# PENGARUH*LOAN TO DEPOSIT RATIO* DAN *RETURN ON ASSET*TERHADAP PERTUMBUHAN LABA DIPT.BPRMITRADANA MADANI MEDAN

## SKRIPSI

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**2021**

## *ABSTRACT*

*This study aims to determine the effect of Loan to Deposit Ratio (LDR) and Return On Assets (ROA) on Profit Growth at PT.BPR Mitradana Madani Medan. The data in this study were obtained from PT.BPR Mitradana Madani Medan's financial statements for the period January 2017 - December 2019. The approach used to analyze the data was a quantitative approach, namely multiple regression techniques and hypothesis testing using the F test and t test, which had previously been done test classic assumptions first. As a tool for calculation of this research using SPSS version 21.*

*The results of this study indicate that partially Loan to Deposit Ratio (LDR) has no positive and significant effect on earnings growth. But Return on Assets (ROA) shows that partially positive and significant effect on earnings growth. Simultaneously Loan to Deposit Ratio (LDR) and Return on Assets (ROA) do not significantly influence profit growth.*


***Keywords: Loan to Deposit Ratio, Return On Assets and Profit Growth***

# CHAPTER I

# INTRODUCTION

## 1.1. Background of Study

Performance measurement is one of the most important in a bank to see how profit growth. Profit in financial institution for each period is expected to increase in order that the bank can finance activities operational (Murjana, M. 2018). Profit will be an indicator to see a company growth because it is the main goal of the company. But high profits do not mean the company has worked efficiently. Getting maximum profit is very important for companies, because basically interested parties, for example investors and creditors see how the company's success is based on management performance to generate profits in the future. It is very important for users of financial statements to know the level of development of profit growth, which will determine the level of return to potential investors to make a decision whether to invest or not (Lubis, A. 2013).

The profit growth will be affected by how long the company has been in existence or the size of the company and the level of sales and changes in profits in the past. One way to predict the company's profit level is by using financial ratios. By the financial ratio analysis, business performer and the government can assist in evaluating the company's financial condition in the past, present and projecting future results or profits. Furthermore, by the financial ratios, it can be seen whether the company's financial condition is good or not and how the profit growth experienced by the company (Angkoso and Ciptadi, 2006).

Return on assets (ROA) is the ratio which describes the company's ability for every one rupiahs of assets used. By knowing this ratio, we can assess whether this company is efficient in utilizing its assets in the company's operational activities. This ratio also provides a clear accuracy of the company's profitability because it shows management in using assets to earn income (Darsono and Anshari, 2005:57).

Loan to Deposit Ratio (LDR) is a ratio to measure the level of the amount of credit given compared to the amount of public funds and own capital. The maximum amount of LDR according to government regulations is 110% (Kamsir, 2008:290).

Activities in a bank during a certain period listed in the financial statements include routine or operational activities that need to be reported. It is expected to provide information about the bank's performance as well as an indication of the direction of the institution in the future. By the activity, it can also be a means to obtain stimulus from a number of groups about how good the report is and at the same time strengthen the existence of a bank in the banking industry community. In assessing the financial performance of a bank, it is generally carried out by internal and external parties who have relationships with the bank related, such as investors, creditors and the government.

Banking institutions are those that support the economy in a country, because they have an intermediary function or as intermediaries between owners of capital and users of funds. Banks with good financial performance are an important goal so that the intermediation function can run smoothly. In improving the performance of a bank, the series of activities must be in accordance with the regulations of a Bank Indonesia Number 13/PBI/2011, concerning the assessment of the condition of commercial banks in which there are rules for banks to be obliged to carry out self-assessment of the soundness of banks and the decree of the directors of Bank Indonesia Number 30/12/KEP/DIR 1997, concerning procedures for assessing the soundness of people's credit banks.

Some research results used by author as references, namely Suci Ayu Lestari (2012) ROA ratio has a positive effect on profit growth, while Tommy Setyono's research (2014) shows that ROA has no significant effect on profit growth. Fathul Aziz (2012) shows that the LDR has no significant effect on profit growth. Meanwhile, Wahyuni (2012) shows that the LDR has a significant effect on profit growth. Given the differences in the results of these researches, the writer is interested in examining the effect of LDR and ROA on profit growth at PT. BPR Mitradana Madani Medan.

