

## ABSTRACT

*This study aims to analyzing the effect of Quantitative Easing (QE), proxied by Placements at Bank Indonesia (Reserves) on bank lending. Control variables used include Prime Lending Rate (SBDK), Capital Adequacy Ratio (CAR), Non-Performing Loan Net (NPL Net), Net Interest Margin (NIM), Return on Assets (ROA), and Loan to Deposits Ratio (LDR). The observation was conducted on Conventional Commercial Banks, grouped into KBMI 1 and 2 as well as KBMI 3 and 4, excluding Regional Banks and Foreign Bank Branches.*

*The research method used is secondary data analysis with the Generalized Methods of Moments (GMM) using a two-step System GMM approach to address endogeneity issues. The data used covers the period from Q1 2020 to Q4 2021, consisting of 52 banks. The results show that Reserves, CAR, and LDR have a significant influence on banking credit disbursement, while SBDK, NPL Net, NIM, and ROA do not have a significant influence. Given the limitations of time and data regarding QE policy in Indonesia, further research is recommended to extend the observation period.*

**Keywords:** *Credit, Statutory Reserves (GWM), Quantitative Easing (QE), GMM, Core Capital-Based Bank Groups (KBMI)*