How Do Third-Party Funds Affect Loans?

Suko Basuki Wibowo Tunggul Raharjo[1], Etty Puji Lestari[2], Adhi Susilo[3]

Master of Management Study Program, Universitas Terbuka, Indonesia
Department of Economics, Universitas Terbuka, Indonesia
Food Technology Study Program, Universitas Terbuka, Indonesia
E-mail: sukobasukiwibowo2019@gmail.com

Abstract.
The article aims to analyze the influence of third-party funds on the loan given to PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup. The method used is multiple linear regression. Variables are the number of loans, savings, current accounts, and deposits. Research results show that the amount of funds raised, that is, current accounts, savings, and deposits in the future, positively and significantly influenced loans provided. Deposits are the dominant factor that influences the size of the loan given. Thus, banks should pay more attention to the existence of third-party funds because this will affect their banking performance. Concrete steps that can be taken to increase the collection of third-party funds are improving services and introducing various types of banking service products with appropriate interest rates.
Keywords: Deposits, Savings, Current Accounts, Third-Party Funds.

1. Introduction

Banking in Indonesia is based on a democratic economy that functions primarily as a collector and distributor of public funds. Banks have a strategic role in supporting the implementation of development to increase equality development, growth of the economy, and stability nationally to enhance people's lives. In connection with That implementation, service banking is one of the expected targets that can fulfill the strategic role in question. However, the crisis economy, in a way, the national ones that don't visit finished, also impacts crisis performance finance, especially in the banking world.

The bank is a financial institution built on trust; therefore, it cannot be denied that most of the bank's funds come from third parties, considering the minimal amount of its own funds owned by the bank (Chaerunissa & Amin, 2023; Kuswara et al., 2019; Prayogo & Lestari, 2018; Siregar & Rokan, 2023). Seeing these conditions, of course, only healthy banks that perform well are trusted by the public. Therefore, if the banking business is not managed professionally, it will have bad consequences in the future.

Besides institutions collecting public funds, banks distribute funds to the public. That matter following Constitution Banking No. 10 of 1998 that banks are business entities that collect funds from the public in the form of savings and distribution return to society in frame increase level people's lives (Arlian & Lestari, 2017; Prayogo & Lestari, 2018; Putra & Hasanah, 2018). In a competitive industry such as banking, industrial banking always strives to improve its income through various methods. One way that can be taken is to increase the collection of funds from society, refined from current accounts, savings, or deposits, and distribute it to return the funds, that is, to the public in the form of working capital loans, investments, or consumption. To better manage community funds, known as party funds, and channel their return in the form of a loan, the role of Management Assets Passiva/MAP is essential. This must truly optimize existing funds to be placed in return to achieve profitable spreads. This MAP management must be capable of noticing liquidity and solvability from the bank's policy. This required to be clever analysis or prediction behavior classified as prime customers corporate so in the end, impact on less optimal bank income (Sinatrio, 2012; Sutawijaya & Lestari, 2009; Wahyuni, 2017).

Party funds third form current accounts, savings, deposits, and possible futures collected by PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup are distributed to loan optimally because market share still has potential. Therefore, for PT. Bank Rakyat Indonesia (Persero), Tbk Kanca Curup, aside from implementing government programs about restructuration, credit is also fixed; carry out expansion very carefully and with professional management so that no problem will arise later.

In handling credit bad credit problematic PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup will carry out restructuring, rescheduling, and reconditioning programs to debtors who economical his business can be accountable as well as capable of returning the debt (Amalia & Hanifuddin, 2021; Fauziah, 2018). For distribution credit, new holds are held very selectively and prioritized to type possible business, giving marks added and being a productive and prospective business. Study This aims to analyze the influence of current accounts, savings, and deposit futures on the loan given to PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup.

2. Research Methods

This research is a case study, so the research population is PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup, which is located at Jalan Merdeka Curup, and the research sample is Kanca BRI Curup and BRI Unit Kanca Curup. The secondary data needed in this research is the amount of third-party funds and the amount of credit/loan disbursement during the last two years from 2015-2016.

Variables used in the study This includes two variables, namely variable free and variable bound / not accessible. Variable bounds are variables that are influenced by other variables.

