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The Effect of Third Party Funds, Return on Assets, Loan to Deposit Ratio, Capital Adequacy Ratio, Operating Expenses and Operating Income on Credit Distribution in Banking Companies Listed on the Indonesia Stock Exchange

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Abstract

This study aims to determine whether third party funds, return on assets, loan to deposit ratio, capital adequacy ratio and operating expenses of operating income affect the distribution of banking credit. This study is a quantitative study. Sampling was carried out using purposive sampling, therefore there are 26 banking companies included in this category. The hypothesis of this study was tested using multiple linear regression. The results of the study describe various results. The conclusion of the study is that third party funds have an influence on the distribution of banking credit and are not significant while return on assets, loan to deposit ratio, capital adequacy ratio, and operating expenses of operating income do not have an influence and are significant on the distribution of company credit.

Keywords: Third Party Funds, Return On Assets, Loan To Deposit Ratio, Capital Adequacy Ratio, Operating Expenses Operating Income, and Credit Distribution

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INTRODUCTION

Banking is a financial institution in the service sector that serves the community by collecting and distributing funds in the form of savings and credit . banking play a role important in move the wheels economy a countries including Indonesia . Banking is a financial intermediary between two parties who want to conduct financial transactions. One of the main functions of banking is to channel credit to people in need, whether for business capital, investment or consumption needs. With The formation of a bank is expected to support equitable economic growth .

Banking is developing digital banking-based businesses or commonly called *mobile banking* to be more practical, have a wide reach, and be competitive. In credit or financing provided by banks, there is a risk of bad or problematic credit, so that in its implementation, banks pay attention to the principles of healthy credit and financing. In distributing funds (credit), it is very important for banks to first know the ability of applicant customers to pay credit in order to maintain the financial health of the bank.

In 2020 , The world is facing a global health and socio-economic crisis. The economic crisis has various negative impacts , many foreign capital owners are withdrawing their investments . With existence *covid-19* , industry banking to decline in channeling funds due to high demand for credit. During 2020, all capital market stakeholders remained protected on the Indonesia Stock Exchange. In the midst of the *covid pandemic* , the Indonesia Stock Exchange recorded 51 new companies with an achievement of 110.87% of the target of 46 set by the company. At the end of 2020, the number of investors for stocks, bonds, mutual funds increased by 56% to 3.88 million investors with Single Investor Identification (SID). This increase is the highest since 2016 (*www.idx.co.id*). This increase in growth is inseparable from the progress of digitalization technology which is dominated by millennials establishing many *startup companies*. Then, in 2023 the Indonesia Stock Exchange contributed 2.50 trillion to the country's foreign exchange. Through the distribution of credit or financing, banks inspire the wider community to do entrepreneurship in order to increase income.

Credit distribution is an activity where a party that has funds (creditor) provides a loan to a party that needs funds (debtor) with the hope of repayment in the form of interest within a specified time.

Third Party Funds are funds collected by banks from the public or customers in the form of savings, deposits, and checking accounts. DPK is one of the main sources of banks to carry out their activities.

Return On Assets (ROA) is a financial ratio that measures how efficient a bank is in generating profits from its assets. The higher the ROA, the more efficient a company is in using its assets to make a profit.

Loan To Deposit Ratio (LDR) is a ratio that shows the comparison between loans provided by banks and total funds collected from the public. A healthy and balanced ratio is important to ensure that banks remain liquid.

Capital Adequacy Ratio (CAR) is a ratio used by banks to measure how much capital a bank has compared to the risks it faces. CAR is used to review the extent to which a bank is able to absorb possible losses.

Operating Expenses Operating Income is a ratio used to assess the operational efficiency of a bank in managing costs and generating income.

The following is a description of the phenomenon of banking companies listed on the Indonesia Stock Exchange:

