Dividend policy on regional development banks in Indonesia

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CHRONICLE	ABSTRACT
	This study aims to analyze the variable confirmation between the dividend payout ratio variable with the profitability variable and the lagged dividend variable by looking at the role of the share ownership variable as a dummy mediate variable. The research subject was carried out at the Regional Development Bank (BPD) in Indonesia. This study uses data and samples taken from data issued by the OJK (Financial Services Authority). Regional development banks were chosen because they have a different role in determining their dividend policy compared to other types of banks, but although this bank is different in its dividend distribution process, it is still capable of surviving even in times of crisis (Covid-19). By using OLS regression analysis, this study divides the research sample into a dummy group consisting of share ownership variables, these subsections are things that must be considered because they can be the key to why this type of bank is able to survive when other banks start to rush. goofy in giving dividends.

1. Introduction

Over the last five decades dividend policy is a topic that is constantly being discussed and debated in the world of finance and investment. Many theories have emerged, but none of them can explain behavior perfectly Jensen and Meckling (1976) analogized that dividend policy is an ongoing puzzle that is difficult to express and ask questions for many parties. Until now, the puzzle regarding dividend policy has not been perfectly structured and has generated opinions for many parties. The puzzle begins with the shareholding of a limited liability company, in most cases, shareholders will elect directors, who will then appoint managers to run the company on a day-to-day basis. Managers work on behalf of shareholders, meaning those who support adhere to policies that can increase shareholder value (Ahmad et al., 2017). Therefore, the normative aspect of corporate financial management is to increase firm value, which measures its share price (Wright & Ferris, 1997; Rodgers et al., 2000; Jensen, 1986). It is necessary to pay attention to the selection of elements of management and perception management which essentially will make HR not become the main reference. companies, including investment decisions, decisions, and dividend policies. An optimal combination of the three will maximize firm value, thus these decisions are interrelated with each other. The bank is an institution that drives the economy. Zaman (2008) argues that banks are financial institutions whose activities are to collect funds from the public in the form of deposits and then channel them back to the community, as well as provide other bank services. The existence of a bank makes it easy for productive people to get funds for a business. So that people who were initially unemployed could get a job and reduce poverty levels. Although there are many other factors that influence economic development, the Bank is one of the important factors in the economy. Regional Development Banks (BPD) are often forgotten even though this type of bank is a very important puzzle for the running of a government finance even though there are BUMNs, this type of bank can become a pulse because it controls a vital role, besides BPD as one of the banks in the banking system national has a significant function and role in the context of regional economic development because Regional Development Banks (BPD) are able to open service networks in areas where it is economically impossible

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for private banks to do so. Until now, there are 26 Regional Development Banks (BPD) in Indonesia. Certainly, we are familiar with Regional Development Banks (BPD) such as DKI Bank, Bengkulu Bank, East Java Bank, Sumselbabel Bank, BJB Bank, Central Java Bank and so on.

On average, each province has one Regional Development Bank (BPD) but there is also a Regional Development Bank (BPD) which has to serve two provinces. Regional Development Banks are commercial banks whose share ownership is owned by the Provincial Government in various regions. For example, for example, Bengkulu Bank, the ownership of shares is owned by the Bengkulu Provincial Government. There is also a Regional Development Bank (BPD) whose share ownership is owned by 2 provinces, namely Sumselbabel Bank whose share ownership is owned by the Provincial Governments of South Sumatra and Bangka Belitung Province. Like other Commercial Banks, Regional Development Banks (BPD) have a variety of products and services for various segments of society and the business world. Third Party Fund Products consist of Savings, Current Accounts and Time Deposits. Meanwhile, the loan and financing products range from the consumptive segment, such as unsecured loans and housing, to the productive segment, such as business capital and investment. In general, the products and services of Regional Development Banks are not inferior to other commercial banks. Every bank has a financial report. From this financial report, it can be seen that the performance of banking management and bank financial performance can be assessed. With the existence of banking financial data, it can be seen whether the funds in the banking system have been used effectively and efficiently as well as knowing the maximum banking performance. Apart from that, one of the important things in a company, in this case banking, is the existence of investors who invest their money as a source of capital from the bank. The relationship is, banks will need additional capital that can be obtained from investors, and investors will benefit from the dividend policy issued. Dividend policy is a determining puzzle because it will answer the question of how much profit should be given to shareholders and the amount of retained earnings that will be used for company investment (Miller & Modigliani, 1961). Dividend policy is an important factor that must be considered by companies in managing the company because it has a significant influence on the company, shareholders, creditors and society. Based on that, this study aims to see how the pattern of profit sharing carried out at banks is categorized as regional development banks by looking at the causality between the variables.

