

The Effect Of Third Party Financing And Funds On Total Assets In Sharia Financing Banks In Indonesia 2016-2020 Period

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Abstract.

The specific purpose of this study is to determine the effect of Financing and Third Party Funds on the Total Assets of Islamic People's Financing Banks. The approach used in this research is a quantitative approach. The data used in the form of secondary data from the website of the Financial Services Authority (OJK). The population is monthly data from January 2016 to December 2020 period while the sample is annual data from 2016 to 2020. The research analysis carried out is multiple linear regression, classical assumption test (normality test, heteroscedasticity multicollinearity test and autocorrelation test), and test statistics (coefficient of determination (R²), statistical F test, and statistical t test). The results of this study are the variables of Financing and Third Party Funds have a significant effect simultaneously (simultaneously) on the variable Total Assets of Islamic People's Financing Banks.

Keywords: Financing, Third Party Funds, Total Assets, Islamic People's Financing Bank.

I. INTRODUCTION

There are 2 (two) scopes of services provided by banks to the public, namely the upper middle to large scale (macro) and small scale (micro). Central Banks, Commercial Banks, Rural Banks, Savings Banks, and Development Banks are banks based on the function or status of the bank. Banks as the heart or driving force of the economy of a country are needed to encourage the economic welfare of the people in a country, especially those who are far from the reach of large-scale (macro) banking services. With this phenomenon, it is necessary to have a bank that specifically serves small, medium and micro services, namely Rural Banks or Sharia Rural Financing Banks. Islamic People's Financing Bank is experiencing very rapid development at this time. This can be proven through Third Party Funds, Financing, Total Assets, and the number of banks and the number of office networks that continue to increase from year to year. This increase is certainly good news for the community, especially the lower middle class, so that they can obtain financing from Islamic People's Financing Banks and avoid the practices of usury. The performance of Islamic Rural Banks in Indonesia can be seen through data published by the Financial Services Authority based on total assets, financing, and Third Party Funds for the 2016-2020 period detailed in the following table:

Table 1. Development of Total Assets, Financing, and Third Party Funds of Islamic Rural Banks for the 2016-2020 Period (Million Rupiah)

Periode	Total assets	Financing	Third-party funds
2016	9.157.801	6.662.556	5.823.964
2017	10.840.375	7.763.951	6.987.280
2018	12.361.734	9.084.467	8.134.938
2019	13.758.294	9.943.320	8.731.890
2020	14.950.456	10.681.499	9.819.043

(Source: www.ojk.go.id)

From table 1 above, it can be seen that the total assets, financing, and Third Party Funds of Islamic Rural Banks continued to experience positive growth from the 2016-2020 period. However, from the research data, it was found that the development of total assets, financing, and Third Party Funds of Islamic People's Financing Banks from January 2016 to December 2020 continued to experience fluctuating and dynamic developments every month. Based on these data, it can be seen that the development of total assets in Islamic Rural Financing Banks is not constant every month but is influenced by financing and Third Party Funds of Sharia Rural Banks. In its development, bank fund management started from asset management, ie

when banking funds were relatively cheap and easy and available in sufficient quantities, then developed into liabilities management when funds became expensive, scarce, and limited, due to deregulation developments. Therefore, to run the operational businesses of a strong and strong Sharia Rural Bank, a significant asset growth is required so that the services provided by the Sharia Rural Financing Bank to small, medium, and micro businesses can be optimal. In addition, the Islamic Rural Financing Bank must operate in a healthy manner, so that the interests of all parties are maintained and the smooth life of the Sharia Rural Bank itself is guaranteed. This can only be achieved with farsighted wisdom and practices. Thus, an important role of bank fund management is planning in the collection, management, and allocation of funds, both short term and long term. From the background of the problems described above, the researchers are very interested in researching this Islamic People's Financing Bank.

