THE EFFECT OF COMPANY GROWTH, ASSET STRUCTURE, NON-PERFORMING LOANS, BANK PROFITABILITY AND CASH RATIO ON DEBT TO EQUITY RATIO AT PT. BPR BANK NUSAMBA PECANGAAN

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Abstract

The purpose of this study is to analyze company growth, asset structure, non-performing loans, bank profitability, and cash to debt to equity ratio at PT. BPR Bank Nusamba Pecangaan. Bank debt management is a major responsibility in banking. Failure in debt management can lead to decreased profitability, the impact of high operational costs, and liquidity risk. The method used is a descriptive associative research method with a quantitative approach. The population used is PT. BPR Nusamba Pecangaan with a quarterly period of 2020 to 2023. Data collection techniques use secondary data through documentation and literature studies with the Purposive Sampling method. The results of this study indicate that company growth, asset structure, non-performing loans, bank profitability, and cash ratio have a significant influence simultaneously on DER. Partially, company growth has a positive relationship and a significant influence on DER. On the other hand, asset structure and bank profitability have a positive but insignificant relationship to DER. Meanwhile, non-performing loans and cash ratio have a negative and insignificant relationship to DER at PT BPR Nusamba Pecangaan.

Keywords: *Debt To Equity Ratio, Bank Profitability, Non-Performing Loans, Company Growth, Asset Structure*

Abstrak

Tujuan dalam penelitian ini adalah menganalisis pertumbuhan perusahaan, struktur aset, kredit macet, profitabilitas bank dan cash ratio terhadap debt to equity ratio pada PT. BPR Bank Nusamba Pecangaaan. Pengelolaan hutang bank menjadi tanggung jawab besar pada perbankan. Pengelolaan hutang yang gagal dapat memberikan pada penurunan profitabilitas, dampak biaya operasional tinggi dan risiko likuiditas. Metode yang digunakan adalah metode penelitian deskriptif asosiatif dengan pendekatan kuantitatif. Populasi yang digunakan adalah PT. BPR Nusamba Pecangaan dengan periode tahun 2020 hingga 2023 secara triwulanan. Teknik pengumpulan data menggunakan data sekunder melalui dokumentasi dan studi kepustakawan dengan metode Purposive Sampling. Hasil penelitian ini menunjukkan bahwa pertumbuhan perusahaan, struktur aset, kredit macet, profitabilitas bank dan cash ratio memiliki pengaruh signifikan secara simultan terhadap DER. Secara partial, pertumbuhan perusahaan memiliki hubungan positif dan pengaruh signifikan terhadap DER. Disisi lain, struktur aset dan profitabilitas bank memiliki hubungan positif dan tidak signifikan terhadap DER. Sedangkan, kredit macet dan cash ratio memiliki hubungan yang negatif dan tidak signifikan terhadap DER pada PT BPR Nusamba Pecangaan.

Kata Kunci: *Debt To Equity Ratio, Profitabilitas Bank, Kredit Macet, Pertumbuhan Perusahaan, Struktur Aset*

