DETERMINANTS OF CREDIT DISTRIBUTION LEVELS AT BOOK 4 BANKS IN INDONESIA FROM 2015 TO 2024

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ABSTRACT

This study aims to analyse the factors influencing the credit distribution rate at Book 4 banks in Indonesia for the period 2015–2024. The variables studied include interest rates, exchange rates, economic growth, and money supply as independent variables. The credit distribution rate is used as the dependent variable. The research data uses panel data consisting of cross-sectional data from banks included in Book 4 banks and time series data for the 2015–2024 period. This study uses analysis with the panel data regression analysis method through an approach processed using the E-Views data processing application. The results show that, partially, interest rates and exchange rates have a negative and significant effect on the level of credit distribution in Book 4 banks in Indonesia, while the variables of economic growth and money supply have a positive and significant effect on the level of credit distribution in Book 4 banks in Indonesia. Simultaneously, interest rates, exchange rates, economic growth, and money supply have a positive and significant effect on the level of credit distribution in book 4 banks in Indonesia, with an effect of 94.65%.

Keywords : Interest Rates, Exchange Rates, Economic Growth, Money Supply, Kredit Distribution, E Views, Book 4 Banks

INTRODUCTION

Credit is one of the largest sources of income for banks, obtained from the difference between deposit interest and loan interest, known as spread.(Riwana et al., 2024) In addition, banks also earn other income from credit provisions and administration. Therefore, effective and efficient credit management is very important for the continuity of bank operations, because mistakes in its management can affect the bank's income and image in the eyes of the public (Okete & Camillus, 2024a).

(Widiarsih et al., 2021a)Since 2021, Indonesia has begun to recover from the impact of the COVID-19 pandemic, although the global economy remains uncertain. In 2022, global inflation increased due to rising energy and food prices, prompting Bank Indonesia to gradually raise its benchmark interest rate (BI-Rate) (Cahyo et al., 2023). The impact of this interest rate hike was an increase in credit interest rates, which affected the interest of the public and the business world in accessing financing. (Fauziyah & Amaliah, 2024) In the period from 2023 to 2024, the weakening of the rupiah against the US dollar added to the burden of import costs and affected production costs for businesses. Although Indonesia's economic growth showed positive figures, bank lending did not experience a significant increase.

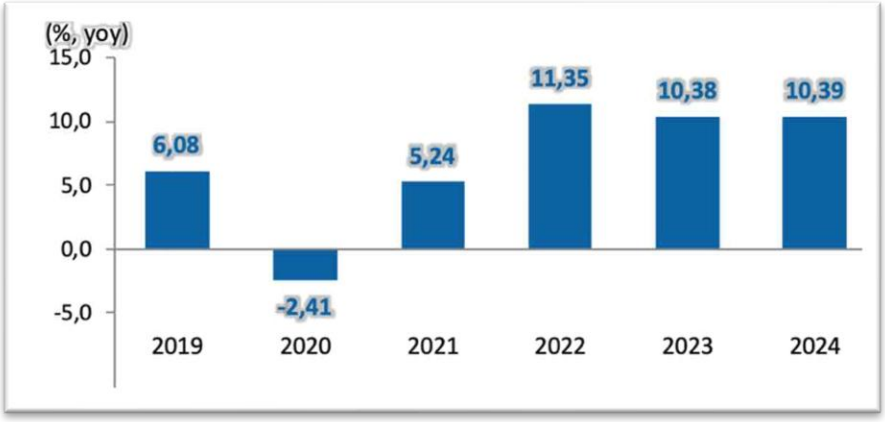

Figure 1.
Development of Credit Growth in Banks in Indonesia in 2019 – 2024
Source: Bank Indonesia (2025)

Based on the figure above, it can be seen that credit distribution did not grow in 2020 due to the COVID-19 pandemic, but since 2021 it has experienced growth, although there was a slight decline in 2023 and it grew again in 2024, so that overall, when viewed from 2019 to 2024, there has been credit growth in banks in Indonesia.

