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THE EFFECT OF CREDIT DEVELOPMENT AND INTEREST INCOME ON PROFITS AT BANK bjb

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ABSTRACT

The economic activity of a country is inseparable from the traffic of money payments, where the banking industry plays a very strategic role, it can be said to be the lifeblood of the economic system, banks have the main function as an intermediary service with their main activities collecting funds from the public and channeling them back to the public and also as the center of a complex financial structure both nationally and internationally, where the objective is to support the implementation of national development. Identify problems that will be discussed further are as follows: How is the development of credit in 2012-2018 at bank bjb, How is the development of interest income in 2012-2018 at bank bjb, How is the development of profit in 2012-2018 at bank bjb, How is the influence of credit development on profits in 2012-2018 bank bjb, How is the influence of the development of interest income on profits in 2012-2018 at bank bjb. Given this problem to solve the problem between the effect of credit development and interest income on earnings, the researcher uses a simple regression coefficient

Keywords: *Credit Development, Interest Income, Profits*

1. INTRODUCTION

The economic activity of a country is inseparable from the traffic of money payments, where the banking industry plays a very strategic role, it can be said to be the lifeblood of the economic system, banks have the main function as an intermediary service with their main activities collecting funds from the public and channeling them back to the public and also as the center of a complex

financial structure both nationally and internationally, where the objective is to support the implementation of national development.

Banks are one of the important factors in the country's economy. "A bank is an institution that runs a company in receiving and giving money to third parties."

With the existence of a bank, those who lack funds can get an injection of funds which can then

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create jobs so that unemployment can be reduced and the economy can run properly. The profits obtained by each banking company mostly come from the loan interest that each bank receives, as a result of providing a certain amount of credit to its customers or debtors. Therefore, credit is very important in the operational activities of any banking company. Credit is an asset that generates interest income, so the portion of credit in banking assets is very dominant.

The economic activity of a country is inseparable from the traffic of money payments, where the banking industry plays a very strategic role, it can be said to be the lifeblood of the economic system, banks have the main function as an intermediary service with their main activities collecting funds from the public and channeling them back to the public and also as the center of a complex financial structure both nationally and internationally, where the objective is to support the implementation of national development.

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credit is very important in the operational activities of any banking company. Credit is an asset that generates interest income, so the portion of credit in banking assets is very dominant.

The effect of giving credit and interest income on profits needs to be studied because to find out how much credit and interest income contribute to profits, and it is hoped that the amount of credit in the future can be continuously increased

2. LITERATURE REVIEW

Bank

Bankers and experts define banks differently but basically have the same aims and objectives. In several books and references on banking, there are various definitions of a bank, including based on Law No. 10 of 1998 concerning Amendments to Law No.7 of 1992 concerning Banking explains that:

"Bank is a business entity that collects funds from the public in the form of savings and distributes them back to the community in the form of credit and other forms in order to improve the standard of living of the people at large".

Kasmir (2008: 25) explains that the definition of a bank is a financial institution whose main activity is to collect funds from the public and channel these funds back to the public and provide other services. And according to Rivai (2007: 321) explains that: "A bank is a business entity whose transactions are closely related to money, accepting deposits (deposits) from customers, providing and for every

withdrawal, collecting checks at the customer's orders, extending credit, and / or investing the excess deposits until they are needed for repayment."

Previous research has shown that there is a gap, namely before the impact of the crisis there was an increase in the use of credit in line with improving national economic developments. Precisely with the current conditions, the crisis has hit all corners of the globe which has an impact on global economic conditions

Based on the above understanding, it can be concluded that a bank is a business entity whose business activities receive savings from the public in the form of demand deposits, savings, deposits and others which then redistribute these funds to the public in the form of credit in order to obtain profits and provide other services in the past. cross payments for the benefit of the public at large.

According to Dendawijaya (2009: 15), the types or forms of banks vary, depending on the way they are classified. Based on Law No. 10 of 1998 concerning Amendments to Law No.7 of 1992 Banking divides a bank into 2 (two) parts consisting of: 1) Commercial Bank is a bank carrying out business activities conventionally and or based on Sharia support the smooth operation of the payment mechanism. 2) Rural Banks (BPRs) are banks which carry out their activities do not provide services in payment traffic. This is possible because one of the services offered by commercial banks are services related to payment mechanisms. Some of the most well-known

services are clearing, money transfers, receiving deposits, providing cash payment facilities, credit, easy and convenient payment facilities, such as plastic cards and electronic payment systems.