II. LITERATURE REVIEW

Islamic Banking and Islamic Banking

Sharia Banking is everything related to Sharia Banks and Sharia Business Units, including institutions, business activities, as well as methods and processes in carrying out their business activities. Islamic banking or Islamic banking is a banking system based on Islamic sharia principles. Islamic banking applies profit and risk sharing between fund providers (investors) and fund users (entrepreneurs). Similar to conventional banking, the maximum level of profit in accordance with sharia values must also be considered so that the parties involved can enjoy these benefits. Likewise, if there is a loss, the parties involved will also bear the burden. In addition, Islamic banking manages zakat, avoids transactions related to illicit goods and contains elements of maysir, gharar and usury [2].

Sharia People's Financing Bank

Sharia Rural Bank is one of the Islamic banking financial institutions, whose operational pattern follows sharia principles or Islamic muamalah. Sharia People's Financing Bank is a sharia bank that carries out its activities according to sharia principles and does not serve payment traffic services. The concept of Islamic banks has very good prospects and opportunities in the future, especially supported by the demographics of Indonesia as the largest Muslim country in the world. The market segmentation of Islamic Rural Banks as microcredit distributors is very attractive because the margins are quite large. In developing an Islamic mission that is very compatible with social inequality, poverty and socio-economic injustice, it is proper to maintain the level of health so that it runs proportionally. Therefore, in addition to trying to maintain public trust, banks must also improve the quality of their performance as reflected in the company's financial statements [3].

Assets

Assets or assets are all assets belonging to individuals or business entities. Assets are divided into two more specific categories, namely current assets and non-current assets. Current assets are types of assets that are very easy to convert into money or in other words the assets that are the easiest to cash out, examples of current assets are securities, deposits, shares, cash, receivables etc. Non-current assets are the opposite of current assets, non-current assets are assets that are difficult to convert into money for example, such as land, tools / machines, buildings. Asset is one of the ratios in the banking world that is used to see the wealth of a banking institution. Not infrequently assets are always associated with the soundness of a bank. A healthy banking institution must have strong assets which if the bank is hit by a problem, usually bad credit / financing, assets will be the last resort of the problem. Usually banks will take steps to sell assets owned by the bank [4].

Financing

Financing is a form of disbursement of funds carried out by Islamic Banks using the principles of buying and selling, profit sharing, ujroh principles, and complementary contracts. Among the 4 patterns of financing principles owned by Islamic Banks, there are 2 main principles carried out by Islamic Banks in financing distribution, namely the principle of buying and selling and profit sharing [5].

Third-party funds

Third party funds under Article 1 No. 20 Law no. 21 of 2008 concerning Islamic Banking, third party funds are funds entrusted by customers to Islamic banks and/or UUS based on wadiah contracts or other contracts that do not conflict with sharia principles in the form of demand deposits, savings, or other equivalent forms. In the banking world, third party funds consist of demand deposits, savings deposits, and time deposits [6].

Previous Research

Previous research related to this research, namely Ratu Vien Sylvia Aziza and Ade Sofyan Mulazid (2017) entitled "Analysis of the Effect of Third Party Funds, Non-Performing Financing, Capital Adequacy Ratio, Own Capital and Profit Margin on Murabahah Financing" concluded that based on the simultaneous test, then Third Party Funds, Capital Adequacy Ratio, Non Performing Financing, Equity Capital and Margin together (simultaneously) affect Murabahah Financing at Islamic Commercial Banks. Based on the partial test, Third Party Funds, Capital Adequacy Ratio, and Non Performing Financing have no effect on murabahah financing. Based on the partial test, Equity and Profit Margin affect murabahah financing [7]. Research conducted by Vivin Andriani and Mukhaer Pakkanna (2019) entitled "Analysis of Non-Performing Financing, Third Party Funds, Capital Adequacy Ratio, and Financing to Deposit Ratio on Total Financing" concluded that the Capital Adequacy Ratio variable partially has a positive effect on total financing. in Islamic Commercial Banks but not significant with an R value of 13%.