Table 1.
Position of Working Capital Credit in Commercial Banks from 2019 to 2024

Periode	2019	2020	2021	2022	2023	2024
Januari	2.379.484,59	2.450.036,12	2.366.729,73	2.539.238,31	2.796.324,59	3.136.038,8
Februari	2.402.091,65	2.465.019,15	2.383.650,45	2.558.057,09	2.818.552,01	3.153.480,71
Maret	2.440.945,74	2.565.674,07	2.442.591,12	2.624.478,61	2.888.404,45	3.229.526,03
April	2.444.309,4	2.527.946,48	2.435.973,66	2.715.667,99	2.908.040,08	3.269.580,08
Mei	2.510.931,18	2.516.695,94	2.471.540,5	2.741.640,5	2.962.463,7	3.283.023,6
Juni	2.550.938,98	2.499.599,53	2.506.378,42	2.824.253,1	3.009.081,89	3.331.877,63
Juli	2.523.099,87	2.480.133,97	2.490.956,34	2.811.286,02	3.012.973,59	3.342.769,72
Agustus	2.513.840,24	2.471.123,19	2.502.197,09	2.803.273,99	3.032.411,97	3.345.169,37
September	2.552.359,67	2.473.297,27	2.543.486,31	2.853.738,29	3.091.774,41	3.382.828,55
Oktober	2.521.718,41	2.453.034,91	2.563.274,96	2.877.450,77	3.107.977,74	3.376.374,48
November	2.521.321,97	2.424.938,67	2.551.990,82	2.848.303,54	3.139.728,27	3.372.183,9
Desember	2.558.175,51	2.434.001,71	2.586.240,62	2.889.850,33	3.199.533,69	3.437.546,9

Source: BPS (2025)

Table 1 shows the position of working capital loans at commercial banks in Indonesia from 2019 to 2024. It can be seen that the amount of working capital loans in 2020– , experienced a slight decline due to the pandemic, but increased again in 2021 and continued to show a positive trend until 2024. For example, in January 2019, the position of working capital loans was Rp 2,379,484.59 billion, and in December 2024, it reached Rp 3,437,546.90 billion. This shows consistent growth in credit distribution.

(Sutawijaya, 2012)Interest rates, exchange rates, economic growth, and the amount of money in circulation play an important role in influencing credit distribution in Indonesia. (Abdullahi et al., 2023)Interest rates are one of the main factors that affect borrowing costs, which in turn affect the interest of the public and the business world in accessing credit. Data shows that working capital loan interest rates at major banks in Indonesia during the 2021 to 2024 period were relatively stable, ranging from 7.78% to 8.80%. For example, Bank Rakyat Indonesia (BRI) maintained an interest rate of 8.00% until 2023, before increasing it to 8.50% in 2024, while Bank Central Asia (BCA) lowered its interest rate from 7.95% in 2021 to 7.78% in 2024, reflecting a competitive strategy to attract more customers (Kusumawati & Manda, 2021a).

(Liu & Huang, 2022)In addition to interest rates, exchange rate fluctuations also play an important role in credit distribution decisions . The weakening of the rupiah against the US dollar, which was recorded at Rp 14,102 in 2019 to Rp 16,162 in 2024, increases import costs and affects the purchasing power of the people and business actors who rely on international transactions. (Doe & Isaac, 2021)This decline in the exchange rate has caused businesses to be more selective in taking out loans, especially for financing involving foreign currencies, due to the greater risk of losses resulting from exchange rate fluctuations.

(Ramadhani & Putra, 2025)Indonesia's stable economic growth has also influenced credit demand. Data shows that Indonesia's Gross Domestic Product (GDP) experienced positive growth after a sharp decline in 2020 due to the pandemic, with an average of around 5% from 2021 to 2024. Despite contracting in 2020 (-2.07%), Indonesia's economy grew by 3.7% in 2021 and is expected to reach around 5% from 2022 to 2024, creating more business opportunities and increasing people's income, which in turn drives demand for credit for business expansion.

