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THE INFLUENCE OF THIRD PARTY FUNDS, NON-PERFORMING FINANCING AND PROFIT SHARING ON FINANCING DISBURSEMENT (CASE STUDY AT BANK ACEH SYARIAH)

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Abstract

This study aims to analyze the effect of third party funds, non-performing financing and profit sharing on the distribution of financing at PT. Aceh Syariah Bank. Where in this study the distribution of financing is seen from murabahah receivables + profit sharing financing + leasing financing. This study uses a quantitative method with the Autoregressive Distributed Lag (ARDL) approach. This study uses time series data or time series data where this research was conducted during the period 2017 to 2021. The results of this study indicate that third party funds in the short term have no effect on the distribution of non-performing financing in the short term, have a negative and significant effect on distribution of profit-sharing financing in the short term has a positive and significant effect on financing distribution.

Keywords: ***third party funds, non-performing financing, profit sharing, distribution of financing***

INTRODUCTION

Bank as a financial institution that functions as an intermediary between parties who have excess funds and those who need funds. Islamic banks are engaged in channeling funds and raising funds based on sharia principles. The purpose of Islamic banks is basically the same as conventional banks, namely to obtain a high level of profitability. One of the main sources of bank income is financing (Kasmir, 2018). Islamic banks are expected to be able to answer all expectations regarding the importance of the Islamic system being implemented in the banking world. This can be realized through improving the quality of its products. Banking practitioners know that Islamic banks have very varied products. In contrast to conventional banks which only focus on deposit savings products and distribution of financing funds, Islamic banks have more and more diverse products (Ovami and Thohari, 2018). Broadly speaking, financing in Islamic banks is divided into four different categories based on the purpose of its use, namely financing with the buying and selling principle, financing with the leasing principle, financing with the principle of profit sharing and financing with complementary contracts. Financing under the principle of profit sharing is applied to financing with uncertain levels of income, such as musyarakah and mudharabah. In financing with the principle of buying and selling and the principle of leasing, Islamic banks use a margin system to determine profits.

The occurrence of the Covid-19 case had an impact on Islamic banking in the distribution of financing and the rate of return on financing from customers during Covid-19. The impact of covid 19 can be seen from the ratio of non-performing financing (NPF) to Islamic commercial banks (BUS) of 3.04% in October 2021. This figure decreased by 4.74% compared to the previous month which reached 3.19% (dataindonesia.id , 2022). Even though Covid-19 had a negative impact on Islamic financial institutions, the aceh sharia bank in the midst of Covid 19 actually increased its financing, this was done to maintain company performance in the midst of a pandemic. Along with the impact of the Covid-19 pandemic, Bank Aceh Syariah made adjustments to financing expansion. The financing growth target set at the beginning of the year was 11%, adjusted to 5% this year. Bank Aceh Syariah is one of the Islamic banks belonging to the province of Aceh which is currently growing in the province of Aceh. As one of the currently developing sharia banks and won an award as the best sharia bank in 2011, for the category of Sharia Business Unit (www.serambinews.com). Third party funds in 2019 amounted to Rp. 1,374,899,660,423, - there was a decrease in 2020 of Rp. 1,005,457,424,898, -. While the development of sharia Bank Aceh financing in 2019 amounted to Rp. 1,387,483,737,405, - has increased in 2020 to Rp. 1,617,439,518,009,-.

