

The Role of Corporate Social Responsibility in Moderating Effects of Capital Adequacy Ratio, Operating Expenditures and Operating Earnings, Loan to Deposit Ratio and Non-Performing Loans on Commercial Bank Performance

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Abstract:- This study aims to dissect the part of Corporate Social Responsibility (CSR) in moderating the effect of Capital Adequacy Ratio/Capital Acceptability Rate (CAR), Operating Expenditures and Operating Earnings (BOPO), Loan to Deposit Ratio/Loan to Deposit Rate (LDR) and Non-Performing Loans (NPL) on commercial bank performance. The population of this study is corporate banks listed on the Indonesia Stock Exchange for the period 2017 to 2021, with a total sample of 12 corporate banks. The data analysis system uses panel data analysis which is supported by Eviews 10 software. The results show that CAR and NPL have no effect on commercial bank performance. BOPO has a significant negative effect on commercial bank performance, LDR has a significant positive effect on commercial bank performance. CSR moderates the effect of CAR, BOPO, and LDR on commercial bank performance. Even so, CSR doesn't moderate the effect of NPL on commercial bank performance.

Keywords:- Corporate Bank Performance, Capital Acceptability Rate, Operating Expenditures and Operating Earnings, Loan to Deposit Rate, Non-Performing Loans, Corporate Social Responsibility.

I. INTRODUCTION

Decreasingly integrated profitable exertion causes the husbandry of colorful countries in the world to be connected without obstacles so that if an extremity occurs in one country it'll snappily affect other countries.

Banks as central institutions must have good performance by maintaining and perfecting bank soundness. therefore, banks can more fluently gain and maintain the trust of their guests (agent of trust) which is an abecedarian principle of banks (Lalujan, et al 2016).

Grounded on compliances, the average Return on Capital (ROA) of corporate banks listed on the Indonesia Stock Exchange during the period 2017 to 2021 has changed. In the 2017 period, it was 2.05, dwindling to 1.87 in 2018, and continuing to drop in 2019, 2020 to 2021 independently by 1.77, 1.26, and 0.49.

Data from the Deposit Insurance Corporation (LPS) shows that banking profitability has declined in the last three times. One of the reasons for the decline in bank profitability is due to weak interest perimeters due to the downcast trend in lending rates, decreasingly fierce banking competition, and the entry of players in the fiscal services sector, similar to the fiscal technology assiduity.

Meanwhile, Commercial Social Responsibility (CSR) has increased from 2017 to 2021. still, there are still numerous obstacles to the perpetration of CSR programs in the field, including problems with costs, competent mortal coffers, distribution of conditioning and setting targets, forms of conditioning, licensing and non-supervisory issues, lack of hookups, socialization of conditioning, as well as an understanding of the perpetration and evaluation in the field.

In agreement with the accreditation of the Company Law or Limited Liability Company (UU PT) which was passed on July 20, 2017, the base of good CSR is good commercial governance. A good company must have the good operation.

II. LITERATURE REVIEW

A. Signaling Theory

Spence (1973) defines the signal proposition means that by giving a signal, the sender (proprietor of the information) tries to give applicable information that can be employed by the philanthropist. Signal proposition explains how a company should give signals to druggies of fiscal statements. Profitability is one of the information that can be used as a signal for investors. High profitability indicates that the company is profitable, considering the description of profitability is the company's capability to induce gains in a certain period. The lesser the company's profit, the more profitable the shareholders because the advanced the tip they will admit. Information related to company profitability is a signal able of impacting request responses in the form of requests to buy company shares. The advanced position of profitability, advanced the interest of investors to invest in the company. When the demand for stocks is advanced, the price of the stock itself will increase.

B. Legitimacy Theory

According to Barkemeyer (2007), the legality proposition suggests that the company has a contract with the community to carry out its conditioning grounded on morals and how the company responds to colorful interest groups to legitimize commercial conduct. Legality proposition explains that in order to be accepted by society, companies must expose commercial social conditioning so as to ensure the survival of the company. Because this proposition also argues that companies must carry out and expose Commercial Social Responsibility (CSR) conditioning as much as possible so that company conditioning can be accepted by society.

