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THE INFLUENCE OF CAPITAL ADEQUACY RATIO (CAR), NET PERFORMING LOAN (NPL), BOPO RATIO, AND NET INTEREST MARGIN (NIM) ON LOAN DEPOSIT RATIO (LDR) AT PD. BPR BAHTERAMAS NORTH KONAWE

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ABSTRACT

This study aims to find out, test, and analyze: (1) The influence of Capital Adequacy Ratio (Car), Net Performing Loan (NPL), Ratio BOPO, And Net Interest Margin (NIM) Against Loan Deposit Ratio (LDR) At North Konawe Bahteramas People's Credit Bank; (2) Capital Influence Adequacy Ratio (CAR) to Loan to Deposit Ratio (LDR) PD. BPR Bahteramas North Konawe; (3) Effect of Net Performing Loans (NPL) on Loans to Deposits Ratio (LDR) PD. BPR Bahteramas North Konawe; (4) Effect of BOPO on Loan to Deposit Ratio (LDR) PD. BPR Bahteramas North Konawe; (5) Net Influence Interest Margin (NIM) against Loan to Deposit Ratio (LDR) PD. BPR Bahteramas North Konawe. Data analysis method used in this research is descriptive and uses inferential statistics, namely Multiple Linear Regression Analysis using SPSS 26 application.

The results showed that: (1) CAR, NPL, BOPO, and NIM simultaneously have a positive and significant effect on LDR in PD. Bahteramas North Konawe means that if the CAR, NPL, BOPO, and NIM ratios are maintained healthily, then the intermediation function of the bank as reflected in the LDR ratio will also be healthy; while partially (2) CAR has a positive and significant effect on LDR in PD. BPR Bahteramas North Konawe means adequacy capital contributes to BPR credit growth; (3) NPL has an effect positive and not significant to LDR PD. BPR Bahteramas North Konawe meaning that the NPL describes ineffective lending to BPRs so that credit grows because other factors encourage LDR growth; (4) BOPO negative and not significant effect on LDR PD. BPR Bahteramas North Konawe means that the increase in costs will reduce the bank's ability in extending credit because the interest earned is not used to encourage the growth of productive assets; (5) NIM has a negative and no effect significantly on LDR in PD. BPR Bahteramas North Konawe means an increase in NIM does not contribute either to credit distribution or to the costs of BPR operations.

Keywords: CAR, NPL, BOPO, NIM, and LDR

INTRODUCTION

The role of banking is very important to support national development, where the development of the economic sector is an indicator of the growth of a country or region so that policies in the economic sector are the most strategic in realizing national or regional development. Indonesia's financial sector is expected to be able to synergize with government policies to become the front guard in driving the economy for the welfare of society.

The impact of Global Pandemic that occurred has affected all sectors and the most affected is the financial sector due to restrictions - restrictions on people's movement impact business plans that have been prepared to be realized and even significantly corrected, but government policies through the Financial Services Authority provide stimulus and relaxation so that in the process of recovery and improvement the financial sector is expected to be able to survive and make innovations - innovations to be able to grow amidst the economic instability that occurs. If a country is carrying out the process of economic recovery, generally banks and other financial institutions are still not optimal in carrying out their main functions as financial intermediary institutions where financial institutions, both banks, and non-banks, have many indicators or ratios to describe their performance, one of which describes the ratio of the amount of credit extended to the amount of funds received, or better known as the Loan to Deposit Ratio (LDR).

Capital from a bank to be able to lend to the public is called the Loan Deposit Ratio (LDR). According to Kasmir (2014: 225) LDR is the ratio used to measure the composition of the amount of credit given compared to the amount of public funds and own capital used. The higher the LDR of a bank, shows the bank can provide loans to the public. Banking in Indonesia needs to pay attention to this ratio, as well as factors that can increase or decrease LDR such as Capital Adequacy Ratio (CAR), Net Interest Margin (NIM), Non-Performing Loans (NPL), and Operational Income Operating Expenses (BOPO).

According to (Edo and Wiagustini, 2014) CAR is a ratio that addresses a bank's ability to raise funds to be used for business development and overcoming risks caused by bank operations. A high CAR shows that the funds owned by banking companies are large enough for business development and can indirectly increase the capital used for public loans. Research conducted by Fadila and Yuliani (2015) and Saraswati (2014), CAR has a negative and significant effect, while Edo and Wiagustini (2014), Amriani (2012), and Granita (2012) CAR has a positive and significant effect. This means that CAR can be used as a benchmark as a factor influencing LDR. Research conducted by Prayudi (2016), Utari (2012), Ramadhani and Indriani (2016), Ambaroita (2015),

