent variable has a significant effect on the dependent variable or not. The test uses a significance level of 5%. The criteria for evaluating the hypothesis in this F test are:

H_0 Accepted if: $F_{count} < F_{table,}$

H_a Accepted if: $F_{count} > F_{table}$

Table 5. Anova Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	101.178	5	20.236	8.137	.000[b]
	Residual	499.862	201	2.487		
	Total	601.040	206			

a. Dependent Variable: PenyaluranKredit
b. Predictors: (Constant), CAR, NPL, Inflasi, PDB, Sukubunga

Ftable (207-5-1=201) = 2.26, Ftable (sign = 0.000) = 8.137, and Ftable (Fcount) = 0.000. There is a difference of 8.137 between Fcount and Ftable. H0 is ruled out, while Ha is accepted. The distribution of KUR in 2012-2020 will be influenced by inflation, interest rates, GDP, NPL, and CAR.

3.7 Partially Hypothesis Test (t Test)

The t test or partial regression coefficient test is used to determine whether partially the independent variable has a significant effect on the dependent variable or not. In this case, to find out whether partially the independent variable has a significant effect on the

dependent variable or not. The test uses a significance level of 0.05 and a two-sided test. The criteria for evaluating the hypothesis in this t test are:
H_0 Accepted if: $t_{count} < t_{table}$
H_a Accepted if: $t_{count} > t_{table}$

Table 6. Coefficient Test

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	31.614	1.206		26.207	.000
	Inflasi	.011	.082	.014	.132	.895
	Sukubunga	-.065	.123	-.054	-.528	.598
	PDB	1.904E-13	.000	.290	3.078	.002
	NPL	-.033	.096	-.023	-.348	.728
	CAR	-.103	.018	-.401	-5.776	.000

a. Dependent Variable: PenyaluranKredit

Source: Research Result, 2022

a. Inflation tcount = 0.132, sig = 0.895, ttable (207-5-1=201) = 1.971, tcount is smaller than ttable, 0.132 is less than 1.971 H0 is accepted, while Ha is rejected as an indicator. In 2012-2020, KUR distribution will not be affected by inflation.
b. The interest rate tcount is equal to -0.528, while sig is equal to 0.598 and ttable is equal to 1.971. Since -ttable is greater than -tcount and -0.528 is greater than -1.971, we can conclude that H0 is true and Ha is false. During 2012-2020, interest rates will have little impact on KUR distribution.
c. GRDP tcount = 3.078, sig = 0.002, ttable 1.971, tcount more than ttable, 3.078 greater than 1.971 H0 is rejected, Ha is accepted, this indicates that GRDP has an effect on the distribution of KUR in 2012-2020.
d. The presence of NPL tcount value of -0.348 and sig value of 0.728, ttable value of 1.971, -tcount more than -ttable, and -0.348 greater than -1.971 indicate that NPL has no effect on KUR distribution in 2012-2020.
e. CAR data shows tcount value of -5.776, sig value of 0.000, ttable value of 1.971, -tcount smaller than -ttable, and -5.776 smaller than -1.971. This shows that CAR has an effect on the distribution of KUR in 2012-2020.

4. CONCLUSION

The conclusions that researchers can draw from the results of this study are as follows The distribution of People's Business Credit 2012-2020 is not affected by inflation. The KUR interest rate from 2012 to 2020 has no effect. GRDP will affect the allocation of KUR from 2012 to 2020. Non-performing loans have no effect on the amount of People's Business Credit granted during the period 2012-2020. CAR will have an impact on KUR distribution from 2012 to 2020. The distribution of KUR in 2012-2020 is influenced by factors such as inflation, interest rates, gross domestic product, non-performing loans, and CAR.

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