Non performing Financing (NPF) is a financial ratio related to financing risk. Financing risk is the risk of the possibility of a bank loss to the debtor. Non-performing financing (NPF) greatly affects bank performance, especially asset quality. Non-performing financing is a comparison between the total troubled financing and the total financing provided to debtors. Bank Indonesia has determined 5% for NPF. If the bank is able to reduce the Non-performing Financing (NPF) ratio below 5%, the financial potential that will be obtained will be even greater. bad financing from 2017 to 2021 also shows an increase where in 2017 the bad financing is Rp. 123,868,086,857, - and in 2021 it will be Rp. 171,980,223,831, this is inversely proportional to the performance of financing, where financing has increased. Furthermore, the distribution of financing is also determined by the level of profit sharing. Profit sharing is a partnership between two or more parties in a business activity or project where each party is entitled to all profits and is responsible for any losses that occur (Mangani, 2012). The DSNMUI fatwa number 115/DSN-MUI/IX/2017, explains that profit sharing ratios are ratios or comparisons expressed in numbers such as percentages to share business results. Profit sharing in the Islamic banking system is a special feature that is offered to the public as a differentiator between its operational system and conventional banks. The profit sharing rate is the ratio or percentage agreed upon by the owner of the capital (shahibul maal) and the fund manager (mudharib) for business profits managed by the fund manager. The higher the level of profit sharing received by Islamic banks (shahibul maal), the bank will increase the volume of mudharabah financing.

Based on data from the Financial Services Authority, the profit sharing rate for the Aceh Syariah bank in 2019 was Rp. 1,685,279,295,307, - experienced a decrease in 2020 of Rp. 1,565,768,943,812, -. Prasetiono (2014) concluded that the level of profit sharing has a positive effect on profit sharing financing. The results of research conducted by Syu'aidi (2017), show that the level of profit sharing has a positive effect on financing. Meanwhile, the research results of Devi and Hasanah (2020) concluded that profit sharing has a negative effect on the volume of financing disbursement. With the increase in performance at Islamic Commercial Banks and the results of research gaps that conclude different results, the research is interested in reviewing "The Influence of Third Party Funds, Non-Performing Financing and Profit Sharing on Financing Disbursement (Case Study at Bank Aceh Syariah)".

THEORETICAL BASIS

Previous research

Financing is an activity of Islamic banks in channeling funds to parties other than banks based on sharia principles. Distribution of funds in the form of financing is based on the trust given by the owner of the funds to the user of the funds. The owner of the fund believes in the recipient of the funds, that the funds in the form of financing provided will definitely be paid off. in financing, one must be completely honest with each other, there is no deceit and it must be ensured that the financing or funds provided to the recipient of the financing can be returned in accordance with the time period agreed by the parties concerned. The elements in the financing, namely:

1. There are two parties, namely the financier (shahibul maal) and the recipient of the financing (mudharib). The relationship between the financier and the recipient of the financing is a mutually beneficial cooperative relationship, which is also interpreted as a life of helping one another.
2. There is shahibul maal's trust in mudharib which is based on achievement, namely the potential of mudharib.
3. There is an agreement, in the form of an agreement between the shahibul maal and other parties who promise to pay the mudharib to the shahibul maal.

Sharia Bank funding sources are divided into three, namely first party funds, second party funds and third party funds. Sources of funds originating from personal capital are called first-party funds, then funds originating from external loans are called second-party funds, while funds originating from the wider community in the form of current accounts, savings and time deposits are called third-party funds. Third party funds are very important for banks in raising funds, because basically for the benefit of their business the bank collects funds from the bank itself (first party), funds from other parties (second party funds) and funds from the public or third parties who in the form of savings, deposits and other sources of funds. Collection of funds in Islamic Banks can be in the form of demand deposits, savings and time deposits. The operational syi'ari principles applied in raising public funds are the principles of Wadi'ah and Mudharabah.

This research was conducted at Bank Aceh Syariah, where the Aceh Syariah bank uses a wadiah contract in collecting third party funds consisting of Wadiah Current Accounts and Wadiah Savings. The calculation of third party funds in this study is carried out as follows:

DPK = Wadiah Current Account + Wadiah Savings + Non Profit Sharing Investment Funds

Referring to Antonio, (2016), Financing which is a form of productive asset of Islamic banks which has a failure to collect back the financing that has been distributed. According to Ismail, (2016), problem financing is financing whose quality is in the substandard category (Group III), doubtful (Group IV), and loss (Group V). Non Performing Financing (NPF) is an indicator of the soundness of the quality of a bank's assets in managing financing distribution. According to Bank Indonesia Regulation Number 6/10/PBI/2004 Soundness Level of Commercial Banks and Islamic Banks, the higher the NPF value (above 5%), the bank is unhealthy Likewise, Bank Indonesia instructs Non-Performing Financing in the national banking annual report in accordance with SE BI No. 9/24/Dpbs October 30, 2007 concerning the bank health assessment system based on sharia principles which is formulated as follows:

