ABSTRACT

In the economy of a country the influence of banking has a big role and contribution. The banking sector has an important role in financing the public and private sectors. The bank acts as an intermediary institution, where the bank has a function as a liaison between parties who have excess funds (surplus units) to those who need funds (deficit units). This research focuses on the factors that influence lending to banks. The purpose of this study is to analyze the effect of Return On Assets (ROA), Size (Bank Size), Non Performing Loans (NPL), Interest Rates, and Gross Domestic Product (GDP) on lending to conventional banks listed on the IDX for the 2017 period -2021.

The population used in this study consisted of all banking companies, both state-owned banks (state-owned enterprises) and national private public banks in Indonesia that were registered with Bank Indonesia for the period 2017 to 2021. From the population, 33 bank samples were obtained. The sampling technique used was purposive sampling. The analysis technique used in this study is multiple linear regression, which is tested to pass the classical assumptions with tests of normality, multicollinearity, autocorrelation and heteroscedasticity.

The results showed that the variables Return On Assets (ROA) and Size (Bank Size) had a positive and significant effect on lending. Meanwhile, the Non-Performing Loan (NPL) and Interest Rate variables have a not significant positive effect on lending and Gross Domestic Product (GDP) have an insignificant negative effect on lending.

Keywords: Return On Assets (ROA), Size (Bank Size), Non Performing Loan (NPL), Interest Rates, Gross Domestic Product (GDP), Loan Distribution.