The funds that are mostly raised by commercial banks are savings funds. In Indonesia, savings funds consist of demand deposits, time deposits, certificates of deposit, savings and or other equivalent forms. The ability of commercial banks to raise funds is far greater than that of other financial institutions. Savings funds that have been collected will be channeled to parties in need, primarily through credit distribution.

Commercial banks are also very much needed to facilitate and / or expedite international transactions, both goods / services transactions and capital transactions. Transaction difficulties between two parties of different countries always arise because of differences in geography, distance, culture and monetary systems of each country. The presence of commercial banks operating on an international scale will facilitate the settlement of these transactions. With the existence of a commercial bank, the interests of the parties conducting international transactions can be handled more easily, quickly and cheaply.

Storage of valuables was one of the earliest services offered by commercial banks. People can store their valuables such as jewelry, money, and certificates in boxes provided by banks for rent (safety box or safe deposit box). The increasingly rapid economic development has caused banks to

expand their services by storing securities or securities.

In Indonesia, the provision of other services by commercial banks is also getting more and more extensive. Currently we are able to pay for electricity, telephone buy cellphone credit, send money via ATM, pay employee salaries using bank services. These services are very easy and provide a sense of security and comfort to those who use them.

Overview of Credit

The word credit comes from the Latin *credere* which means trust. Trust in this case means mutual trust between the lender and the recipient of the loan. The lender gives confidence to the loan recipient that the money or funds lent can be returned at a certain time in accordance with the agreement. Meanwhile, the recipient of the loan receives trust and has the responsibility to return the money or funds to the lender.

According to Rivai (2007) explains that: "Credit is the delivery of goods, services, or money from a party (creditor / lender) on the basis of trust to another party (debtor or debtor) with a promise to pay from the recipient of the credit to the credit provider on the date agreed by both parties. "

Meanwhile, based on Law No.10 of 1998 concerning Amendments to Law No.7 of 1992 Concerning Banking, Article 1 paragraph 11 explains that: "Credit is the provision of money or an equivalent claim, based on a loan agreement between the bank and another party which requires the

borrower to pay off its debt after a certain period of time with interest."

Based on the above definition, it can be concluded that credit is a bank business activity in providing money or claims based on trust between the party making the loan and the party receiving the loan based on an agreement or agreement, where the borrower has an obligation to return the money at a certain time in accordance with an agreement with additional interest as an advantage for the bank or lender.

According to Firdaus and Ariyanti (2009), the elements contained in credit are: (1) A person or entity that owns money, goods or services is willing to lend it to another party. Namely the so-called creditor (credit provider); (2) There are parties who need / borrow money, goods or services. Namely the so-called debtor (credit recipient); (3) The creditor trusts the debtor; (4) There is a promise and ability to pay from the debtor to the creditor; (5) There is a time difference, namely the difference between the time of delivery of money, goods or services by the creditor and at the time of repayment from the debtor; (6) There is a risk, namely as a result of the time difference element as above, where the future is an uncertain risk, then the credit basically contains risk. This risk comes from various sources, including the decline in the value of money due to inflation and so on; (7) There is interest that must be paid by debtors to creditors (even though there are loans that do not have interest)

According to Firdaus and Ariyanti (2009), types of credit can

be seen from various aspects, including:

1. Credit is reviewed from the purpose of its use; Consumptive credit, namely credit used to finance the purchase of goods and services that can provide direct satisfaction to human needs; and Productive credit is credit that is used for productive purposes in the sense that it can generate or increase utility, both because of the utility of form, utility of place, utility of time. of time) and benefits due to ownership (owner / possession utility).
2. Credit in terms of how to finance, there are Cash Credit, which is a credit that is used in cash or overbooking into the debtor's account or the account designated by the debtor and Non-cash credit, namely credit that is not paid directly at the time the credit delivery is signed, but requires a certain grace period according to the agreement,
3. Credit according to the term, there are Short-term loans, namely loans with a maximum maturity of 1 year; Medium-term credit, namely loans with maturities ranging from 1 year to 3 years; Long-term credit, namely credit with a maturity of more than 3 years;
4. Credit according to the method of withdrawal and repayment, there are Simultaneous credit, namely credit in which the method of withdrawing or depositing funds is carried out at once, either in cash or through book-entry into the debtor's account and Current Account Credit (R / K), where the provision of funds is in the form of a right to withdraw an amount of funds in a checking account / current account in the name of the debtor and Gradual Credit, namely credit in which the withdrawal method is carried out in stages, for example in 2,3,4 times stages and Revolving Credit, namely credit which, when it has finished financing 1 (one) type of transaction, can be used again for the next transaction within a certain maximum limit and period of time.
5. Credit according to the source of funds, there are Credit originating from public savings, namely the provision of credit due to income from a group of community members that is collected in the form of savings, either in the form of a saving deposit (savings), time deposit (deposit), or certificate of deposit (certificate of deposit) and Credit whose funds come from the creation of new money, namely credit whose source of funds is financed by the addition of the existing money supply, so that there is an increase in new purchasing power originating from the money creation.
6. Credit according to the legal subject of the debtor, there are Credit for resident groups, namely loans provided to Indonesian residents, whether individuals, entities, institutions or companies domiciled in Indonesia, Credit for non-resident groups, namely loans provided to non-residents of Indonesia, whether individuals, legal entities or companies that are not domiciled in Indonesia, Credit is seen from the collateral / guarantee; Credit is seen from the

collateral / guarantee (unsecured loan), which is credit provided without any collateral / guarantee, Credit by means of collateral (secured loan), namely credit provided with personal guarantees (personal guaranty) as well as tangible and intangible property guarantees.

7. Credit is seen from credit quality (collectibility), there are Current Credit (L); Credit with Special Mention (DPK); Substandard Credit (TOS); Doubtful Credit (D); Bad Credit (M)

Bank transactions, whether they are the main activity or not. Interest income earned by banks from loans and investments in securities. The size of the interest income earned by banks is influenced by the optimization of distribution or investment of bank funds, interest rates and collectibility and loans extended. The more funds distributed, the higher the interest income earned by the bank. The higher the loan interest rate, the higher the interest income earned. Likewise, if the level of credit collectibility is good, the better the interest income earned by the bank. Until now, banks are still focused on investing in productive assets, especially credit. This makes interest income still the type of income that dominates bank income. The high interest income will have a big opportunity to increase bank profits.

The achievement of profit is the success of a company in conducting its business, profit can also be used to assess whether the performance of a company is good or not. Lending will generate interest

income, and interest income will increase profits. So, the greater the credit given and the interest earned, the higher the bank's profits.

3. RESEARCH METHOD

Method Used

In this research, the writer uses descriptive verification method. According to Sugiyono (2012) the descriptive verification method is trying to solve the problem by collecting, presenting, describing and analyzing the data in the case systematically and factually so that it can explain the object under study and in the end draw conclusions based on the research and analysis that has been carried out.

Variable Operationalization

In this study using variables X and Y

1. Independent variable / free using the symbol X is a variable that affects the next variable or variables that are not influenced by other variables. The variable X is credit and interest income.
2. Dependent variable / bound with the symbol Y, namely the variable that is influenced or received influence from the independent variable, in this case the variable Y is profit

The components of each variable can be seen from the operationalization of the following variables:

Table 1 Variable Operationalization

Variabel X1, X2 and Y	Variable Concept	Indicator	Skala
Credit (X1)	Provision of money or equivalent claims, based on a loan agreement or agreement between the bank and another party which requires the borrower to pay off its debt after a period of time with the amount of interest, compensation, or profit sharing Source: Law Number 10 Year 1998 Concerning Banking	Percentage of credit development in 2012-2018	Rasio
Interest income (X2)	Interest income originates from loan transactions and placement of funds on the money market between banks as well as proceeds from trading short-term securities. Riyadi (2011: 9)	Percentage of interest income development in 2012-2018	Ratio
Profit (Y)	Nilai total pendapatan lebih besar dari pada nilai total biaya untuk kurun waktu yang sama Wulandari (2009:28)	Persentase perkembangan laba pada Tahun 2012-2018	Ratio

Population and Sample Collection Techniques

According to Sugiyono (2012), what is meant by population is a generalization area consisting of objects / subjects that have certain qualities and researchers to study and then draw conclusions. The population in this study are financial reports since bank bjb was founded, namely from 2012 - 2018 or 11 years.