NPF = (Non-performing financing)/(total funding) x 100%

Profit sharing is a partnership between two or more parties in a business activity or project where each party is entitled to all profits and is responsible for any losses that occur (Mangani, 2009). The DSNMUI fatwa number 115/DSN-MUI/IX/2017, explains that profit sharing ratios are ratios or comparisons expressed in numbers such as percentages to share business results. Profit sharing in the Islamic banking system is a special feature that is offered to the public as a differentiator between its operational system and conventional banks.

Effect of Third Party Funds on Funding Distribution

Third Party Funds (DPK) are usually better known as community funds, which are funds collected by financial institutions that come from the public in a broad sense, including individual communities, as well as business entities. Sources of funds originating from the wider community are the most important sources of funds for operations and are a measure of the success of a financial institution if it is able to finance its operations from this source of funds. Sources of funds originating from third parties include: current accounts (demand deposits), savings (savings), deposits (time deposits). The availability of third party funds collected from the public and a good financing risk assessment will create opportunities for banks to channel funds back to communities in need through financing distribution.

The Influence of Non-Performing Financing on Funding Distribution

According to Ismail (2015), Non-performing Financing (NPF) is a financial ratio related to financing risk. Financing risk is the risk of the possibility of a bank loss to the debtor. Non-performing financing (NPF) greatly affects bank performance, especially asset quality. Non Performing Financing (NPF) is non-performing financing consisting of financing that is classified as substandard, doubtful and loss. So that the greater the Non-Performing Financing (NPF), will result in a decrease in the distribution of financing, which also means that the bank's financial performance decreases because the risk is greater. The Influence of Profit Sharing on Financing Disbursement Profit sharing is a partnership between two or more parties in a business activity or project where each party is entitled to all profits and is responsible for any losses that occur. Profit sharing in the Islamic banking system is a special feature that is offered to the public as a differentiator between its operational system and conventional banks. The profit sharing rate is the ratio or percentage agreed upon by the owner of the capital (shahibul maal) and the fund manager (mudharib) for business profits managed by the fund manager. The higher the level of profit sharing received by Islamic banks (shahibul maal), the bank will increase the volume of mudharabah financing.

RESEARCH METHOD

This type of research is a quantitative research. The type of data used in this study is secondary data, where the data is time series data. Secondary data is data that is obtained indirectly but through documentation data or official archives, while time series is data that is collected from time to time to see developments during that period. The data collection method used in this study is the documentation method. The documentation used in this study is financial report data through data presented at www.bankaceh.co.id or via www.ojk.go.id

RESULTS AND DISCUSSION

Correlation analysis

Correlation analysis aims to see how big the relationship is between the independent variables and the dependent variable. Correlation analysis in this study is used to see the relationship between DPK, NPF and profit sharing on financing distribution. The results of the correlation analysis in this study are as follows:

Table 1. Correlation Analysis

Probability	PP	DPK	NPF	BH
PP	1.000000 -----			
DPK	0.621177 6.036654 0.0000	1.000000 ----- -----		
NPF	0.431022 3.637829 0.0006	0.626458 6.120892 0.0000	1.000000 ----- -----	
BH	0.460793 3.954105 0.0002	0.653443 6.574157 0.0000	0.343121 2.782021 0.0073	1.000000 ----- -----

Source: Data processed 2023

Table 1 above is the result of the correlation analysis in this study. To see how the relationship between the independent variables consisting of DPK, NPF, and profit sharing on the dependent variable, namely the distribution of financing, can be seen in the PP column. DPK has a positive correlation with financing distribution of 0.621 and is not significant. This means that if DPK has increased, the distribution of financing will have increased. It can be seen that the NPF has a positive correlation with the distribution of financing of 0.431 and is significant at 1%. Furthermore, BH has a positive correlation with financing distribution of 0.460 and is not significant. This means that if the profit sharing increases, the distribution of financing will increase.