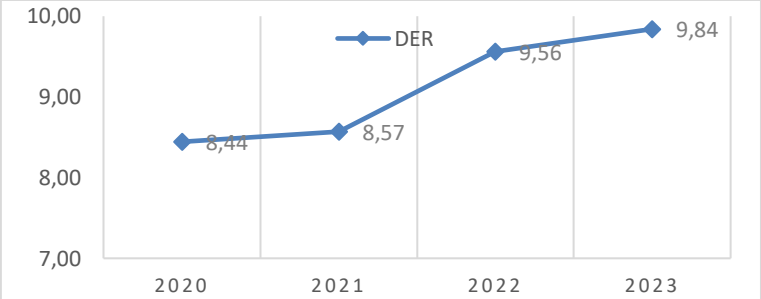
INTRODUCTION

Banking plays a crucial role in the economy, viewed as a process of enhancing economic growth through the concept of financial intermediaries. Through the concept of financial intermediaries, bank funds are utilized to alleviate poverty and improve public welfare by providing necessary financial services. Furthermore, banking is profit-oriented (Carlin & Purwaningsih, 2022). Banks can be considered a key pillar of a country's financial system, facilitating the flow of money for economic activity and societal growth. Therefore, banks must maintain strong operational capabilities to positively impact society. One of the most crucial aspects of banking is debt management. Debt is a daunting prospect and a double-edged sword if not managed properly. On the balance sheet, debt (liabilities) is included in the Liabilities section, which includes short-term debt, long-term debt, and equity. In debt management, two ratios are used to assess the impact of debt on a company's finances: the Liquidity Ratio and the Solvency Ratio (Mursekha et al., 2023). This study focuses on debt management at the People's Bank (BPR) level, where all activities are supervised by the Financial Services Authority (OJK). The Financial Services Authority (OJK) oversees collateral, credit limits (BMPK), and the professional governance of rural banks (BPRs).

At the BPR level, there are five key elements of debt regulation that comply with OJK regulations. First, BPRs have a maximum disbursement limit for a single customer or related group to prevent credit concentration risk. Second, BPRs provide loans secured by collateral, either documented land or vehicles, and consider foreclosed collateral (AYDA) as a capital reduction factor in the event of default within one to two years. Third, BPRs do not provide fund transfer or clearing services, and do not handle foreign exchange transactions. Fourth, the application procedure uses official documents (KTP, Family Card, Taxpayer Identification Number, Marriage/Divorce Certificate) and valid collateral to ensure a smooth approval process. Fifth, violations of OJK credit regulations will be subject to written administrative sanctions and further supervision. All of these factors aim to ensure that rural banks (BPRs) operate healthily, safely, and reliably (Financial Services Authority, 2024). Capital structure is crucial for a company, maintaining an optimal balance by minimizing the cost of capital while maximizing the company's value.

This is supported by the Pecking Order Theory, which allows companies to choose internal funding over external funding. This theory explains that corporate funding has a hierarchy, including: (1) Retained Earnings, (2) Debt, (3) New Shares. Capital structure is often calculated using the Debt to Equity Ratio (DER), a solvency ratio that measures a company's ability to meet its long-term obligations. DER indicates the extent to which a company finances its assets with debt or equity. A higher DER indicates higher risk. DER indicates a company's capital structure, which needs to be monitored, and whether the company relies more on equity or debt (Agusti et al., 2023).

Chart 1. Development of Debt to Equity Ratio Value of PT. BPR Nusamba Pecangaan Jepara for the Period 2020-2023



Source: Financial Services Authority Financial Ratio Report 2020-2023 (Processed)

The Debt to Equity Ratio (DER) at PT. BPR Nusamba has increased annually. This is evidenced by the positive development in the DER value, which continues to rise. This value has increased from 8.44 in 2020 and continued to rise until 9.84 in 2023. This indicates that the bank tends to be secure in its ability to provide debt better than its capital. A DER value below 100% indicates that the institution has more stable finances. This means that the bank has good capabilities financed by its own capital. DER is an important indicator in determining the proportion of debt to equity capital in a company.

LITERATURE REVIEW

1. Debt To Equity Ratio

This financial ratio compares the company's total debt to its total equity. This ratio is part of the leverage or solvency ratio, which regulates its long-term debt relationship. This ratio assesses a bank's capital structure and level of financial risk (Houston, 2013).

The following table presents criteria for assessing the soundness of the Debt to Equity Ratio (DER), including:

$$\text{Debt To Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

The following are the criteria for assessing the health of the Debt to Equity Ratio (DER) through, among others:

Table 1. Debt to Equity Ratio (DER) Assessment Indicators

Information	DER Indicator
The company's finances are more stable	DER < 100%
The company's finances are unstable	DER > 100%

Source: Financial Services Authority Regulation 3/PJOK.03/2022

2. Company Growth

Company growth is the process of expanding operations, increasing revenue, and increasing market share over time, as measured by asset growth or sales percentage. Company growth is seen as a positive signal for investors because it reflects improved company performance. Investors require a snapshot of a company's performance progress as a form of a good return on investment (Widarnaka et al., 2022). Company growth can be viewed from the perspective of asset growth, calculated using the following formula:

$$\text{Company Growth} = \frac{\text{Current Total Assets} - \text{Previous Total Assets}}{\text{Previous Total Assets}}$$