2. Literature Review

The theory that can be used as a foundation in dividend policy is the signaling theory. Signaling theory was developed to take into account the fact that company insiders generally have better and faster information regarding the latest condition of the company, as well as the company's future prospects compared to outside investors. The Dividend Signaling Theory was first coined by Bhattacharya in 1979. This theory underlies the notion that changes in cash dividends contain information that results in stock price reactions (Pramastuti 2007; Crane et al., 2016). This theory explains that information about cash dividends paid by investors is a signal of the company's future prospects. This assumption is due to the occurrence of asymmetric information between managers and investors, so that investors use the dividend policy as a signal about the company's prospects. If there is an increase in dividends, it will be considered a positive signal, which means that the company has good prospects, causing a positive stock price reaction. Conversely, if there is a decrease in dividends, it will be considered a negative signal, which means that the company has not very good prospects, causing negative share prices (Pramastuti 2007; Crane et al., 2016). Ahmad et al. (2017) state that there are three theories of investor preference, that is:

a. Dividend irrelevance theory is a theory which states that dividend policy has no effect, both on firm value and the cost of capital. This theory follows the opinion of Modigliani and Miller (MM) which states that the value of a company is not determined by the size of the Dividend Payout Ratio (DPR) but is determined by net income before tax (EBIT) and business risk. Thus, dividend policy is actually irrelevant to be questioned. Bird in the hand Theory.
b. According to Lintner (1956), the required level of profit will increase if the dividend distribution is reduced because investors are more confident about receiving dividends than the increase in capital value (capital gain) that will be generated from retained earnings. The opinion of Lintner (1956) by MM is called bird in the hand fallacy. Litner assumed investors view one bird in their hand as worth more than a thousand birds in the air. However, MM believes that not all investors have an interest in reinvesting their dividends in the same company with the same risk, therefore the level of risk to their future earnings is not determined by the DPR but is determined by the level of risk of new investment.

2.1 Factors Affecting Dividend Policy

Researchers have proposed many different theories about the factors that influence a company's dividend policy. Some of these theories include taxes, agency costs, asymmetric information (signaling) and behavioral explanations, meanwhile, other researchers have proposed different models of development and empirical testing to explain dividend behavior (Baker & Matthews, 2001; Jensen & Warner, 1988). Lintner (1956) conducted a classic study of how U.S. managers make dividend decisions. Lintner was the first to answer a question about how corporate managers perceive dividends and dividend policy. After identifying 15 variables with respect to dividend decisions. Lintner conducted intensive interviews with managers to find out their responses to the dividend decisions of 28 companies established in the industry. The results of the Lintner study (1956) stated that the factors that influence dividend policy are the level of income for both the period in question and the expected level of income for the coming period, and the pattern of previous dividend payments. Furthermore, Lintner's study (1956) can be summarized into three findings as follows: First, companies have a dividend payout ratio target for the long

term. It is found that the dividend payout ratio is high in the case of companies with stable earnings and low in the case of growing companies. Second, dividend changes follow a shift in long-term earnings sustainability. Companies tend to make periodic and partial adjustments in directing their achievement to the target payout ratio, rather than making dramatic changes in cash dividend payments. Managers are concerned with dividend changes rather than at an absolute level. Third, managers do not intend to make changes in dividend policy, or company management usually displays a strong reluctance or resistance to reducing their dividend payments (Johnson et al., 1964).