Stationarity Test

Stationary data is data that shows the mean, variance and autovariance (in lag variations) remain the same at any time the data is formed or used, meaning that with stationary data the time series model can be said to be more stable. If the data used in the model is non-stationary, then the validity and stability of the data are reconsidered, because the regression results derived from non-stationary data will cause spurious regression. One of the formal concepts used to determine the stationarity of data is through the unit root test. This test is a popular test, developed by David Dickey and Wayne Fuller as the Augmented Dickey-Fuller (ADF) Test. If a time series data is not stationary at order zero, I(0), then the stationarity of the data can be searched through the next order so that the level of stationarity is obtained at the nth order (first difference or I(1), or second difference or I(2).), etc. The following are the results of the stationarity test in this study.

Table 2. ADF Unit Root Test

Variabel	Level		First Differend		Order of integration
	Intercep	Prob	Intercep	Prob	
P_Pembiayaan	-0,124	0.650	-10.569	0.000	*I*(1)
DPK_t	-3.191	0.025	-9.480	0,000	*I*(1)
NPF	-3,079	0.033	-7.970	0.000	*I*(1)
BH_t	-2,986	0.420	-29,014	0.000	*I*(1)

Source: Data processed 2023

Based on the stationarity test above, it shows that DPK is not stationary at the level. Shown with a probability greater than 5%, but when the unit root test is carried out at the first difference level, from the significance of the probability, the DPK, NPF, BH and PP variables are stationary. Therefore, the suitable model to use is ARDL (Autoregressive Distributed Lag).

The next step is to determine the maximum lag and optimum lag to find the best model, the optimum lag using the Akaike Info Criterio (AIC) approach. Optimal lag is the lag that has the smallest AIC value. Here are the results of the optimum lag:

