



Car, LDR and Third Party Funds on the Amount of Credit Disbursed by Rural Banks in North Sumatera, Indonesia

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Abstract: The amount of credit disbursed in several BPRs in 12 regencies / cities in 2017-2021 has decreased, where this decrease is due to the ability of several BPRs in 12 regencies / cities to increase capital adequacy (CAR) and the ability of BPRs to increase the amount of third party funds is not optimal and tends to decrease, although the ability of some BPRs to increase the amount of credit income that has been channeled has actually increased, but the increase in LDR is not able to increase the amount of credit that has been channeled to the community, so that the efforts of some BPRs in maximizing the use of funds for the process of lending to the community are not running properly. The type of research used is quantitative descriptive research. The research methodology used is multiple linear regression analysis. The results showed that partially only the CAR variable and the third party funds variable had a positive and significant effect on the amount of credit channeled by 12 BPRs in 12 regencies / cities in North Sumatra Province in 2017-2021 and simultaneously the CAR, LDR and third party funds variables had a positive and significant effect on the amount of credit channeled by 12 BPRs in 12 regencies / cities in North Sumatra Province in 2017-2021. Testing the adjusted coefficient of determination (Adjusted R Square) obtained a value of 0.851, meaning that the independent variables, namely CAR, LDR and third party fund variables, have an effect of 85.1% on the dependent variable, namely the amount of credit disbursed by 12 BPRs in 12 regencies / cities in North Sumatra Province in 2017-2021.

Keywords: CAR, LDR, Third Party Funds, Total Loans Disbursed

INTRODUCTION

The banking business is currently experiencing rapid growth, where this banking business creates an important business to be able to drive the economy of a country, where banks can help the Government in a country to increase National Income. In order to increase national income, banks will certainly continue to increase efforts in driving the community's economy by channeling credit to the community, where credit can help businesses to survive various global problems that affect the economy, so that it can interfere with the ability of

banks to increase maximum efforts in order to maximize the amount of funds to be used for the process of lending to the community. Banks need to anticipate the risks that will be caused if there is a crisis in the economic field, as was felt in 1998, where the level of banking liquidity is experiencing problems, especially the bank's ability to increase the capital adequacy ratio (CAR) which is very low which makes banks experience problems in injecting and channeling their funds in the form of credit, so that the amount of capital that is not balanced with income makes banks experience financial difficulties.

The financial difficulties felt by banks are caused by bad debts experienced by banks, where non-performing financing is high, while the level of credit returns is experiencing obstacles with a low growth rate of credit returns, third party funds that are predicted to be able to cover the shortage of funds due to the large number of non-performing financing, so that at that time many banks experienced bankruptcy due to the State being unable to help finance banks, so that banks experienced financial constraints which resulted in a low capital adequacy ratio (CAR) and were no longer able to cover existing expenses. Nowadays, microfinance institutions have emerged to assist large banks or other banks to extend credit to small and medium enterprises that are not carried out by commercial banks, or other private banks. The main obstacle is the increased risk of low capital adequacy ratios, where BPRs do not have high capital to extend large amounts of credit, where many BPRs have been bankrupt for no more than 2 years or 3 years. Suhevi (2019: 22) the level of *capital adequacy ratio* can provide an overview of the increase in the amount of capital used, where the high capital adequacy ratio of BPRs will help increase liquidity or funding for BPRs in order to maximize the amount of funds available not only as a reserve to cover operating costs that have been incurred, but also help increase the amount of funds, as well as maximize the amount of funds that will be distributed to the community. By increasing CAR, BPR can also compare the amount of credit disbursed to the total funds received, where this ratio is intended to measure the extent to which banks are able to increase the ability to increase the amount of funds from the return of credit that has been channeled, where with this ability BPR can easily increase liquidity, so as to increase the capital adequacy ratio (CAR). Mulyati (2017: 32) if BPR is able to increase the ability to increase the amount of funds from paying third party funds withdrawn by customers, then BPR will be able to increase liquidity, so that with the increase in the amount of funds it is hoped that BPR can maximize the amount and process of lending to the community, and be able to create healthy liquidity and strengthen the foundation of BPR so that the function of BPR will be more real in helping small businesses (MSMEs).

The increase in liquidity is not only from an increase in the amount of funds received from loan repayments in a measured and timely manner, there is also an increase in BPR liquidity from an increase in the amount of third party funds, where these third party funds come from savings and deposits. BPRs also raise funds from third parties through savings and deposits, where BPRs must increase reserves or capital through third party funds, just like commercial and private banks to increase funds in order to cover operational costs, and assist BPRs in increasing the amount of funds for the lending process in the future. Zacharias, M. Doen and C. Foenay, Christien, (2019: 154) third party funds raised by BPRs are funds used for capital reserves in covering existing operational costs as well as to increase the amount of funds and maximize the amount of funds available for the BPR lending process in the future. North Sumatra Province is one of the provinces that has several MSMEs, where the number of MSMEs is not only financed by their own capital, but to increase business development, loan capital is needed from banks, especially from BPRs, where in North Sumatra Province there are more than 53 BPRs spread across 33 regencies / cities in North Sumatra Province. Ni Made Anik Nasa Suryawati, Wayan Cipta and Gede Putu Agus Jana Susila (2018) The Effect of Third Party Funds (DPK), Capital Adequacy Ratio (CAR), Non