The non-performing financing variable partially has an R value of 2% which means it is not very correlated, from the positive correlation results it shows a unidirectional relationship between frequency and non-performing financing to total financing so it can be concluded that non-performing financing only slightly contributes to the total existing financing. . Third Party Funds variable partially positive effect on the total partially positive effect on total financing at Islamic Commercial Banks but not significant with an R value of 11%. Variables of Non Performing Financing, Capital Adequacy Ratio, Financing to Deposit Ratio and Third Party Funds simultaneously or based on F test calculations have a significant effect on total financing in Islamic Commercial Banks [8]. Research conducted by Preztika Ayu Ardheta and Helda Rahmi Sina (2020) entitled "The Effect of Capital Adequacy Ratio, Third Party Funds, Non-Performing Financing and Murabahah Financing on Profitability" concludes that the results of the study show that the capital adequacy ratio and third party funds affect profitability, however, non-performing financing and murabahah financing have no effect on profitability. Simultaneously, the capital adequacy ratio, third party funds, non-performing financing and murabaha financing affect profitability [9].

III. METHODS

The approach used in this study is a quantitative approach, because the data measurement uses a numerical scale (numbers). The population in this study is Islamic Banking Statistics, which includes statistics on Financing, Third Party Funds, and Total Assets of Islamic People's Financing Banks from January 2016 to December 2020 derived from Islamic Banking Statistics obtained from the Financial Services Authority website with the link www.ojk.go.id. The sample in this study is Islamic Banking Statistics from 2016 to 2020 derived from Islamic Banking Statistics obtained from the Financial Services Authority (OJK) website with the link www.ojk.go.id which is published every month. In this study, there are 3 research variables, namely: The dependent variable (Y), which is a variable whose value depends on other variables. As for the dependent variable is the Total Assets of Islamic Rural Banks; The independent variable X1 is financing, namely funds that have been distributed by the Islamic People's Financing Bank and the independent variable X2, namely Third Party Funds, namely funds that have been collected by Islamic Commercial Banks in the form of savings and deposits. Analysis of the research carried out were multiple linear regression, classical assumption test (normality test, multicollinearity test, heteroscedasticity test and autocorrelation test), and statistical test (coefficient of determination (R²), statistical F test, and statistical t test).

IV. RESULT AND DISCUSSION

Normality test

Normality test aims to determine that the distribution of research data is normally distributed or not. The method used to test normality is the One-Sample Kolmogorov-Smirnov Test method. The results are:

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		57
Normal Parameters ^{a,b}	Mean	.0E-7
	Std. Deviation	56607.4806373
Most Extreme Differences	Absolute	.105
	Positive	.059
	Negative	-.105
Kolmogorov-Smirnov Z		.796
Asymp. Sig. (2-tailed)		.550

a. Test distribution is Normal.

b. Calculated from data.

Based on the output above, it can be seen the value of asymp. sig (2-tailed) is $0.550 > 0.05$, so according to the basis for decision making in the Kolmogorov-Smirnov normality test above, it can be concluded that the data are normally distributed. Thus, the assumptions or requirements for normality in the regression model have been met.

Multicollinearity Test

The multicollinearity test is used to determine whether there is a multicollinearity symptom in the regression equation, if there is a correlation between the independent variables. The results are:

Coefficients^a

Model	Unstandardized Coefficients		Standardize d Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Toleranc e	VIF
1 (Constant)	4505.897	12931.880		.348	.729		
Pembiyaan	.148	.094	.075	1.579	.120	.977	1.023
Dana Pihak Ketiga	1.242	.063	.947	19.858	.000	.977	1.023

a. Dependent Variable: Total Aktivia BPRS

The basis for decision making for the multicollinearity test is the tolerance value is more than 0.1 and the VIF value is less than 10. From the output above, the independent variable has a tolerance value of $0.977 > 0.1$ and the VIF is $1.023 < 10$, so it can be concluded that the data does not have multicollinearity symptoms.