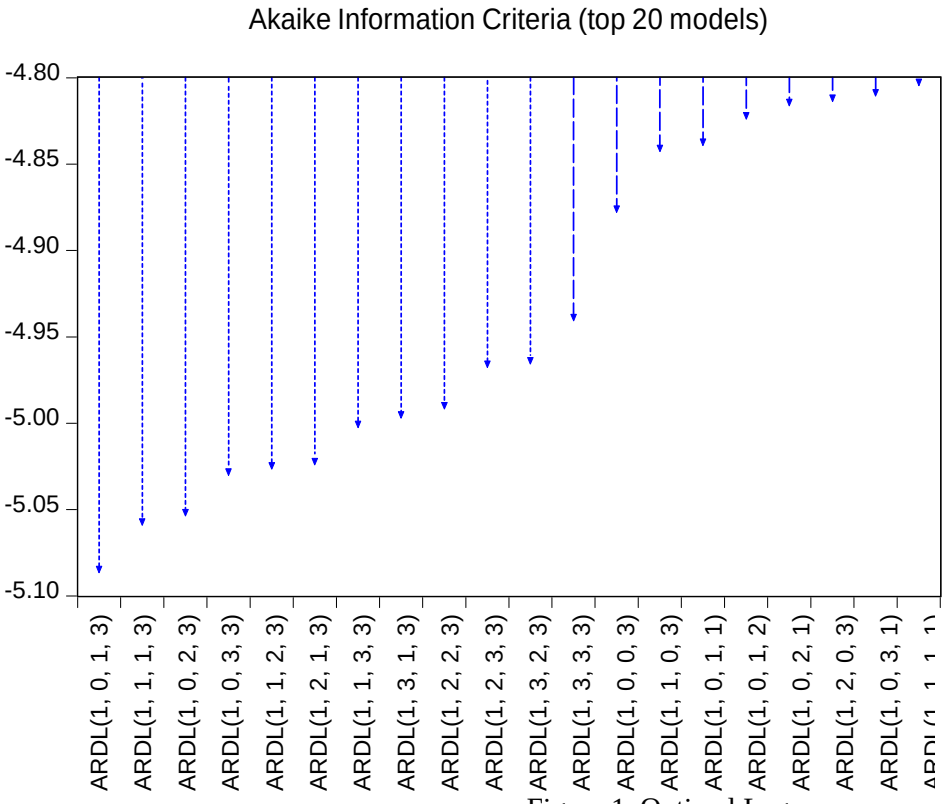


Figure 1. Optimal Lag

Based on Figure 1 above, there are 20 top models, but the model that is suitable for the ARDL method in this study is ARDL (1.0.1.3) because it has a smaller error than other ARDL models. This shows that Y has 1 lag, X1 has 0 lag, X2 has 1 lag and X3 has 3 lags.

Cointegration Test

This test was conducted to determine the existence of a long-term relationship (cointegration) and causality between the variables used in the model. The ARDL bound test is carried out by estimating the general ARDL equation which alternately places each variable used in the model as the dependent variable. This test is carried out to determine the direction of causality of the variables in the model:

Table 3. Cointegration Test Results

F-Bounds Test		Null Hypothesis: No levels relationship		
Test Statistic	Value	Signif.	I(0)	I(1)
			Asymptotic: n=1000	
F-statistic	1.756899	10%	2.37	3.2
K	3	5%	2.79	3.67
		2.5%	3.15	4.08
		1%	3.65	4.66

Source: Research results, processed (2023)

Based on the results of the Bounds Test for the ARDL model in the table above, it can be seen that the model's F-statistic value is 1.756 which is smaller than the upper bound value at the 5% level, which is 1.75 <3.67. This proves that the data is cointegrated in the long run.

Stability Test

Stability test is used to determine the stability of the cointegration relationship between variables. The stability test used is the Sum of Cumulative Recursive Residual (CUSUM) and the cumulative sum of Square Recursive Residual (CUSUMQ). If the CUSUM and CUSUMQ lines are within the critical 5% line, the cointegration results are significantly stable.

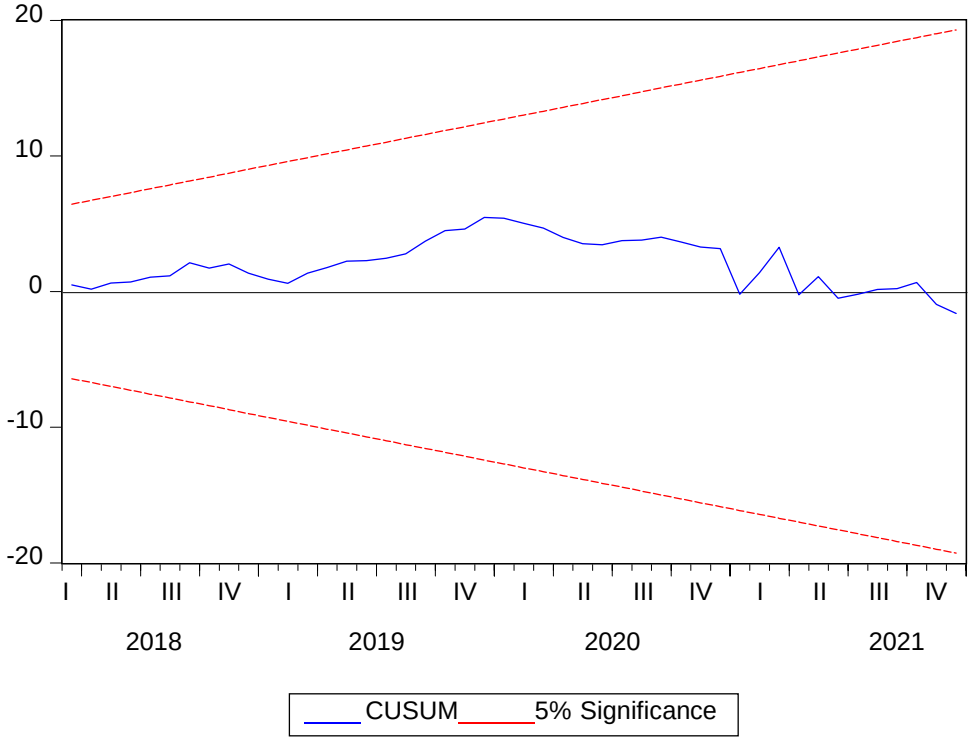


Figure 2. Recursive Residual Cumulative Sum (CUSUM)