The sampling technique used in this study was purposive sampling method. According to Sugiyono (2012), what is meant by the purposive sampling method, namely the technique of determining the sample with certain considerations. The objective is to determine whether the independent /

independent variables have a significant effect on the dependent / dependent variable. The sample used is in the form of financial statements from 2012-2018 or for 7 years with the following criteria:

1. Data taken from the latest bank bjb financial statements
2. The data taken has been audited

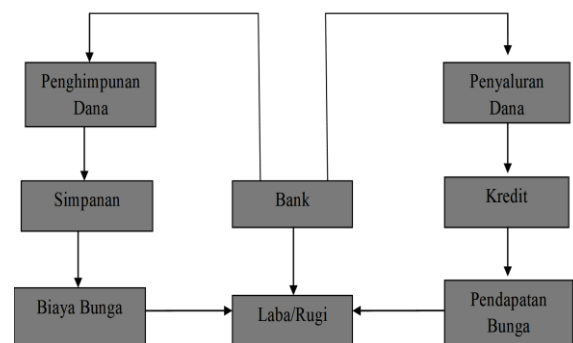


Figure 1 Conceptual Framework

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Data Analysis Techniques

This study was conducted by collecting data from companies in the form of financial reports related to research and reviewing the historical records of the object of research regarding the variables under study. Before performing a simple linear regression analysis, first the validity of the regression is tested based on the classical assumption test. The classic assumption tests used in this study are: (1) Data Normality Test; (2) Heterocedasticity

Simple Linear Regression

Given this problem to solve the problem between the effect of credit development and interest income on earnings, the researcher uses a simple regression coefficient. The simple linear regression formula is as follows:

$$Y = a + bX$$

$$a = \frac{(\sum Y)(\sum X^2) - (\sum X)(\sum Y^2)}{n \sum X^2 - (\sum X)^2}$$

$$b = \frac{n \sum XY - (\sum X)(\sum Y)}{n \sum X^2 - (\sum X)^2}$$

Keterangan :

Y = The value of the dependent variable

X = Independent variable value

a = Y value when X = 0 (constant value)

b = The number of direction or regression coefficient, which shows the rate of increase or decrease in the dependent variable based on the respondent variable. If b (+) increases, and if b (-) then decreases

n = Amount of data

Where the multiple regression coefficient equation serves to solve the problem (cause-effect relationship) assuming at least a ratio data scale.

Correlation Analysis

Pearson correlation analysis (product moment) shows the strength and weakness of the relationship and the direction of the independent variable with the dependent variable where the relationship is expressed by the signs (+) and (-).

$$R = \frac{n \sum xy - (\sum x) (\sum y)}{\sqrt{\{n \sum x^2 - (\sum x)^2\} \{n \sum y^2 - (\sum y)^2\}}}$$

Where :

= Correlation of variables X and Y.

X = Variable X

Y = Variable Y

n = The number of periods observed (2005 to 2011).

The magnitude of the correlation coefficient is $-1 \leq r \leq 1$.

If (-): There is a negative or opposite relationship.

If (+): There is a positive or unidirectional relationship.

1. If $r = -1$, then the relationship between the two variables is very strong and has an inverse character.

2. If $r = 0$ or close to 0, then the relationship between the two variables is very weak or there is no relationship.

3. If $r = 1$ or close to 1 then the relationship between the two variables is very strong and has unidirectional characteristics.

To find this relationship, it must be compared with the limit of the correlation coefficient. The limit for the correlation coefficient is -1 to 1 or $-1 < r < 1$. The farther the number r

is from 0, the stronger the relationship between the two variables.