Performing Loan (NPL) and Loan to Deposit Ratio (LDR) on Total Lending (Case Study at LPD Desa Pakraman Pamaran), Quantitative analysis with multiple linear regression analysis, The results of data analysis can be seen that partially the variables of third party funds, CAR, and LDR affect the amount of lending at LPD Desa Pakraman Pamaran. Research Damaris Aprilya Zacharias, Wehelmina M. Ndoen and Christien C. Foenay (2019), Analysis of Capital Adequacy Ratio (CAR), Third Party Funds (DPK) and Loan to Deposit Ratio (LDR) on Banking Lending (Case Study at PT BPR Christa Jaya Perdana), Quantitative Analysis, with multiple linear regression analysis The results of data analysis can be seen that partially the variables of third party funds and LDR have an effect on lending (BPR Christa Jaya Perdana). Research by Selvie Syukriah, Muhammad Arfan and Syukriy Abdullah (2017), The Effect of Third Party Funds, Lending Interest Rates and Bank Capital on Lending to Conventional Rural Banks in Indonesia, Quantitative analysis with multiple linear regression analysis, The results of the study explained that partially the variable third party funds and bank capital had a positive and significant effect on conventional BPR lending. Research by Intania Tisna Sari Siswanto and Risal Rinofah (2020), The Effect of Interest Rates, Loan to Deposit Ratio (LDR), and Third Party Funds (DPK) on Lending at Rural Banks (BPR) in Bantul Regency for the 2014-2018 Period, Quantitative analysis with multiple linear regression analysis, The results concluded that partially LDR and third party funds had a significant effect on BPR lending in Bantul Regency in 2014-2018.

BPR as an economic driver in North Sumatra Province, especially helping the business world in increasing its production, of course, must be able to increase the amount of funds owned, so that later BPRs in North Sumatra can play a role to help channel credit in order to help the business world develop its business and also help the North Sumatra Provincial Government in increasing its regional income. In this study, we can see how the condition of BPRs in 12 regencies / cities in order to increase the amount of funds to maximize lending. The conditions of some BPRs in 12 regencies / cities are closely related to the ability of BPRs to increase capital adequacy (CAR), the ability to increase the amount of refunds (LDR) and increase third party funds. The description of the CAR value, LDR of third party funds and the amount of credit disbursed from several BPRs in 12 regencies / cities in North Sumatra Province during the period 2017-2021 is as follows:

Table 1. Overview of CAR, LDR, Third Party Funds and Total Loans Disbursed by Several BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021

Name of BPR	Year	CAR (%)	LDR (%)	Third Party Funds (IDR/Trillion)	Total Loans Disbursed (IDR/Billion)
BPR Wahana Bersama KPUM	2017	18,79	79,24	16762899	12981375
	2018	19,24	85,27	16704833	14033156
	2019	26,25	83,51	15145748	14259395
	2020	30,98	68,53	18345101	14858657
	2021	33,87	66,81	19029516	15128260
BPR Dana Mandiri	2017	32,75	5,9	11436890	24734154
	2018	21,36	3,6	17199111	30798018
	2019	45,46	1,66	31835924	31844056
	2020	41,5	1,14	37192117	33394196
	2021	46,93	3,18	33412401	31210915
BPR Logo Karo Asri	2017	60,88	34,83	11436890	19048120
	2018	84,72	22,93	17199111	11836005
	2019	115,26	15,18	31835924	6206085
	2020	86,86	16,11	37192117	6551320
	2021	78,24	29,14	33412401	12221612

Source : www.ojk.co.id, 2021

Based on table 1 above, it can be concluded that the amount of credit disbursed in several BPRs in 12 regencies / cities in 2017-2021 has decreased, where this decrease is due to the ability of several BPRs in 12 regencies / cities to increase capital adequacy (CAR) and the ability of BPRs to increase the amount of third party funds is not optimal and tends to decrease, Although the ability of some BPRs to increase the amount of credit income that has been channeled has actually increased, the increase in LDR is not able to increase the amount of credit that has been channeled to the community, so that the efforts of some BPRs in maximizing the use of funds for the process of lending to the community are not running properly. The purpose of this study was to determine the effect of CAR, LDR and Third Party Funds on the amount of credit on the amount of credit disbursed at BPRs in 12 regencies / cities in North Sumatra Province in 2017-2021.