Finally, the amount of money in circulation also affects liquidity in the economy and credit distribution decisions. The increase in the amount of money in circulation recorded in the data from IDR 1,376,136.00 billion in January 2019 to IDR 2,839,485.06 billion in December 2024 indicates an increase in liquidity, which allows banks to distribute more credit to the public and the business world. With the increase in the amount of money in circulation, banks have more funds that can be disbursed as credit, which can accelerate the financing process in the real sector and support economic growth.

Overall, these macroeconomic factors are interrelated and have a significant impact on credit distribution in Indonesia. Interest rate stability, controlled exchange rates, positive economic growth, and sufficient liquidity provide a strong foundation for banks to distribute credit and boost the economy. However, global uncertainty and fluctuations in these factors can lead to more selective credit distribution, which poses a challenge for banks in maintaining a balance between credit growth and the risks faced.

REVIEW OF LITERATURE

(Okete & Camillus, 2024b)Interest rates are one of the important factors in credit disbursement decisions. Research by Rahmadian and Sebayang Rahmadian & Sebayang shows that the Basic Credit Interest Rate (SBDK) has a positive effect on the level of bad credit, which means that an increase in interest rates can increase risk, so banks tend to be more cautious in disbursing credit. In addition, Yusuf Yusuf concludes that the interest rate

transmission mechanism plays an important role in monetary policy in Indonesia, where higher interest rates usually reduce credit demand due to increased borrowing costs (Widiarsih et al., 2021b).

(Kusumawati & Manda, 2021b)Exchange rates also play an important role in the context of credit distribution, especially in sectors exposed to international transactions. Setiawati Setiawati noted that a weakening exchange rate can increase market risk for banks, which tend to lead to higher interest rates to compensate for this risk. This is in line with research conducted by Rifai et al. Rifai et al. found that the exchange rate has a significant effect on total bank financing, indicating that exchange rate fluctuations can be a moderating factor in bank lending (Gultom et al., 2024).

(Lestari, 2019)Economic growth is another factor that influences credit distribution. Widyawati and Wahyudi Widyawati & Wahyudi note that stable economic growth can encourage banks to expand credit distribution, as it increases confidence in borrowers' ability to repay their debts. (Adnan & Nurmetri, 2024)In this context, research by Munandar and Rimawan Munandar & Rimawan highlights that economic growth has a positive effect on credit distribution, especially for the small and medium enterprise sector.

(Puspitasari et al., 2022)The amount of money in circulation is also considered an important determinant, as it is directly related to liquidity in the economy. Parulian and Utami Parulian & Utami identify that the amount of money in circulation is influenced by various factors such as inflation and interest rates. (Riwana et al., 2024)When the money supply increases, there is usually an increase in credit distribution, especially if interest rates remain stable or decline, as stated by Setyaningrum and Sucipto Setyaningrum & Sucipto, who note that the money supply plays an important role in supporting credit distribution when inflation is under control.

Overall, it can be concluded that the influence of interest rates, exchange rates, economic growth, and the money supply on the level of credit distribution in Indonesia is complex and interrelated. A deep understanding of this relationship can help policymakers and financial institutions formulate appropriate strategies to support sustainable economic growth through effective credit distribution

RESEARCH METHOD

This study aims to analyze the effect of interest rates, exchange rates, economic growth, and money supply on the level of credit distribution at Bank Buku 4 in Indonesia. The method used is a descriptive approach with a combination of qualitative and quantitative methods. The qualitative approach is used to analyze credit distribution conditions in Bank Buku 4, while the quantitative approach is used to test the effect of independent variables on credit distribution.

This type of research uses a causal-associative approach, which tests how independent variables affect dependent variables, namely, credit distribution. This study uses secondary data from various sources, including banking reports from Bank Indonesia, the Financial Services Authority (OJK), and the Central Statistics Agency (BPS), covering data from 2015 to 2024. The data used includes interest rates, exchange rates, economic growth, money supply, and credit distribution.