The second factor of NPL according to (Fitria and Sari, 2012) the NPL ratio is the ratio which shows that the ability of bank management to manage non-performing loans can contribute well to the management of productive assets which has an impact on the liquidity ratio which has a good impact on lending. Research conducted by Putri and Suryantini (2017), Buchory (2014), Nugraha (2014), and Granita (2012) NPL has a positive and significant effect on LDR. This means that NPL can be used as a benchmark as a factor affecting LDR. Research conducted by Ramadhani and Indriani (2016), Ambaroita (2015), Pratiwi and Hindasah (2014), Fitria and Sari (2012) Prayudi (2016), Utari (2012), and Amriani (2012) NPL has a negative and significant effect on LDR while Fadhila (2015), Edo (2014), and Saraswati (2014) conducted a study with the results of NPL having a negative and insignificant effect on LDR. A high NPL indicates that banking companies have a lot of funds borrowed by the public which in the end cannot be returned, the higher the funds that cannot be returned by the public means that they will suffer losses which makes the banking companies more careful, one way to do this is by withholding the amount of funds that can be borrowed by the public, thereby reducing LDR.

The third factor that can affect the LDR BOPO ratio is Operating Expenses compared to Operating Income (BOPO). According to (Nugraha, 2014) BOPO is a ratio which is often called the efficiency ratio which is used to measure the ability of bank management to control operational costs to operating income. Research conducted by Agustina and Wijaya (2013) and Utari (2012) shows that BOPO has a positive and significant effect, this means that BOPO can be used as a benchmark to influence LDR. Research conducted by Nugraha (2014) and Saraswati (2014) found that BOPO had a positive and insignificant effect on LDR. while the research conducted by Putri and Suryantini (2017) and Prayudi (2016) shows that BOPO has a negative and significant effect. The lower the BOPO ratio means the more efficient the operational costs incurred by banking companies, meaning that the possibility of problematic conditions is getting smaller. Meanwhile, the higher the BOPO indicates that banking companies have a greater level of operational expenses. Banking companies that have high operating expenses tend to be more likely to maintain the limits on loans given to the public and will indirectly reduce LDR.

The last factor that can affect LDR is NIM. According to Nurgraha (2014), NIM is the ratio used to measure net interest income on managed-earning assets. Research conducted by Agustina and Wijaya (2013), Buchory (2014), Prayudi (2016), Saraswati (2014), Amriani (2012), and Granita (2012) NIM has a positive and significant effect on LDR. This means that NIM can be used as a benchmark as a factor influencing LDR. While research conducted by Pratiwi (2014) and Nugraha (2014) NIM has a positive and insignificant effect on LDR. A high NIM shows that banking companies can manage their assets to generate net interest income, with higher income, it is suspected that this will increase the ability of banking companies to provide loans to the public. In the development of the North Konawe Bahteramas Credit Bank which operationally runs its business on December 12, 2014, at the end of 2015 the LDR ratio was 102.46% (Unhealthy) due to the intermediation process from the bank which was still not good because full credit disbursement was still supported by the initial capital owned, 2015 CAR Ratio of 76.42% (Healthy), NPL Ratio 0% (healthy), BOPO Ratio 107.64% (Unhealthy) and NIM Ratio of 1.22% (Unhealthy). Based on the financial ratio data above, the intermediation function can be seen based on the LDR ratio that has not gone well and the CAR and NPL ratios are in the healthy category but BOPO and NIM are not healthy.

LITERATURE REVIEW

Banking

According to Law Number 7 of 1992 concerning Banking as amended by Law Number 10 of 1998, the definition of a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and or other forms to improve the standard of living of the common people. Bank is a financial institution whose main business is collecting funds and channeling these funds back to the public in the form of credit and providing services in payment traffic and money circulation (Koncoro, 2002).

Banking Book published by the Financial Services Authority in July 2019Banking is one of the financial industries that is part of the financial system in addition to capital markets, pension funds, insurance, and others. Currently, Indonesian banks still have the greatest influence in supporting financial system stability. This is because the majority of the public and non-financial companies are still investing their excess funds in financial instruments from banks such as savings, time deposits, and demand deposits, although currently, alternative financial investments such as stocks are available on the market.

Rural Banks are banks that carry out business activities conventionally or based on Sharia principles, which in their activities do not provide services in payment traffic. This means that BPR activities are much narrower when compared to Commercial Bank activities. Thus, currently in Indonesia, there are three types of banks, namely Central Banks, Commercial Banks, and Rural Credit Banks (OJK Banking, 2019).

Bank Health Level

Under the development of the BPR and BPRS industry, based on the Financial Services Authority Regulation Number 3/POJK.03/2022 concerning the Rating of Rural Banks and Sharia Rural Banks, the BPR and BPRS Soundness Rating system is the result of an assessment of the condition of the BPR and BPRS which is carried out on the risk profile, governance, profitability and capital factors of BPR and BPRS. Assessment of the soundness level of rural credit banks and Sharia people financing banks is a means for the Financial Services Authority to determine the performance and condition of rural credit banks and Sharia people financing banks in determining the strategy and focus of supervision.