LITERATURE REVIEW

Capital Adequacy Ratio (CAR)

Suryawati, Cipta and Susila (2018: 9) the *capital* adequacy ratio is a ratio that shows how much the amount of all bank assets that contain risk (credit, investment, securities, bills to other banks) is financed from its own capital in addition to obtaining funds from sources outside the bank. Astutiningsih and Baskara (2019: 1611) CAR is a ratio that shows the bank's ability to provide funds or capital for business development purposes and to bear the risk of fund losses caused by the bank's operational activities. Zacharias, M. Ndoen and C. Foenay (2019: 154) CAR is the bank's minimum capital requirement calculated based on Risk Weighted Assets (RWA). In general, the *Capital Adequacy Ratio (CAR)* is a ratio aimed at knowing how much capital adequacy is used to increase the amount of credit that will be distributed to the public. Siswanto and Rinofah (2020: 17) the provisions for CAR assessment initially used regulations made by Bank Indonesia, where the assessment used PBI No. 3/21 / PBI / 2001, where the Bank Indonesia regulation states that banks, especially BPRs, are required to provide a minimum capital reserve of 8% of risk-weighted assets. Whereas now the regulation is replaced by the Financial Services Authority regulation Number 5/POJK.3/2015, where this regulation banks, especially BPRs are required to provide a minimum capital reserve of 8% and a maximum of 12% of fixed assets. Zacharias, M. Ndoen and C. Foenay (2019: 154) how to find the CAR value can be found through the following formula:

$$\text{CAR} = \text{Capital} / \text{RWA} \times 100\%$$

$$\text{CAR} = \text{Capital Adequacy ratio}$$

$$\text{RWA} = \text{Risk Weighted Assets}$$

Loan To Deposit Ratio (LDR)

Astutiningsih and Baskara (2017: 1614) LDR is a ratio that shows how much the bank's ability to pay back withdrawals made by depositors by relying on credit provided as a source of liquidity. Krisdayanti, Roestiono and Suharmiati (2021: 158) LDR is used to measure the level of bank liquidity. The higher this ratio indicates that the greater the DPK used for lending, but on the other hand too high this ratio also poses a risk of low bank liquidity. Suryawati, Cipta and Susila (2018: 10) *loan to deposit ratio* is a ratio to measure the composition of the amount of credit provided compared to the amount of public funds and own capital used. In general, the loan to deposit ratio is a ratio used to determine the extent to which banks, especially BPRs, have the ability to repay the amount of funds withdrawn by customers through third party funds in order to increase liquidity in increasing the amount of funds for the process of lending to the public. Suhevi (2019: 25) the provisions for assessing LDR can be seen through Bank Indonesia Regulation PBI No. 15/15/PBI/2013 dated December 24, 2013. Bank Indonesia then made changes through PBI No. 17/11 / PBI / 2015,

where this regulation banks, especially BPRs, must increase their productive assets by a maximum of 105%. While the latest rules through OJK regulation Number 5 / POJK.3 / 2015, where this regulation banks, especially BPRs must be able to increase their productive assets by a minimum of 78% and a maximum of 92% in order to increase repayment of a number of third party funds withdrawn by customers. Mulyati (2017: 33) as for how to find the LDR value can be found through the following formula:

$$\text{LDR} = \text{Loans disbursed} / \text{Total Funds Received} \times 100\%$$
$$\text{LDR} = \text{Loan to Deosit Ratio}$$

Third Party Funds

Astutiningsih and Baskara (2019: 1612) Third Party Funds (DPK) are funds originating from the public collected in the form of demand deposits, savings (saving deposits), and time deposits originating from individuals or entities. Fathony and Dewi (2018: 38) Third party funds are funds obtained from the public, in the sense of society as individuals, companies, governments, households, cooperatives, foundations and others both in rupiah and in foreign currencies. Krisdayanti, Roestiono and Suharmiati (2021: 161) Third Party Funds (DPK) are funds in the form of deposits from the public. Banks can utilize funds from this third party to be placed in posts that generate income for the bank, one of which is in the form of credit. In general, third party funds are a collection of funds raised by the public by banks, especially BPRs in order to increase reserves to cover operational costs, and can patch up the shortage of funds in the process of lending in the community. Mulyati (2017: 34) the types of third party funds in rural banks (BPR) include Savings are Deposits whose withdrawals can be made under certain agreed conditions, but cannot be withdrawn by check, bilyet giro and or other tools that are equivalent to that. Deposits are Deposits whose withdrawals can only be made at certain times based on the deposit customer's agreement with the bank. Siswanto and Rinofah (2020: 18) indicators in calculating third party funds can be seen in the following formula, namely: $DPK = \text{Savings} + \text{Deposits}$; $DPK = \text{Third Party Funds}$

Total Loans Disbursed

Suhevi (2019: 27) the amount of credit disbursed is an amount of funds intended to maximize the amount of budget in order to maximize credit to be distributed to the public. Suryawati, Cipta and Susila (2018: 11) the amount of credit disbursed is the maximum effort made by banks in order to increase the amount of funds for the process of lending to the public and the funds that have been disbursed are paid back according to the due date. Zacharias, M. Ndoen and C. Foenay (2019: 154) the amount of credit disbursed is an effort to maximize the amount of funds and increase the amount of funds in order to increase the process of lending to the community. In general, the amount of credit disbursed is an effort made by the bank in order to increase the amount of funds in the context of the process of lending to the community, where the credit disbursed must be returned in accordance with the agreed time between the customer and the bank. Suhevi (2019: 26) the objectives of lending to the community include: the community will benefit from interest, help the community meet their needs through increasing business production, helping the State in advancing the economy, so that the community will be able to meet their desired needs.