The population in this study is Book 4 Banks, which include large banks in Indonesia with core capital above Rp30 trillion, such as Bank Mandiri, Bank Rakyat Indonesia (BRI), Bank Central Asia (BCA), and Bank Negara Indonesia (BNI). The research sample consists of the amount of working capital credit disbursed by these banks during the 2015-2024 period.

This study uses panel data regression analysis to analyze the effect of independent variables on credit distribution. The regression model used is a model with the dependent variable being credit distribution and the independent variables being interest rates, exchange

rates, economic growth, and money supply. The data analysis techniques used include estimation using the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). The testing was conducted using EViews 12 software.

(Sudirman & Fitrianti, 2022)Classical assumption tests were conducted to ensure the validity of the regression model, which included normality tests, multicollinearity tests, autocorrelation tests, and heteroscedasticity tests. In addition, hypothesis testing was conducted to test the significance of each independent variable on the dependent variable using the coefficient of determination (R^2) test, F test, and t test. The best regression model was selected based on the results of the model specification test, which involved the Chow, Hausman, and Lagrange Multiplier (LM) tests (Amalia et al., 2025).

RESULTS AND DISCUSSION

This study aims to analyze the effect of macroeconomic variables on credit distribution in Book 4 Banks in Indonesia during the period 2015–2024. Book 4 Banks were chosen because they play a major role in the Indonesian financial system, controlling more than 40% of national banking assets. This study uses four independent variables: interest rates, exchange rates, economic growth, and money supply.

In general, the results show that interest rates, exchange rates, and economic growth have a significant effect on credit distribution, while money supply has a positive but insignificant effect. The decline in interest rates from 10.52% in January 2019 to around 8.62% in 2024 is in line with Bank Indonesia's policy in response to the impact of the COVID-19 pandemic, which in turn has driven an increase in credit demand. However, the significant weakening of the rupiah exchange rate, from IDR 14,102/USD in 2019 to IDR 16,162/USD in 2024, has led to an increase in import costs and higher risks, which have had a negative impact on productive credit distribution. Indonesia's economic growth, which contracted in 2020 (-2.07%), recovered with positive growth of 3.70% in 2021 and remained stable at around 5% in 2022–2024, driving credit demand, especially in productive sectors. The amount of money in circulation (M1) also increased significantly, from IDR 1,376 trillion in 2019 to IDR 2,839 trillion in 2024, indicating greater liquidity to be channeled as credit.

The panel data model analysis in this study used three models, namely the Chow test, fixed effect, and random effect. As follows:

Chow Test

The Chow test aims to determine the best model between the Common Effect approach and the Fixed Effect approach to be used for panel data regression. The basis for decision-making in the Chow test is seen from the cross-section F probability value in the following table:

Table 2.
Chow Test Results

Effect Test	Statistic	Probability
Cross-section F	72.554590	0.000

Source: Research data (2025)

Based on Table 2 above, it can be seen that the cross-section F probability value is 0.0000 < 0.05, so Ho is rejected, and the regression model selected is the Fixed Effect Model (FEM).

Hausman Test

The Hausman test is conducted to compare the Fixed Effect Model and the Random Effect Model with the aim of determining which model should be used. The basis for decision-making in the Hausman test is seen from the random cross-section probability value in the following table:

Table 3.
Hausman Test Results

Effect Test	Statistic	Probability
Cross-section Random	14.278237	0.0139

Source: Research data (2025)

Based on Table 3 above, it can be seen that the value of cross-section random probability is 0.0000 < 0.05, so the regression model chosen is the Fixed Effect Model (FEM).

Classical Assumption Test

Normality Test

The normality test aims to assess whether the distribution of data on a variable is normally distributed or not, which is an important requirement for testing the significance of regression coefficients. A good regression model must have a normal distribution so that statistical testing can be carried out accurately. The normality test can be performed using the Jarque-Bera statistical test, with the criterion that if the significance value is greater than 0.05, the data is considered to be normally distributed.