Capital Adequacy Ratio (CAR)

CAR is a ratio that shows how far all risky bank assets (loans, investments, securities, claims to other banks) are financed from the bank's capital funds, in addition to obtaining funds from sources outside the bank, such as public funds, loans (debt), and others. In other words, CAR is a bank's performance ratio to measure the adequacy of the bank's capital to support assets that contain or generate risk, such as credit.

CAR is an indicator of a bank's ability to cover the decline in its assets as a result of bank losses caused by risky assets. As cited by Argo Asmoro in Dendawijaya (2009) the higher the CAR, the better the bank's ability to bear the risk of any credit or risky earning assets.

Loan To Deposit Ratio (LDR)

According to Veithzal Rivai (2006), LDR states how far the bank's ability to pay back the withdrawal of funds by the public by relying on the credit provided as a source of liquidity. This means how far the provision of credit to credit customers can offset the bank's obligation to be able to immediately meet the demands of depositors who wish to withdraw their funds that have been used by the bank to provide credit. LDR is a ratio that measures a bank's ability to meet financial obligations that must be met. This obligation is in the form of call money which must be fulfilled when there is a clearing obligation, which is fulfilled from current assets owned by the company (Suyono, 2005 and Prasnanugraha, 2007) LDR is used to assess a bank's liquidity by dividing the amount of credit by the amount of funds.

The LDR ratio is calculated from a comparison between total credit and third-party funds. The total credit referred to is credit extended to third parties (excluding credit to other banks).

Non-Performing Loans (NPL)

NPL is a debtor or group of debtors who fall into the category of substandard (3), doubtful (4), and loss (5) of the 5 credit categories. It should always be remembered that the change in credit classification from current credit to NPL is gradual through a process of decreasing credit quality. Credit risk is defined as the risk associated with the possibility of a client’s failure to pay its obligations or the risk that the debtor cannot repay his debt (Gozali, 2007). One of the risks that arise due to the increasing complexity of banking activities is the emergence of an increasingly large NPL. Or in other words, the larger the scale of operation of a bank, the supervision aspect decreases, so that the NPL is greater or the credit risk is greater (Mawardi, 2005).

NPL is the ratio of non-performing loans to total loans. A good NPL is an NPL that has a value below 5%. It is said to be healthy if the number of non-current loans is not more than 5% of the total loans given to customers.

Operating Costs to Operating Income (BOPO)

The BOPO ratio is often called the efficiency ratio which is used to measure the ability of bank management to control operational costs against operating income. BOPO is the ratio between operating costs to operating income. Operating costs are costs incurred by banks in carrying out their main business activities such as interest costs, marketing costs, labor costs, and other operating costs. Operating income is the main income of the bank, namely income derived from the placement of funds in the form of credit and operating income.

Considering that the main activity of a bank in principle is to act as an intermediary, namely collecting and distributing funds, the bank's operational costs and income are dominated by interest costs and interest income (Dendawijaya, 2009).

Net Interest Margin (NIM)

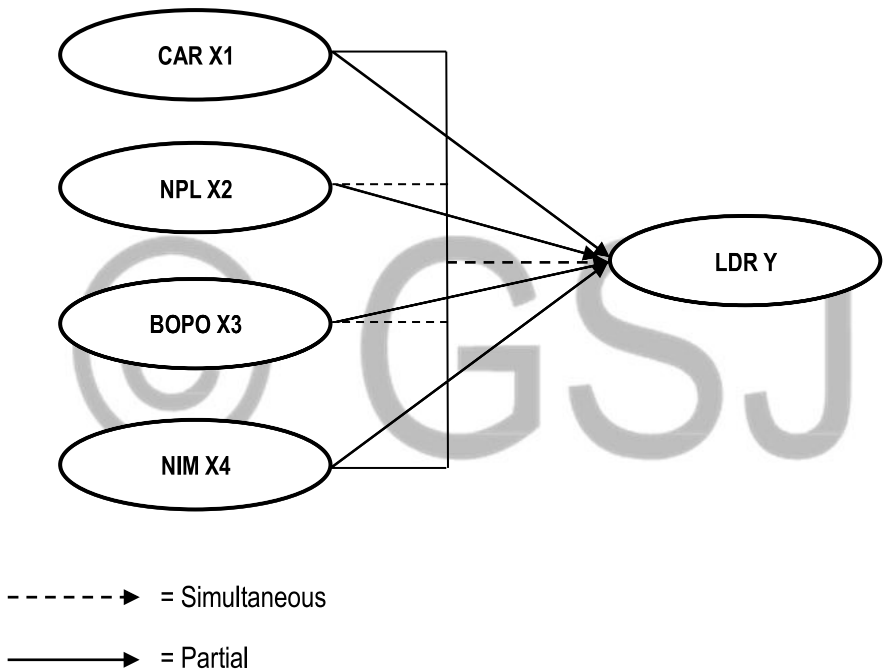
According to Pandia (2012: 71), the Net Interest Margin (NIM) is the ratio used to measure the ability of bank management to manage its productive assets to generate net interest income. Net interest income is obtained from interest income minus interest expenses. The greater this ratio, the higher the interest income. The greater this ratio, the higher the interest income on earning assets managed by the bank, so the possibility of deep bankless problematic conditions. NIM/Net Interest Margin is the ratio between Interest Income minus Interest Expenses divided by Average Interest earning assets. The standard set by Bank Indonesia for the Net Interest Margin (NIM) ratio is 3% and above. The greater this ratio, the higher the interest income on earning assets managed by the bank so the possibility of a bank in a troubled condition is getting smaller.