Framework of Thought

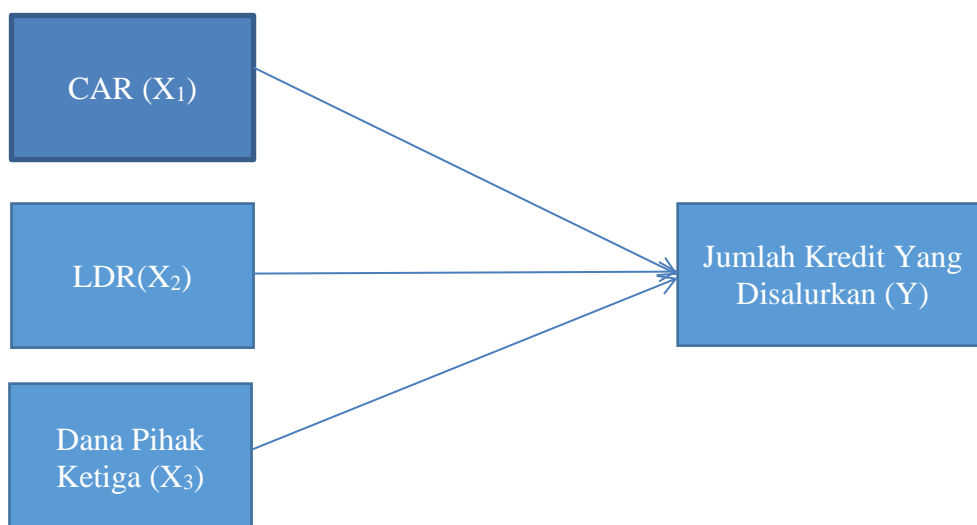


Figure 1. Framework of Thought

The effect of CAR on the amount of credit disbursed

Suhevi (2019: 23) CAR greatly affects the amount of credit to be disbursed, where if the CAR value increases, the bank, especially the BPR will be able to increase the amount of funds that will be used for the lending process to the community, on the other hand, if the CAR decreases, the BPR will not be able to increase the amount of funds in the lending process, so the amount of funds to be disbursed is not optimal and will affect other financial conditions.

H1: CAR has a positive and significant effect on the amount of credit channeled by BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021.

The Effect of LDR on the Number of Loans Disbursed

Mulyati (2017: 34) *loan to deposit ratio* (LDR) greatly affects the increase in the amount of credit that will be disbursed to the community, where if the LDR value is low, then banks, especially BPRs, will not be able to increase liquidity to increase payments to cover third party funds, so that the bank's condition will be even worse, the CAR value will decrease and threaten the sustainability of BPRs in serving lending, so that the amount of credit will not be maximized again to be distributed because BPRs experience a lack of funding.

H2 : LDR has a positive and significant effect on the amount of credit channeled by BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021.

The Effect of Third Party Funds on the Number of Loans Disbursed

Selvie, Arfan and Abdullah (2017: 55) third party funds greatly affect the amount of credit channeled, where increased third party funds will make banks, especially BPRs, get capital reserves to cover the shortage of funds available when operating costs increase, so that BPRs will get additional funds to carry out operations, in addition to raising funds and also to channel them back in the form of savings, and help increase funds for the process of lending to the community.

H3: Third party funds have a positive and significant effect on the amount of credit channeled by BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021.

RESEARCH

Research Variables

CAR (X_1) is a ratio that shows the bank's ability to provide funds or capital for business development purposes and to bear the risk of fund losses caused by bank operational activities (Astutiningsih and Baskara, 2019: 1611).

$$CAR (KPMM) = \text{Capital} / RWA$$

LDR (X_2) is a ratio to measure the composition of the amount of credit provided compared to the amount of public funds and own capital used. (Suryawati, Cipta and Susila, 2018: 10).

$$LDR = \text{Loans disbursed} / \text{Total Funds Received} \times 100\%$$

Third Party Funds (X_3), namely funds in the form of deposits from the public. Banks can utilize funds from these third parties to be placed in posts that generate income for banks, one of which is in the form of credit (Krisdayanti, Roestiono and Suharmiati, 2021: 161).

$$DPK = \text{Savings} + \text{Deposits}$$

Amount of Credit Disbursed (Y), namely an amount of funds intended to maximize the amount of budget in order to maximize credit to be distributed to the public (Suhevi, 2019: 27).