Tabel 1 Code Emitter

Code Emitter	Year	Party Funds Katie	ROA	LDR (%)	CAR (%)	BOPO (%)	Penyaluran Credit
BBRI	2020	1.121.102.149	0.0186	90.00	20.61	83.46	943,787,634
BBRI	2021	1,138,743,215	0.0244	91.00	25.28	78.54	994,416,523
BBRI	2022	1,307,884,013	0.0346	82.52	23,30	69,18	1.079.274.819
BBRI	2023	1.358.328.761	0,0389	88,18	25,23	68,26	1.197.752.706
BTPN	2020	100.788.906	0,0144	135,15	49,44	87,72	136.212.619
BTPN	2021	109.380.130	0,0209	123,97	58,27	81,08	135.598.774
BTPN	2022	114.866.548	0.0223	127.21	53.66	78.84	146.123.516
BTPN	2023	108.198.576	0.0172	144.70	51.6 0	83.44	156.561.297
MAYA	2020	72.357.421	0.0011	77,12	15.45	98.41	55.801.131
MAYA	2021	98.720.992	0.0006	71.36	14.37	98.83	70,447,076
MAYA	2022	114,870,348	0.0004	81.69	11.13	99.32	93,832,049
MAYA	2023	116,597,264	0.0004	90.00	10.78	99.4 0	102,786,941

Source: Secondary data from the website www.idx.co.id

From the table above, there is a phenomenon that emerged in the three banks, namely Bank Rakyat Indonesia (Persero) Tbk, Bank BTPN Tbk, and Bank Mayapada Internasional Tbk. There was an increase in BBRI's third party funds by (3.86%) throughout 2022-2023, followed by credit distribution in 2022-2023 also increasing by (10.97%). For ROA at BTPN in 2022-2023 decreased by (7.47%) while credit distribution in 2022-2023 increased by (7.14%). For CAR at BTPN in 2022-2023 decreased by (3.84%). For LDR at MAYA in 2020-2021 there was a decrease of (7.47%), while credit distribution increased (26.23%) in 2020-2021 and for BOPO there was a slight increase of (0.43%) from the previous year.

Based on the exposition , the author is very interested in conducting research with the title "The Influence of Third Party Funds, *Return on Assets, Loan to Deposit Ratio, Capital Adequacy Ratio* , And Cost Operational Income Operational Impacts on Credit Distribution in Banking Companies Listed on the Indonesia Stock Exchange (IDX)".

1. Influence Funds Party Third To Distribution Credit

According to Gunawan (2022) Third party funds are funds obtained and collected by banks, such as checking accounts and deposits. The greater the amount of DPK collected by the bank, the more capital the bank has to provide credit.

According to Rhada (2023) Third Party Funds (DPK) are funds from the public collected by banks. Because collecting capital from third parties is the main source for bank credit distribution, the greater the amount of funds collected by banks from various sources, the more credit can be provided .

2. Influence *Return O n Assets* To Distribution Credit

According to Noviarvanti and Aminah (2022) *Return On Assets* (ROA) is a ratio that assesses the company's overall capacity to generate profits by comparing net income with all company assets. The ROA obtained is allocated to fixed assets and bank balances to support operational activities.

According to Permatasari and Suwarno (2022) *Return On Asset* (ROA) is one of the financial indicators used to assess company performance because it is easy to calculate and understand. Because there is other financing besides credit financing which is a priority. ROA does not affect because it is not the bank's main source of funding.

3. Influence *Loan T o Deposit Ratio* To distribution Credit

According to Putri (2022) *Loan to Deposit Ratio* (LDR) Loan to Deposit Ratio (LDR) is a ratio that assesses the composition of the volume of loans provided compared to the total public funds and bank equity. LDR determines the bank's ability to meet customer withdrawals by relying on credit as a source of liquidity. A low LDR ratio indicates that there are many idle funds that have not been distributed. Funds that have not been distributed in the form of credit loans.

According to Dewi, Puspasari, & Sopilah (2020) Every increase in *the Loan To Deposit Ratio* received by the bank will increase the Amount of Credit Distribution or in other words, the greater *the Loan To Deposit Ratio,* the greater the amount of Credit Distribution made by the bank. *The Loan To Deposit Ratio* has a positive and significant impact on the Amount of Credit Distribution.

4. Influence *Capital Adequacy Ratio* To Distribution Credit.

According to Suriana, Hapsari, & Sari (2021) *Capital Adequacy Ratio* (CAR) has a significant negative impact on credit distribution. Therefore, CAR affects credit distribution in the opposite way, namely when the Capital Adequacy Ratio (CAR) increases, credit distribution will decrease, and when CAR decreases, credit distribution will increase.