Conceptual Framework

Many factors can influence business development in the banking world, one of which is the available funds that are used to meet public needs both in the form of loans and others. A good bank will always have a good level of capital to lend to the public. This needs to be considered because, with a high amount of capital for loans, banks will have the opportunity to grow more, especially from loan interest which is the main driver of asset growth.

Based on the brief description above, the conceptual framework can be described as follows:

Figure 1. Research Conceptual Framework



Hypothesis

Based on the description of the literature review, the results of previous research, and the conceptual framework, the research hypothesis is:

1. Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), NIM (Net Interest Margin), and Operating Expenses to Operating Income (BOPO) simultaneously have a positive and significant effect on LDR (Loan Deposit Ratio).
2. Capital Adequacy Ratio (CAR) partially have a positive and significant effect on the Loan Deposit Ratio (LDR).
3. Non-Performing Loans (NPL) partially have a negative and insignificant effect on the Loan Deposit Ratio (LDR).
4. Operating Expenses to Operating Income (BOPO) partially have a positive and significant effect on the Loan to Deposit Ratio (LDR).
5. Net Interest Margins (NIM) partially have a positive and significant effect on the Loan Deposit Ratio

(LDR).

RESEARCH METHODS

Types of research

This type of research is associative research (cause and effect). Associative research is research that aims to determine the effect between two or more variables by examining the causal relationship between variables, Sugiyono (2013). This study is to determine the effect of the Capital Adequacy Ratio (CAR), Net Performing Loans (NPL), BOPO Ratio, and Net Interest Margin (NIM) on the Loan Deposit Ratio.

Research Population

The population in this study is the Regional Company BPR Bahteramas North Konawe which is located on Jalan Trans Sulawesi, Mataiwoi Village, Andowia District, North Konawe Regency, Southeast Sulawesi Province which is registered with the Financial Services Authority for the 2018-2022 period.

Data Type

The type of data used in this study is quantitative data, namely in the form of figures obtained from CAR, NPL, BOPO, NIM, and LDR data on PD. BPR Bahteramas North Konawe and financial report data from PD. BPR Bahteramas North Konawe.

Data Source

The data needed in this study is secondary data, which is obtained from Published Financial Reports issued by the Financial Services Authority and Financial Reports after the Public Accountant Audit of PD.BPR Bahteramas North Konawe in the Data Collection Method.

The data collected in this study is secondary data so the data collection method uses non-participant observation. Thus the steps taken are to record all the data required in this research as listed in the Quarterly Published Financial Reports in the Indonesian Banking Directory from Bank Indonesia and the Financial Services Authority.

Data Analysis Technique

The analytical method used in this study uses multiple linear regression equations because there is more than one independent variable in the study. According to Sugiyono (2017: 275), the multiple linear regression equation can be formulated as follows:

Y	= a + $b1X1$ + $b2X2$+b2X2+b3X3+b4X4 + εDescription:
Y	= Dependent Variable, namely LDR
a	= Constant
$b1$, $b2$,b3 and b4	= Regression coefficient of independent variables
$X1$	= CAR variable
$X2$	= NPL variable
X3	= BOPO variable
X4	= NIM variable
ε	= standard e

The value of the regression coefficient here is very decisive as a basis for analysis, considering that this research is quantitative. This means that if the coefficient b is positive (+), it can be said that there is a unidirectional influence between the independent variable and the dependent variable, any increase in the value of the independent variable will increase the dependent variable. Vice versa, if the coefficient value of b is negative (-), this indicates a negative effect where an increase in the value of the independent variable will result in a decrease in the value of the dependent variable.

RESEARCH RESULT

Multicollinearity Test

The multicollinearity test was carried out to find out and test whether the regression model used correlates with the independent variables. Multicollinearity is detected by looking at the Tolerance Value which is above 0.1 and the VIF value for each independent variable below 10. The results of the multicollinearity test can be seen in Table 1 below:

Table 1. Multicollinearity Test

Coefficients[a]			
Model		Collinearity Statistics	
		tolerance	VIF
1	(Constant)		
	CAR	.266	3,760
	NPLs	.193	5.173
	BOPO	.452	2,214
	NIM	.900	1,111
a. Dependent Variable: LDR			