Total loans disbursed by BPRs in 12 regencies/cities in North Sumatra Province

Population and Sample

The population in this study is the financial statements of 12 rural banks in 12 regencies / cities in North Sumatra which are registered with the Financial Services Authority in 2017-2021, where the sampling technique in this study uses *purposive sampling* method, where Ghazali (2018: 47) *purposive sampling* method is a sampling method based on certain considerations that the researcher wants to use so that the sample becomes objective. So the sample used as the object of this research is the financial statements of 12 rural banks in 12 regencies / cities in North Sumatra which are registered with the Financial Services Authority in 2017-2021. So that the total sample becomes 60 samples, where the company data that is the object of this sample can be seen in Table 2 below:

Table 2. Sample of 12 BPRs in 12 regencies / cities in North Sumatra Province in 2017-2021

No.	Name of BPR	District/City
1	PT.BPR Wahana Bersama KPUM	Medan City
2	PT BPR Dana Mandiri	Deli Serdang District
3	PT BPR Logo Karo Asri	Kab. Karo
4	PT BPR Multi Tata Perkasa	Binjai City
5	PT BPR Nusantara Bona Pasogit 15	Kab. Asahan
6	PT. BPR Mangatur Ganda	Labuhan Batu district
7	PT. BPR Karya Parhuta	Kab. Tapanuli Selatan
8	PT BPR Nusantara Bona Pasogit 8	Kab. Dairi
9	PT BPR Nusantara Bona Pasogit 1	North Tapanuli district
10	PT BPR Bandar Jaya	Simalungun district
11	PT BPR Nusantara Bona Pasogit 18	Serdang Bedagai District
12	PT BPR Nusantara Bona Pasogit 10	Humbang Hasudutan District

Source: www.ojk.co.id, 2022

The object of this research is the financial statements of 12 rural banks in 12 regencies / cities in North Sumatra which are registered with the Financial Services Authority in 2017-2021, where the criteria for companies sampled are:

1. Its financial statements have not suffered losses in the last 5 years
2. The number of loans disbursed has not decreased, which has resulted in BPRs not being able to maximize their funds to increase the number of loans disbursed.
3. The BPRs that are the object of research consist of 12 BPRs located in 12 regencies / cities in North Sumatra, each of which is represented by one BPR in each Regency / City.
4. BPRs taken as research objects are BPRs that have not experienced mergers or have not experienced bankruptcy.

Data Analysis Technique

Descriptive Statistical Analysis

Ghozali (2018: 40) descriptive statistical analysis is a data analysis that describes the conditions, as well as certain characteristics of each variable, where these characteristics can be seen from the average value (mean), maximum and minimum values, and standard deviation.

Classical Assumption Test

The classic assumption test can be described through normality test, multicollinearity test, heteroscedasticity test and outocorrelation test.

Multiple Linear Regression Analysis

Arikunto (2019: 50) multiple linear regression test is a test conducted to determine the direction and how much influence the independent variable has on the dependent variable, where this analysis can determine the linear equation, as shown below:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$$

Y = Total Loans Disbursed

b₁, b₂, b₃ = constants

X₁ = CAR

X₂ = LDR

X₃ = Third Party Funds

Hypothesis Test

Hypothesis testing in this study is a partial significance test (t test), simultaneous significance test (F test) and coefficient of determination test (R²).

RESULT AND DISCUSSION

Overview of CAR, LDR, Third Party Funds, and Total Loans Distributed by Several BPRs in North Sumatra Province

The description of the development of CAR, LDR, Third Party Funds and Total Loans Distributed from several BPRs in the North Sumatra Province in the last 5 years can be seen in Table 3 below:

Table 3 Conditions of CAR, LDR, Third Party Funds and Total Loans Distributed by BPRs in North Sumatra in 2017-2021

Year	CAR (X1)	DPK (X2)	LDR (X3)	Total Loans Disbursed (Y)
2017	26,24	22.140.384.300	72,37	1,01
2018	33,32	24.635.533.300	73,01	1,12
2019	32,55	25.938.039.400	67,7	1,18

2020	36,38	.28.168.465.000	62,93	1,14
2021	45,22	.30.999.515.400	62,86	1,31

Source : www.ojk.co.id, 2022

According to Table 3, it can be concluded that the average amount of credit disbursed by BPRs in North Sumatra Province during 2017-2020 tends to decrease, this is due to a decrease in the ability of BPRs to increase funds to repay low third party funds, so that even though the value of CAR and third party funds increases, it will not be able to maximize the amount of credit that will be disbursed to the community in 2020.