Meanwhile, according to Sugiyono (2012) the guidelines determining the correlation coefficient are as follows:

Table 2 Interpretation Guidelines for Correlation Coefficients

Relationship Level	Interval Koefisien
0,00 – 0,199	Very low
0,20 – 0,399	Low
0,40 – 0,599	Moderate
0,60 – 0,799	Strong
0,80 – 1,000	Very strong

Source: Sugiono, 2009

Coefficient of Determination (r^2)

The test of the coefficient of determination is carried out to measure or find out how much change in the dependent variable is explained or determined by the independent variable. In this study, the analysis of the coefficient of determination (K_d) is used to see how much influence the development of credit and interest income has on earnings expressed as a percentage. The formula used according to Sugiono (2010) is as follows:

$$K_d = r^2 \times 100\%$$

Where :

K_d = How far the change in variable Y is influenced by variable X

= The square correlation coefficient

Hypothesis Testing

According to Sugiyono (2012) states that a hypothesis is a well-defined statement regarding the characteristics of the population. There are two kinds of hypotheses

made in a study, namely the null hypothesis (H_0) and the alternative hypothesis (H_1). The null hypothesis is the hypothesis that will be accepted except that the data collected is wrong. The alternative hypothesis will be accepted only if the data collected supports it.

$H_0: \beta = 0$, the effect of credit and interest income has no effect on profit.

$H_1: \beta \neq 0$, it affects credit and interest income on profits.

The significant test of this hypothesis was carried out by testing t with a significant level of 0.05 using $dk = n - 2$ with the following formula:

$$t = (r\sqrt{(n-2)})/\sqrt{(1-r^2)}$$

Information :

t = Correlation test statistic

r = correlation coefficient between variable (X) and variable (Y)

n = The amount of data observed was determined with a 95% confidence level at the 5% significance level and $n-2$ degrees of freedom

Where: If $t > t_{table}$, then H_0 is rejected, H_1 is accepted

If $t < t_{table}$, then H_0 is accepted, H_1 is rejected.

4. RESULTS AND DISCUSSION

Credit development at bank bjb

Credit is a bank business activity in the provision of money or claims based on trust between the party giving the loan and the party receiving the loan based on an agreement or agreement, where the borrower has an obligation to return

the money at a certain period of time, in accordance with the agreement with the addition of interest on profits for the bank or lender. Credit provided by banks has increased continuously every year. The highest credit development occurred in 2014, reaching IDR 88,577,625,454 or 53.55%, while the lowest credit development occurred in 2013, reaching 6,759,415,052 or 4.26%. Thus the amount of credit extended to bank bjb has grown by an average of 20.98% per year. This increase in credit is caused by the capacity and quality of service as well as the maximum financial turnover of bank bjb, thereby increasing credit provision and increasing the interest of the community / customers themselves to make credit loans.

Development of Interest Income 2012-2018 at Bank bjb

Interest income consists of interest income earned on loans and investments in securities. The size of the interest income earned by banks is influenced by the optimization of distribution or investment of bank funds, interest rates and loans extended. The more funds distributed, the higher the interest income earned by the bank. The higher the loan interest rate, the higher the interest income earned. From the table above, it can be seen that the interest income earned by bank bjb always increases every year. The highest interest income development occurred in 2014 amounting to IDR 16,272,343,961 or 60.00%. Meanwhile, the lowest interest income development occurred in 2013 amounting to IDR 763,285,683 or 2.90%. Thus, the interest income

earned by bank bjb has an average growth of 21.83% per year. The increase in interest income is because banks can manage activities that generate interest income well.

Profit Development 2012-2018 at Bank bjb

According to Wulandari (2009: 28) explains that profit is the value of total income greater than the value of total costs for the same period of time, so the bank generates profit. Conversely, if the total income is less than the total cost value, the bank will suffer a loss. From the table above, it can be seen that the profit earned by bank bjb has always increased every year. Profits obtained have increased continuously every year. The highest profit development occurred in 2012 amounting to Rp 8,386,194,286 or 47.25% while the lowest profit development occurred in 2013 amounting to Rp 618,795 or 3.61%, thus the profit earned by bank bjb experienced an average growth of 19.82% per year. The existence of this condition proves that the performance of bank bjb from 2012-2018 continues to improve.