3. Asset Structure

Asset structure is the composition of current assets and fixed assets owned by a company to generate profit. This structure can provide an overview of a company's asset allocation to maintain its financial health and guarantee operational management. The asset structure formula can be explained as follows:

$$\text{Asset Structure} = \frac{\text{Total Fix Assets}}{\text{Total Current Assets}}$$

4. Bank Profitability

ROA is a profitability ratio used to measure the ability to manage a company's total assets, which is useful for optimal profit generation (Jewell & Mankin, 2011). The following is a formulation of Return on Assets, including:

Tabel 2. Return On Assets Assessment Indicators (ROA)

Description	Ratio Indicator
Very Healthy	ROA > 2%
Healthy	1,5% < ROA < 2%
Fairly Healthy	1% < ROA < 1,5%
Less Healthy	0,5% < ROA < 1%
Unhealthy	ROA > 0,5%

Sumber : Peraturan Otoritas Jasa Keuangan 3/PJOK.03/2022

5. Bad Debt

Credit or the distribution of funds is a product that generates productive assets. This type of fund distribution carries a risk of failure, which can impact a bank's health (Maulani et al., 2024). Non-performing loans (NPLs) occur when customers are unable to repay their obligations, threatening the bank's liquidity. Non-performing loans (NPLs) are an indicator of bank health within the concept of selective banking distribution. NPLs are the ratio of non-performing financing measured by comparing a bank's total credit (Maulani et al., 2024).

The measurement of the loan repayment failure rate is based on Bank Indonesia Regulation Number 6/10/PBI/2004, which sets a threshold of 5% for outstanding NPLs. The worse the NPL value, or above 5%, the more unhealthy the bank. The following are the criteria for assessing non-performing loans (NPLs) at the Rural Credit Bank level:

Tabel 3. Non-Performing Loan Assessment Indicators (NPL)

Description	Ratio Indicator
Very Healthy	NPL < 2%
Healthy	2% < NPL < 5%
Fairly Healthy	5% < NPL < 8%

Less Healthy	8% < NPL < 12%
Unhealthy	NPL > 12%

Sumber : Peraturan Bank Indonesia No. 15/2/PBI/2013

6. Cash Ratio

A ratio that measures a company's ability to pay its short-term obligations. This ratio is the most conservative because it takes into account the most liquid assets (cash and cash equivalents), excluding receivables and inventory. This ratio uses a comparison of cash and cash equivalents to total current liabilities (Jirwanto et al., 2024). The following are the assessment criteria for the Cash Ratio indicator at Rural Credit Banks:

Tabel 4. Cash Ratio Assessment Indicators (CR)

Description	**Ratio Indicator**
Rank 1	Ratio Value > 6
Rank 2	Ratio Value < 5,5% ≤ CR < 6%
Rank 3	Ratio Value 5% ≤ CR < 5,5%
Rank 4	Ratio Value 4% ≤ CR < 5%
Rank 5	Ratio Value CR < 4%

Sumber : Peraturan Otoritas Jasa Keuangan 3/PJOK.03/2022

RESEARCH METHODS

1. Type of Research

The research used is quantitative. It uses numerical data processed using statistical methods. This study employed multiple linear regression analysis, hypothesis testing, classical assumption testing, and descriptive statistical tests to analyze the data. The data were sourced from the Financial Services Authority (OJK) in the form of Financial Statement Reports and Balance Sheets.