Research Results

Descriptive Statistical Analysis

The results of data analysis for descriptive statistical tests can be seen in Table 4 below:

Table 4. Descriptive Statistical Analysis

	Descriptive Statistics						
	N Statistic	Range Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Error	Std. Deviation Statistic
CAR (X1)	60	112.78	2.48	115.26	33.2662	2.54826	19.73870
LDR (X2)	60	99.10	1.14	100.24	62.8317	3.22989	25.01858
DPK (X3)	60	95724305	7473856	103198161	28049856.4	2479300.40	19204578.3
Total Loans Disbursed (Y)	60	84003804	6206085	90209889	22940389.2	1962355.44	15200339.9
Valid N (listwise)	60						

Source: SPSS Data Processing Results, 2022

Based on table 4, it can be concluded that the minimum value for the CAR variable is 2.48 and the maximum value is 115.26, while the largest maximum value is the minimum and maximum value of the third party fund variable of several BPRs in North Sumatra is greater than the maximum and minimum value of the amount of credit extended, so it can be said that the third party fund variable is the variable that most influences the variable increase in the amount of credit extended by BPRs in North Sumatra Province.

Classical Assumption Test

The results of the classical assumption test can be known from the normality test, multicollinearity test and heteroscedasticity test, as well as the autocorrelation test, where the results of the classical assumption test are as follows:

1. Normality Test

The results of the normality test can be depicted through histogram diagrams and *p-plot* diagrams, as shown in Figures 2 and 3 below:

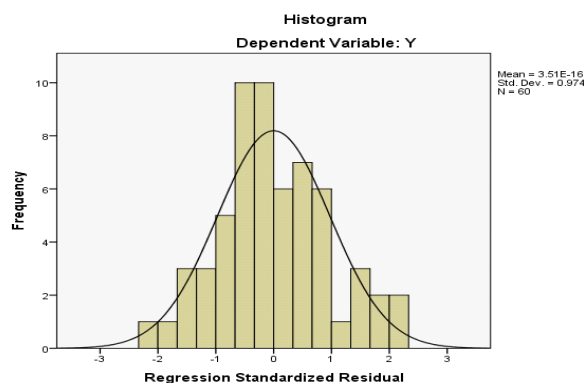


Figure 2. Histogram Diagram

Based on Figure 2 above, it can be concluded that the data distribution of each independent and dependent variable does not shift to the left, or right. It can be concluded that the distribution of existing variable data has fulfilled the assumption of normality and is suitable for further testing.

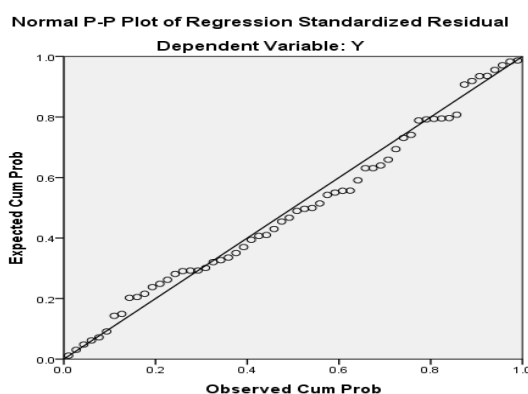


Figure 3. P-Plot Diagram

Based on Figure 3 above, it can be concluded that the data distribution of each variable does not move away from the diagonal line. This indicates that the data distribution of the existing variables is normally distributed. In addition to the histogram and *P-Plot* diagrams, this normality test can be determined using the Kolmogorov-Smirnov test which can be seen in Table 5 below:

Table 5. Kolmogorov-Smirnov Test		
One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		60
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.5714703
Most Extreme Differences	Absolute	.075
	Positive	.075
	Negative	-.063
Test Statistic		.075
Asymp. Sig. (2-tailed)		.200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: SPSS Data Processing Results, 2022

Table 5 can be concluded that the results of *Asymp. Sig. (2-tailed)* of 0.200 is greater than the significance level of 0.05, so it can be concluded that the data distribution of each independent and dependent variable has met the assumption of data normality and is suitable for further testing.

2. Multicollinearity Test

The results of the multicollinearity test in this study can be seen in Table 7 below:

Table 6. Multicollinearity Test

Variables	Colinearity Statistics	
	<i>Toll.</i>	VIF
CAR (X_1)	0,625	1,601
LDR (X_2)	0,654	1,529
Third Party Funds (X_3)	0,876	1,142

Source: SPSS Data Processing Results, 2022

Based on Table 7 above, it can be explained that the *tolerance* value of the independent variables is not greater than 0.10 and the VIF (*Varian Inflation Factors*) value is not more than 10, so it can be said that the independent variables do not affect each other, so it can be said that between the independent variables there is no multicollinearity.