The following is an explanation of the net profit table from PT. BPR Mitradana Madani Medan:

**Table 1.1**

| Period | LDR (%) | RAO (%) | Profit Growth |
|---|---|---|---|
| January 2017 | 0.01 | 2.55 | 0.61 |
| February 2017 | 0.03 | 2.86 | 0.92 |
| March 2017 | 0.06 | 3.89 | 1.29 |
| April 2017 | 0.02 | 4.45 | 0.35 |
| May 2017 | 1.02 | 4.58 | 0.19 |

*Source: Financial Report of PT. BPR Mitradana Madani Medan.*

From Table 1.1 above, it can be seen that the financial report shows a decline of profit growth namely in May which reached 0.19%. The condition indicates a problem in the analysis results where the higher the percentage of credit, the smaller the profit, seen in April and May, which the LDR is still above 1.02%. Based on the research results, the number of non-performing loan (NPL) at PT. BPR Mitradana Madani Medan affects profit growth which caused by two factors, internal and external factor. Bank analysis errors and the lack of company visits to customers are included as internal factor, which cause NPL. Credit growth that has not been optimal is reflected in the LDR figures above. As well as external factors, such as natural disasters, changes in foreign exchange rates and prejudice government regulations. So if there is a reduction in assets it will also affect to the company's profit.

By the background described above, the author is interested to conduct a research and put it in a scientific paper in the form of a thesis titled **"The Effect of Loan to Deposit Ratio (LDR) and Return On Assets (ROA) on Profit Growth at PT. BPR Mitradana Madani Medan".**

### 1.2. Formulation of the Problem

Based on the background that has been stated previously, the formulation of the problem in this study is intended to answer the formulation of the problem as follows:

1. Did the Loan to Deposit Ratio (LDR) affect profit growth at PT. BPR Mitradana Madani Medan?
2. Did Return On Assets (ROA) affect profit growth at PT. BPR Mitradana Madani Medan?
3. Did LDR and ROA affect profit growth at PT. BPR Mitradana Madani Medan?

### 1.3. The Objectives of the Study

This study aims to find out and test empirically things as follows:

1. To find out the effect of Loan to Deposit Ratio on profit growth at PT. BPR Mitradana Madani Medan.
2. To determine the effect of Return On Assets on growth at PT. BPR Mitradana Madani Medan.
3. To determine the effect of LDR and ROA on profit growth at PT. BPR Mitradana Madani Medan.

### 1.4. The Significance of the Study

This research is expected to provide benefits for various parties, namely:

1. **For the author**: it is expected to enrich valuable insights and knowledge in writing this study and understand about the effect of Loan to Deposit Ratio and Return On Assets on profit growth at PT. BPT Mitradana Madani Medan
2. **For companies**, it is expected that PT. BPR Mitradana Madani Medan will get input/guidance in financial management in order to have better financial management development.
3. **For other parties**: this study is expected will give constribution for further research and as additional reference material in the next similar study.

# CHAPTER II

# THEORETICAL FRAMEWORK

## 2.1. Theories

### 2.1.1. Loan to Deposit Ratio (LDR)

One of the complex problems in bank operational activities is liquidity management because the funds managed by banks are funded from the public which are short-term and can be withdrawn at any time. The liquidity of a bank means that the bank has sufficient sources of funds available to meet all obligations (Siamat, 2005). Kasmir, (2003: 272) defines LDR is a ratio used to measure the composition of the amount of credit granted compared to the amount of public funds and own capital used.

The amount of the LDR according to government regulations is a maximum of 110% (Kasmir, 2008: 290). Based on the Decree of the Board of Directors of Bank Indonesia Number 30/12/KEP/DIR 1997 the LDR ratio is formulated as follows:

**LDR= ................ x %**

The Loan to Deposit Ratio states how well te bank in returning the withdrawal of funds made by depositors by underwriting the credit provided as a source of liquidity. In other words, how great credit grant to customers can offset the bank's obligation to immediately fulfill the request of depositors who want to withdraw their money that has been used by the bank to provide credit. The high ratio indicates the lower liquidity capability of the bank. Therefore, the amount of funds needed to finance credit is getting higher (Dendawijaya, 2009:116).