2. Operational Definition

Operational definitions are used to determine the types and indicators of the variables involved in a study. Operational definitions are necessary to determine the

measurement scale for each variable, ensuring proper hypothesis testing. The variables and their operational definitions are described in Table 5 as follows:

Table 5. Research Variables and Variable Definitions

Variabel Penelitian	Definisi Variabel	Indikator
Debt to Equity Ratio	A financial ratio that compares a company's debt to its owner's equity (Kasmir, 2015).	DER = Total Liabilities : Total Equity x 100%
Company Growth	The increase or decrease in a company's total assets or revenue over time, measured by comparing current performance with previous periods (Kasmir, 2015).	Company Growth = Assets $Total_t$ – Assets $Total_{t-1}$ / Asset $Total_{t-1}$
Asset Structure	Asset structure is the composition or comparison between fixed assets and current assets owned by a company, which is calculated by comparing total fixed assets to total assets (Kasmir, 2015).	Asset Structure = Fix Asset / Assets Total
Non Performing loans	Non-performing loans (NPLs) are a measure of a bank's loan quality, comparing non-performing	NPL = (Total Non-Performing Loans / Total Credit) x 100%

	loans to total loans (Jirwanto et al., 2024).	
Bank Profitability	Bank profitability is represented by ROA, which is a profitability ratio calculated based on the comparison of profit with total assets, which functions to see the efficiency of banking in obtaining profits in managing its assets (Jirwanto et al., 2024).	ROA = Profit After Tax / Total Assets
Cash Ratio	This ratio measures the company's ability to pay short-term debt using only available cash and cash equivalents (Jirwanto et al., 2024).	Cash Ratio = Cash + Cash Equivalents / Current Liabilities

3. Population and Sample

This study population uses financial statement data in the form of Profit and Loss, Balance Sheet, and Financial Ratio Reports at PT. BPR Nusamba Pecangaan for the period 2020 to 2023 as the primary data source obtained through the Financial Services Authority (OJK). The data used is time series data in the form of quarterly data from March, June, September, and December of each year. The technique used is non-probability sampling, where the sample size is equal to the population.

4. Data Analysis Method

Multiple regression analysis is a statistical method useful for predicting the effect of two or more independent variables on a single dependent variable. Determining model

validity requires testing the classical assumptions, as the regression model is based on the relationship between the variables being analyzed. Classical assumption testing can be performed using heteroscedasticity, autocorrelation, normality, and multicollinearity tests to ensure model accuracy.

Partial and simultaneous model testing is also performed to ensure the regression model is free from assumption violations. In the regression equation, one of the variables, Company Growth (Growth), uses a logarithmic transformation to facilitate the interpretation of the coefficients as elasticity or percentage ratios. Logarithmic data is used to simplify the data distribution and to standardize the data in the analysis by parsing the data into very large values, such as billions and trillions (Sugiyono, 2014).

The regression equation is explained as follows:

$$\mathbf{DER_t = \beta_0 + \beta_1\ LogGROWTH_t + \beta_2\ SA_t + \beta_2\ NPL_t + \beta_4\ ROA_t + \beta_5\ CR_t + e_t}$$

DER = *Debt To Equity Ratio* (Dependent Variable)
GROWTH = *Company Growth* (Independent Variable 1)
SA = *Asset Structure* (2nd Independent Variable)
NPL = *Non-Performing Loans* (3rd Independent Variable)
ROA = *Return On Assets* (4th Independent Variable)
CR = *Cash Ratio* (5th Independent Variable)
t = Time (Waktu)
β_0 = Konstanta
$\beta_1 \ldots \beta_5$ = Regression Coefficients of Independent Variables 1 to 5
e = Error

RESULTS AND DISCUSSION

The secondary data used in this study comes from the Financial Services Authority (OJK). This study focuses on the influence of company growth, asset structure, non-performing loans, bank profitability, and cash ratio on the debt-to-equity ratio at PT. BPR Bank Nusamba.

1. Multiple Regression Analysis

Multiple linear regression analysis aims to determine the influence and statistical modeling of the relationship between independent variables and the dependent variable.

Multiple regression analysis requires interpretation of the regression coefficients in explaining a modeled relationship, as follows:

$$DER_t = -215{,}270 + 11{,}967\ LogGROWTH_t + 0{,}283\ SA_t - 0{,}0195\ NPL_t + 0{,}019\ ROA_t - 0{,}013\ CR_t + e_t$$

The following is a detailed interpretation of the regression coefficients in the model:

a. The DER variable will decrease by -215.270 when all independent variables are equal to 0.
b. An increase in Company Growth by 1% will increase the DER by 11.967, assuming other variables remain constant.
c. An increase in Asset Structure by 1% will increase the DER by 0.283, assuming other variables remain constant.
d. An increase in Non-Performing Loans by 1% will decrease the DER by -0.0195, assuming other variables remain constant.
e. An increase in Profitability by 1% will increase the DER by 0.019, assuming other variables remain constant.
f. An increase in the Cash Ratio by 1% will decrease the DER by -0.013, assuming other variables remain constant.