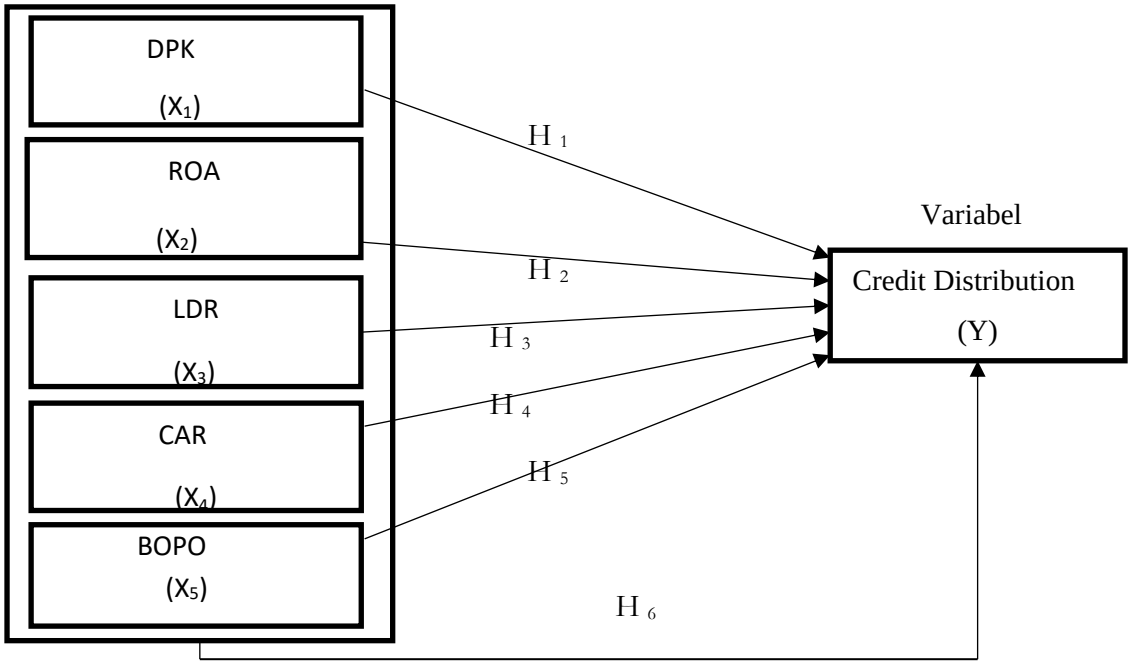
According to Alya and Fatma (2023), *the Capital Adequacy Ratio* (CAR) is used to measure the adequacy of a bank's capital to support operational activities, and is an indicator of capital health that allows banks to manage current and future risks.

5. Influence Cost Operational Income Operational To Distribution Credit

According to Suastika and Herawati (2023) Operating Costs Operating Income (BOPO) is a ratio that shows how much the bank's operating costs are compared to its operating income. A higher BOPO indicates that the operating costs of providing banking services to customers are higher.

According to Ningrum (2021) BOPO is a ratio used to assess the average operational costs and other non-operational costs incurred by banks to make a profit. A lower BOPO value indicates a better efficiency and ability of the bank to manage operational costs .

6. Conceptual Framework



Picture 1 Framework Conceptual

METHODS

1. Method Study

This study applies quantitative research methods. Quantitative methods are approaches that utilize numerical data and statistical analysis techniques to test hypotheses, draw conclusions, and understand the interactions between variables in research. This method aims to produce reliable conclusions by utilizing data that can be measured objectively. (Priyanda et al., 2022) .

2. Types of research

Researcher use type study descriptive. According to Ramdhan (2021), the purpose of this study is to describe, explain, and validate the phenomena being studied.

3. Population And Sample

a. Population

This research is based on 47 annual financial reports of companies operating in the banking sector and listed on the Indonesia Stock Exchange.

b. Sample

Retrieval sample using the method *Purposive Sampling* . Following a number ofcondition sample selection :

Table 2 Research

Criteria	Total
Banking sector companies listed on the Indonesia Stock Exchange for the years 2020-2023	47
Banking sector companies that did not report annual financial statements consistently during 2020-2023	(2)
Banking sector companies that experienced losses during 2020-2023	(19)
Total Sample	26
Total Observational Data (26 x 4)	104

Source : www.idx.co.id

Research sample consists of 26 samples over 4 years, with a total of 104 observational samples, focusing on banking sector companies listed on the Indonesia Stock Exchange.