Dendawijaya (2009:116) stated that in the procedure for assessing the soundness of bank, Bank Indonesia stipulates the provisions as follow:

a) For an LDR ratio of 110% or more, a credit score is 0, means that the bank's liquidity is considered unhealthy.

b) For an LDR ratio below 110%, a credit score of is 100, meaning that the bank's liquidity is considered healthy.

This ratio is also an indicator of the vulnerability and capability of a bank. The ideal standard of LDR according to Bank Indonesia is 85% - 110% (Decree of the Board of Directors of Bank Indonesia Number 30/12/KEP/DIR 1997).

### 2.1.2. Return on Assets (ROA)

Return On Assets (ROA) is one of the ratios used to measure the ability of bank management in obtaining profitability and managing the overall level of bank business efficiency. Regarding to the research on the effect of financial performance, in this case ROA on firm value, the results show inconsistent results. A good return on assets shows that from the total assets used to operate, the bank is able to provide profits for the company itself. And vice versa if the return on assets is not good, it shows that the company is experiencing a loss. So if the financial institution has a high rate of ROA, then the company has a great opportunity to increase growth. However, if the total assets used by the company do not provide a profit, it means the company will experience losses and will hamper growth.

This ratio also describes the company's ability to gain benefit from every one rupiahs of assets used. By this ratio, we can assess whether the company is efficient in utilizing its assets in the company's operational activities. This ratio also provides a clearer measure of the company's profitability because it shows management in using assets to earn income (Darsono and Ashari, 2005:57).

According to Bank Indonesia regulations, the best standard for ROA in the size of Indonesian banks is at least 1.5%. The higher the ROA of a bank, the higher the level of profit achieved by the bank and the better the position of the bank in terms of asset use (Dendawijaya, 2006:120). Based on the Decree of the Board of Directors of Bank Indonesia Number 30/12/KEP/DIR1997, the ROA ratio is formulated as follows:

**ROA= ............... x %**

In order to measure the soundness of a bank, there is a small difference between the theoretical calculation of ROA and the calculation method based on Bank Indonesia regulations. Theoretically, the profit that is calculated in ROA is profit after tax, while in the CAMEL system, the profit that is calculated is profit before tax (Dendawijaya, 2009:118).

### 2.1.3. Profit Growth

Profit is the net income or performance of definite results that show the net effect of policies from bank activities in a fiscal year. The main objective of banking is, of course, profit oriented. High profit makes banks gain the trust of public which allows the institutions to raise more capital so that banks have the opportunity to lend more widely (Simorangkir, 2004).

Profit is a conspectus of the results of operating activities of a bank. To calculate how much profit is earned in a certain period, banks generally make a report that we know as the income statement.

Determination of profit targets is important to achieve the company's overall goals. Moreover, by the target to be achieved, the management is motivated to work optimally. This is important because the achievement of this profit is one of the successes of a bank in carrying out its activities, as well as a measure of the management's performance, the profit of a bank is not just profit but also must meet the targets that have been set. This means that there is a number of figures both in units and in rupiah that must be achieved by



Document Accepted 27/5/22

the management of a bank every period.

The profit growth referred to in this study is calculated from the difference in the profit of the period concerned with the total profit of the previous period divided by the total profit of the previous period (Hapsari, N. 2008). Profit growth can be formulated as follows:

$$\boxed{\Delta = \frac{- -1}{-1} X\ 100\%}$$

In which: Δ = Profit Growth

= Profit in Period *t*

-1= Profit in the previous period *t*

### 2.1.4. LDR and ROA on Profit Growth

Theoretically, a large LDR ratio will increase the growth of return on loans. A high ROA ratio means that the profitability ratio is also high. The high profitability means the company is successful in generating profits. By the achievement of high profits, investors can expect profits from dividends (Elysabet Kurnia Dewi, D. 2011).