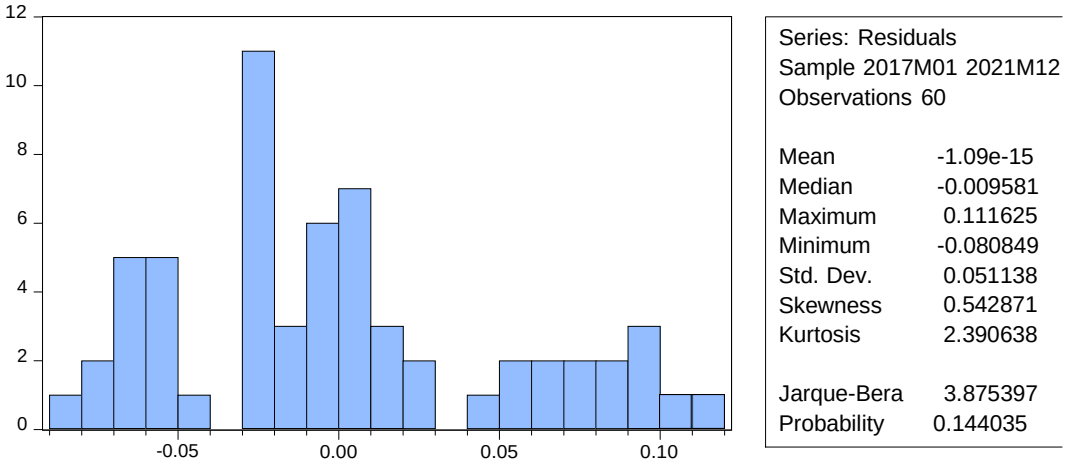
Based on Figure 2 it can be seen that the cointegration results are significantly stable, because CUSUM is within the critical line of 5%.

Classic assumption test

The classical assumption test is one of the conditions that must be carried out to get good results of multiple linear regression analysis. This test uses several stages of testing, namely the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. The results of testing the classical assumptions in this study are as follows:

Normality test

The normality test is a test used to see whether the data is normally distributed or not. Ghozali (2011) said that good data is data that has a normal distribution. The normality test can be done by looking at the profitability value on the normality chart. In this study, the normality test was carried out by the Jarque Bera Test (J-B). in this study the level of significance used $\alpha = 0.05$. The basis for making a decision is to look at the profitability figures from J-B statistics, with the following provisions: if the profitability value is $p \geq 0.05$, then the assumption of normality is met. If profitability < 0.05, then the assumption of normality is not met.



Source: Eviews results, data processed (2023)

Figure 3. Normality Test Results

The results of the normality test on the image, that the value of JB (0.44) < χ^2(chi-square) table (7.81), it can be concluded that the residual data in this study is normally distributed. The results of the normality test also show that the Prob JB value is > 0.05, which is 0.144 > 0.05, so it can be concluded that the residual data in this car are normally distributed.

Multicollinearity Test

Multicollinearity relates to situations where there is a linear relationship either definite or nearly certain between the independent variables (Gujarati, 2012). This multicollinearity aims to determine whether each independent variable is linearly related to each other in the equation model used.

Table 4. Uji Multikolinieritas

Correlation t-Statistic Probability	PP	DPK	NPF	BH
PP	1.000000			

DPK	0.621177	1.000000		
	6.036654	-----		
	0.0000	-----		
NPF	0.431022	0.626458	1.000000	
	3.637829	6.120892	-----	
	0.0006	0.0000	-----	
BH	0.460793	0.653443	0.343121	1.000000
	3.954105	6.574157	2.782021	-----
	0.0002	0.0000	0.0073	-----

Based on Table 4 above, it shows that this model is free from multicollinearity problems by looking at the output results between the variables in the regression, there is no correlation above 0.8. Based on the correlation value between the independent variables, the NPF variable with DPK has a correlation value of 0.626 <0.80, BH variable with DPK 0.653 <0.80, BH variable with NPF 0.343 <0.80, so the model is free from indications of multicollinearity.