Based on the Jarque-Bera test results showing a value of 0.795420, which is greater than the alpha value of 0.05, it can be concluded that the data in this study is normally distributed. This indicates that the normality assumption is met, so that the regression model used can be further tested statistically.

Table 4.
Normality Test Results

Variable	Probability	Alpha Level	Description
RESIDUAL	0.675	0.05	Normally Distributed

Source: Research data (2025)

Based on the Jarque-Bera statistical test results, data is said to be normally distributed if the probability value is greater than 0.05. In the table presented, the probability value of 0.675, which is greater than 0.05, indicates that the data in this study is normally distributed. Thus, the assumption of normality in this regression model is fulfilled.

Multicollinearity Test

The multicollinearity test is used to detect correlations between independent variables in a regression model. If the probability value is greater than 0.08, it means that there is no multicollinearity. The results of the multicollinearity test in this study show that there are no multicollinearity issues in the regression model.

Table 5.
Multicollinearity Test Results

	X1	X2	X3	X4
X1	1.0000	0.7668	0.3733	0.8999
X2	0.7668	1.0000	0.1753	0.9032
X3	0.3733	0.1753	1.0000	0.3186
X4	0.8999	0.9032	0.3186	1.0000

Source: Research data (2025)

From Table 5, it can be seen that all independent variables—Interest Rate, Exchange Rate, Economic Growth, and Money Supply—have probability values greater than 0.08. This indicates that there is no multicollinearity problem, and the relationship between variables is considered not too strong.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether there are differences in residual variance between one observation and another. If the residual variance is constant, it is called homoscedasticity, and if it varies, it is called heteroscedasticity. If the probability value is greater than 0.05, there is no heteroscedasticity, while if the probability is less than 0.05, there is heteroscedasticity.

Table 6.
Results of the Heteroscedasticity Test

Variable	Probability	Significance Level	Description
Interest Rate	0.4823	0.05	No signs of heteroscedasticity
Exchange Rate	0.6863	0.05	No signs of heteroscedasticity
Economic Growth	0.8659	0.05	No signs of heteroscedasticity
Money Supply	0.3251	0.05	No evidence of heteroscedasticity

Source: Research data (2025)

From Table 6, it can be seen that all independent variables—Economic Growth, Inflation, Provincial Minimum Wage, Investment, and Population Growth—have probability values greater than 0.05. This indicates that the assumption of non-heteroscedasticity is satisfied, or in other words, this regression model satisfies the assumption of homoscedasticity.

Autocorrelation Test

The autocorrelation test was conducted by comparing the calculated Durbin-Watson (DW) value with the lower limit (dU) and upper limit (4-dU), which were determined based on the number of independent variables (k) and the number of samples (n). If the DW value is between dU and 4-dU, then there is no autocorrelation. The following are the results of the autocorrelation test data processing.

Table 7.
Autocorrelation Test Results

DU Value	DW Value	4-DU Value
2.1900	1.9299	1.8100

Source: Research data (2025)

In accordance with the basic concept of autocorrelation testing decision making, data is said not to contain autocorrelation if the DU value < DW < 4-DU. From Table 7, it can be seen that the DU value is 2.1900 and the DW value is 1.9518. Because the DW value (1.9518) is between dU (1.9299) and (4-dU) (1.8100), it can be concluded that the data in this study does not contain autocorrelation.

Hypothesis Testing

Partial Test (T-Test)

The t-test is used to test the significance of the model partially between the independent variables and the dependent variable. The following are the results of the t-test data processing:

Table 8.
T-Test Results

Variable	Coef	Calculated T Value	T Table Value	Significance
Interest Rate	-0.1948	-3.1042	1.9745	0.0028

Exchange Rate Log	-0.0952	-2.0851		0.0493
Economic Growth	0.0040	2.0686		0.0479
Log JUB	1.3445	4.2972		0.0001

Source: Research data (2025)

In this study, several variables were converted into logarithmic form to reduce differences in scale between data and obtain more consistent analysis results. The application of logarithms also aimed to improve the distribution of data to approximate normal and minimize potential heteroscedasticity in the regression model.