Based on these theories, it shows that the LDR and ROA ratios simultaneously have a significant effect on profit growth because this ratio is able to predict the profit growth. The level of these ratios can be considered by investors in investing at PT. BPR Mitradana Madani Medan because it is believed that if the ratios are good, the profit earned by the bank will also increase and this will benefit investors.

## 2.2. Previous Research

Research on profit growth and related ratios used in this study and has been studied by previous researchers are:

| No | Name | Title of Study | Method of Research | Research Result |
|---|---|---|---|---|
| 1 | **Tommy Hendra Kusuma (2014)** | The effect of bank soundness as measured by Non Performing Loans (NPL), Loan to Deposit Ratio (LDR), Good Corporate Governance (GCG), Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM) and Capital Adequacy Ratio (CAR) to the profit growth of banking companies. | Multiple Linear Regression | The results showed that simultaneously Non Performing Loans (NPL), Loan to Deposit Ratio (LDR), Good Corporate Governance (GCG), Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM) and Capital Adequacy Ratio (CAR) had no significant effect on profit growth, so that partially each independent variable Non Performing Loans (NPL), Loan to Deposit Ratio (LDR), Good |

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|---|---|---|---|---|
| | | | | Corporate Governance (GCG), Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM) and Capital Adequacy Ratio (CAR)also had no effect on profit growth. |
| **2** | **Anisah Lubis (2013)** | The influence of bank soundness is assessed through the capital aspect represented by CAR (Capital Adequacy Ratio), the quality aspect of productive activity represented by NPL (Non-Performing Loan), earning aspect represented by BOPO (Operational Cost to Operating Income) and liquidity aspects represented by LDR (Loan to Deposit Ratio) to the profit growth of BPR (Bank Perkreditan Rakyat) in Indonesia for the period 2008-2012. | Multiple Linear Regression | The test results show that CAR (Capital Adequacy Ratio), NPL (Non-Performing Loan), BOPO (Operational Cost to Operating Income) and LDR (Loan to Deposit Ratio) together have a significant effect on profit growth in BPR (Bank Perkreditan Rakyat). |

| | | | | |
|---|---|---|---|---|
| | | | | While partially CAR (Capital Adequacy Ratio), NPL (Non-Performing Loan), BOPO (Operational Cost to Operating Income) and LDR (Loan to Deposit Ratio) have a negative and significant effect on profit growth at BPR (Bank Perkreditan Rakyat) in Indonesia, and NPL (Non Performing Loan) has a positive and significant effect on profit growth in BPR Indonesia. |
| **3** | **Novia P. Hamidu (2013)** | Effect of Net Profit Margin (NPM) and TATO, on profit growth in Private Foreign Exchange Banks on the Indonesia Stock Exchange during 2009-2011. | Multiple Linear Regression | The results of this study partially TATO and NPM variables have a significant effect on |

| | | | | |
|---|---|---|---|---|
| | | | | profit growth. The contribution of the influence of NPM and TATO on profit growth is 8.6%. The remaining 91.4% is explained by other variables which is not conducted in this study. |
| **4** | **Tio Ariella Doloksaribu (2013)** | The effect of the variable ratio of indicators of bank soundness using the RGEC approach on the profit growth of banking institution listed on the Indonesia Stock Exchange in 2009-2011 | Multiple Linear Regression | The results of this study is that the CAR and NPL variables have a significant positive effect on profit growth, while the NIM, BOPO and LDR variables have no significant effect on profit growth. |
| **5** | **Erlinawi Tumangger (2013)** | The effect of Non Performing Loan (NPL) on profit growth at PT. Bank Rakyat Indonesia (PERSERO) Tbk | Multiple Linear Regression | The results of this study indicate that Non Performing Loan (NPL) has a |