c. Data Collection Techniques

The data collection technique in this study employs a systematic documentation approach by selecting data deemed essential for the research, obtained through a literature study. The data is secondary and sourced from the official website, www.idx.co.id, in the form of annual financial reports of banking sector companies. This method ensures that the data aligns with the research objectives and provides reliable and accurate information for analysis.

d. Operational Variables

Table 3 The variables studied

Variables	Definition i	Formula	Scale
Funds Party Third (X1)	Funds sourced from the community and entrusted to banks can be in the form of Current Accounts, Savings Accounts and Time Deposit Certificates . **Source : Sinaga & Masdjojo (2022)**	DPK= Giro + Tabungan +Deposito **Source : Sinaga & Masdjojo (2022)**	Nominal

ReturnOn Assets (X2)	The ratio to measure the company's overall ability to generate profits and utilize existing assets. **Source : Cintiya & Riswan (2022)**	$ROA = \frac{\text{Laba sebelum pajak}}{\text{Total Aset}}$ **Source: Saumur, et al. (2021)**	Ratio
Loan To Deposit Ratio (X3)	The ratio to determine the bank's ability to pay depositor withdrawals by relying on credit as a source of liquidity. **Source : Nasedum, et al (20 20)**	$LDR = \frac{\text{Kredit yang diberikan}}{\text{Dana pihak ketiga}} \text{ x } 100\%$ **Source : Nasedum, et al (20 20)**	Ratio
Capital Adequate and Ratio (X4)	Camels ratio is used to represent capital and to handle potential risks. **Source : Amrozi & Sulistyorini (2 020)**	$CAR = \frac{\text{Modal}}{\text{ATMR}} \text{x } 100\ \%$ **Source: Amrozi & Sulistyorini (2 020)**	Ratio
Operating Expenses Operating Income (X5)	The ratio that shows the level of bank efficiency in operational activities while maintaining liquidity. **Source: Gayo, et al. (2022)**	$BOPO = \frac{\text{Beban operasional}}{\text{Pendapatan operasional}} \text{x } 100\ \%$ **Source: Gayo, et al. (2022)**	Ratio
Credit Distribution (Y)	The amount of credit distributed by the bank to customers **Source: Saumur (2021)**	Credit Distribution = Total Credit Distribution **Source: Saumur (2021)**	Nominal

e. Technique Analysis Data

1) Model Study

This research was conducted using multiple linear regression analysis . By connecting independent variables and at least 2 dependent variables. with the aim of researching the relationship variable which is being researched.

Y = the + b 1 X 1 + b 2 X 2 + b 3 X 3 + b 4 X 4 + b 5 X 5 + and

Keterangan :

Y = Penalty Credit

a = Constanta

X = Third Party Funds

X2 = *Return On Assets*

X3 = *Loan To Deposit Ratio*

X4 = *Capital Adequacy Ratio*

X5 = Operating Expenses Operating Income

$b_{1,2,3,4,5}$ = Variable Coefficient

e = Estimated Error

f. Test Assumptions Classic

1) Test Normality

According to Ghozali (2021 : 196) u ji normality used For to evaluate whether in model regression, variable the bully or *residual* distributed normal or No. Model regression Which Good that is data must distributed normal. If the significance probability value exceeds 0.05, then the null hypothesis is accepted, which means the data is normally distributed . This test uses the One Kolmogorov-Smirnov test .

2) U test Multicollinearity

2021 : 157) Test multicollinearity aiming For know whether there is a correlation between the independent variables in the regression model. A good model should not show multicollinearity , which can be detected through the tolerance value and Variance *Inflation Factor* (VIF). A low tolerance value (≤ 0.10) or high VIF *(* ≥ 10) shows the existence of a multicollinearity problem .

3) Test Autocorrelation

According to Ghozali (2021: 162), the autocorrelation test is used to identify whether there is a correlation between residual errors in a certain period. for example period *t* related to the residual error in the previous period period *t- 1 (previous) in a linear regression model* . A good linear regression model is free from autocorrelation . This test is carried out using the Durbin-Watson test.

4) Test Heteroscedasticity

According to Ghozali (2021: 178), *the* heteroscedasticity test is used to test whether there is a difference in residual *variance* between observations . and other observations in a regression model . This is important because *the* residual *variance* changes between observations , then called heteroscedasticity and if it remains homoscedasticity . Heteroscedasticity test is carried out with the pearman test.

g. Test Hypothesis

1) Coefficient Determination (R^2)

Coefficient determination used For evaluate ability And to explain how much impact variable independent in a way simultaneous in influence variable dependent. Coefficient determination is expressed by value R-square (R2) ranges from 0 to 1 .