From Table 8, the panel data regression equation can be written as follows:

$$Y = 10.1261 – 0.1948X1 – 0.0952X2 + 0.0040X3 + 1.3445X4$$

The regression equation obtained can be explained as follows:

1. Interest Rate (X1)
   The analysis shows that the Interest Rate variable has a negative and significant effect on credit distribution. The coefficient of -0.1948 indicates a negative effect, with a t-value (3.1042) > t-table (1.9745) and a significance probability (0.0028) < 0.05, which indicates that this effect is significant.
2. Exchange Rate (X2)
   The Exchange Rate also has a negative and significant effect on credit distribution, with a coefficient of -0.0952. The t-value (2.0851) > t-table (1.9745) and the significance probability (0.0493) < 0.05, indicating that the effect is significant.
3. Economic Growth (X3)
   Economic Growth has a positive and significant effect on credit distribution. The coefficient of 0.0040 indicates a positive effect, with a t-value (2.0686) > t-table (1.9745) and a significance probability (0.0479) < 0.05, which means that the effect is significant.
4. Money Supply (X4)
   Money Supply has a positive but insignificant effect on credit distribution. The coefficient of 1.3445 indicates a positive effect, with a t-value (4.2972) > t-table (1.9745), but the significance probability (0.0001) > 0.05, which indicates that the effect is insignificant.

Simultaneous Test (F Test)

To test the hypothesis, basic decision-making criteria are used. If the significance value is greater than 0.05, then H_0 is accepted or H_a is rejected, which means that all independent variables do not collectively affect the dependent variable. Conversely, if the significance value is less than 0.05, then H_0 is rejected or H_a is accepted, which means that all independent variables have a combined effect on the dependent variable. This test also compares the F table value and the F count value.

The F table value is 2.27. If the F calculated value is greater than the F table value, then the hypothesis is accepted. The F test results can be seen in the following table:

Table 9.
F Test Results

Calculated F Value	F Table Value	Significance Level	Significance Level	Description
89.0736	2.27	0.0000	0.05	Influential

Source: Research data (2025)

Based on Table 9, it is known that the calculated F value (89.0736) is greater than the table F value (2.27) at α = 5%, with a significance value of 0.000 < 0.05. Thus, H_0 is rejected,

and H_a is accepted. This indicates that the variables of Interest Rate, Exchange Rate, Economic Growth, and Money Supply collectively (simultaneously) affect the variable of Credit Distribution in Indonesia.

Coefficient of Determination (R^2)

The coefficient of determination or R^2, measures the extent to which independent variables can explain the variation in the dependent variable. The R^2 value ranges from 0 to 1; the closer it is to 1, the better the model is at explaining the variation in the dependent variable. Conversely, the closer it is to 0, the more limited the model's ability to explain the variation. The results of the coefficient of determination test can be seen in the following table:

Table 10.
F Test Results

Adjusted R-Square Value	Description
0.9246	There is a correlation

Source: Research data (2025)

Based on Table 10, the R-Square value obtained is 0.9465, which indicates that the R^2 value is close to 1, meaning that the independent and dependent variables have a very strong relationship. This also explains that credit distribution is influenced by the variables of Interest Rate, Exchange Rate, Economic Growth, and Money Supply by 92.46%, while the remaining 7.54% is explained by other factors not included in the model estimation.

The Effect of Interest Rates on Credit Distribution in Book 4 Banks in Indonesia

The results show that interest rates have a negative and significant effect on credit distribution in Book 4 Banks. A coefficient of -0.1948 indicates that every 1% increase in interest rates will reduce credit distribution by 0.1948 million. This is supported by economic theories, such as the liquidity preference theory and real interest rate theory, which explain that an increase in interest rates will make people prefer to save rather than borrow. Previous studies have also found a negative relationship between interest rates and credit distribution. In practice, Book 4 Banks must pay attention to the balance between high interest rates for profitability and low interest rates to maintain credit volume.