2.2 Hypothesis

Stable dividend payments, that is, the company pays dividends in a relatively stable amount to have a low payout ratio when profits are high and has a high payout ratio when profits are decreasing. Payment of residual dividends, namely the determination of the amount of dividends is influenced by the presence or absence of profitable investment opportunities. As long as there is a profitable investment, the funds obtained from the company's operations will be used for that investment. If there is a remainder, then the remainder will be distributed as dividends. If observed, it will be seen that a company pays a lot of dividends because there is no profitable investment, whereas when all the funds are used for investment, the company does not pay dividends at all. Dividend payments with a constant payout ratio, that is, the company chooses to maintain a constant payout percentage for profit. Thus, if the profits earned fluctuate, the dividends paid will also fluctuate. Low regular dividend payments are accompanied by extra payments, namely dividend payments where the company sets the minimum rupiah amount of dividends per share each year (Lintner, 1956; Leland & Pyle 1997). The profitability of the company is the level of net profit that can be achieved by the company when running its operations. The profit that deserves to be shared with shareholders is the profit after interest and taxes. The greater the profit obtained, the greater the ability of the company to pay dividends and continue its business activities or reinvest the profits. Managers not only get dividends but will also get more power in determining company policy. The greater the profits that can be achieved by the company, the greater the dividends that will be distributed. Thus, the greater the profitability, the more it saves the cost of capital. Therefore, profitability is an important consideration for investors in investment decisions (Leland & Pyle 1997). Fama and Babiak (2021) found a turning point in a certain stage or stage, which indicates that the relationship is not always linear-positive. In insider ownership, which is relatively low, the effectiveness of control and the ability to equalize interests between owners and managers will have a significant impact on firm value. However, if insider ownership is high and tends to lead to blockholder ownership, the mechanism will be less effective. This condition raises the Entrenchment hypothesis, which states that high insider ownership will have an impact on the emergence of a manager's tendency to act for his own interests. This occurs due to the increasing voting rights and bargaining power possessed by insiders in determining policies, resulting in the owner being unable to carry out the control mechanism properly. This condition has an impact on the decline in company value because there is an unequal interest between managers and owners, namely minority shareholders. Ownership structure can be explained from two perspectives (Iturriaga & Sanz, 1998), namely the agency approach and the asymmetric information approach. The agency approach considers ownership structure as an instrument to reduce conflicts of interest among various claim holders. The asymmetric information approach views the ownership structure mechanism as a way to reduce the imbalance of information between insiders and outsiders through information disclosure in the capital market (Leland and Pyle, 1997). Managerial ownership or insider ownership is then seen as an appropriate control mechanism to reduce this conflict. Based on the explanation above, there are 3 hypotheses raised as follows:

H_1: *Profitability affects the dividend payout ratio of Regional Development Banks in Indonesia.*
H_2: *Profitability affects share ownership in Regional Development Banks in Indonesia.*
H_3: *Profitability affects the dividend payout ratio of Regional Development Banks in Indonesia with share ownership as mediation.*

Lagged dividends are dividends paid 1 year prior to the year under consideration. Lagged dividend shows the willingness of company management to follow a stable dividend policy. In practice, companies tend to pay dividends with relatively stable amounts or increase regularly. This policy is likely due to the assumption that investors see dividend increases as a good sign that the company has bright prospects. This makes companies less likely to reduce dividend payments. In order for the dividend policy to be stable, the company before distributing dividends for the year being considered must look at the trend of the previous year's dividend policy. Companies that are reluctant to change their dividend policy quickly, dividend payments in the previous year can be considered as a measure to determine the current year's dividend policy. The results of research conducted by Lintner (1956) show that there is a positive relationship between lagged dividend and current dividend policy. The lagged dividend is an indicator of whether a company's dividend policy is stable because it takes into account the trend of dividend policy in the previous year. If the lagged dividend is positive, the dividend policy in the company is stable, and vice versa. Shareholders may limit the agent's activities through the provision of appropriate incentives, such as an increase in management's ownership of company shares. It can be articulated that the proportion of managers' ownership of company shares is to resolve agency conflicts within the company, because by doing external funding to increase the proportion of managers' ownership of company shares can provide incentives for managers (equity holders' risk-shifting incentive). It can be explained from two perspectives (Iturriaga & Sanz, 1998), namely the agency approach and the asymmetric information approach. The agency approach considers ownership structure as an instrument to reduce conflicts of interest among various

claim holders. The asymmetric information approach views the ownership structure mechanism as a way to reduce the imbalance of information between insiders and outsiders through disclosure of information in the capital market (Leland & Pyle, 1997). Lintner (1956) argued that most managers are unwilling to reduce their firm's dividend payout because they feel such a decision will cost them the company's stock price. Dividend Lage refers to Cash Dividends paid to investors one year prior to the year being considered. Because firms prefer a stable dividend policy, past dividend trends are significant enough to affect the timing of current year's dividend payments, and thus, variables have been included as important determinants of regional bank dividend policies. Baker and Matthews (2001) investigated the views of managers of major US companies on the factors that influence their dividend policies. They find expected future cash flows and earnings and past dividend patterns to be superior. A good company is profitable for share ownership in dividend payments and if the company is in an unstable condition, it will be detrimental to share ownership in dividend distribution. A number of studies have concluded that profitability is the main factor affecting dividend distribution. Based on the explanation above, there are 3 hypotheses that are raised as follows:

H_4: *The lagged dividend affects the dividend payout ratio of Regional Development Banks in Indonesia.*
H_5: *The lagged dividend affects the share ownership of Regional Development Bank in Indonesia.*
H_6: *The lagged dividend affects the dividend payout ratio of Regional Development Banks in Indonesia with share ownership as mediation.*

3. Methodology

This study aims to see the correlation and cointegration of the stock market in Indonesia regarding the relationship between the dividend payout ratio variable, the lagged dividend variable, the share ownership variable, and the profitability variable. Data analysis using multivariate cointegration test. This study uses a multivariate approach (Johansen, 1998; 1991), this cointegration test is also supported by research by Hungand Cheung (1995), Majid and Aziz (2009) and Fan et al. (2009). Then to analyze the effects of the Lagged Dividend variable and the share ownership variable, the author uses the OLS (Ordinary Least Square) analysis model based on the research of Fan et al. (2009) will be used to measure the effect of the mediating variable on cointegration with the dividend payout ratio variable. The samples in this study were 25 BPD-type banks (Regional Development Banks) using financial data for 10 years.
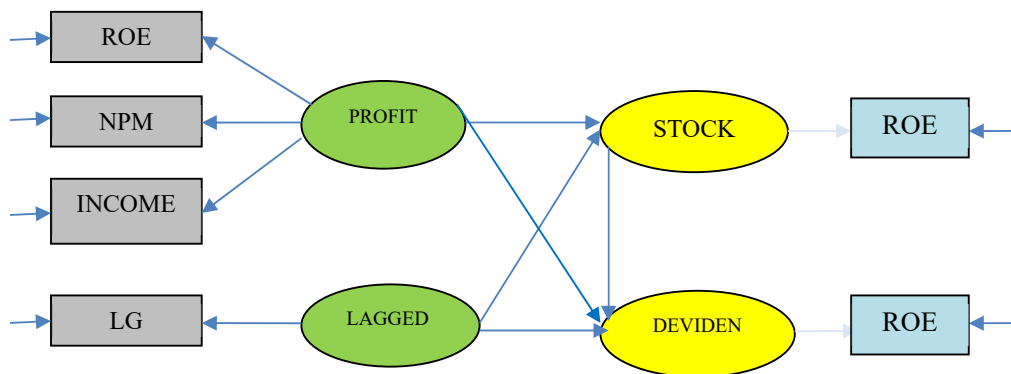

Fig. 1. Conceptual Framework

$$DPQ.Y1 = PB.X1 + LD.X2 + KS.Z1 + e \qquad (1)$$

where

DPQ.Y : *Dividend Payout Ratio* (DPR)
PB.X1   : *Profitability* (PB)
LD.X2   : *Lagged Dividend* (LD)
KS.Z   : Shareholding (KS)

3. Research Results and Discussion

3.1 Data Description

This research uses secondary data, data is collected from various reliable sources, such as information through the stock exchange, company reports on the official website of the website, as well as from other official publicity institutions. twenty-five (25) BPD banks, this is a sample reduction where previously there were 26 BPD banks, this reduction was done because

the bank data was incomplete and the following details were the names of the 25 banks. The variables that I use consist of four (4) variables, two variables function as exogenous variables, one variable functions as an exogenous variable and a mediator and one variable functions as an endogenous variable, which is fully described in Table 1.

Table 1
Regional Development Banks (BPD)

No	Name Bank BPD	No	Name Bank BPD
1	Bank Aceh	14	Bank Maluku Malut
2	Bank Bali	15	Bank NTB
3	Bank Bengkulu	16	Bank NTT
4	Bank BJB (jutaan rupiah)	17	Bank Papua
5	Bank DKI	18	Bank Riau Kepri
6	Bank Jambi	19	Bank Sulselbar
7	Bank Jateng	20	Bank Sulteng
8	Bank Jatim	21	Bank Sultra
9	Bank Kalbar	22	Bank SulutGo
10	Bank Kalteng	23	Bank Sumbar
11	Bank Kalsel	24	Bank Sumut
12	Bank Kaltimtara	25	Bank Yogyakarta
13	Bank Lampung		

Source: IDX, 2020

Table 2 describes the normality test data, in this case there are six indicators and based on this table it can be seen from that the value that is only above 0.05 is the NPM indicator, which is 0.59 which means that this indicator is known normally, while the rest of the well-known indicators are not. normal because the significant value is below 0.05.