Autocorrelation Test

Autocorrelation is the existence of a relationship between the confounding errors that appear in the time series data. In the estimation of the linear regression model, it contains the assumption that there is no autocorrelation between confounding errors. According to Gujarati (2012) if the Obs*R-Square value is < X2(chi-square), then there is no autocorrelation. Furthermore, the results of the autocorrelation test can also be seen by comparing the Chi-Squared probability and a significant value of 5% if the Chi-Squared Prob value is > 5%, then there is autocorrelation. Based on the results of the autocorrelation test using the Eview 11 program:

Table 5. Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	3.097002	Prob. F(1,54)	0.0841
Obs*R-squared	3.200223	Prob. Chi-Square(1)	0.0736

Source: Processed data (2023)

Based on Table 5 above, it shows that there are no interfering errors between time series in the study. This is evidenced by the results of the Obs * R-squared statistic, which is smaller than Chi Square, namely 3.20 < 5.99. This can also be seen from the Chi Square probability which is greater than 0.05, namely 0.07.

Heteroscedasticity Test

This heteroscedasticity test is used to test whether in the linear regression model the user error (e) has the same variance or not from one observation to another. This test is used to find out whether in the regression model there is heteroscedasticity of the variance of the residuals (Ikhsan, et al, 2014). Heteroscedasticity occurs when the

residuals and predictive values have a correlation or relationship pattern. The results of the heteroscedasticity test can be seen in Table 6 below:

Table 6. Heteroscedasticity Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	1.690953	Prob. F(3,56)	0.1794
Obs*R-squared	4.983745	Prob. Chi-Square(3)	0.1730
Scaled explained SS	3.018654	Prob. Chi-Square(3)	0.3888

Source: Processed data, (2023)

Based on Table 6 it can be concluded that the results of the Breusch-Pagan-Godfrey heteroscedasticity test using Prob. The Chi-Square of 0.38 is greater than the alpha of 1%, 5% and 10%, so that the regression model in this study is free from the problem of heteroscedasticity and does not need to be cured.

Short Term and Long Term Model Determination Results

1. Short Term Model

Testing the short-term coefficients uses the Error Correction Model (ECM), which is an expanded ARDL model with an error correction term. The following test results show the effect of third party funds, non-performing financing and profit sharing on financing distribution:

Table 7. Short Term ARDL

ECM Regression
Case 2: Restricted Constant and No Trend

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(NPF)	-0.053299	0.014128	-3.772719	0.0004
DLOG(BH)	0.014479	0.003486	4.153662	0.0001
DLOG(BH(-1))	-0.002450	0.003674	-0.666994	0.5080
DLOG(BH(-2))	-0.016263	0.003554	-4.575957	0.0000
CointEq(-1)*	-0.064396	0.022822	-2.821662	0.0069
R-squared	0.551757			
Adjusted R-squared	0.517276			
Durbin-Watson stat	2.359143			

$$\Delta PP\Delta_t = -0{,}053\Delta NPF_1 + 0{,}014\Delta BH_1 - 0{,}002\Delta BH(-1) - 0{,}006\Delta BH(-2) - 0{,}064\, ECT$$