Regarding this variable, Y, big loans provided are temporary. That variable is free for current accounts, savings, and time deposits.

This research uses a method formulated multiple linear regression as follows:

$$Y = a + b_1 CA + b_2 SAV + b_3 DEP + e$$

where Y = loan fund; a = constanta; CA = current account; SAV = savings; DEP = deposits; e = error (component confounding /residual) and b_1, b_2, b_3 = coefficient regression.

2.1. Definition Operational Variable

We used many variables in the study. This needs to be defined operationally, following the reality on the ground.

Table 1. Definitions of operational variable study

Variable	Definition operational
Bank loan	Provision of money or bills that can be equalized with that, based on consent and agreement to borrow, borrow between the bank and the other party obliges the party borrower to repay the debt after a certain period with giving interest.
Current account	that is, withdrawn deposits can be made every moment using a check card current account, which means order payment or with a book transfer.
Savings	Deposits that are withdrawn can only be made according to conditions agreed upon, but they cannot be withdrawn with a check, card, current account, or tool; others are equal with that.
Deposit	deposits that are withdrawn can only done on time based on agreement customers storage with the bank.

2.2. Classical Assumption Testing

Normality test

The normality test determines whether confounding variables or residuals are normally distributed in the regression model. This test was carried out using Kolmogorov-Smirnov analysis. The residual value curve is said to spread normally if the Kolmogorov - Smirnov Z value ≤ Z table or asymptotically significant value (two-tailed) > α.

Multicollinearity Test

The multicollinearity test aims to test the existence of a linear relationship between independent variables that are perfectly correlated, so the resulting regression equation cannot be used. (Adeboye et al., 2014; Alita et al., 2021). Thus, classical linear regression assumes that multicollinearity does not occur and can be carried out using the variance inflation factor (VIF) test and correlation matrix between independent variables.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether all confounding factors do not have the same variance or are not constant. The assumption that must be met in classical linear regression is that heteroscedasticity does not occur., We used Park Gleyser to detect whether a heteroscedasticity method was used. Symptoms of heteroscedasticity will be shown by the regression coefficient of each independent variable on its alpha value (0.05) so it can be ensured that the model does not contain elements of heteroscedasticity (Suliyanto, 2005).

Autocorrelation Test

The autocorrelation test aims to test whether there is a correlation in the linear regression model between confounding errors in period t and period t-1 (previously). The assumption that must be met in classical linear regression is that there is no autocorrelation. This test can

be done with SPSS. Making decisions on this assumption requires two auxiliary values obtained from the Durbin-Watson table: the D $_L$ and D $_{U\ values}$ for K = number of independent variables and n = total sample size. If DW is between the values D$_U$ to 4 - D$_U$, the assumption is that there is no autocorrelation.

3. Results and Discussion

This study will analyze the influence of the collection of party funds third to the loan given to PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup 2015-2018 . Observed factors include the collection of party funds; the three studied cover current accounts, savings, and deposit futures.

3.1. The result test of Classical Assumption

In testing with analysis, regression requires testing that considers possible deviations from the classic assumption. Classic will revise the research data and regression models if there is still a deviation assumption. Testing covers testing deviation assumptions consisting of classics on symptom normality, heteroscedasticity, multicollinearity, and autocorrelation. Tests can outlined as follows:

Normality Test

The normality test aims to test whether the confounding or residual variables have a normal distribution in the regression model. To test normality in this research, researchers used statistical tests with the parametric Kolmogrorov-Smirnow test (KS) using the SPSS ver 23 for Windows program. The data processing results look like Table 2 below:

Table 2. Normality Results with Kolmogorov-Smirnow test (KS)

		Unstandardized Residuals
		24
Normal Parameters (a, b)	Mean	.0000000
	Std. Deviation	9808253.39944852
Most Extreme Differences	Absolute	.123
	Positive	.117
	Negative	-.123
Kolmogorov-Smirnov Z		,603
Asymp. Sig. (2-tailed)		,860

Source: Data processed

The Kolmogorov-Smimov value is 0.603 and indicates a situation that is not significant with a probability significance value or p-value> 0.05 or 5%. This means that Ho is accepted, which means that the residual data is normally distributed or can be said to have passed the normality test.