2) Test Significant Simultan (Test F)

According to Ghozali (2021:148) In the regression model, the F test is used to determine whether the independent variables together have a significant effect on the dependent variable. Significant F test results, usually at a significance level below 0.05, indicate that the independent variables together affect the dependent variable. If the results are not significant, it is assumed that the independent variables do not affect the dependent variable simultaneously.

3) Test Significant Partial (Test T)

According to Ghozali (2021:148) the T-test is conducted to assess the influence of each independent variable on the dependent variable in regression analysis . This test aims to testing the hypothesis that states whether the independent variable has a significant influence on the dependent variable. With a significance level of 0.05, testing is done by comparing the Ttable and Tcount values.

RESULTS

1. Descriptive Statistics

Table 4 Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Third-party funds	104	105,706	411,591,000,000	14839085387.44	68073255899.770
ROA	104	.04	13.62	1.5812	1.61732
LDR	104	.30	4.84	.9376	.57748
CAR	104	.11	2.84	.3734	.36783
BOPO	104	.22	.99	.7785	.15671
Credit Distribution	104	2,527,795	7,385,710,000,000	215680451879.13	1047801542521.448
Valid N (listwise)	104				

a. Third Party Funds with 104 samples, with a minimum of 105,706, with a maximum of 411,591,000,000, with a mean of 14839085387.44 and a standard deviation of 68073255899.770.

b. *Return On Assets* with 106 samples, with a minimum of 0.04, with a maximum of 13.62, with a mean of 1.5812, and with a standard deviation of 1.61732.

c. *Loan To Deposit Ratio* with 106 samples, with a minimum of 0.30, a maximum of 4.84, a mean of 0.9376, and a standard deviation of 0.57748.

d. *Capital Adequacy Ratio* with 106 samples, with a minimum of 0.11, a maximum of 2.84, a mean of 0.3734, and a standard deviation of 0.36783.

e. Operating Expenses Operating Income with 106 samples, with a minimum of 0.22, a maximum of 0.99, a mean of 0.7785, and a standard deviation of 0.15671.

f. Credit Distribution with 106 samples, with a minimum of 2,527,795, with a maximum of 7,385,710,000,000, with a mean of 215680451879.13, and with a standard deviation of 1047801542521.448.

2. **Classical Assumption Test**

a. Normality Test

Table 5 Kolmogorov-Smirnov Test Results After Transformation

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		94
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	.82474983
Most Extreme Differences	Absolute	.122
	Positive	.116
	Negative	-.122
Kolmogorov-Smirnov Z		1.184
Asymp. Sig. (2-tailed)		.121

a. Test distribution is Normal.

b. Calculated from data.

The significant value is 0.121 > 0.05, which means the data is normally distributed.

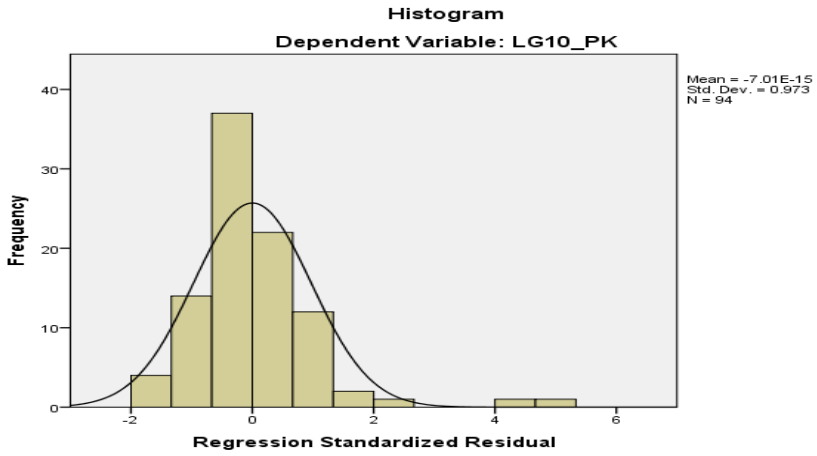


Figure 2. Results of Histogram Normality Test After Transformation

Graph shows a pattern that almost matches the bell-shaped determination that does not shift to the left or right, so the data is normally distributed.

