ABSTRACT

Banks as an intermediary institutions have an important role to improve the public welfare in accordance with the mandate of the Act. Loan distribution is the bank's main activity as well as the realization as an intermediary institution. Funds collected by banks from various sources especially third party funds are distributed back to the needy or deficit in order to improve the welfare. This study aims to examine the effects of Non Performing Loans (NPLs), Net Interest Margin, Operational Expenses to Operating Income (BOPO), BI Rate and Capital Adequacy Ratio (CAR) to loan distribution to go public banks in Indonesia.

This research used internal and external factors as independent variable and loan growth as dependent variable. Population used in this study are 42 commercial banks as listed on the IDX in 2012-2016 periods. After passing the purposive sampling stages, the number of samples used by researchers are 23 Commercial Banks. The method of analysis used in this research model is multiple linear regression. Hypothesis is tested using T-test to determine the effect of partial variables, and F-test to test the effect of the variables together with 5% significance level.

The result of the research shows that Net Interest Margin (NIM) has a significant and positive impact on loan distribution, Operating Expense to Operating Income (BOPO) has a significant and negative impact on loan distribution. While the Non Performing Loan (NPL), BI Rate, and Capital Adequacy Ratio (CAR) have no significant effect on loan distribution.

Keywords: Loan, Non Performing Loan (NPL), Net Interest Margin, Operational Expenses to Operating Income (BOPO), BI Rate and Capital Adequacy Ratio (CAR).