The Influence of Credit Development on Profit Developments in 2012-2018 at Bank bjb

Classic Assumption Test

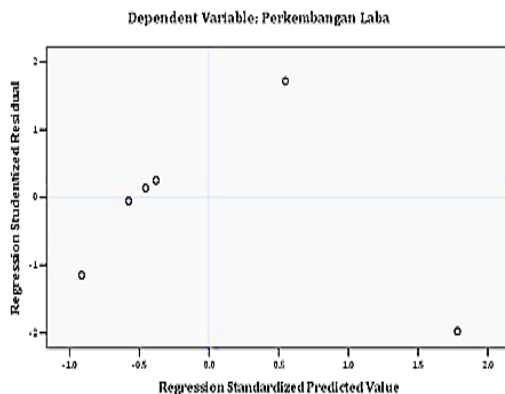
Before stepping into regression analysis, a classic assumption test will be carried out as a prerequisite for the regression analysis, namely normality test and heteroscedasticity est. The following shows the results of the classical assumption test

Normality test

The normality test will use the one sample Kolmogorov Smirnov test method and a normal probability plot. The results of the one sample Kolmogorov Smirnov test are said to be normal if the Kolmogorov Smirnov test value exceeds 0.05. Whereas in a normal probability plot, the data is said to be normal if the data distribution follows the diagonal lines of the X and Yaxes.

Heteroscedasticity Test

To test the heteroscedasticity symptom, analysis is used using a scatter plot diagram as follows:



Source: author's compilation, 2021

Figure 2 Scatter Plot

From the picture above, it can be seen that the data points spread above and below the point 0 of the X and Y axes, so it can be stated that the data is free from heteroscedasticity symptoms. With the results of the assumption test above, there was no violation of the classical assumptions, thus the data deserves to be analyzed using simple regression analysis.

Simple Linear Regression Equations

The simple regression equation to be formed is: $= a + bX$

The estimated value of earnings development

a: Constants

b: Regression coefficient

x: Variable Credit

obtained a value of 1.284 and a value of b of 0.884. Thus, a simple regression equation can be formed as follows:

$$= 1.284 + 0.884X$$

The values a and b in the above equation can be interpreted as follows:

a = 1.284 means: if credit development is zero, the profit growth will be worth 1.284 percent.

b = 0.884 means: if credit development increases by one percent, then the profit development will increase by 0.884 percent

Correlation Coefficient Analysis

The correlation coefficient is used to determine the extent of the relationship between the independent variable (credit development) and the independent variable (profit development). The technique used is pear correlation.

Result

obtained the Pearson correlation coefficient value of 0.996. The correlation coefficient value is positive, indicating that the relationship between credit development and profit development is a very strong positive relationship, if credit development has increased, it will be followed by an increase in profit.

Analysis of the coefficient of determination

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Analysis of the coefficient of determination (KD) is used to determine how much influence the independent variable has on the dependent variable. The value of the coefficient of determination (KD) or called the R-square is the square of the correlation value (R).

It can be seen that the KD (R-square) value is 0.993. So it can be concluded that credit development has an influence on the development of profit by $0.993 \times 100\% = 99.3\%$, while the remaining $100\% - 99.3\% = 0.7\%$ is the influence of other variables not examined.

Hypothesis Testing

To prove whether credit development had a significant influence on the development of profit at bank bjb in 2012-2018, the following hypothesis was tested:

H0: $\beta = 0$ means that the effect of credit development does not have a significant effect on earnings development.

H1: $\beta \neq 0$ means that credit development has a significant effect on earnings development.