C. Financial Performance

According to Siswanti (2018), fiscal performance is a picture of the company's fiscal condition in a certain period, both regarding raising finances and distributing finances, generally measured by pointers of capital acceptability, liquidity, and profitability. Good or bad banking fiscal performance and success or failure to achieve satisfactory business performance can be measured by fiscal marks called fiscal rates. Of the colorful types of fiscal rates, profitability is the most applicable rate index to measure a bank's performance. The intended rate is Return on Capital because Return on Capital focuses on the company's capability to earn earnings by exercising all the capital it manages. So that Return on Capital is used as a measure of banking performance. In addition, Return on Capital also reflects the capability of bank operations to manage its capital effectively. Therefore, the advanced the Return on Capital rate, the better or healthier the bank's performance, because adding Return on Capital means that there has been an increase in company profitability which will have a positive impact on stakeholders similar to shareholders.

D. Capital Adequacy Ratio (Capital Acceptability Rate)

Capital Acceptability is the bank's capability to maintain sufficient capital and the capability of bank operation to identify, measure, cover, and control the pitfalls that arise which can affect the quantum of bank capital (Kuncoro and Suhardjono, 2012). The computation of the Capital Acceptability Rate is grounded on the principle that every parlous investment must be handed with a quantum of capital equal to a certain chance of the total investment. A bank is a healthy bank, if it has a Capital Acceptability rate of at least 8 in agreement with the Bank for International Settlements (BIS) norms. In agreement with the assessment of the Capital Acceptability Rate grounded on Bank Indonesia Director Decree No. 30/ 12/ KEP/ DIR dated 30 April 1997 minimum Capital Acceptability Rate of 8.

E. Operating Expenditures and Operating Earnings (BOPO)

Operating expenditures and operating earnings are functional cost rates used to measure the position of effectiveness and capability of a bank to carry out its operations (Dendawijaya, 2009). This rate reflects the effective position of the bank in carrying out its operations. operating expenditures and operating earnings is the rate between the costs incurred by a bank in carrying out its main conditioning to the income deduced from this

conditioning. The bank's main conditioning includes interest costs, labor costs, marketing costs, and other operating costs while operating income is interest income deduced from the placement of finances in the form of credit and other operating income. The lower the rate of operating expenditures and operating earnings indicates the more effective a bank is in carrying out its business conditioning.

F. Loan to Deposit Ratio (Loan to Deposit Rate)

Liquidity operation is one of the complex problems in bank operations, this is because the finances managed by banks are substantially finances from the public which are short-term in nature and can be withdrawn at any time. The liquidity of a bank means that the bank has sufficient sources of finances available to fulfill all scores (Siamat, 2005). The liquidity rate generally used in the banking world is substantially measured by the Loan to Deposit Rate.

According to Dendawijaya (2009), the Loan to Deposit Rate states how far a bank's capability is to pay back recessions made by depositors by counting on credit handed as a source of liquidity. In other words, how far is the provision of credit to guests, credit can neutralize the bank's obligation to incontinently meet the demands of depositors who want to withdraw the plutocrat that has been used by the bank to give credit.

G. Non-Performing Loans

Credit threat is defined as the threat that occurs as a result of the counterparty's failure to fulfill its scores (Rivai, 2007). Non-Performing Loans reflect credit threat, the lower the Non-Performing Loans, the lower the credit threat borne by the bank. In order for the bank's value to this rate to be good, Bank Indonesia sets the criteria for a Non-Performing Loans rate of below 5.

According to Siamat (2005), Non-Performing Loans can be interpreted as loans that witness prepayment difficulties due to purposeful factors and or due to external factors beyond the capability of the debtor to control. This rate shows the capability of bank operations to manage non-performing loans handed by banks. That is the more advanced this rate, the worse the quality of bank credit, which causes the number of non-performing loans to increase, the lesser the probability that a bank is in a problematic condition, videlicet losses caused by the rate of return on bad loans. However, also what's classified as non-performing loans are loans that have special citations, unacceptable, if credit is related to its collectability position.

H. Corporate (Commercial) Social Responsibility

Commercial Social Responsibility is the enterprise's commitment to give a long-term donation to a particular issue in society or the terrain in order to produce a better terrain (Said, 2015). The perpetuation of Commercial Social Responsibility is anticipated to encourage the terrain to give good legality to companies and can help achieve the thing of adding company performance.

Commercial Social Responsibility can be one of the company's strategies to meet the company's non-financial information requirements. The better the Commercial Social Responsibility exposure carried out by the company, the more support that will be attained from stakeholders for all conditioning aimed at perfecting the fiscal performance of banking companies will also be advanced. Presently, social and environmental consequences have come a new aspect of consideration for investors as a base for making opinions in investing in a company, piecemeal from fiscal factors. However, this will induce trust and added value from investors so that it'll attract investors to invest in the company. If the company discloses reports regarding the company's environment. However, the company's shares will be more laboriously traded and the company's stock price will increase so that this can increase the value of the company if numerous investors are interested in investing.