Multicollinearity Test.

Multicollinearity is when one or more independent variables can be expressed as a linear combination of other independent variables. The method used to detect multicollinearity's presence or absence is to conduct regression between explanatory variables. If it is significant, it means there is multicollinearity. The results of this data processing can be seen in Table 3 below:

Table 3. Tolerance and VIF values for each independent variable

Variable	Tolerance	VIF	Conclusion
Current account	,767	1,303	Free
Savings	,314	3,183	Free
Deposit	,318	3,145	Free

From Table 3 above, the VIF value is 1.00 or lower than 10, so it can be concluded that there is no severe multicollinearity between the independent variables in the model. The VIF value in the regression model shows that the variable does not contain any multicollinearity symptoms because it has a VIF value lower than 10. This indicates that the regression model has passed the multicollinearity test.

Heteroscedasticity Test

Several methods can be used to detect whether there are heteroscedasticity symptoms, such as the graphic method, Park Geyser, Barlett, and Rank Spearman. In this study, the Glejser method was used; using this method, the symptoms of heteroscedasticity will be shown by the regression coefficient of each independent variable on the absolute value of the residue (e). If the probability value is > the alpha value (0.05), then it can be ascertained that the model does not contain elements of heteroscedasticity (Santoso, 2005).

Table 4. Residual Partial Correlation with Independent Variables

Variable	p-value	Information
Current account	,250	No heterocedasticity
Savings	,549	No heterocedasticity
Deposit	,618	No heterocedasticity

From the results of the analysis in Table 4, it turns out that all the probability values are > alpha value (0.05), which means that partially each independent variable is not correlated with its residual value. Thus, the regression model is free from heteroscedasticity problems.

Autocorrelation Test

The autocorrelation test used in this research is the Durbin-Watson Test (DW). The Durbin-Watson test is only used for first-order autocorrelation and requires an intercept (constant) in the regression model, with no other variables among the independent variables. Next, the Durbin-Watson autocorrelation test (DW Test) was carried out using the SPSS ver 23 for Windows program, and the data processing results look like Table 5 below:

Table 5. Autocorrelation Test Results with Durbin-Watson (DW Test)

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.946(a)	,895	,879	10518179.974	1,905

Source: Data processed

From Table 6, it can be seen that the DW value is 1.905. This value will be compared with the table value using a significance value of 5%, with a sample size of 24 (n) and several independent variables of 3 (k=3) as follows:

Table 6. Autocorrelation test decision-making table

Hypothesis zero	Decision	If
There is no positive autocorrelation	reject	0 < d < 1.101
There is no positive autocorrelation	no decision	1.101 ≤ d ≤ 1.656
There is no negative correlation	reject	2,899 < d < 4
There is no negative correlation	no decision	2.344 ≤ d ≤ 2.899
There is no autocorrelation, positive or negative	not rejected	1.656 < d < 2.344

Because the DW value of 1.905 is greater than the upper limit (du) of 1.656 and less than 2.344 (4-du), it can be concluded that there is no positive or negative autocorrelation. Thus, it can be concluded that there is no autocorrelation with the decision that was not rejected.

3.2. Multiple Linear Regression Analysis

A multiple linear regression method is used to measure how much influence current accounts, savings, and deposits on the total loan given to PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup. Based on the results of data processing, the regression obtained is as follows:

Table 7. Results of multiple regression analysis

Variable	Coefficient Regression	t -stat	Significant *)
Constant	-41182430.492	-1,304	
Deposit	5575.535	5,719	,000
Savings	,786	2,888	,009
Current account	4,549	2,169	,042
R ^{2}	,895		
F	58,895		,000

The calculation results show that deposits positively and significantly influence the loan amount (Table 7). The results of deposit measurements show a regression coefficient of 5575.535. This means that if the effect of deposits increases by one unit and other variables remain constant, the loans provided increase by 5575,535 units. Deposits are more funding sources for the bank compared with savings. However, the bank must also give interest to more depositors than customers who only own savings and have no deposits. The more lots customers make deposits, the more money is in the bank, and party banking can give more credit to customers who need additional business capital. However, depositors cannot withdraw funds at the bank before time already agreed upon. This result is in accordance with studies conducted by Mukarromah &.