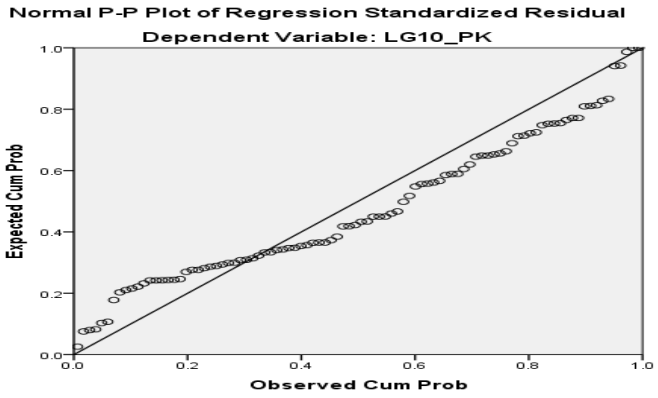


Figure 4

Results of the Probability Plot Normality Test After Transformation

Based on the pp plot image, it shows that the data is normally distributed because the distribution of the plot points moves closer to the diagonal line.

b. Multicollinearity Test

Table 6 Multicollinearity Test Results After Transformation

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	LG10_DPK	.830	1.205
	LG10_ROA	.600	1.667
	LG10_LDR	.853	1.172
	LG10_CAR	.942	1.061
	LG10_BOPO	.588	1.700

a. Dependent Variable: LG10_PK

Table 6 shows the tolerance and VIF figures, which indicate that :

1) The tolerance value of LG10 DPK (0.830), LG10 ROA (0.600), LG10 LDR (0.853) LG10 CAR (0.942), and LG10 BOPO (0.588) > 0.10 can be concluded that this test does not show multicollinearity.
2) The VIF values of LG10 DPK (1.205), LG10 ROA (1.667), LG10 LDR (1.172), LG10 CAR (1.061), and LG10 BOPO (1.700) < 10 can be concluded that this test does not show multicollinearity.

3 Autocorrelation Test

Table 7 Autocorrelation Test Results After Transformation

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.811 [a]	.657	.634	.64300	1,899

a. Predictors: (Constant), Loan To Deposit Ratio, Capital Adequacy Ratio, Return On Assets, Third Party Funds, Operating Expenses Operating Income

b. Dependent Variable: Credit Distribution

These results show that the DW value (0.941), dl value (1.5542), and du value (1.7776) of 5 independent variables. So that the DW results are between du and 4-du (1.7776 < 1.899 < 4-1.7776 or 1.776 < 1.899 < 2.2224 which means free from autocorrelation problems.

4. Heteroscedasticity Test

Table 8 Spearman Test Results After Transformation

Correlations

			DPK_2	ROA_2	LDR_2	CAR_2	BOPO_2	Unstandardized Residual
Spearman's rho	DPK_2	Correlation Coefficient	1.000	.424**	-.995**	-.967**	-.856**	.051
		Sig. (2-tailed)	.	.000	.000	.000	.000	.628
		N	94	94	94	94	94	94
	ROA_2	Correlation Coefficient	.424**	1.000	-.418**	-.424**	-.690**	.172
		Sig. (2-tailed)	.000	.	.000	.000	.000	.098
		N	94	94	94	94	94	94
	LDR_2	Correlation Coefficient	-.995**	-.418**	1.000	.963**	.852**	-.031
		Sig. (2-tailed)	.000	.000	.	.000	.000	.766
		N	94	94	94	94	94	94
	CAR_2	Correlation Coefficient	-.967**	-.424**	.963**	1.000	.829**	.056
		Sig. (2-tailed)	.000	.000	.000	.	.000	.591
		N	94	94	94	94	94	94
	BOPO_2	Correlation Coefficient	-.856**	-.690**	.852**	.829**	1.000	-.027
		Sig. (2-tailed)	.000	.000	.000	.000	.	.795
		N	94	94	94	94	94	94
	Unstandardized Residual	Correlation Coefficient	.051	.172	-.031	.056	-.027	1.000
		Sig. (2-tailed)	.628	.098	.766	.591	.795	.
		N	94	94	94	94	94	94

**. Correlation is significant at the 0.01 level (2-tailed).

All independent variables have significant values above 0.05, so there is no evidence of heteroscedasticit