The dimension instrument to be used in this exploration appoint the GRI (Global Reporting Initiative) 4.1 document. Commercial Social Responsibility exposure indicator grounded on GRI 4.1, videlicet profitable performance, fiscal performance, pool performance, mortal rights performance, and product performance. The approach to calculating the Commercial Social Responsibility indicator principally uses an approach that uses the division of two clashing types, videlicet each Commercial Social Responsibility item in the exploration instrument is given a value of 1 if it's bared, and a value of 0 if it isn't bared (Monika, 2016).

III. RESEARCH METHODS

This study uses a quantitative approach. A quantitative approach is an approach that uses data in the form of figures which are reused through statistics. According to his explanation, this exploration is a study that aims to determine the relationship between two or further variables. Grounded on the position of explanation of the position of the variable, this exploration is unproductive associative, that is, this study looks for an unproductive relationship (influence) between the independent variable (X) and the dependent variable (Y). In this study, the dependent variables are Capital Acceptability Rate, Operating Expenditures and Operating Earnings, Loan to Deposit Rate, and Non-Performing Loans.

This study uses secondary data, videlicet a summary of banking achievement attained from each bank's periodic report and reports from the Financial Services Authority (OJK). In addition, this study also used literal data, where the data was used five times from 2017 to 2021 and for further than one company.

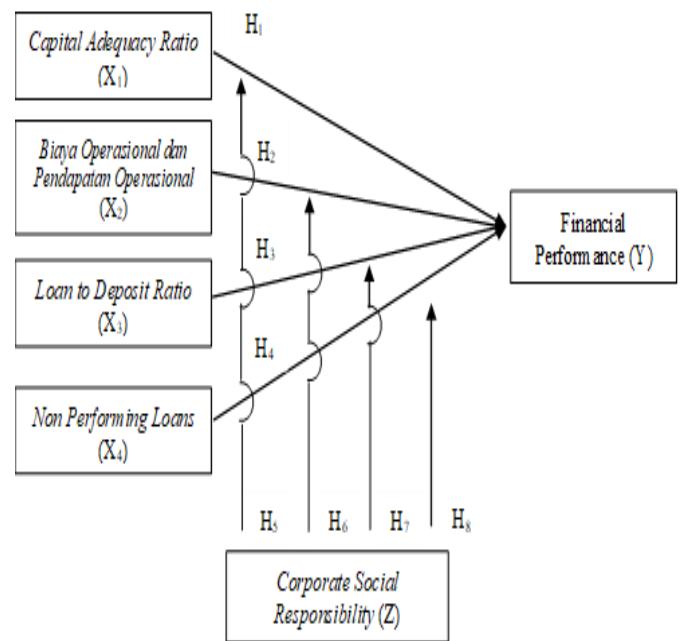


Fig. 1: Framework

The logical system used in this exploration is panel data retrogression analysis. Panel data is a special form of pooled data. In simple terms, pooled data is a combination of time series data and cross-section data that aims to determine the position of the significance of each independent variable retrogression measure on the dependent variable.

A. Population

Population refers to all people, events, or what the experimenter is interested in probing (Ghozali, 2016). The population used in this study were all public banking companies listed on the Indonesia Stock Exchange (IDX) for the 2017 – 2021 period, totaling 43 corporate banks. The following is a table of population data :