2. Hypothesis Testing

a. t-test (Partial Test)

The t-test is used to partially examine the influence between independent and dependent variables (Sugiyono, 2013). These results can be summarized by comparing the variable's probability value with an alpha value of 0.05.

Table 2. Results of the t-Test (Partial)

Variable	Coefficient	Std. Error	t-Statistic	**Prob**.
C	*-215.2702*	51.75660	-4.159280	0.0020
LOG(GROWTH)	*11.96776*	2.818326	4.246408	**0.0017**
SA	*0.283789*	58.03052	0.004890	*0.9962*
NPL	*-0.019579*	0.059019	-0.331737	*0.7469*
ROA	*0.019261*	0.341861	0.056341	*0.9562*

CR	*-0.013791*	0.050127	-0.275118	*0.7888*

Source: Data processed by EViews, 2025

Based on the results of Table 2, Partial t-Test Results, the following conclusions can be drawn:

1. Company growth has a probability value of 0.0017 < 0.05, indicating that company growth has a significant effect on DER because the significance value is less than 0.05 and the relationship is positive.
2. Asset structure has a probability value of 0.9962 > 0.05, indicating that asset structure does not have a significant effect on DER because the significance value is greater than 0.05 and the relationship is positive.
3. Non-performing loans have a probability value of 0.7469 > 0.05, indicating that non-performing loans do not have a significant effect on DER because the significance value is greater than 0.05 and the relationship is negative.
4. Bank profitability has a probability value of 0.9562 > 0.05, indicating that bank profitability does not have a significant effect on DER because the significance value is greater than 0.05 and the relationship is positive.
5. Cash Ratio has a probability value of 0.7888 > 0.05, so Cash Ratio does not have a significant effect on DER because the significance value is greater than 0.05 and the direction of the relationship is negative.

b. F Test (Simultaneous Test)

The F-test is used to simultaneously examine the influence between independent and dependent variables (Sugiyono, 2014). These results can be summarized by comparing the variable's probability value with an alpha value of 0.05.

Table 3. Results of the F-Test (Simultaneous)

F-statistic	7.665917	Durbin-Watson stat
Prob(F-statistic)	**0.003351**	1.756796

Source: Data processed by EViews, 2025

Based on the results of Table 3, the F-test results show that the probability value (F-statistic) is smaller than the alpha value. Therefore, it can be concluded that the

variables Company Growth, Asset Structure, Bad Debts, Bank Profitability, and Cash Ratio simultaneously influence DER at PT. BPR Nusamba Pecangaan.

c. Coefficient Of Determination Test

The coefficient of determination test is a test carried out to determine how much the endogenous variables simultaneously explain the exogenous variables. The higher the R2 value, the better the predictive model of the research. This test is used to determine and predict the extent or significance of the influence of the independent variables collectively on the dependent variable (Marbun, 2017).

Table 4. Results of the Coefficient of Determination (R2) Test

R-squared	**0.793087**
Adjusted R-squared	**0.689631**

Source: Data processed by EViews, 2025

Based on the results of the coefficient of determination test in the table, the adjusted R-square value is 0.6896. This indicates that the independent variables in this study influence the dependent variable by 68.96%, while the remaining 31.04% is explained by variables other than Company Growth, Asset Structure, Bad Debts, Bank Profitability, and Cash Ratio.

3. Classical Assumption Test

a. Multicollinearity Test

The Multicollinearity Test is used to assess the correlation between independent variables in a regression. This test can be performed by examining the Tolerance and Variance Inflation Factor (VIF) values in the regression model. In this test, the researcher used the Variance Inflation Factor (VIF) method (Rashid, 2022). The decision-making criteria for the multicollinearity test include:

1. If the VIF value is <10, then multicollinearity is absent.
2. If the VIF value is >10, then multicollinearity is present.