Based on the estimation of the ARDL model in the short term, it shows that the CointEq(-1)/Ect (-1) value is -0.064 and is significant at the 1% level, meaning that there is short-term and long-term cointegration in this model. Furthermore, the CointEq(-1) value of -0.064 is used to see the speed of adjustment in response to changes. The ECT or CointEq(-1) value is valid if the coefficient is negative and significant at the 5% level. In this study has fulfilled the validity requirements. So if there is a change in this model it will be balanced at a rate of 6.4% per year. Supported by research conducted by (Zareta B, 2019). Next, the NPF partially in the current year is -0.053, when the NPF increases by 1%, the change in financing distribution will decrease by 0.053%, and this variable has a significant and negative effect on financing distribution at the 1% level with a probability of 0.000 <0.01 . Furthermore, the profit sharing variable in the current year is 0.014, when the profit sharing increases by 1%, the change in financing distribution will increase by 0.014%, and this variable has a significant and positive effect on financing distribution at the 1% level with a probability of 0.000 < 0, 01. The profit sharing variable in lag 1 is -0.002, when the profit sharing increases by 1%, the change in financing distribution will decrease by 0.002%, and this variable has no effect on financing distribution with a probability of 0.508 > 0.01, 0.05 and 0 , 10. The profit sharing variable in lag 2 is -0.016, when the profit sharing increases by 1%, the change in financing distribution will decrease by 0.016%, and this variable has a significant and negative effect on financing distribution at the 1% level with a probability of 0.000 < 0, 01.

1. Long Term Model

The long-term coefficient can be obtained based on the estimation of the ARDL model which was selected as the best model. The long-term coefficient results can be seen in table 4.7 as follows:

Table 8 long-term ARDL

Levels Equation Case 2: Restricted Constant and No Trend Long Term				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOG(DPK)	-0.791270	0.998304	-0.792614	0.4319
NPF	0.244824	0.278922	0.877750	0.3845
LOG(BH)	0.106594	0.129143	0.825396	0.4132
C	28.22941	15.58419	1.811414	0.0763

Note: Research Results, processed (2022)

Based on Table 8 above, the long-term equation for ARDL results is mathematically as follows:
PP = 28.22 – 0.79 *DPK + 0.244 *NPF + 0.106 * BH.

1. The estimation results above show that the constant value is 28.22, this indicates that if all the independent variables in this study consisting of DPK, NPF, and BH have a value of 0 then the distribution of financing will remain constant with a value of 28.22. This also has a significant and positive effect on financing distribution at the 10% level with a probability of 0.076 <0.10.
2. The long-term DPK variable is -0.79 indicating that when the DPK variable increases by 1% it will reduce the distribution of financing by 0.79% and the results do not significantly affect the distribution of financing in the long term with a probability of 0.431 > 0.10 which means DPK has no influence on the distribution of financing for the long term.

3. The long-term NPF variable is 0.244 indicating that when the NPF variable increases by 1% it will increase financing distribution by 0.244% and the results do not significantly affect financing distribution in the long term with a probability of 0.384 > 0.10 which means that NPF has no influence on the distribution of financing for the long term.
4. The long-term profit sharing variable is 0.106 indicating that when the BH variable increases by 1%, it will increase the distribution of financing by 0.106% and the results do not significantly affect the distribution of financing in the long term with a probability of 0.413 > 0.10 which means profit sharing has no influence on the distribution of financing for the long term.

Coefficient of Determination

The coefficient of determination is carried out to see how much the variation of the independent variables together is able to provide an explanation of the variation in the dependent variable. R2 value between 0 to 1 ($0 \leq R2 \leq 1$). The higher the R2 value, the better the sample regression line. Based on the coefficient of determination test, the R2 value is 0.5517 or 55.17 percent. This indicates that the levels of DPK, NPF and BH are able to explain variations in the financing distribution variable of 55.17 percent and the remaining 44.83 percent is explained by other variables.

CONCLUSION

1. Third party funds in the short term have no effect on financing distribution and third party funds in the long term have no effect on financing distribution.
2. Non-performing financing in the short term has a negative and significant effect on financing distribution and non-performing financing in the long term has no effect on financing distribution
3. Profit sharing in the short term has a positive and significant effect on financing distribution, profit sharing on lag 1 does not affect financing distribution, profit sharing on lag 2 has a negative effect on financing distribution and long term profit sharing does not affect credit distribution.

SUGGESTION

1. Future researchers should use other variables that can affect credit distribution and increase the research period, so they can compare whether the results of this study apply to more periods or not.
2. Future researchers are also expected to add to the methods used such as dynamic models with the Vector Error Correction Model (VECM) approach so that they will get better results and be able to find out trends that occur in the long term.

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