3. Heteroscedasticity Test

To find out the results of the heteroscedasticity test can be measured using a *scatterplot* diagram which can be seen in Figure 3 below:

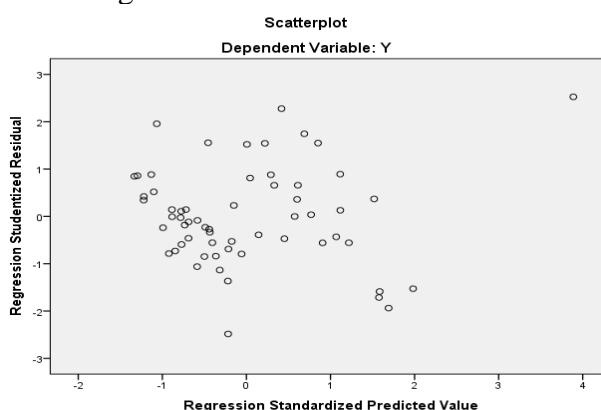


Figure 3. Scatterplot Diagram

Based on Figure 3 above, it can be seen that the existing data distribution points do not focus on a point and tend to spread evenly. This proves that the existing regression model or residual model does not cause heteroscedasticity or the existing regression model has fulfilled the heteroscedasticity assumption and is suitable for further testing.

4. Autocorrelation Test

The results of the autocorrelation test in this study can be seen through Table 7 below:

Table 7. Autocorrelation Test

Change Statistics					
R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
.859	113.398	3	56	.000	1.607

Source: SPSS Data Processing Results, 2022

Based on Table 8, it can be explained that the DW value = 1.907, while the DU value = 1.689, while 4-DW = 2.093, so the results of autocorrelation (4-DW) > DU > DW = 2.093 > 1.689 > 1.607, where the regression model does not occur outokorelasi, so there is no error between regression models that occur in one variable to another, so it is feasible to do regression tests.

Multiple Linear Regression Analysis

Multiple linear regression analysis can be seen in Table 8 below:

Table 8 Multiple Linear Regression Test Coefficients

Model	Unstandardized Coefficients	
	B	Stand. Error
(Constant)	17,149	4199,50
CAR (X ₁)	23,068	48946,191
LDR (X ₂)	-7,306	3774,898
Third Party Funds (X ₃)	0,644	0,042

Source: SPSS Data Processing Results, 2022

Based on Table 8, the results of multiple linear regression tests can produce the following equation:

$$Y = 17.149 - 23.068X_1 - 7.306X_2 + 0.644X_3 + e$$

The results of the analysis of the above equation are as follows: The constant value of 17.149 means that if the dependent variable is equal to 0, then the average variable outside the model can still increase the amount of credit distributed by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021 by 17.15%. The value of the CAR variable is 23.068, so it can be concluded that if the increase in CAR of the 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021 increases by 1 unit, it will increase the amount of credit channeled by the 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021 by 23.068 or 23.07%. The value of the LDR variable is -7.306, so it can be concluded that if the LDR of the 12 BPRs in 12 regencies / cities in North Sumatra in 2017-2021 increases by 1 unit, it will reduce the amount of credit extended by the 12 BPRs in 12 regencies / cities in North Sumatra in 2017-2021 by 7.306 or by 7.31%. The value of the third party funds variable is 0.644, so it can be concluded that if the third party funds of 12 BPRs in 12 regencies / cities in North Sumatra in 2017-2021 increase by 1 unit and other variables remain constant, it will increase the amount of credit channeled by 12 BPRs in 12 regencies / cities in North Sumatra in 2017-2021 by 0.644 or 6.44%.

Hypothesis Test

a) Partial Significance Test (t test)

The value of the partial significance test (t test) can be seen in Table 9 below:

Table 9. Partial Significance Test (t test)

Model	Coefficients ^a					Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients		Sig.	Tolerance	VIF
	B	Std. Error	Beta	t			
1 (Constant)	17.149	4199.50		4.084	.000		

CAR (X1)	23.068	48946.191	.300	4.713	.000	.625	1.601
LDR (X2)	-7.306	37741.898	-.120	-1.936	.058	.654	1.529
Third Party Funds (X3)	.644	.042	.813	15.150	.000	.876	1.142

a. Dependent Variable: Y

Source: SPSS Data Processing Results, 2022

It is concluded that: The calculated t value for the CAR variable (X₁) of 4.713 is greater when compared to the t table of 1.671, a significance value of 0.000 < than the significance level of 0.005, where hypothesis 1 is accepted, so that partially the CAR variable (X₁) has a positive and significant effect on the variable number of loans disbursed by 12 BPRs in 12 regencies / cities in North Sumatra in 2017-2021 (Y). The t value for the LDR variable (X₂) of -1.936 is smaller than the t table of 1.671, the significance value is 0.058 < than the significance level of 0.05, where hypothesis 2 is rejected, which means that partially the LDR variable (X₂) has no significant effect on the variable number of loans disbursed by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021 (Y). The calculated t value for the third party funds variable (X₃) of 15.150 is greater than the t table of 1.671, the significance value is 0.00 > from the significance level of 0.05, where hypothesis 3 is accepted, which means that partially the third party funds variable (X₃) has a positive and significant effect on the variable number of loans disbursed by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021 (Y).

b) Simultaneous Significance Test (F Test)

The results of the simultaneous significance test (F test) can be seen in Table 10 below:

Table 10. Simultaneous Significance Test (F Test)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	117,0516	3	390,172	113,398	.000 ^b
	Residuals	19,2681	56	344,074		
	Total	136,3197	59			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X2, X1