Savings have a positive and significant influence on the loan amount. The savings regression coefficient is known to be 0.786. This means that if savings increase by one unit and other variables remain constant, then the loans provided will increase by 0.786 units. One of the largest capital in this bank is savings. Party banking uses the funds obtained from the public in the form of savings to give credit to creditors or other parties in need of additional funds, such as start-up capital businesses or credit others. As a reward for existing customers , the bank gives interest. The bank gets a refund from customers' credit along with the interest, which will be processed with goods as income for the bank and pay interest to customers who save. The taller the savings people have in the bank, the more party banking will be, and the more lots will give credit to customers who need additional capital. This result strengthens arguments by Lubis & Ginting (2008) and Kuswanto (2015).

Current accounts have a positive and significant influence on the loan amount. The regression coefficient for demand deposits is 4,549, meaning that if demand deposits increase by one unit and other variables remain constant, the loans provided will increase by 4,549 units. The meaning of the results of the regression analysis of the constant value of - 41182430.492 shows that the average value of loans given decreased by 41182430.492 if all the variables studied did not change. These results indicate that banks often use activity current account as one factor in evaluating the appropriateness of credit . Suppose someone owns a good note in management current account them (for example, there are lateness payments, stable balance , and regular activity). In that case, this can increase the possibility of them

getting a loan with a bigger amount and more tribal interest. The availability of funds in a checking account gives customers flexibility and more finances. A current account can positively impact the amount of funds borrowed because it provides trust, availability of funds and gives the bank more lots information For evaluating the appropriateness of credit customers. This study follows research conducted by Widiawati (2015) .

R^2 is a comparison between the variations of all independent variables together on the loans provided. The research results obtained R ^{2} of 0.895. This shows that the influence of the independent variables on loans provided is 89.5%, other variables outside the model determine the remaining 10.5%. Based on the F test results with level error (() = 0.05, the calculated F value amounts to 56,895, whereas the F table value is 3.01. Because the F $_{calculated}$ value > F $_{table}$, in a way, whole variable current accounts, savings, and deposits significantly influence the total loans granted.

Based on the results of testing influence in a way together with the F test, the F $_{calculated}$ value is bigger than the F $_{table}$ value. With so, the hypothesis is the first to state that allegedly. There is a significant influence between the amount of funds collected (current accounts, savings, and deposits futures) regularly simultaneously to loan given to PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup, accepted. This shows that the greater the collection of funds (Funding) from parties Thirdly, the greater the impact of increasing loans provided to PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup and p that is also decisive growth a bank.

Based on the test results of the variable with the greatest influence, it is known that the deposit regression coefficient value is greater than the savings and current account regression coefficient values. Thus, the second hypothesis states that savings and time deposits, the dominant factors influencing loans given deposits, are accepted among current accounts. This shows that deposits are a collection of funds (funding) from third parties which have the greatest influence on the size of the loan given. PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup. The large amount of funds collected can also help in improving banking performance.

4. Conclusion

From the results analysis of the data that has been done, the above-based results research data processing can withdraw the conclusion that the amount of funds collected (current accounts, savings, and deposits futures) regularly and significantly influences loans given to PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup. Deposits are the dominant factor influencing loans provided by PT. Bank Rakyat Indonesia (Persero) Tbk Kanca Curup. Thus, PT. BRI Curup branch should pay more attention to the existence of third-party funds that influence the loans provided. Concrete steps that can be taken to increase the factor of collecting third-party funds are improving services and increasing various banking service products with appropriate interest rates.

References

Adeboye, N. O., Fagoyinbo, I. S., & Olatayo, T. O. (2014). Estimation of the effect of multicollinearity on the standard error for regression coefficients. *Journal of Mathematics*, *10*(4), 16–20.

Alita, D., Putra, A. D., & Darwis, D. (2021). Analysis of classic assumption test and multiple

linear regression coefficient test for employee structural office recommendation. *IJCCS (Indonesian Journal of Computing and Cybernetics Systems)*, *15*(3), 295–306.