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|---|---|---|---|---|
| | | | | simultaneous effect on the dependent variable, namely profit. This means that any changes that occur in the independent variable, namely the NPL simultaneously or together will affect profit growth at PT. Bank Rakyat Indonesia (PERSERO) Tbk. |
| **6** | **Riana Eka Prawuri (2013)** | The effect of CAR, ROA and LDR on profit growth at PT. Bank Permata Tbk | Multiple Linear Regression | CAR, ROA and LDR simultaneously affect the dependent variable, namely profit growth. This means that the changes that occur in the independent variables, namely CAR, ROA and LDR simultaneously |

| | | | | |
|---|---|---|---|---|
| | | | | or together will affect profit growth at PT. Bank Permata Tbk |
| 7 | **Gunawan (2013)** | Independent Variable<br>1. Total Asset Turnover (TAT)<br>2. Fix Asset Turnover<br>3. Inventory Turnover<br>4. Current Ratio<br>5. Debt to Asset Ratio | Regression Analysis | 1. Total Asset Turnover (TAT) affects profit growth.<br>2. Fix Asset Turnover have significant effect on the profit growth.<br>3. Inventory Turnover affects significantly on the profit growth.<br>4. Current Ratio has no significant |

| | | | | |
|---|---|---|---|---|
| | | | | effect on the profit growth.<br>5. Debt to Asset Ratio does not have significant effect on the profit growth. |

## 2.3. Conceptual Framework

Based on the basic theoretical concepts described above, the researcher wants to know how influenced financial ratios on profit growth at PT. BPR Mitradana Madani Medan. In this study, the financial ratios used include LDR and ROA. Systematically the conceptual framework in this study can be described as follows:

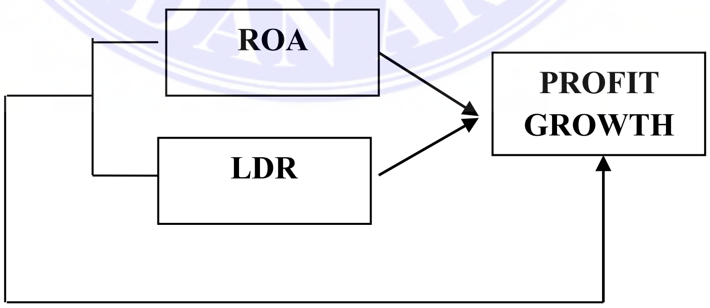


*Figure 2.1. Conceptual Framework*

### 2.4. Research hypothesis

According to Good and Scates (1954), a hypothesis is an estimate that is formulated and accepted temporarily and can explain the facts or conditions observed and used as a guide for further steps.

Kerlinger (1973) stated that hypothesis is a statement of an alleged relationship between two or more variables. In addition, the hypothesis is also a statement with a weak level of truth that still needs to be tested using certain techniques or research.

Based on the conceptual framework, the research hypothesis on this study can be formulated as follows:

1. There is a partial LDR effect on profit growth at PT. BPR Mitradana Madani Medan.
2. There is a partial ROA effect on profit growth at PT. BPR Mitradana Madani Medan.
3. There is an effect of ROA and LDR simultaneously on profit growth at PT. BPR Mitradana Madani Medan.

# CHAPTER III

# METHOD OF RESEARCH

## 3.1. Types, Location and Time of Research

### 3.1.1. Research Type

The type of research used in this study is a causal associative design, namely a research which is conducted in order to find out the relationship between two or more variables.

### 3.1.2. Research Location

This research was conducted at PT. BPR Mitradana Madani Medan, which is located at Jl. Kapten Muslim No.36 A, Sei Sikambing C. II, Kec. Medan Helvetia, Medan City.

### 3.1.3. Research Time

This research was planned from October 2019 to August 2020. The details of these research activities can be seen in Table 3.1 below:

**Tabel 3.1**

**Research Schedule Plan**

| No | Description | 2019-2020 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Oct | Nov | Dec | Jan | Feb | Mar | Aug |
| 1 | Thesis Title Submission | ■ | | | | | | |
| 2 | Making Proposal | ■ | | | | | | |
| 3 | Proposal Guidance | | ■ | | | | | |
| 4 | Proposal Seminar | | ■ | | | | | |
| 5 | Data Collection and Data Analysis | | | ■ | ■ | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| 6 | Thesis Preparation and Guidance | | | | | | | |
| 7 | Seminar Result | | | | | | | |
| 8 | Thesis Defense | | | | | | | |

### 3.2. Population and Sample

#### 3.2.1. Population

According to Sugiyono (2012:80), population is a generalization area consisted of objects which defined by researchers to mke conclusions. Based on this opinion, the population is the entire financial statement data at PT. BPR Mitradana Madani Medan from the company's establishment until 2019.

