

**FACTORS AFFECTING THE DISTRIBUTION OF BANKING CREDITS IN
GENERAL BANKS IN INDONESIA, PERIOD 2010-2018**

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ABSTRACT

This study aims to analyze the factors that influence commercial bank lending in Indonesia in the 2010-2018 period. The independent variables analyzed are Third Party Funds (DPK), Capital Adequacy Ratio (CAR), and Non Performing Loans (NPL) Research on the factors affecting lending at commercial banks uses a quantitative approach. The study population includes all commercial banks in Indonesia. The data analysis method used is the Error Correction Model (ECM). The research period used is monthly from January to December 2010-2018. This research was conducted by taking secondary data from the publication of Bank Indonesia (www.bi.go.id) and the Financial Services Authority (www.ojk.go.id).

The results showed that: DPK has a significant positive effect on lending to commercial banks because it has a probability value below the significant level in the long run. Whereas in the short term it has no significant positive effect because it has a probability value above a significant level. CAR in the long term and short term does not have a significant effect on lending to commercial banks because it has a probability value above a significant level so in the short term it has the same effect on commercial bank credit. NPL has a significant negative effect on lending to commercial banks in the long run because it has a probability value below a significant level and has a significant negative effect in the short term. Simultaneously DPK, CAR and NPL have a significant effect on lending at commercial banks with a F-statistic probability value below a significant level.

Keywords: DPK, CAR, NPL, Error Correction Model