Table 2
Data normality with the One-Sample Kolmogorov-Smirnov Test

		ROE	NPM	STOCK	LD	KP	DPR
N		250	250	250	250	250	250
Normal Parameters[a,b]	Mean	.4168	.1855	24870220680.0000	.7760	.5423	.4988
	Std. Deviation	2.14619	.06479	140137770700.00000	.41776	1.67590	.26275
Most Extreme Differences	Absolute	.484	.056	.533	.480	.395	.159
	Positive	.484	.040	.533	.296	.395	.135
	Negative	-.422	-.056	-.430	-.480	-.373	-.159
Test Statistic		.484	.056	.533	.480	.395	.159
Asymp. Sig. (2-tailed)		.000[c]	.059[c]	.000[c]	.000[c]	.000[c]	.000[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
Source: Primary Data Processing, 2020

In the world of statistics, the Durbin Watson test is a test used to detect autocorrelation in the residual value (prediction errors) of a regression analysis. What is meant by Autocorrelation is "the relationship between values that are separated from one another with a certain time lag". Table 3 describes the autocorrelation test; the results show the Durbin Watson value of 1.194, this value is in the range -2 to 2, which means that there are no autocorrelation symptoms in the relationship between variables.

Table 3
Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.504[a]	.254	.239	.22928	1.194

a. Predictors: (Constant). KP. INCOME. ROE. LD. NPM
b. Dependent Variable: DPR
Source: Primary Data Processing, 2020

Ghozali (2016) explains that multicollinearity testing aims to determine whether the regression model found a correlation between independent variables. The effect of this multicollinearity is that it causes high variables in the sample. This means that the standard error is large, consequently when the coefficient is tested, the t-count will be of a small value from the t-table. This shows that there is no linear relationship between the dependent variable and the dependent variable. To find out whether or not multicollinearity is present in the regression model, it can be seen from the tolerance value and the variance inflation factor (VIF) value. Tolerance value measures the variability of the selected independent variable which cannot be explained by other independent variables. So a low tolerance value is the same as a high VIF value, because VIF = 1 / tolerance, and shows high collinearity. The cut off value used is for a tolerance value of 0.10 or a VIF value above the number 10. Table 4 shows that all VIF values for the indicator are below the number 10, this emphasizes that there is a symptom of multicollinearity.

Table 4
Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	ROE	.977	1.023
	NPM	.936	1.068
	INCOME	.961	1.041
	LD	.981	1.019
	KP	.985	1.015

Source: Primary Data Processing, 2020

3.2 Variable descriptions, equations, and research models
3.2.1 Description of research variables
  a. Profitability
     ROE = 2.14×PROFIT,
     Errorvar.= 0.48, R^2 = 0.91

     This value explains that the profitability variable has a positive error var and a determinant value of 0.91 or 91%, which explains that the effect of this variable on the connected variable is 91%.

     NPM = 0.0088×PROFIT,
     Errorvar.= 0.0045, R^2 = 0.017

     This value explains that the profitability variable has a positive error var and a determinant value of 0.017 or 1.7% explains that the effect of this variable on the connected variable is 1.7%.

     INCOME = - 1616124508.36×PROFIT,
     Errorvar.= **************, R^2 = 0.00013

     This value explains that the profitability variable has a positive error var and a determinant value of 0.00013 or 0.003%, which explains that the effect of this variable on the connected variable is 0.003%.

  b. Lagged Deviden
     LG = 1.00×LAGGED,
     Errorvar.= -0.76, R^2 = 4.16

     This value explains that the profitability variable has a negative error var and a determinant value of 4.16 explaining that the effect of this variable on the connected variable is 41.6%.

  c. Share ownership
     KP = 1.00×KSAHAM,
     Errorvar.= -0.90, R^2 = 10.49

     This value explains that the profitability variable has negative error var and a determinant value of 10.49 explains that the effect of this variable on the connected variable is 10.49%.

  d. Deviden
     DPR = 1.00×DEVIDEN,
     Errorvar.= -0.84, R^2 = 5.98

     This value explains that the profitability variable has negative error var and a determinant value of 5.98 explains that the effect of this variable on the connected variable is 5.98%.