Table 1: Population

No	Issuer Code	Bank
1	AGRO	Bank Raya Indonesia Tbk.
2	AGRS	Bank IBK Indonesia Tbk.
3	AMAR	Bank Amar Indonesia Tbk.
4	ARTO	Bank Jago Tbk.
5	BABP	Bank MNC Internasional Tbk.
6	BACA	Bank Capital Indonesia Tbk.
7	BBCA	Bank Central Asia Tbk.
8	BBHI	Allo Bank Indonesia Tbk.
9	BBKP	Bank KB Bukopin Tbk.
10	BBMD	Bank Mestika Dharma Tbk.
11	BBNI	Bank Negara Indonesia (Persero)
12	BBRI	Bank Rakyat Indonesia (Persero)
13	BBSI	Bank Bisnis Internasional Tbk.
14	BBTN	Bank Tabungan Negara (Persero)
15	BBYB	Bank Neo Commerce Tbk.
16	BCIC	Bank JTrust Indonesia Tbk.
17	BDMN	Bank Danamon Indonesia Tbk.
18	BEKS	Bank Pembangunan Daerah Banten
19	BGTG	Bank Ganesha Tbk.
20	BINA	Bank Ina Perdana Tbk.
21	BJBR	Bank Pembangunan Daerah Jawa Barat
22	BJTM	Bank Pembangunan Daerah Jawa Timur
23	BKSW	Bank QNB Indonesia Tbk.
24	BMAS	Bank Maspion Indonesia Tbk.
25	BMRI	Bank Mandiri (Persero) Tbk.
26	BNBA	Bank Bumi Arta Tbk.
27	BNGA	Bank CIMB Niaga Tbk.
28	BNII	Bank Maybank Indonesia Tbk.
29	BNLI	Bank Permata Tbk.
30	BSIM	Bank Sinarmas Tbk.
31	BSWD	Bank Of India Indonesia Tbk.
32	BTPN	Bank BTPN Tbk.
33	BVIC	Bank Victoria International Tb
34	DNAR	Bank Oke Indonesia Tbk.
35	INPC	Bank Artha Graha Internasional
36	MASB	Bank Multiarta Sentosa Tbk.
37	MAYA	Bank Mayapada Internasional Tb
38	MCOR	Bank China Construction Bank I
39	MEGA	Bank Mega Tbk.
40	NISP	Bank OCBC NISPTbk.
41	NOBU	Bank Nationalnobu Tbk.
42	PNBN	Bank Pan Indonesia Tbk
43	SDRA	Bank Woori Saudara Indonesia 1

Table 2: Sample

No	Issuer Code	Bank
1	AGRS	Bank IBK Indonesia Tbk.
2	BBCA	Bank Central Asia Tbk.
3	BBNI	Bank Negara Indonesia (Persero)
4	BBRI	Bank Rakyat Indonesia (Persero)
5	BBYB	Bank Neo Commerce Tbk.
6	BDMN	Bank Danamon Indonesia Tbk.
7	BJBR	Bank Pembangunan Daerah Jawa Barat
8	BMRI	Bank Mandiri (Persero) Tbk.
9	BNGA	Bank CIMB Niaga Tbk.
10	BNII	Bank Maybank Indonesia Tbk.
11	BTPN	Bank BTPN Tbk.
12	MEGA	Bank Mega Tbk.

IV. RESULTS AND DISCUSSION

This study uses secondary data in the format of marketable bank publication reports for the 2017 - 2021 period, which includes a summary of banking achievement attained from each periodic report and social responsibility report from an aggregate of twelve companies registered with the fiscal services authority.

A. Results of Descriptive Statistical Analysis

Descriptive statistics give an overview or description of data in terms of the average value (mean), standard divagation, friction, outside, minimum, sum, range, kurtosis, and skewness (distribution skewness) (Ghozali, 2018). Descriptive analysis in this study of rates is done to find the values or figures of the independent variables and the dependent variable.

	CAR	BOPO	LDR	NPL	ROA	CSR
Mean	22.86471	83.45811	86.95352	1.483227	1.488161	0.612271
Median	22.67000	82.34500	87.69500	0.995000	1.726645	0.642857
Maximum	55.39000	224.0100	171.3200	9.920000	4.220000	0.802198
Minimum	0.180000	0.820000	0.820000	0.000000	-13.71000	0.307692
Std. Dev.	6.749451	27.14979	21.33031	1.522981	2.550532	0.147143
Skewness	1.541148	2.191282	0.059042	3.383265	-3.765381	-0.715740
Kurtosis	12.43620	14.84675	9.950550	17.55068	22.40603	2.282987
Jarque-Bera	246.3559	398.8809	120.8102	643.7707	1083.266	6.408110
Probability	0.000000	0.000000	0.000000	0.000000	0.000000	0.040597
Sum	1371.883	5007.487	5217.211	88.99364	89.28963	36.73626
Sum Sq. Dev.	2687.751	43489.55	26843.95	136.8488	383.8074	1.277404
Observations	60	60	60	60	60	60

Fig. 2: Results of Statistic Descriptive Analysis – Eviews 10

In accordance with Figure 2, the return on capital variable shows a minimal valuation of -13.71 which occurs at PT. Bank Neo Commerce Tbk (BBYB) and a maximum value of 4.22 which passed at PT. Bank Mega Tbk (MEGA). The average value is lower than the standard divagation, videlicet 1.488161<2.550532. This shows that the distribution of data isn't good.