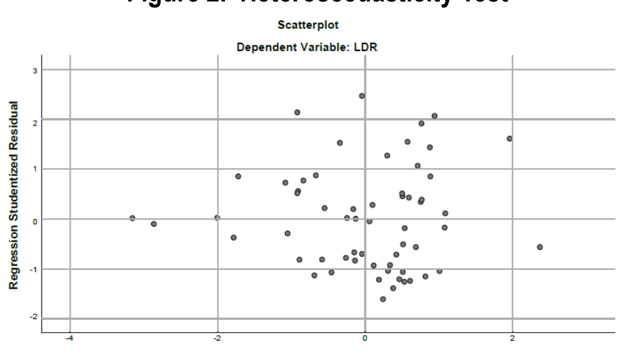
Source: SPSS version 26 processed data

Based on the table above, the results of the multicollinearity test using the SPSS version 26 application show that the four independent variables CAR, NPL, BOPO, and NIM with a VIF score of less than 10 and a tolerance value above 0.10. Thus we can conclude that the regression model does not have multicollinearity problems, so the existing regression model is feasible to use in this study.

Heteroscedasticity Test

The heteroscedasticity test was carried out to find out whether, in the regression model, there is an inequality of variance from the residuals of one observation to another, by seeing whether there is a certain pattern on the graph. In the absence of a pattern, the variance of the residual one observation with another observation is still called homoscedasticity and if it is different it is called heteroscedasticity, where a good regression model is a model and the pattern does not occur heteroscedasticity (Ghozali, 2005).

Figure 2. Heteroscedasticity Test



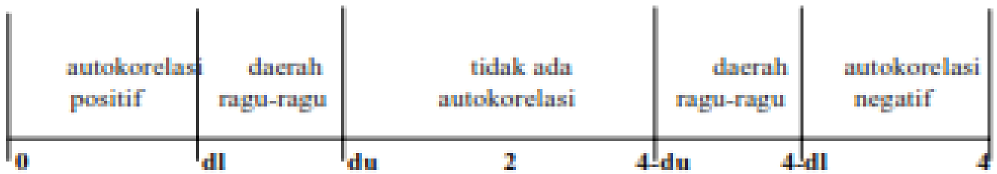
Source: Data Processed by SPPS version 26.

Based on the scatterplot graph, it can be seen that the points spread randomly and spread above and below the number 0 on the Y axis (Dependent variable), thus it can be concluded that the Regression model in this study did not occur heteroscedasticity so that the regression model is feasible to use to explain the influence between variables.

Autocorrelation Test

An autocorrelation test was carried out to show whether, in the linear regression model, there is a correlation between the confounding errors in the t - 1 (previous) period. According to Ghozali (2005), a good regression model is a regression that is free from autocorrelation, where the indicator to determine whether there is autocorrelation is by looking at the D - W test value with that the results of this test can conclude the regression model used with the following conditions:

Table 2. Durbin-Watson Criteria



Source: Gujarati (1995) and Ghozali (2005)

d < dL	: there is a positive autocorrelation symptom
d > (4 – dL)	: there are symptoms of negative autocorrelation
dL < d < (4 – dU)	: there are no symptoms of autocorrelation
dL < d < dU)	: testing is not conclusive

The results of the autocorrelation test can be seen in Table 3 below:

Table 3. Autocorrelation Test

Model Summary[b]

Model	Change Statistics			Durbin-Watson
	df1	df2	Sig. F Change	
1	4	55	.212	1.815

a. Predictors: (Constant), NIM, NPL, BOPO, CAR

b. Dependent Variable: LDR

Source: Data Processed by SPPS version 26.

Based on the table, then the test is carried out by looking at the Durbin-Watson table with a significance level of 0.05, which is known as K (variable) = 5, and N (amount of data) = 60 so that dL = 1.4083 and dU = 1.7671 are obtained. Data is said to be not autocorrelated if the Durbin-Watson result lies between dL and (4-dU). In this study, dL = 1.4083 and (4-dU) = 2.2329 were obtained. So it was found that DW = 1.815 lies between dL = 1.4083 and (4-dU) = 2.2329 or dL < 1.815 < 4-dU where 1.4083 < 1.815 < 2.2329. So it can be concluded that there is no autocorrelation in this study.

Multiple Linear Regression Analysis

Regression analysis In this study, based on the results of partial SPSS output, the effect of the four independent variables namely CAR, NPL, BOPO, and NIM on LDR is shown in Table 4 below:

Table 4. Multiple Linear Regression Analysis

Model		Unstandardized Coefficients B116,8	Unstandardized Coefficients std. Error	Standardized Coefficients Betas	t4,2	Sig.
1	(Constant)	52	27,565		39	.000
	CAR	.111	.228	.121	.488	.027
	NPL	.793	.514	.450	1,545	.128
	BOPO	-.664	.275	-.460	-2,413	.069
	NIM	-.043	.309	-.019	-.139	.890

SPSS processed data source 26.

