

**EFFECT OF NON PERFORMING LOANS (NPL) AND LOAN TO DEPOSIT RATIO (LDR) TO NET INTEREST MARGIN (NIM) OF PT. BANK TABUNGAN NEGARA (PERSERO) TBK.**

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**ABSTRACT**

This study was to determine the effect of Non-Performing Loans and Loan to Deposit Ratio of Net Interest Margin at PT. Bank Tabungan Negara (persero). The method used descriptive and verification method, the data collected with the study documentation and study of literature. The data obtained is a secondary data derived from the financial statements of banks. The design of hypothesis testing using normality test, auto correlation, multicollinearity test, heteroscedasticity test, a multiple regression equation, correlation coefficient, coefficient of determination, F test and t test. The results showed that simultaneously there was a significant effect of Non-Performing Loans and Loan to Deposit Ratio of Net Interest Margin and partially non-performing loans had a negative influence significantly towards the net interest margin while the loan to deposit ratio has a significant positive effect on the net interest margin.

**Keywords:** Non Performing Loan (NPL), Loan to Deposit Ratio (LDR), Net Interest Margin (NIM)

**1. INTRODUCTION**

Loans granted by banks to the public would affect the profits from the bank because the bank's main goal is to make a profit. When loans are good then the interest will be obtained with such high bank profits will increase. On the contrary, if the credit is experiencing problems or jam the low interest earned and bank earnings will also decline. One indicator to measure the level of profit or profitability that is by Net Interest Margin (NIM). This ratio indicates the bank's ability to generate net interest income to earning assets placement. The greater this ratio, the better the performance of the bank in generating interest income. The ratio of Non Performing Loans (NPL) which is the ratio between non-performing loans to total loans.

The greater the distribution of funds in the form of loans compared to deposits or the public deposits in a bank consequence the growing risks to be borne by the bank concerned. Loan to Deposit Ratio (LDR) is the ratio of loans to deposits. The greater this ratio indicates that banks increasingly aggressive in lending, otherwise the smaller the ratio is also greater third-party funds that are not used for placement to credit.

Credit is one of the assets that need quality assessed by the smoothness of credit payment (collectable). Loan disbursement is one of the main activities of the bank. Therefore the bank's main source of revenue is through these activities. In acquiring bank earnings should also have to pay attention to some things that may affect the bank in obtaining its income that is as likely to be a credit crunch. The ratio of Non Performing Loans (NPL) which is the ratio between non-performing loans to total loans.

Data NPL (*Non Performing Loans*), LDR (*Loan to Deposit Ratio*) and NIM (*Net Interest Margin*) PT. Bank Tabungan Negara (persero) Tbk from the year 2010-2013 are as follow:

**Table 1.1: NPL, LDR and NIM PT. Bank Tabungan Negara (Persero) Tbk**

NIM (%)	LDR (%)	NPL (%)	Year
5,99	108,42	3,26	2010
5,76	102,56	2,75	2011
5,83	100,90	4,09	2012
5,44	104,42	4,05	2013

Sumber : <http://www.btn.co.id>

According to Table 1.1, we can see that the NPL has fluctuated from year to year, NPL increased significantly which can be seen in 2011 2.75 becomes 4.09 in 2012 the amount of NPL is still secure in accordance with Bank Indonesia Regulation No. 15/2 / PBI / 2013 ie a maximum of 5% while NPL highest LDR in 2010 amounted to 108.42% and the lowest in 2012 amounted to 100.90% and for the equal highest NIM fluctuated in 2010 amounted to 5.99% and to its lowest in 2013 amounted to 5.44%.

In 2011 NIM of 5.76% while NPL of 2.75% and amounted to 102.56% LDR but by the time the year 2012 NIM increased value which becomes 5.83% and NPL also increased to 4.09% while LDR decreased to 100.90%. This is not consistent with the theory because if NPL rise, NIM fell

down and when LDR NIM also fell. This problem also occurred in 2013, namely the NIM decreased to 5.44% while NPL decreased to 4.05% and the LDR increases that became 104.42%. It is also not appropriate because if NPL down then up and if LDR NIM rise, NIM rise.

## **2. METHODS**

The method used in this research is descriptive and verification methods. Descriptive verification method is used to test the effect of Non-Performing Loans and Loan to Deposit Ratio of Net Interest Margin and to test the theory by testing a hypothesis whether accepted or rejected.