B. Sample

The sample is part of a population that contains several members in the population (Ghozali, 2016). Testing dimension is a step to determine the size of the sample taken in conducting exploration on an object. In this study, experimenters took samples using intentional slices, by setting certain criteria that must be met in opting for samples. The sample of banks used in this study included marketable banks listed on the IDX for the 2017- 2021 period as numerous as 12 marketable banks.

In accordance with Figure 2, the capital acceptability rate variable shows a minimal valuation of 0.18 which occurs at PT. Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (BJBR) and an outside of 55.39 which passed at PT. Bank Neo Commerce Tbk (BBYB), with a normal of 22.86471. This shows that in the sample of companies studied, there are companies that have a capital acceptability of 0.18 in the capital structure. Again, there are also companies that have a capital acceptability of 55.39 which is used in the company's operations. The average value is higher than the standard deviation, videlicet $22.86471 > 6.749451$. This shows a good distribution of data.

In accordance with Figure 2, variable operating expenditures and operating earnings with a minimal value of 0.82 occur at PT. Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (BJBR), while the maximum value of 224.01 passed at PT. Bank Neo Commerce Tbk (BBYB), the average value is higher than the standard deviation, videlicet $83.45811 > 27.14979$. This shows a good distribution of data.

In accordance with Figure 2, a variable loan-to-deposit rate with a minimal valuation of 0.82 passed at PT. Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (BJBR), while the maximum value of 171.32 passed at PT. Bank BTPN Tbk (BTPN). The average value is higher than the standard deviation, videlicet $86.95352 > 21.33031$. This indicates a good distribution of data.

In accordance with Figure 2, variable non-performing loans with a minimal value of 0.00 occurs at PT. Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (BJBR), while the maximum value of 9.92 occurs at PT. Bank Neo Commerce Tbk (BBYB). The average value is lower than the standard deviation, videlicet $1.483227 < 1.522981$. This shows that the distribution of data isn't good.

B. Panel Data Regression Results

Panel data regression explanation can be used for estimate model estimations using one of three approaches the common effect model, the fixed effect model, or the arbitrary effect model (Prawoto, 2017). The most applicable model for addressing exploration panel data is chosen and grounded on statistical reasoning in order to induce exact and effective estimations using tests similar to the Chow Test and the Hausman Test.

Redundant Fixed Effects Tests			
Equation: Untitled			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	4.746766	(11,43)	0.0001
Cross-section Chi-square	47.695882	11	0.0000

Fig 3: Chow Test Results – Eviews 10

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	29.454984	5	0.0000

Fig. 4: Hausman Test Results – Eviews 10

Grounded on the experiment results, it's possible to decide that the fixed effect model is the stylish model for estimating panel data retrogression in this study.

C. Coefficient of Determination (R²) Test Results

The measure of granite shows the limitation to which the donation of the tone-dependent variables in the regression model is suitable to illustrate the interpretation of the suspended variable. The measure of granite can be spied through the valuation of R-square (R²) in the Model Summary Board. According to Ghozali (2016) the small value of the measure of granite means that the capability of the tone-dependent variables to illustrate the suspended variable is truly limited. Again, if the value is close to 1 (one) and down from 0 (zero), it means that the tone-dependent variables have the capability to give all the information demanded to predict the suspended variable.

R-squared	0.933086	Mean dependent var	1.488161
Adjusted R-squared	0.908187	S.D. dependent var	2.550532
S.E. of regression	0.772827	Akaike info criterion	2.555998
Sum squared resid	25.68222	Schwarz criterion	3.149396
Log likelihood	-59.67994	Hannan-Quinn criter.	2.788108
F-statistic	37.47580	Durbin-Watson stat	2.060445
Prob(F-statistic)	0.000000		

Fig. 5: R² Test Results – Eviews 10

The Acclimated R-square valuation in the table is 0.908187 which shows that the proportion of the self-dependent variable influences Capital Acceptability Rate, Operating Expenditures and Operating Earnings, Loan to Deposit Rate, Non-Performing Loans to the suspended variable Return On Capital of 90.82 while the remaining 9.18 (100-90.82) is told by other variables not in the regression model, analogous as interest rates, profitable growth, inflation.

D. Results of t-Test (Partial)

The Partial t-Test seeks to show how far the self-dependent factors' effect is in partly clarifying the dependent variable (Ghozali, 2018).