Table 5. Results of the Multicollinearity Test

	Coefficient	**Uncentered**	**Centered**
Variable	**Variance**	**VIF**	**VIF**
C	2678.746	158759.0	NA
Log(Growth)	7.942960	164968.8	**2.155550**
SA	3367.541	36.22028	**3.335888**
NPL	0.003483	10.14040	**1.088131**
ROA	0.116869	8.178166	**2.355456**
CR	0.002513	50.04869	**3.646434**

Source: Data processed by EViews, 2025

Based on the results of table 5 above, it shows that the Centered VIF value is less than 10, so it can be stated that there is no multicollinearity problem in the prediction model.

b. Hetereoscedasticity Test

A heteroscedasticity test was conducted to determine whether there was inequality in the residual variances in the linear regression model. In this test, the researchers used the Breusch-Pagan-Godfrey test (Rashid, 2022). The decision-making criteria for the heteroscedasticity test include:

1. If the Chi-Square Prob. value is < 0.05, it is concluded that there is an indication of heteroscedasticity.
2. If the Chi-Square Prob. value is > 0.05, it is concluded that there is no indication of heteroscedasticity.

Table 6. Results of the Heteroskedasticity Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-statistic	0.767344	Prob. F(5,10)	0.5939
Obs*R-squared	4.436567	**Prob. Chi-Square(5)**	**0.4884**
Scaled explained SS	1.233351	Prob. Chi-Square(5)	0.9416

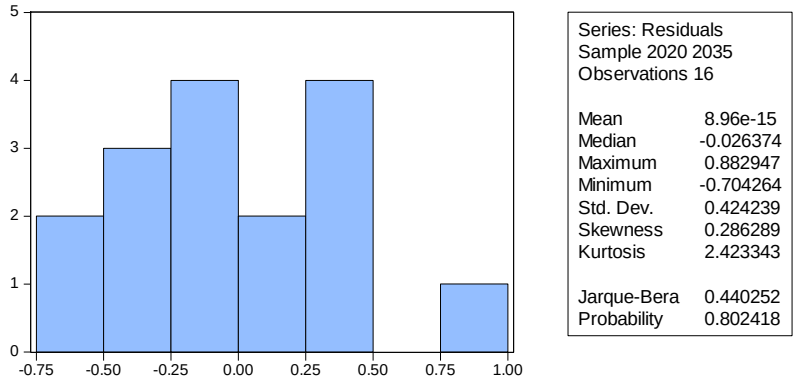
Source: Data processed by EViews, 2025

Based on the heteroscedasticity results in table 6 above, it shows that the Chi-Square probability value of 0.4884 is greater than 0.05, so there is no problem with the non-heteroscedasticity assumption.

c. Normality Test

A normality test was conducted to determine the extent to which the data had a normal distribution. In this study, the normality test used the Jarque Bera probability value (Hermawan & Hariyanto, 2022). The Jarque Bera value follows a Chi-Square distribution with 2 degrees of freedom.

Chart 2. Results of the Normality Test



Source: Data processed by EViews, 2025

Based on Chart. The results of normality show that the Jarque Bera probability value is 0.802418 > 0.05, so it is concluded that the statement of the assumption of normally distributed residuals is fulfilled.

d. Autocorrelation Test

The autocorrelation test is a test that aims to determine whether there is a correlation between confounding errors in past periods and errors in the current period. This test is used to ensure there is no correlation between past and current observations (Basuki, 2017). The decision-making criteria for the autocorrelation test include:

1. If the Chi-Square Prob. value is < 0.05, it is concluded that there is an indication of an autocorrelation problem.
2. If the Chi-Square Prob. value is > 0.05, it is concluded that there is no indication of a heteroscedasticity problem.

Table 7. Results of the Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	0.846035	Prob. F(2,8)	0.4642
Obs*R-squared	2.793328	**Prob. Chi-Square (2)**	**0.2474**

Source: Data processed by EViews, 2025

Based on Table 7. Autocorrelation Results, the Chi Square Prob Value (2) which is the P Value of the Breusch-Godfrey Serial Correlation LM test is 0.2474 > 0.05 so there is no autocorrelation problem.