dependent Variable	Constant t-sign	Regression Coefficient (t sign test) tα0.05 = 2.00404 X1 t sign	X2 t sign	X3 t sign	X4 t sign	F Count Fα0.05
Y = LDR	116,852 (000)	0.111 (0.488)	0.793 (1,545)	-0.664 (-2,413)	-0.043 (-0.139)	3,569 (2.54)

Based on Table 4 above, the multiple linear regression equation can be compiled as follows:
LDR = 116.852 + 0.111 CAR + 0.793 NPL - 0.664 BOPO – 0.043 NIM
Based on the equation above it can be explained that:

1. The constant value is 116.852. This shows that if the independent variables are assumed to be in a fixed state, then the dependent variable (LDR) will increase by 116.852%.
2. The regression coefficient (b) beta (X1) CAR of 0.111 is positive. This shows that every 1% increase in CAR will be followed by an increase in LDR of 0.111%.
3. The regression coefficient (b) beta (X2) NPL of 0.793 is positive. This shows that every 1% increase in NPL will be followed by an increase in LDR of 0.793%.
4. The regression coefficient (b) beta (X3) BOPO is -0.664 which is negative. This shows that every 1% increase in BOPO will be followed by a decrease in LDR by 0.664%.
5. The regression coefficient (b) beta (X4) NIM is -0.043, which is negative. This shows that every 1% increase in NIM will be followed by a decrease in LDR by 0.043%.

Correlation Coefficient (R) and Coefficient of Determination (R^2)

Correlation Coefficient Analysis based on the output results of the SPSS application can be seen below:

Summary modelb

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Change Statistics R Square Change	FChange
1	.414a	.599	.033	9.53005	099	1,509

SPSS processed data source 26.

Based on the results of the processed data above, the analysis of the correlation coefficient value obtained is 0.414, where to find out the closeness of the relationship between CAR, NPL, BOPO, and NIM on LDR, look at the scale or interval below:

Table 5. Guidance Data To provide an interpretation of the Correlation Coefficient

Coefficient Intervals	Relationship Level
0.00 – 0.199	Very low
0.20 – 0.399	Low
0.40 – 0.599	Currently
0.60 – 0.799	Strong
0.80 – 1.000	Very strong

Source: Sugiyono, 2011: 184

Based on Table 5 above, the correlation coefficient value is 0.414, categorized as Moderate, so it can be concluded that there is a moderate relationship between CAR, NPL, BOPO, and NIM on LDR.

Analysis of the coefficient of determination obtained based on the results of the SPSS data output, with a value of 0.599. This shows that CAR, NPL, BOPO, and NIM affect the LDR variable 59.90%, the remaining 40.10 is explained by other factors not included in the study. The coefficient of determination with the contribution value of each independent variable outside the CAR, NPL, BOPO, and NIM ratios is quite large for changes in LDR.

Hypothesis test

In testing this hypothesis it is used to test whether the independent variables CAR, NPL, BOPO, and NIM influence the dependent variable LDR. The explanation in this study is as follows:

Simultaneous Test (Test F)

The F statistical test shows whether all the independent variables included in the model have a joint effect on the dependent variable. The results of this F test calculation can be seen in Table 4 below:

Table 6. F Test Results

Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	548,073	4	137,018	3,569	002b
	residual	4995.199	55	90,822		
	Total	5543.272	59			

SPSS processed data source 26.

Based on the data above, the calculated F value is 3,569 to find out the F table where the F table formula is (k; nk). Where k is the number of the dependent variable so that if it is translated df 2 = nk = 60-5 = 55 Based on table F with a value of df 1 = 4 and df 2 = 55 then the value of the F table is 2.54

Hypothesis test of the effect of CAR, NPL, BOPO, and NIM on LDR based on the table above, the results of the multiple linear regression analysis test show that the calculated F value is 3,569 with a probability with a percentage of 5% where the value of the F table is 2.54. Thus we can conclude the hypothesis of Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), NIM (Net Interest Margin), and Operating Expenses to Operating Income (BOPO) simultaneously have a positive and significant effect on LDR (Loan Deposit Ratio) accepted.

Partial Test (t test)

The results of the partial test are carried out to find out whether each independent variable has a significant influence on the dependent variable, which shows how far one independent variable independently (individually) explains the variation of the dependent variable, the t test will show the relationship of the influence of each variable so that it can be explained according to the data of each variable which is processed to show the results of calculations from each independent variable to the dependent variable images individually will be analyzed based on conditions that occur in the field so that it is expected to be able to be interpreted properly to support the results of the research conducted.

The SPSS output results of the t-test can be seen in the table below:

Table 7. t Test Results

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	t4,2	Sig.
	B116,	std. Error	Betas		
1 (Constant)	852	27,565		39	000
CAR	.111	.228	121	.488	.027
NPL	.793	.514	.450	1,545	.128
BOPO	-.664	.275	-.460	-2,413	.069
NIM	-.043	.309	-.019	-.139	.890

SPSS processed data source 26.