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	10,724450	3,264937	3,284735	0,0020
CAR	0,041973	0,032324	1,298507	0,2010
BOPO	-0,083495	0,007897	-10,572550	0,0000
LDR	0,052716	0,006688	7,882595	0,0000
NPL	-0,005899	0,116029	-0,050845	0,9597

Fig. 6: t-Test Results – Eviews 10

➤ *The influence of Capital Acceptability Rate on Commercial Bank Performance*

Predicated on Figure 6, it can be seen that the effect of the capital acceptability rate on return on capital shows a significant probability value of 0.2010. The significance position is more advanced than the significance position $\alpha = 0.05$. This shows that the capital acceptability rate has no effect on the performance of commercial Banks. Thus, it can be stated that the thesis put forward by the author which states that the capital acceptability rate has a significant positive effect on commercial bank performance is pronounced unproven.

➤ *The influence of Operating Expenditures and Operating Earnings on Commercial Bank Performance.*

Predicated on Figure 6, it can be seen that the effect of operating expenditures and operating earnings on return on capital shows a significance probability value of 0.0000. The significance position is lower than the significance position $\alpha = 0.05$. This shows that operating expenditures and operating earnings have a significant negative effect on commercial bank performance. Thus, it can be stated that the thesis put forward by the author which states that operating expenditures and operating earnings have a significant negative effect on commercial bank performance is pronounced proven.

➤ *The impact of Loan to Deposit Rate on Commercial Bank Performance*

Predicated on Figure 6, it can be seen that the effect of the loan-to-deposit rate on return on capital shows a significant probability value of 0.0000. The significance position is lower than the significance position $\alpha = 0.05$. This shows that the loan-to-deposit rate has a significant positive effect on commercial bank performance. Thus, it can be stated that the thesis proposed by the author which states that the loan-to-deposit rate has a significant positive effect on commercial bank performance is pronounced proven.

➤ *The impact of Non-Performing Loans on Commercial Bank Performance*

Predicated on Figure 6, it can be seen that the effect of non-performing loans on return on capital shows a significance probability value of 0.9597. The significance position is higher than the significance position $\alpha = 0.05$. This shows that non-performing loans have no effect on the performance of commercial banks. Thus, it can be stated that the thesis put forward by the authors stating that non-performing loans have a significant negative effect on commercial bank performance is pronounced unproven.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	10,724450	3,264937	3,284735	0,0020
CAR*CSR	0,940636	0,282645	3,327975	0,0018
BOPO*CSR	0,352435	0,033358	10,565300	0,0000
LDR*CSR	-0,548320	0,108584	-5,049740	0,0000
NPL*CSR	1,004964	2,136306	0,470421	0,6403

Fig.7: t- Test Results with Moderation Variable – Eviews

➤ *Commercial Social Responsibility moderates the influence of Capital Acceptability Rate on Commercial Bank Performance*

Predicated on Figure 7, it can be seen that the part of commercial social responsibility in moderating the effect of the capital acceptability rate on return on capital shows a significance probability value of 0.0018. The significance position is lower than the significance position $\alpha = 0.05$. This shows that commercial social responsibility moderates the effect of capital acceptability rate on commercial bank performance. Thus, it can be stated that the thesis proposed by the author which states that commercial social responsibility moderates the effect of capital acceptability rate on commercial bank performance is pronounced proven.

➤ *Commercial Social Responsibility moderates the influence of Operating Expenditures and Operating Earnings on Commercial Bank Performance*

Predicated on Figure 7, it can be seen that the part of commercial social responsibility in moderating the influence of operating expenditures and operating earnings on return on capital shows a significance probability value of 0.0000. The significance position is lower than the significance position $\alpha = 0.05$. This shows that commercial social responsibility moderates the effect of operating expenditures and operating earnings on commercial bank performance. Thus, it can be stated that the thesis proposed by the author which states that commercial social responsibility moderates the effect of operating expenditures and operating earnings on commercial bank performance is pronounced proven.

➤ *Commercial Social Responsibility moderates the clout of Loan to Deposit Rate on Commercial Bank Performance*

Predicated on Figure 7, it can be seen that the part of commercial social responsibility in moderating the influence of the loan-to-deposit rate on return on capital shows a significant probability value of 0.0000. The significance position is lower than the significance position $\alpha = 0.05$. This shows that commercial social responsibility moderates the clout of the loan-to-deposit rate on commercial bank performance. Thus, it can be stated that the thesis put forward by the author which states that commercial social responsibility moderates the clout of the loan-to-deposit rate on commercial bank performance is pronounced proven.