#### 3.2.2. Research Sample

Sugiyono (2012:81) stated that a sample is part of the number and characteristics possessed by the population. Based on the statement, the sampling technique was carried out using a saturated sampling technique. It is a technique for determining a sample that makes all the population as a sample. The data in the statement was balance sheet and comprehensive income statement for 2017-2019.

### 3.3. Operational Definition of Research Variables

The operational definitions of the variables to be studied or analyzed are:

**Table 3.2**

| Variable | Definition | Formula |
|---|---|---|
| **Profit Growth (Y)** | The profit growth referred to in this study is calculated from the difference in the profit of the period concerned with the total profit of the previous period divided by the total profit of the previous period. (Hapsari. N. 2008) | $\Delta = \frac{- -1}{-1}$ x 100% |
| **Loan to Deposit Ratio ($X_1$)** | LDR is a ratio to measure the composition of the amount of credit given compared to the amount of public funds and the amount of own capital used. the maximum LDR according to government regulations is 110%. (Kasmir, 2008:290). | LDR= ................ x 100 |
| **Return on Asset ($X_2$)** | ROA is a ratio used to measure the ability of bank management in obtaining profitability and managing the overall level of efficiency of the bank's business (Dendawijaya, 2009:118). | ROA= ........... x 100% |

### 3.4. Type and Source of Data

The source of data in this study is the financial report of PT. BPR Mitradana Madani Medan during 2017-2019. While the type of data used secondary data namely data obtained in a ready-made form, financial statements.

### 3.5. Data Collection Techniques

Data collection techniques used in this study are:

1. **Interview**: Conduct direct interviews with several management and company employees to obtain additional information about the company.
2. **Documentation**: This technique used by examining company writing materials and company documents related to the research.

### 3.6. Data Analysis Techniques

The entire data that has been collected is analyzed in order to provide answers to the problems discussed in this study. In analyzing the data, the author used the SPPS program. The data analysis method used in this research is descriptive statistical method.

### 3.7. Multiple Linear Regression Analysis

Multiple linear regression is a general statistical method used to examine the relationship between the dependent and independent variables. The functional relationship between one dependent variable and more than one independent variable can be done using multiple linear regression analysis, where profit growth is the dependent variable, while LDR and ROA are independent variables. The regression equation used is as follows:

$$\boxed{\mathbf{Y= a+ \quad + \quad +e}}$$

In Which:

Y = Dependent Variable (Profit Growth)

a = Constant

1= Loan to Deposit Ratio (LDR)

1= Return on Asset (ROA)

1 2 = Regression Coefficient

e = Residual Error

### 3.8. Requirements Test (Classic Assumption Test)

Before carrying out the regression analysis and statistical tests, the authors conducted a classical assumption test, which includes:

1. **Normality Test**

According to Ghozali (2005:110), normality test aims to test if in the regression model, the confounding variable or residual has a normal distribution. The way that can be used to test whether the confounding variable or residual has a normal distribution is to perform the Kolomogrov-Smirnov test on the model being tested. The decision making criteria is if the significance or probability value > 0.05 then the residual has a normal distribution, meanwhile if the significance or probability value is < 0.05, so the residual does not have a normal distribution.

2. **Multicollinearity Test**

The purpose of multicollinearity test is to identify the relationship between variables in the regression model. One way to detect multicollinearity according to Ghozali (2005:91) can be seen from (1) the tolerance value and its opposite (2) variance inflation factor (VIF). The cut off value commonly used to detect the presence of multicollinearity is tolerance < 0.10 or the same as VIF value > 10. If tolerance < 0.10 or VIF value > 10 indicates multicollinearity. A good regression model is if there is no correlation between the independent variables.