5. Data Analysis Results

a. Multiple Linear Regression Analysis

Table 9 Results of Multiple Linear Regression Analysis After Transformation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.427	.577		9.410	.000
	LG10_DPK	.176	.078	.202	2.264	.026
	LG10_ROA	-.119	.260	-.048	-.459	.648
	LG10_LDR	.998	.674	.130	1.482	.142
	LG10_CAR	-.925	.491	-.157	-1.884	.063
	LG10_BOPO	-7.618	1.456	-.553	-5.232	.000

a. Dependent Variable: LG10_PK

Credit Distribution = 5,427 + 0,176 Third Party Funds - 0,119 *Return On Assets* + 0,998 *Loan To Deposit Ratio* - 0,925 *Capital Adequacy Ratio* – 7,618 Operating Expenses Operating Income Operating income

1) The constant is worth 5.427 units. This means that if Third Party Funds, *Return On Assets* , *Loan To Deposit Ratio* , *Capital Adequacy Ratio* , and Operating Expenses - Operating Income, then the Credit Distribution value is 5.427 units.
2) Third Party Funds is worth 0.176 units. This means that if other independent variables are worth 0 and Third Party Funds are positive, then Third Party Funds will increase per unit and Credit Distribution will increase by 0.176.
3) *Return On Assets* is worth -0.119 units. This means that if other independent variables are worth 0 and *Return On Assets* is negative, there is an increase per unit and Credit Distribution decreases by -0.119.
4) *Loan To Deposit Ratio* is worth 0.998 units. This means that if other independent variables are worth 0 and *Loan To Deposit Ratio* is positive, then Loan To Deposit Ratio increases per unit and Distribution increases by 0.998.

5) *Capital Adequacy Ratio* is worth -0.925 units. This means that if other independent variables are worth 0 and *the Capital Adequacy Ratio* is negative, there is an increase per unit and Credit Distribution decreases by -0.925 .
6) Operating Expenses Operating Income is worth -7.618 units. This means that if other independent variables are worth 0 and Operating Expenses Operating Income is negative, there will be an increase per unit and Credit Distribution will decrease by -7.618.

b. Coefficient of Determination (R^2)

Table 10. Results of Multiple Linear Regression Analysis After Transformation

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.649[a]	.421	.388	.84786

a. Predictors: (Constant), LG10_BOPO, LG10_LDR, LG10_CAR, LG10_DPK, LG10_ROA

b. Dependent Variable: LG10_PK

Third Party Funds, *Return On Assets* , *Loan To Deposit Ratio* , *Capital Adequacy Ratio* , and Operating Expenses Operating Income have an impact of 39% where the remaining 61% is caused by external variables that are not used in this study.

c. F Test

Table 11 Results F Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.984	5	9.197	12.794	.000[b]
	Residual	63.260	88	.719		
	Total	109.244	93			

a. Dependent Variable: LG10_PK

b. Predictors: (Constant), LG10_BOPO, LG10_LDR, LG10_CAR, LG10_DPK, LG10_ROA

F table is known from df 5 and df 88 is 2.32. F count 12.794> F table 2.32 and the value Significant 0.00 < 0.05 then H0 $_{is}$ rejected and H1 $_{is}$ accepted which means that simultaneously Third Party Funds, *Return On Assets* , *Loan To Deposit Ratio* , *Capital Adequacy Ratio* , Operating Expenses and Operating Income have an effect on Credit Distribution.

d. t-test

Tabel 12 Uji T

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.427	.577		9.410	.000
	LG10_DPK	.176	.078	.202	2.264	.026
	LG10_ROA	-.119	.260	-.048	-.459	.648
	LG10_LDR	.998	.674	.130	1.482	.142
	LG10_CAR	-.925	.491	-.157	-1.884	.063
	LG10_BOPO	-7.618	1.456	-.553	-5.232	.000

a. Dependent Variable: LG10_PK

The T table value for df = 89 (nk) or (94-5) and a probability of 0.05 for a two-tailed test is 1.986979.

1) H1 t-value 2.264 > t-table 1.986979 and sig 0.026 < 0.05 which means that Third Party Funds have an influence on Credit Distribution of banking companies.
2) H1 t-value -0.459 < t table 1.986979 and sig 0.648 > 0.05 which means that *Return On Asset* has no influence on Credit Distribution of banking companies.
3) H1 t-value is 1.482 < t-table 1.986979 and sig 0.142 > 0.05, which means that *the Loan To Deposit Ratio* has no influence on the Credit Distribution of banking companies.
4) H1 t-value -1.884 < t-table 1.986979 and sig 0.063 > 0.05 which means that *the Capital Adequacy Ratio* has no influence on the Credit Distribution of banking companies.
5) H1 t-value -5.232 < t-table 1.986979 and sig 0.000 < 0.05 which means that Operating Expenses and Operating Income have no influence on Credit Distribution of banking companies.