Source: SPSS Data Processing Results, 2022

Based on Table 10 above, that the calculated F value of 113.398 is greater than the F table value of 2.76, where hypothesis 4 is accepted, so that simultaneously the CAR variable (X₁), LDR (X₂) and third party funds (X₃) have a positive and significant effect on the variable amount of credit channeled by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021 (Y).

c) Test Coefficient of Determination (R²)

The results of the coefficient of determination test can be seen in Table 11 below:

Table 10. Test Coefficient of Determination (R²)

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Sig. F Change	Durbin-Watson
					R Square Change	F Change	df1	df2		
1	.927 ^a	.859	.851	5865779.2	.859	113.398	3	56	.000	1.607

a. Predictors: (Constant), X3, X2, X1

b. Dependent Variable: Y

Source: SPSS Data Processing Results, 2022

Based on Table 10, that the *Adjusted R Square* value is 0.851, which means that as much as 85.1% of the CAR (X_1), LDR (X_2) and third party funds (X_3) variables strongly influence the variable amount of credit channeled by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021 (Y), while the remaining 14.9% is explained by other variables not described through this study.

Discussion

The Effect of CAR on the Number of Loans Distributed by BPRs in 12 Regencies / Cities in North Sumatra Province

Based on the results of the partial significance analysis, it can be seen that the t value of 3.713 is greater than the t table of 1.671, the significance value of $0.000 <$ than the significance level of 0.005, so it can be said that the CAR variable has a positive and significant effect on the variable amount of credit channeled by 12 BPRs in 12 regencies / cities in North Sumatra in 2017-2021. This is in line with Suhevi's research (2019: 124), where this research CAR will be able to increase the amount of funds for BPRs to be able to maximize lending efforts in large quantities, so that the increasing amount of funds will make it easier for BPRs to control the maximum effort of how much credit will be distributed in the future.

The Effect of LDR on the Number of Loans Distributed by BPRs in 12 Regencies / Cities in North Sumatra Province

Based on the results of the partial significance test, it can be seen that the t value of 1.936 is smaller than the t table of 1.671, the significance value of $0.058 <$ than the significance level of 0.05, so it can be concluded that the LDR variable does not have a significant effect on the variable amount of credit disbursed by 12 BPRs in 12 regencies / cities in North Sumatra in 2017-2021. This is not in line with the research of Siswanto and Rinofah (2020: 55), where this study shows the ability of BPRs to increase repayment of funds from third parties that have come out will make BPRs have reserve funds that will help not only cover operations, but can also increase reserves for lending in the coming year.

The Effect of Third Party Funds on the Number of Loans Distributed by BPRs in 12 Regencies / Cities in North Sumatra Province

Based on the results of the partial significance test, it can be seen that the t value of 15.150 is greater than the t table of 1.671, the significance value is $0.00 >$ from the significance level of 0.05, so it can be concluded that the third party funds variable has a positive and significant effect on the variable amount of credit channeled by 12 BPRs in 12 regencies / cities in North Sumatra in 2017-2021. This is in line with research by Fathony and Dewi (2018: 38) which states that an increase in third party funds will make BPRs have more funds to help improve operations and also help finance and maximize the amount of funds for lending.

The Effect of CAR, LDR and Third Party Funds on the Number of Loans Distributed by BPRs in 12 Regencies / Cities in North Sumatra Province

Based on the results of the simultaneous significance test, it can be seen that the calculated F value of 5113.398 is greater than the F table value of 2.76, where it can be concluded that simultaneously the CAR, LDR and third party funds variables have a positive and significant effect on the variable amount of credit channeled by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021.

CONCLUSION AND SUGGESTIONS

Conclusion

The conclusions in this study are as follows: Partially, the CAR variable has a positive and significant effect on the variable number of loans disbursed by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021 Partially, the LDR variable has no significant effect on the variable number of loans disbursed by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021 Partially, the third party fund variable has a positive and significant effect on the variable number of loans disbursed by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021. Simultaneously, the variables CAR, LDR and Third Party Daan debt have a positive and significant effect on the variable number of loans disbursed by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021.

Suggestions

BPRs in 12 regencies / cities should always strive to make collections to customers who are in arrears with payments, this will increase the CAR value of BPRs intended to increase the capital adequacy ratio that will be used for the needs of the lending process. BPRs should make the right profile selection to prospective customers so that there is no problem financing, thus affecting the LDR value which will be used for reserves in the process of channeling third party funds and lending. BPR should be able to increase the number of third party funds through attractive promotions for third party fund products, this will make customers interested in keeping their funds in BPR and will increase the amount of funds for the purposes of increasing operations and the credit distribution process. For further research, the variables BOPO and ROE should be added, where with these variables it is hoped that it will be known whether these two variables greatly affect the increase in the amount of credit channeled by 12 BPRs in 12 Regencies / Cities in North Sumatra in 2017-2021.

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