Based on the data in the table above shows that:

1. **Hypothesis Test of the Effect of CAR on LDR**
   The hypothesis or conjecture stated states that the Capital Adequacy Ratio (CAR) partially has a positive and significant effect on the Loan to Deposit Ratio (LDR). From the results of the study showing the change in the coefficient of regression for the CAR variable is 0.488 with a significance value of 0.027 where the value is significant because it is smaller than 0.05%, these results we can conclude that the effect of CAR on LDR is real and significant so that the effect of CAR on LDR is positively acceptable.
2. **Hypothesis Test of the Effect of NPL on LDR**
   The hypothesis or conjecture stated states that Non-Performing Loans (NPL) partially have a negative and insignificant effect on the Loan Deposit Ratio (LDR). The results of the study show that the change in the coefficient of regression for the NPL variable is 1.545 with a significance value of 0.128 where a significance value of 0.128 is greater than 0.05%, so we can conclude that the effect of a positive NPL on LDR is not significant so that the negative effect of NPL on LDR is not significantly rejected.
3. **Hypothesis Test of the Effect of BOPO on LDR**
   The hypothesis or conjecture put forward states that operating expenses to operating income (BOPO) partially have a negative and significant effect on the Loan Deposit Ratio (LDR). The results of the study show that the change in the coefficient of regression for the BOPO variable is -0.2413 with a significance value of 0.69 where the significance value of 0.069 is greater than 0.05%, so we can conclude that the negative effect of BOPO on LDR is not significant so that the negative effect of BOPO on LDR is not significantly accepted.
4. **Hypothesis Test of the Effect of NIM on LDR**
   The hypothesis or conjecture put forward states that the Net Interest Margin (NIM) partially has a positive and significant effect on the Loan Deposit Ratio (LDR). The results of the study show that the change in the coefficient of regression for the NIM variable is -2.413 with a significance value of 0.890 where a significance value of 0.890 is greater than 0.05%, so we can conclude that the negative effect of NIM on LDR is not significant so that the negative effect of NIM on LDR is not significantly accepted.

DISCUSSION

The Effect of CAR on LDR

The effect of the Capital Adequacy Ratio (CAR) on the Loan Deposit Ratio (LDR) based on the results of the analysis that the CAR ratio has a positive effect on the growth of the LDR ratio, this shows that Capital

Adequacy is one of the elements that must always be considered by a bank that wants to grow well where with sufficient capital it can cover all forms of risk that arise, both liquidity risk and credit risk that will arise in the future as a result of the realization of credit distribution. This shows that BPR Bahteramas North Konawe must maintain the CAR ratio so that the intermediary function can grow and contribute to the growth of productive assets, especially credit where the capital adequacy of BPR Bahteramas North Konawe because the increase in credit realization must also be balanced with raising funds so as not to pose a liquidity risk if there are short-term obligations maturing which can affect a significant decline in assets, the function of BPR Bahteramas as an intermediary institution must also continue to conduct education in the form of financial literacy and inclusion to the public to encourage public interest in North Konawe Regency to become more familiar with BPR Bahteramas North Konawe products. Increasing CAR can also be encouraged through retained earnings or dividends which are used as additional capital so that additional equity funds can encourage asset growth which generally does not incur costs. But on the other hand, if it is not channeled properly, the capital will be eroded back into asset recovery costs, known as the allowance for possible losses on productive assets. Continuous addition of capital can also have a good impact on BPR growth.

The development of market segmentation through product development, and the purchase of operational support facilities such as IT equipment or operational cars, will support the mobility of the bank's business by offering fast, easy, and simple services to become a supporting factor in increasing the value of BPRs in the eyes of the public so that they can raise funds properly. The results of this study are also in line with research conducted by Edo and Wiagustini, 2014 where CAR has a significant positive effect on LDR describing banking companies that have sufficient capital to support their operational activities and can bear the risks posed including credit and operational risks.

The Effect of NPL on LDR

The effect of Net Performing Loans (NPL) on the Loan Deposit Ratio (LDR) based on the results of the analysis that the NPL ratio has a positive effect on the growth of the LDR ratio shows that PD.BPR Bahteramas North Konawe has continued to increase the growth of credit and third-party funds even though net-performing loans have also tended to increase, this has happened because of a positive correlation over the last 5 (five) years. The increase in Net Performing Loans at BPR Bahteramas North Konawe was due to flash floods and the Covid 19 pandemic that occurred in 2019 and 2020 which caused many MSME customers to be affected, but the outreach, education, and collaboration built by BPR Bahteramas North Konawe was able to increase credit realization and third party fund collection so that the growth of the NPL ratio was directly proportional to the LDR ratio.

Many community interactions in markets and shopping centers are limited by limiting their operational time, government stimulus programs through credit relaxation or credit restructuring are widely misinterpreted by the public so certain steps are needed from financial service institutions, especially BPRs, to provide more financial literacy, and inclusion so that people understand policies during the Covid 19 pandemic. Policies in the credit sector must also be accompanied by a fundraising strategy. The results of this study are also in line with research conducted by Putri and Suryantini (2017), and Buchory (2014).