➤ *Commercial Social Responsibility moderates the clout of Non-Performing Loans on Commercial Bank Performance*

Predicated on Figure 7, it can be seen that the part of commercial social responsibility in moderating the effect of non-performing loans on return on capital shows a significance probability value of 0.6403. The significance position is higher than the significance position $\alpha = 0.05$. This shows that commercial social responsibility does not moderate the clout of non-performing loans on commercial bank performance. Thus, it can be stated that the thesis put forward by the author which states that commercial social

responsibility moderates the clout of non-performing loans on commercial bank performance is pronounced unproven.

E. Results of Moderation Regression Analysis (MRA)

Moderation Retrogression Analysis is utilized to evaluate how important the retrogression analysis relation of further than one variable through the retrogression. The retrogression equation set up in this trance is shown below.

$$ROA = 10,724450 + 0,041973 CAR - 0,083495 BOPO + 0,052716 LDR - 0,005899 NPL + 0,940636 CAR*CSR + 0,352435 BOPO*CSR - 0,548320 LDR*CSR + 1,004964 NPL*CSR$$

- The capital acceptability rate variable has a measured value of 0.041973. The positive retrogression measure value indicates that the capital acceptability rate has a positive effect on commercial bank performance. This illustrates that if every 1 increase in the capital acceptability rate variable assuming other variables remain the same, it'll increase commercial bank performance by 0.041973.
- Variable operating expenditures and operating earnings have a measured value of -0.083495. The negative retrogression measure value indicates that operating expenditures and operating earnings have a negative effect on commercial bank performance. This illustrates that if every 1 increase in the variable operating expenditures and operating earnings assuming other variables remain the same, it'll reduce commercial bank performance by 0.083495.
- The loan-to-deposit rate variable has a measured valuation of 0.052716. The positive retrogression measure value indicates that the loan-to-deposit rate has a positive effect on commercial bank performance. This illustrates that if every 1 increase in the loan-to-deposit rate variable assuming other variables are constant, it'll increase commercial bank performance by 0.052716.
- The non-performing loans variable has a measured valuation of -0.005899. The negative retrogression measure value indicates that non-performing loans own a negative effect on the interpretation of marketable banks. This illustrates that if every 1 addition in the variable non-accomplishing loans assuming other variables remain the same, it'll reduce commercial bank performance by 0.005899.
- The commercial social responsibility variable in moderating the effect of the capital acceptability rate on return on capital has a measured value of 0.940636. The positive retrogression measure value indicates that commercial social responsibility in moderating the effect of capital acceptability rate on return on capital has a positive effect on commercial bank performance. This illustrates that if every 1 increase in the commercial social responsibility variable moderates the effect of the capital acceptability rate on return on capital assuming other variables remain constant, it'll increase commercial bank performance by 0.940636.
- The commercial social responsibility variable in moderating the effect of operating expenditures and operating earnings on return on capital has a measured value of 0.352435. The positive retrogression measure value indicates that commercial social responsibility in

moderating the effect of operating expenditures and operating earnings on return on capital has a positive effect on commercial bank performance. This illustrates that if every 1 increase in the commercial social responsibility variable moderates the influence of operating expenditures and operating earnings on return on capital assuming other variables remain constant, it'll increase commercial bank performance by 0.352435.

- The commercial social responsibility variable in moderating the clout of the loan-to-deposit rate on return on capital has a measured value of -0.548320. The negative retrogression measure value indicates that commercial social responsibility in moderating the effect of loan-to-deposit rate on return on capital has a negative effect on commercial bank performance. This illustrates that if every 1 increase in the commercial social responsibility variable moderates the clout of the loan-to-deposit rate on return on capital assuming other variables remain constant, it'll reduce commercial bank performance by 0.548320.
- The commercial social responsibility variable in moderating the influence of non-performing loans on return on capital has a measured value of 1.004964. The positive retrogression measure value indicates that commercial social responsibility in moderating the influence of non-performing loans on return on capital has a positive effect on commercial bank performance. This illustrates that if every 1 increase in the commercial social responsibility variable moderates the effect of non-performing loans on return on capital assuming other variables are constant, it'll increase commercial bank performance by 1.004964.

V. CONCLUSION

Grounded on the results of the analysis, it shows that the capital acceptability rate has no effect on the return on capital of corporate banks. According to this study, corporate banks in Indonesia for the 2017- 2021 period have an average capital acceptability rate value of 23.26, which is further than 8, meaning that these banks have a lot of capital, but their capital is underutilized for conditioning that can induce income. profit. Another cause is the possibility that banks still have a lot of finances that aren't expended for credit so gains aren't maximized.