Significance level (α) = 0.05

Test criteria: Accept H1 if $t\text{-count} > t\text{-table}$, reject H0

It is known that the t-value of credit development is 23.513. This value will be compared with the t-table value in the t distribution table. With $\alpha = 0.05$ $df = n - k - 1 = 4$ and a two-sided test, the t table is + 2.776. It is known that the t-count is $23.513 > t\text{-table} (2.776)$, then H1 is accepted and H0 is rejected. This means that credit development has a significant influence on profit development

The Influence of Interest Income Development on 2012-2018 Profits at bank bjb

Classic Assumption Test

Before stepping into regression analysis, a classic assumption test will be carried out as a prerequisite for the regression analysis, namely normality test and heteroscedasticity test. The following shows the results of the classic assumption test:

Normality test

The normality test will use the one sample Kolmogorov Smirnov test method and a normal probability plot. The results of the one sample Kolmogorov Smirnov test are said to be normal if the Kolmogorov Smirnov test value exceeds 0.05. Whereas in a normal probability plot, the data is said to be normal if the data distribution follows the diagonal lines of the X and Y axes

the Asymp value can be found. Sig. (2 tailed) for the development of interest income of 0.601 and the development of profit of 0.626. This value is greater than 0.05, so that the data can be stated as normally distributed, 2. Simple Linear Regression Equations

The simple regression equation to be formed is as follows:

$$= a + bX$$

: The estimated value of earnings development

a: Constants

b: Regression coefficient

x: Variable Interest income

Based on the output table above, the a value is 3.014 and the b value is 0.770. Thus, a simple regression equation can be formed as follows:

$$= 3.014 + 0.770X$$

The values a and b in the above equation can be interpreted as follows:

$a = 3.014$ means: if the development of interest income is zero, then the profit growth will be worth 3.014 percent.

$b = 0.770$ means: if the development of interest income increases by one percent, the development of profit will increase by 0.770 percent

3. Correlation Coefficient Analysis

The correlation coefficient is used to determine the extent of the relationship between the independent variable (interest income development) and the independent variable (earnings development). The technique used is the Pearson correlation. By using SPSS software, the following correlation analysis results. obtained the Pearson correlation coefficient value of 0.991. The correlation coefficient value is positive, indicating that the relationship between the development of interest income and the development of earnings is a very strong positive relationship, if the development of interest income has increased, it will be followed by an increase in profit.

4. Analysis of the coefficient of determination

Analysis of the coefficient of determination (KD) is used to determine how much influence the independent variable has on the dependent variable. The value of the coefficient of determination (KD) or called the R-square is the square of the correlation value (R)

It can be seen that the KD (R-square) value is 0.982. So it can be

concluded that the development of interest income has an influence on the development of profit by $0.982 \times 100\% = 98.2\%$, while the remaining $100\% - 98.2\% = 1.8\%$ is the influence of other variables not examined.

Discussion

Hypothesis Testing

To prove whether the development of interest income has a significant effect on the development of earnings at bank bjb in 2005-2011, the following hypothesis is tested:

H0: $\beta = 0$ means that the influence of the development of interest income does not have a significant effect on the development of earnings.

H1: $\beta \neq 0$ means that the development of interest income has a significant influence on the development of earnings.

Significance level (α) = 0.05

Test criteria: Accept H1 if $t\text{-count} > t\text{-table}$, reject H0

It can be seen that the t -value of the development of interest income is 14.696. This value will be compared with the t -table value in the t distribution table. With $\alpha = 0.05$ $df = n - k - 1 = 4$ and a two-sided test, the t table is + 2.776. It is known that the t -count is $14.696 > t\text{-table} (2.776)$, then H1 is accepted and H0 is rejected. This means that the development of interest income has a significant effect on the development of earnings

5. CONCLUSION

Based on the results of research in the previous chapter, the authors draw the following conclusions:

1. The development of credit at bank bjb from 2012 - 2018 has increased continuously every year with an average of 20.98% per year.
2. The development of interest income earned by bjb from 2012 - 2018 has increased continuously every year with an average of 21.83% per year.
3. The development of profits obtained by bank bjb from 2012 - 2018 has increased continuously every year with an average of 19.82% per year.

4. Credit development has a significant effect on bank bjb profit with a total effect of 99.3%, while the remaining $100\% - 99.3\% = 0.7\%$ is another influence not examined.

5. The development of interest income has a significant effect on bank bjb earnings with a total effect of 98.2%, while the remaining $100\% - 98.2\% = 1.8\%$ is another influence that is not examined.

Suggestions for further research to add more other variables that have not been studied in order to get better results.

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