3.2.2 Equations and Research Models
  a. Structural Equations I
     KSAHAM = 0.00×PROFIT + 0.00×LAGGED, Errorvar.= 1.00,

  b. Structural Equations II
     DEVIDEN = 0.00×KSAHAM + 0.0068×PROFIT + 0.059×LAGGED, Errorvar.= 1.00, R^2 = 0.0035

When viewed from the two equations above, it can be explained that in this model the equations are formed although not all have a unidirectional and positive meaning, the largest regression coefficient value is in the lagged dividend variable coefficient and the smallest coefficient value is in the share ownership variable.
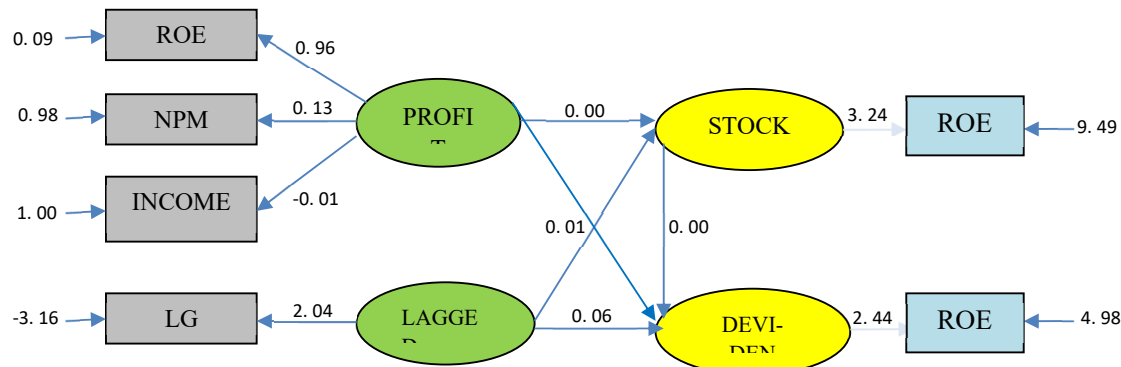
Chi-Square=0. 00, df=3, P-value=0. 99996, RMSEA=0. 000

Fig. 2. Research Results

Fig. 2 explains the values of the relationship between the Profit - Stock Exchange variables: 0.00; Profit - Dividend: 0.01; Lagged - Stock: 0.01; Lagged - Dividend: 0.06; and Stocks - Dividend: 0.00. The values of each covariance of the ROE indicator: 0.09; NPM: 0.98; REVENUE: 1.00; LG (Lagged dividend): -3.16; KP (share ownership): 9.49; and DPR: 4.98. Finally, the loading factor values for the ROE indicator: 0.95; NPM: 0.13; REVENUE: -0.01; LG (Lagged dividend): 2.04; KP (share ownership): 3.24; and DPR: 2.44. From each indicator there is one indicator that has a negative covariance value, namely the lagged dividend indicator, while for the loading factor value there is also one indicator that has a negative value, namely the Income indicator, but from this model all numbers are not red, this is emphasized that this model is still acceptable.