The results of the study show that operating expenditures and operating earnings have a negative and significant effect on return on capital. This shows that the increase in operating expenditures and operating earnings affects the decline in the profitability of marketable banks. Adding operating expenditures and operating earnings will beget the return on capital or profitability of a bank to drop because bank operation is hamstrung in managing its coffers. These conditions indicate that the increase in operating expenditures isn't balanced with an increase in operating earnings, so banks are hamstrung in managing operating earnings, because bank operating expenditures have a direct influence on bank business conditioning, for illustration interest costs, labor costs, foreign exchange costs, depreciation, and other costs. In this study, the operating expenditures and operating earnings normal was

84.98 which shows that corporate banks in Indonesia for the 2017- 2021 period were suitable to minimize operating expenditures.

The results of the analysis show that the loan-to-deposit rate has a positive and significant aftereffect on return on capital. In this study, the average loan-to-deposit rate was 87.99, indicating that corporate banks in Indonesia for the 2017- 2021 period were relatively good at extending their loans. The ideal position of loan to deposit rate is around 80. But the forbearance limit ranges from 85 to 100.

The results of the analysis show that non-performing loans have no effect on return on capital. This shows that non-performing loans don't affect bank profitability. In this study, the average non-performing loan rate was 1.53, below the non-performing loans needed by Bank Indonesia, videlicet 5, which indicates that marketable banks in Indonesia for the 2017- 2021 period have a small credit threat.

In this study commercial social responsibility moderates the effect of capital acceptability rate on return on capital. With the commercial social responsibility conditioning carried out by banks, it's hoped that there will be an increase in income earned by banks as a source of finances to strengthen company capital in order to give companies the capability to survive in the face of heads and possible ruin.

Commercial social responsibility moderates the effect of operating expenditures and operating earnings on return on capital. With the commercial social responsibility conditioning carried out by the company, it's hoped that it can reduce operating expenditures, increase operating earnings, or both (reducing expenditures and adding earnings) so that the rate of operating expenditures and operating earnings will be lower. The lower the rate of operating expenditures and operating earnings, the better the bank manages profitability in the functional aspect. The more commercial social responsibility exposures are made, it's anticipated that the rate of operating expenditures and operating earnings will drop in value.

Commercial social responsibility moderates the aftereffect of loan-to-deposit rate on return on capital. With the commercial social responsibility conditioning carried out by banks, it's anticipated that there will be an increase in third-party finances attained by banks and an increase in credit distribution whose sources of finances also come from third parties. With an increase in third-party finances and loans expended, the company's loan-to-deposit rate will remain stable. In agreement with regulations, the company's liquidity rate must be high to help the company from going into liquidation because liquidity shows the company's capability to meet its short-term scores. So, it's anticipated that an increase in commercial social responsibility will increase the loan-to-deposit rate, but remain at a safe limit.

Commercial social responsibility doesn't moderate the relationship between non-performing loans to return on capital. This shows that the information on the commercial social responsibility variable is less instructional as a

moderating variable. Because just looking at the value of the variable non-performing loans, it's enough for investors to make investment opinions. So, there's no need for commercial social responsibility in the relationship of non-performing loans to the performance of marketable banks.

For banks to be suitable to increase their capital acceptability through the capital acceptability rate so that they can continue to ameliorate bank performance. In addition, operations should pay attention to the composition of loans extended so as not to exceed available finances thereby reducing bank liquidity, as well as good mortal resource operation in order to minimize pitfalls that affect changes to profitability.

For investors to be suitable to study company signals through the movement of banking fiscal performance similar as the capital acceptability rate, operating expenditures and operating earnings, loan to deposit rate, and non-performing loans so as to be suitable to dissect the profitability of companies that are investment destinations.

For controllers, profitable conditions will affect banking conditions in Indonesia. Colorful programs and problems and challenges that do in frugality, both directly and laterally, can have an effect on banking performance. Thus, a strong part of the Government is demanded in creating good profitable conditions so as to produce good banking conditions. Programs that support banks to come healthier and stronger are demanded so that banks can survive well in all profitable conditions.

For unborn experimenters, it's better to increase the number of exploration samples from the number of banking companies and also the exploration period so that the results of the analysis are better than the exploration that has been done. For the exposure of commercial social responsibility in the periodic report, it's hoped that there will be guidelines or norms made by Bank Indonesia and the Government so that they will be more focused and in agreement with these guidelines or norms regarding information and orders that must be bared by each bank.

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