Suggestions

Based on the presentation of conclusions from the research results, various suggestions that researchers can convey are:

1) Low credit distribution is caused by declining third party funds. Banks need to continue to strive to increase third party funds through various marketing strategies and attractive banking products. In addition, banks also need to manage third party funds effectively to maintain liquidity and minimize risk. So it is important for banking companies to increase their potential in this regard.
2) Regulators need to pay attention to the development of third party funds and credit distribution to maintain the stability of the financial system. The right monetary

policy can help optimize the role of third party funds in supporting economic growth.

3) For Prima Indonesia University, this research is expected to be a material for observation and a source of reference in the future.
4) For students, analysis can be carried out more specifically on certain types of banks to see broader differences in influence

DISCUSSION

1. **The Influence of Third Party Funds on Credit Distribution**

   Based on the results of the data analysis above, it shows that the independent variable of Third Party Funds has an influence on the Credit Distribution of banking companies. Banks use third party funds as their main source of capital to provide credit to the public or economic actors. The more third party funds a bank has, the greater the potential for the bank to provide credit and encourage economic growth. These results agree with the research of Gea, et al. (2024), Third Party Funds from the public contribute greatly to the bank's ability to distribute credit.

2. **The Influence of *Return on Assets* on Credit Distribution**

   Based on the results of the data analysis above, it shows that the independent variable *return on assets* has no impact on the Credit Distribution of banking companies. In every company, profit can be measured using *return on assets* . In banking companies, profit is obtained through credit interest from customers. Although *return on assets* shows good performance, banks may choose to limit credit distribution to reduce risk. An unstable economic situation and uncertainty in the market can affect banks in distributing credit. These results agree with the research of Tamia and Sari (2024), the *return on assets* obtained by banks is more directed and invested in fixed assets.

3. **The Influence of *Loan to Deposit Ratio* on Credit Distribution**

   Based on the results of the data analysis above, it shows that the independent variable *loan to deposit ratio* has no impact on the Credit Distribution of banking companies. *The loan to deposit ratio* is an important indicator of bank liquidity. Many banking companies are less effective in managing the balance between credit growth and the availability of funds owned and maintaining overall financial

stability. These results agree with the research of Yulian, et al. (2019), the higher *the loan to deposit ratio value* , the more credit the bank will distribute. So that the large amount of credit distributed allows for bad credit which can be detrimental to banking.

4. **The Influence of *Capital Adequacy Ratio* on Credit Distribution**

   Based on the results of the data analysis above, it shows that the independent variable *capital adequacy ratio* has no impact on the Credit Distribution of banking companies. The *capital adequacy ratio* allocated for credit is less because the capital is used to maintain the minimum capital provision obligation and invest their capital in other assets that are considered safer. in anticipating the occurrence of risks. These results agree with the research of Cruz, et al. (2024).

5. **The Influence of Operating Expenses and Operating Income on Credit Distribution**

   Based on the results of the data analysis above, it shows that Operating Expenses Operating Income has no impact on Credit Distribution of banking companies. Although BOPO reflects the operational efficiency of banks, banks may be more careful in providing credit to avoid the risk of default, so that the relationship between BOPO and credit distribution becomes insignificant . These results agree with the research of Yuwanto, et al. (2023).

CONCLUSION

Regarding the results of the research that has been conducted, various conclusions were found as follows:

1. Third Party Funds have an influence on the distribution of credit by banking companies listed on the Indonesia Stock Exchange.
2. *Return On Assets* has no influence on the distribution of credit by banking companies listed on the Indonesia Stock Exchange.
3. *Loan To Deposit Ratio* has no influence on credit distribution of banking companies listed on the Indonesia Stock Exchange.
4. *Capital Adequacy Ratio* has no impact on credit distribution of banking companies listed on the Indonesia Stock Exchange.
5. Operating Expenses Operating Income has no influence on the distribution of credit by banking companies listed on the Indonesia Stock Exchange.

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