The Effect of Exchange Rates on Credit Distribution in Bank Buku 4 in Indonesia

This study also shows that the exchange rate has a negative and significant effect on credit distribution, with a coefficient of -0.0952. This means that every 1 rupiah increase in the exchange rate will reduce credit distribution by 0.0952 million. The weakening of the rupiah increases import costs and risks for banks, which leads to a decline in credit demand. This is supported by the Purchasing Power Parity (PPP) theory and foreign exchange risk, which explain that exchange rate fluctuations add to the costs and risks of financing. This phenomenon has been empirically proven in Indonesia, where the weakening of the rupiah exchange rate between 2019 and 2024 has led to a decline in credit distribution.

The Effect of Economic Growth Rate on Credit Distribution in Book 4 Banks in Indonesia

The economic growth rate has a positive and significant effect on credit distribution, with a coefficient of 0.0040. Every 1% increase in economic growth will increase credit distribution by 0.0040 million. Neoclassical growth theory and the business cycle explain that a growing economy will drive credit demand by increasing people's income and investment opportunities. Previous studies have also found a positive relationship between economic growth and credit distribution, indicating that a healthy economy increases the real sector's capacity to absorb credit.

The Effect of Money Supply on Credit Distribution in Book 4 Banks in Indonesia

The money supply (MS) has a positive and significant effect on credit distribution, with a coefficient of 1.3445. Every 1 million increase in the money supply will increase credit distribution by 1.3445 million. The quantity theory of money explains that increased liquidity in the economy encourages banks to distribute more credit. Previous studies also confirm that the money supply has a positive effect on banking credit expansion. Empirically, the 2021–2024 period shows that increased liquidity in the money market supports an increase in credit extended by Book 4 Banks.

The Simultaneous Effect of Interest Rates, Exchange Rates, Economic Growth, and Money Supply on Credit Disbursement by Bank Buku 4 in Indonesia

Simultaneously, interest rates, exchange rates, economic growth, and money supply have a significant effect on credit distribution, with a calculated F-value of 89.0736 greater than the table F-value of 2.58. This indicates that the four macroeconomic variables together can explain the variation in credit distribution. The monetary policy transmission mechanism explains how interest rate, exchange rate, and money supply policies interact to influence credit distribution. This study is in line with previous studies showing that these macroeconomic factors play an important role in determining the direction and capacity of credit distribution in the banking sector.

CONCLUSION

Based on the results of this study, it can be concluded that interest rates, exchange rates, economic growth, and money supply have a significant effect on credit distribution at Bank Buku 4 in Indonesia. Interest rates have a negative effect, meaning that the higher the interest rate, the lower the credit distribution, due to increased borrowing costs. Exchange rates also have a negative effect, where the weakening of the rupiah increases external risks and reduces banks' confidence in lending. Conversely, economic growth has a positive effect, indicating that the better the economic growth, the higher the demand for credit. Money supply has a positive effect, where increased liquidity encourages the availability of bank funds for lending. Simultaneously, these four variables are proven to influence credit distribution, reflecting that credit distribution is highly influenced by macroeconomic conditions, monetary stability, and liquidity availability in the market.

Suggestions

Based on the limitations of this study, it is recommended that future researchers expand the variables used, such as inflation, Non-Performing Loans (NPLs), and other global factors such as world commodity prices, to provide a more comprehensive picture of the factors that influence credit distribution. In addition, further research using longer data and comparing between bank groups (Bank Books 1, 2, 3, and 4) will provide a broader perspective. For the government, it is important to strengthen coordination between fiscal and monetary policies in order to maintain economic stability and support the banking sector with policies that encourage credit growth, such as credit guarantees and interest subsidies for priority sectors. For financial institutions, banks need to balance prudence with encouraging credit growth, optimizing risk management, and accelerating the digitization of banking services to improve access to financing for the public and business actors.

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