1. Hypothesis Testing the Effect of Profitability on the dividend payout ratio of Regional Development Banks in Indonesia. If you look at the loading factor value and the covariance value in the relationship model between the profitability variable and the dividend payout ratio variable, it can be seen that the loading factor value of each variable is above 0.7 in the ROE and KP indicators while the rest is not, this explains that the indicator -indicators with a value below 0.7 have a weakness in supporting this variable in this relationship model, but if you look at the value of the relationship between the variables of 0.01, this explains that the value is below the 0.05 level and thus it can be said that this relationship confirms that there is an influence between the profitability variables on the dividend payout ratio variable of Regional Development Banks in Indonesia.
2. The Effect of Profitability on Share Ownership in Regional Development Banks in Indonesia. If you look at the loading factor value and the covariance value in the model of the relationship between the profitability variable and the share ownership variable, it can be seen that the loading factor value of each variable is above 0.7 in the ROE and DPR indicators while the rest is not, this explains that the indicators- Indicators with a value below 0.7 have a weakness in supporting this variable in this relationship model, but if you look at the value of the relationship between variables of 0.00, this explains that the value is below the 0.05 level and thus it can be said that this relationship confirms that There is an influence between profitability variables on the variable share ownership of Regional Development Banks in Indonesia.
3. The effect of profitability on the dividend payout ratio of Regional Development Banks in Indonesia with share ownership as mediation. If you look at the loading factor value and the covariance value in the model of the relationship between the profitability variable and the dividend payout ratio variable, it can be seen that the loading factor value of each variable is above 0.7 in the indicators ROE, DPR, and KP while the rest is not, this is explained that indicators with a value below 0.7 have weaknesses in supporting this variable in this relationship model, but if you look at the value of the relationship between the variables of 0.01 and the continued value of 0.00, this explains that the value is below level 0 , 05 and thus it can be said that this relationship confirms that there is an influence between the profitability variable on the dividend payout ratio variable of Regional Development Banks in Indonesia with share ownership as the mediating variable.
4. The influence of Lagged dividend on the dividend payout ratio of Regional Development Banks in Indonesia. If you look at the loading factor value and the covariance value in the model of the relationship between the lagged dividend variable and the dividend payout ratio variable, it can be seen that the loading factor value of the variable is above 0.7 in all indicators, this explains that the indicators with a value above are 0, 7 has the power to support this variable in this relationship model, but if you look at the value of the relationship between the variables of 0.06, this explains that the value is above the 0.05 level and thus it can be said that this relationship cannot confirm the influence between lagged dividend variables. to the dividend payout ratio variable of Regional Development Banks in Indonesia.
5. The effect of lagged dividend on share ownership in Regional Development Banks in Indonesia. If you look at the loading factor value and the covariance value in the model of the relationship between the lagged dividend variable and the dividend payout ratio variable, it can be seen that the loading factor value of each variable is above 0.7 in all indicators, this explains that the indicators with the value below 0.7 has the power to support the variables in this

relationship model, and if you look at the value of the relationship between the variables of 0.01, this explains that the value is below the 0.05 level and thus it can be said that this relationship has confirmed that there is an influence between the variables. the lagged dividend variable to the dividend payout ratio variable of Regional Development Banks in Indonesia.

6. The influence of the lagged dividend on the dividend payout ratio of Regional Development Banks in Indonesia with share ownership as mediation. If you look at the loading factor value and the covariance value in the model of the relationship between the lagged dividend variable and the dividend payout ratio variable, it can be seen that the loading factor value of each variable is above 0.7 in the indicators of ROE, DPR, and LG while the rest is not. This explains that indicators with a value below 0.7 have weaknesses in supporting this variable in this relationship model, but if you look at the value of the relationship between the variables of 0.01 and the continued value of 0.00, this explains that the value is below the level. 0.05 and thus it can be said that this relationship confirms that there is an influence between the lagged dividend variables on the dividend payout ratio variable of Regional Development Banks in Indonesia with share ownership as the mediating variable.

3.3 Research Findings

The lagged dividend was found to have no effect on the dividend payout ratio, this broke the research that generally produced an effect, but clearly what distinguishes it is the sample and type of research data, it can be said that the lagged dividend has no effect because indeed the investment management pattern and dividend distribution pattern in the sector This bank is different from other banks, this emphasizes that indeed this type of bank cannot predict how much dividend will be given, but on the positive side this type of bank will always be safe in terms of its profitability even though it is small. dividends in companies with regional-owned share ownership types are expanded not only to the extent of Bankm but also BUMD.

4. Conclusion

a. *Profitability affects the dividend payout ratio of Regional Development Banks in Indonesia.*
b. Profitability affects the share ownership of Regional Development Banks in Indonesia
c. Profitability affects the dividend payout ratio of Regional Development Banks in Indonesia with share ownership as the mediating variable.
d. Lagged dividends do not affect the dividend payout ratio of Regional Development Banks in Indonesia.
e. The lagged dividend affects the share ownership of Regional Development Banks in Indonesia.
f. Lagged dividend affects the dividend payout ratio of Regional Development Banks in Indonesia with share ownership as a mediating variable.

5. Suggestion

a. Bank BPD should be more open to investment issues, especially for investors outside the government
b. Have regulations that support the first point, but these regulations are formed on the basis of clear consensus and under the applicable legal umbrella and ethical numbers.

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