Amalia, R. J., & Hanifuddin, I. (2021). Restrukturisasi Pembiayaan Pada Bank Syariah Di Masa Pandemi Covid-19 Perspektif Hukum Perikatan Islam. *Kunuz: Journal of Islamic Banking and Finance*, *1*(2), 107–109.

Arlian, U. (2017). Arlian, U.., & Lestari, E.P (2017). Analisis Tingkat Kepuasan Nasabah Bank, Penerapan metode Analytical Hierarchy Process. *Jurnal Organisasi dan Manajemen*, *11*(2), 169–182. https://doi.org/10.33830/jom.v11i2.226.2015

Chaerunissa, R. V., & Amin, M. N. (2023). Pengaruh Dana Pihak Ketiga dan Net Interest Perbankan Digital Sebagai Pemoderasi. *Jurnal Riset Rumpun Ilmu Ekonomi*, *2*(2), 353–364.

Fauziah, N. D. (2018). Restrukturisasi sebagai salah satu upaya penyelesaian pembiayaan bermasalah di Bank Syariah. *Al-'Adalah: Jurnal Syariah Dan Hukum Islam*, *3*(3), 168–178.

Kuswanto, H. (2015). Pengaruh Dana Pihak Ketiga Terhadap Kredit Pada Bank Perkreditan Rakyat Di Indonesia. *Jurnal Ekonomi Manajemen Akuntasi*, *18*(31).

Kuswara, D. P., Puji Lestari, E., & Retnaningsih, T. K. (2019). Determinant of Islamic Banking Profitability in Indonesia. *Jurnal Organisasi Dan Manajemen*, *15*, 36–45.

Lubis, A. N., & Ginting, G. A. (2008). Analisis Faktor-Faktor yang Mempengaruhi Keputusan Permintaan Kredit pada PT Bank Tabungan Negara Cabang Medan. *Jurnal Manajemen Bisnis*, *1*(2), 42–47.

Prayogo, K. H., & Lestari, E. P. (2018). The Determinant of Stock Price at the Banking Sub-Sector Company in Indonesia Stock Exchange. *International Journal of Trade, Economics and Finance*, *9*(6), 231–237. https://doi.org/10.18178/ijtef.2018.9.6.621

Putra, P., & Hasanah, M. (2018). Pengaruh Pembiayaan Mudharabah, Musyarakah, Murabahah, Dan Ijarah Terhadap Profitabilitas 4 Bank Umum Syariah Periode 2013–2016. *Jurnal Organisasi Dan Manajemen*, *14*(2), 140–150.

Sinatrio, A. (2012). *Pengaruh Pengetahuan Mahasiswa Jurusan Akuntansi Mengenai Perbankan Syariah Terhadap Minat Menjadi Nasabah Bank Syariah*. Universitas Widyatama.

Siregar, W. M. S., & Rokan, M. K. (2023). Pengaruh Dana Pihak Ketiga, Tingkat Bagi Hasil, Non Performing Financing, Dan Modal Sendiri Terhadap Volume Pembiayaan Berbasis Bagi Hasil Pada Perbankan Syariah Di Indonesia Studi Kasus Bank Muamalat Indonesia (BMI). *Management Studies and Entrepreneurship Journal (MSEJ)*, *4*(5), 7029–7036.

Sutawijaya, A., & Lestari, E. P. (2009). *Efisiensi teknik Perbankan Indonesia pascakrisis ekonomi: Sebuah studi empiris penerapan model DEA*.

Wahyuni, S. (2017). Pengaruh Persepsi Kualitas Pelayanan Dan Bagi Hasil Terhadap Minat Masyarakat Menjadi Nasabah Bank Syari'ah. *AT-TAWASSUTH: Jurnal Ekonomi Islam*, *2*(2), 437–459.

Widiawati, A. (2015). Analisis Perkembangan Giro, Tabungan Dan Deposito Terhadap Perkembangan Kredit Pada PT. Bank Rakyat Indonesia (Persero) Cabang Pembantu Latimojong Makassar. *AKMEN Jurnal Ilmiah*, *12*(2).