The Effect of BOPO on LDR

BPR Bahteramas North Konawe is under the mandate of the Regional Regulation BPR Bahteramas Southeast Sulawesi Number 2 of 2009 whereby the MSME sector is a sector that requires a lot of capital where until December 2022 57.04% of working capital loans were disbursed to MSMEs. The results of this study are in line with research conducted by Nugraha (2014) which states that BOPO does not affect LDR due to the inefficient condition of banking companies in controlling operational costs against their operating income, thus illustrating the condition of companies that are experiencing problems in allocating income obtained from credit interest, so it does not affect banking companies in providing credit due to these conditions. The size of the BOPO will not affect the LDR. 04% disbursement of working capital loans is channeled to MSMEs.

The results of this study are in line with research conducted by Nugraha (2014) which states that

BOPO does not affect LDR due to the condition of banking companies that are not efficient in controlling operational costs against their operating income so it illustrates the condition of companies that are experiencing problems in allocating income obtained from credit interest so it does not affect banking companies in providing credit due to these conditions. The size of the BOPO will not affect the LDR. 04% disbursement of working capital loans is channeled to MSMEs.

The Effect of NIM on LDR

The increase in interest costs harms LDR because funds that can be allocated to increase loan realization are on target but are used as reserve funds to maintain liquidity or cover interest margins as a result of increasing third-party interest costs. The increased collection of third-party funds has an impact on cost contributions based on data from BPR Bahteramas North Konawe in 5 years the total percentage fee for interest payments on savings and deposits is an average of 16.76% of the total cost, this shows that the income allocated to cover interest costs is quite large, and several conditions where the increase in inflation triggered by the increase in fuel prices also pushed operational costs to increase so that the allocation of financing sourced from the difference between loan interest income and interest costs on savings and time deposits decreased because it was used to finance BPR operational activities. The NIM ratio at BPR Bahteramas North Konawe is very healthy but the increased operating costs will not encourage an increase in credit because the funds obtained from interest are used to cover the costs of goods and services which also increase due to inflation.

The results of this study are also under the research of Pratiwi and Hindasah (2014) where NIM has no significant effect on LDR, there is no effect of NIM on LDR because NIM is a bank's net interest income which is used as a source of funding for company operations and NIM is still needed for the company's interests to cover inflation risk and possible business activity risks so that most of it is used for lending. The size of the NIM does not affect changes in the LDR ratio.

Research Limitations

1. This research was limited to PD. BPR Bahteramas North Konawe only so the results of this study cannot be generalized because the results will be different if research is carried out on different objects.
2. This study only takes financial ratios, namely: CAR, NPL, BOPO, NIM, and LDR, there are still many financial ratios that can be added, namely Cash Ratio, ROA, ROE, Earning Assets Quality Ratio.
3. This research is only limited to financial reports without looking at customer growth and asset development so there is still a lot of information that can be analyzed in the future.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the discussion of research results, several conclusions can be drawn as follows:

1. Capital Adequacy Ratio (CAR), Net Performing Loan (NPL), BOPO Ratio, and Net Interest Margin (NIM) simultaneously have a positive effect on the Loan Deposit Ratio (LDR).
2. CAR has a positive effect on LDR at BPR Bahteramas North Konawe
3. NPL has a positive effect on LDR, this shows that PD.BPR Bahteramas North Konawe continues to increase the growth of third-party funds even though Net Performing Loans also tend to increase, this has happened because of a positive correlation over the last 5 (five) years.
4. BOPO harms LDR, this shows that BPR Bahteramas North Konawe can manage income and costs well where proper income management can encourage increased productivity so that the main source of income, namely interest income from loans, can be channeled back and able to rotate properly.
5. NIM harms LDR, this shows that BPR Bahteramas North Konawe in managing its net interest income is mostly used to finance bank operational activities, in this case, labor costs and purchases of goods and services, namely interest payments to third parties so that it does not have a direct impact on credit growth, and the amount of third party funds raised in the last 5 (five) years is quite large so that it has a direct impact on increasing third party interest costs.

Suggestion

Based on these conclusions, several things are suggested to be implemented as follows:

1. The need for PD administrators. BPR Bahteramas North Konawe pays more attention to the soundness level of the bank so that it can improve company performance.
2. It is hoped that management will continue to increase funding sources, especially collecting third-party funds, especially savings, and deposits (DPK) which cost less so that the costs incurred are lighter that they can be channeled through productive or quality credit by prioritizing the precautionary principle so that NPLs can be reduced through appropriate strategies and policies to support the business development of BPR Bahteramas North Konawe.
3. Future research is expected to be able to test and redevelop this research by adding other variables that exist in assessing the soundness of a bank such as Cash Ratio, PPAP, ROA, ROE, and KAP variables. In addition, it is necessary to re-test some of the negative and insignificant positive findings in this study.

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