## **3. RESULT**

Based on the results of research on the impact NPL (X1) and LDR (X2) against the NIM (Y), the obtained discussion as follows:

1. NPL development of PT. Bank Tabungan Negara (Persero) Tbk Period 2010 through 2014 the increase in NPL biggest developments occurred in March of 2011 amounted to 23.93% while the value of the highest NPL occurred in June 2014 with a value of 5.01% in the time range per quarter. The decline in NPL growth occurred in December 2011 was -34.21% while the value of the lowest NPL occurred in December of 2011 with a value of 2.75% in the time range per quarter. The average growth of the State Savings Bank NPL per quarter of the period 2010 to 2014 amounted to 1:35% while the average value of NPLs by 4:12%.
2. LDR development of PT. Bank Tabungan Negara (Persero) Tbk Period 2010 through 2014 the increase in LDR biggest developments occurred in June of 2013 by 12.62% while the value of the highest LDR occurred in June of 2010 with a value of 116.04% in the time range per quarter. LDR developmental regression occurred in December of 2011 was -8.65% while the value of the lowest LDR occurred in March of 2013 with a value of 98.19% in the time range per quarter. The average growth of the State Savings Bank NPL per quarter of the period 2010 to 2014 amounted to -0.15% while the average value of 107.79% LDR.
3. Developments NIM PT. Bank Tabungan Negara (Persero) Tbk Period 2010 through 2014 the largest increase NIM developments occurred in December of 2011 amounted to 4.73% while the value of the highest NIM occurred in March of 2010 with a value for 6.50% in the time range per quarter. The decline in NIM developments occurred in June 2014 amounted to -8.85% while the value of the lowest NIM in September 2014 with a value in a span of 4:42% per quarter. The average growth of the State Savings Bank NIM per quarter of the period 2010 to 2014 amounted to -2.03% while the average value of

5:58% NIM.

4. Statistical tests to determine the effect of NPL (X1) and LDR (X2) against the NIM (Y) simultaneously and partially as follows:
  - a. The test results simultaneously (Test F) shows the value sig (p-value)  $0.001 < 0.05$ . Then  $H_0$  rejected it means that with a 95% confidence level can be concluded that overall NPL (X1) and LDR (X2) has an effect on NIM (Y) with effect was 56.7% while the remaining 43.3% is influenced by factors other than NPL and LDR.
  - b. The results of the partial test (t test) of significant (p-value) NPL  $0.001 < 0.05$  then  $H_0$  is rejected it means that with a 95% confidence level can be concluded that the NPL (X1) has an effect on NIM (Y) while the value sig (p-Value) LDR  $0.049 < 0.05$  then  $H_0$  is rejected it means that with a 95% confidence level can be concluded that LDR (X1) has an effect on NIM (Y).
5. Based on the research that NPL negatively affect NIM is consistent with research conducted by Manurung and Dezmercoledi (2013) but in contrast to research conducted by Raharjo (2014) and Ariyanto (2011), while the results LDR positive effect on the NIM consistent with research conducted by Manurung and Dezmercoledi (2013) and Raharjo (2014) but in contrast to research conducted by Ariyanto (2011).

#### **4. CONCLUSION**

Based on the results of research to answer the question about the effect of Non-Performing Loans and Loan to Deposit Ratio of Net Interest Margin in the State Savings Bank (Persero) Tbk period 2010-2014, it can be concluded as follows:

1. The highest NPL developments occurred in March of 2011 which is an increase of 23.93% in the time range per quarter. The development of the lowest NPL occurred in December of 2011, namely an increase of -34.21% in the time range per quarter. While the average growth in the amount of 1.35% NPL.
2. The highest LDR developments occurred in June of 2013, namely an increase of 12.62% in the time range per quarter. LDR developments lowest occurred in December 2014-that is an increase of 8.65% in the span per quarter. While the average development of the LDR is -0.15%.
3. The highest NIM developments occurred in December of 2011 ie an increase of 4.73% in the time range per quarter. Lowest NIM developments occurred in June 2014, namely an increase of -8.85% in the time range per quarter. While the average growth NIM that is equal to -2.03%.
4. Simultaneous testing results indicate that there is significant influence between the variables and the LDR against NIM NPL, when seen from the test results of each variable

NPL has a negative influence on the NIM while the LDR has a positive influence on the NIM.

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