3. **Heteroscedasticity test**

Heteroscedasticity test is very often used to test whether in the variance inequality regression from the residuals of one observation to another is fixed. If the variance from the residual of one observation to another is still listed as homoscedasticity and if it is different, it is called heteroscedasticity or there is no heteroscedasticity. To find out whether there is or not the heteroscedasticity in a multiple regression model is to look at the scatterplot graph or the predicted value of the dependent variable and a residual error, SRESID and ZPRED respectively. If there is no certain pattern and it does not spread above and below zero on the *y*-axis, then there is no heteroscedasticity.

**4. Autocorrelation test**

Autocorrelation test is used to determine whether there is or not a deviation from the classical assumption of autocorrelation, namely the correlation that occurs between the residuals in one observation with others in the regression model. As a result of autocorrelation, although the OLS estimates remain biased and consistent, they are no longer efficient. The test method that is often used is the Durbin-Watson Test (DW Test) with the following conditions: (Parullari, 2011:6-16)

a) If $0 < d < dL$ : there is autocorrelation.

b) If $dL < d < dU$ : no conclusion (hesitating).

c) If $dU < d < 4 – dU$ : there is no autocorrelation.

d) If $4 – dU < d < 4 – dL$ : no conclusion (undecided).

e) If $4 – dL < d < 4$ : there is autocorrelation.

**a. Hypothesis test**

**1. Hypothesis test *t***

The *t*-statistical test aims to show how influenced one independent variable has individually in explaining the variation of the dependent variable.

- ✓ If $t_{count} < t_{table}$ then Ho is accepted and Ha is rejected.
- ✓ If $t_{count} > t_{table}$ then Ho is rejected and Ha is accepted.

### 5. Simultaneous Significance Test (F Test)

Simultaneously, hypothesis testing was carried out with the *F* test. According to Ghozali (2005:84), the *F* statistical test basically shows whether all independent or independent variables included in the model have a joint effect on the dependent variable. The hypotheses to be tested in this study are:

a) 0 = independent variables together have no significant effect on the dependent variable.

b) 1 = independent variables together have a significant influence on the dependent variable

This test is carried out by comparing the significance *h* of with the following conditions:

a) 0 is accepted and 1 is rejected if *h* < for α = 5%

b) 0 is rejected and 1 is accepted if *h* > for α = 5%

# CHAPTER V

# CONCLUSION AND SUGGESTION

## 5.1. Conclusion

Based on the results of data analysis and discussions that have been carried out on the variables that affect profit growth at PT. BPR Mitradana Madani Medan, it can be concluded in this study that:

1. The LDR variable has no significant effect on profit growth. It shows that the LDR variable partially does not have a significant effect on profit growth at PT. BPR Mitradana Madani Medan for 2017-2019.
2. The ROA variable has a negative and significant effect on profit growth. This negative effect means that if the ROA level increased, profit growth will decrease and vice versa if the ROA level decreased, it will increase profit growth at PT. BPR Mitradana Madani Medan for the 2017-2019 period.
3. The LDR and ROA variables simultaneously have a significant effect on profit growth at PT. BPR Mitradana Madani Medan for the 2017-2019 period. When the bank is able to optimize the outgoing credit, it will increase the LDR and ROA of the institution. In this study, the amount of credit that comes out can gain profitability, the amount of profit can have an influence on profit growth at PT. BPR Mitradana Madani Medan for the period.

## 5.2. Suggestion

After completing the results of this study, the suggestions that can be submitted by the author are as follows:

1. PT. BPR Mitradana Madani Medan should be more careful with debtors to reduce the number of bad debts and manage assets through Return on Assets (ROA) so that the soundness of the bank is maintained, taking into account financial ratios such as LDR and ROA based on Bank Indonesia regulations so that PT. BPR Mitradana Madani Medan continuously increasing.
2. For further researchers, it is expected to add other different variables in finding efficiency in financial performance such as Loan to Deposit Ratio (ROA), Return on Assets (LDR) and other variables related to financial performance.