4. Discussion Of Material

The results of the multiple linear regression analysis above indicate that company growth has a positive and significant relationship with DER of 0.0017, which is smaller than the significance value of 0.05. While the variables Asset Structure and Bank Profitability have an insignificant effect on DER, with a positive relationship. Conversely, Non-Performing Loans and Cash Ratio have an insignificant effect on DER, with a negative relationship. Simultaneously, the variables Company Growth, Profitability, Asset Structure, Non-Performing Loans, and Cash Ratio have a significant relationship with DER. The coefficient of determination model test indicates that all independent variables in the study influence the dependent variable by 68.96%, while the remaining 31.04% is explained by variables other than Company Growth, Asset Structure, Non-Performing Loans, Bank Profitability, and Cash Ratio.

This research is based on Signaling Theory, proposed by Spence (1973), which states that the provision of information is necessary to improve business performance and benefit investors. This rationale serves as the basis for the need for a strong capital structure. Capital structure is needed to influence company profitability. According to Capital Structure Theory, if an organization has a less-than-ideal capital structure, increasing debt will only result in a decrease in the company's value. Companies must therefore maximize their capital structure through internal management. This is consistent with research by Khalimah & Salim (2021) that found that profitability influences capital structure. Companies with high profits tend to fund investments with internal funds

(retained earnings) rather than debt, thus high profitability lowers the company's debt ratio.

According to Brigham et al. (2011), twelve factors influence capital structure, including: (1) Sales Stability, (2) Asset Structure, (3) Operating Leverage, (4) Growth Rate, (5) Profitability, (6) Taxes, (7) Control, (8) Attitude, (9) Market Conditions, (10) Internal Conditions, (11) Financial Flexibility, (12) Creditor and Rating Attitudes. This is consistent with the results of this study, which concludes that company growth has a significant impact on capital structure, specifically DER. This argument is supported by research by Maryanti (2016), who concluded that company growth influences capital structure. Companies can expand their businesses by increasing their assets to support business development, so debt financing is essential, even if they have their own capital. On the other hand, a healthy capital structure is characterized by a high rate of return. This means that a company finances its operations without debt, which can cause a decline in the DER value. This can be concluded that a low capital structure due to high profits is considered a reflection of good management performance in managing assets productively (Herliana & Setiadi, 2021).

Company growth is most significant because data shows that PT. BPR Nusamba experienced a 15 billion rupiah increase in assets from 2022 to 2023. This compares favorably with PT. BPR Bank Jepara Artha, which experienced a 250 billion rupiah decrease in assets despite being a bank owned by the Jepara Regency Government. PT. BPR Nusamba Pecangaan is supported by the achievement of Net Profit of Rp 1,108,673,000 even though it does not have fixed assets in the form of land and buildings that support their operational activities. On the other hand, in the banking business of Jepara Regency, PT. BPR Bank Jepara Artha has fixed assets and land of 28 billion, but has a large loss of Rp 108 billion. This shows that the management of banking operations and Financial Intermediary activities at PT. BPR Nusamba Pecangaan Jepara has quite a significant impact on the community, which is proven by the Total Productive Assets of Rp. 153 billion with a Current proportion of Rp. 117 billion, Under Special Monitoring of Rp. 23 billion, Substandard of Rp. 1 billion, Doubtful of Rp. 2 billion, Loss of Rp. 8 billion.

CONCLUSION

Based on the analysis above, several conclusions can be drawn regarding the research findings, as follows:

a. Simultaneously, company growth, asset structure, non-performing loans, bank profitability, and the cash ratio have a significant effect on DER.

b. Partially, company growth has a significant effect on DER, with a positive relationship. This means that higher company growth means a better level of security in debt management.

c. Partially, asset structure and bank profitability have an insignificant effect on DER, with positive relationship.

d. Partially, non-performing loans and the cash ratio have an insignificant effect on DER, with a negative relationship.

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