Heteroscedasticity Test

Heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residual of one observation to another observation. A good regression model is homoscedasticity or does not experience heteroscedasticity symptoms. Another heteroscedasticity test can be done with the Glejser test. The following is the output of the Glejser test:

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	39779.653	8209.016		4.846	.000
Pembiayaan	.058	.059	.132	.968	.337

Dana Pihak Ketiga	-.020	.040	-.070	-.516	.608
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a. Dependent Variable: ABS_RES

Based on the results of the Glacier test in the table above, it shows that the significance value of Financing is $0.337 > 0.05$ and the significance value of Third Party Funds is $0.608 > 0.05$. So that it can be seen that the significance value of the independent variable is more than 0.05, it can be concluded that the data does not occur heteroscedasticity symptoms.

Autocorrelation Test

Autocorrelation test is used to determine the presence or absence of autocorrelation in the regression model. The autocorrelation test was carried out using the Run Test test. The output results are:

Runs Test

	Unstandardized Residual
Test Value ^a	-3971.09340
Cases < Test Value	28
Cases >= Test Value	29
Total Cases	57
Number of Runs	25
Z	-1.201
Asymp. Sig. (2-tailed)	.230

a. Median

Based on the results of the run test in the table above, it shows that the asymp value. sig (2-tailed) $0.230 > 0.05$. So it can be concluded that there is no autocorrelation symptom in the data.

Multiple Linear Regression Test

The output results of the multiple linear regression test are:

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4505.897	12931.880		.348	.729
Pembiayaan	.148	.094	.075	1.579	.120
Dana Pihak Ketiga	1.242	.063	.947	19.858	.000

a. Dependent Variable: Total Aktiva BPRS

The multiple linear regression equation obtained in this study is: $4505,897 + 0.148X_1 + 0.1242 X_2$. The analysis is:

1. The financing variable has a positive regression coefficient of 0.148 which means that if the financing increases, the total assets of the Islamic People's Financing Bank will increase, and vice versa.
2. The Third Party Funds variable has a positive regression coefficient of 1,242 which means that if the Third Party Funds increase, the Total Assets of the Islamic People's Financing Bank will increase, and vice versa.

Simultaneous Test (F test)

Simultaneous test (F test) aims to determine whether or not the influence of the independent variable on the dependent variable simultaneously (together). The output results of the simultaneous test (F test) are:

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1317230275589.579	2	658615137794.790	198.194	.000 ^b
Residual	179446784390.140	54	3323088599.817		

Total	1496677059979 .719	56			
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a. Dependent Variable: Total Aktiva BPRS

b. Predictors: (Constant), Dana Pihak Ketiga, Pembiayaan

Based on the results of the simultaneous test (f test) it can be seen that the Fcount value is 198,194 and the Ftable value is 3.16, then Fcount > Ftable (198,194 > 3.16). Significant value $0.000 < 0.05$, then the variables of Financing and Third Party Funds are significant simultaneously (simultaneously) to the Total Assets of Islamic Rural Banks.

Partial Test (t test)

Partial test (t test) aims to determine whether or not the influence of the independent variable on the dependent variable is partially. The output results of the partial test (T test) are:

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4505.897	12931.880		.348	.729
Pembiayaan	.148	.094	.075	1.579	.120
Dana Pihak Ketiga	1.242	.063	.947	19.858	.000

a. Dependent Variable: Total Aktiva BPRS

Based on the results of the partial test (t test) it is known:

1. The tcount value of the Financing variable is 1,579 and the ttable value is 2,00488, so tcount < ttable (1,579 < 2,00488). The significance value of financing is $0.120 > 0.05$. So it can be concluded that the financing variable has no partial or individual effect and is not significant on the Total Assets variable of the Islamic People's Financing Bank.

2. The tcount value of the Third Party Fund variable is 19,858 and the ttable value is 2,00488, so tcount > ttable (19,858 > 2,00488). The significance value of Third Party Funds is ($0.000 < 0.05$). So it can be concluded that the Third Party Fund variable has a significant partial or individual effect on the Total Assets of the Islamic People's Financing Bank variable.

Coefficient of Determination Test (R²)

The coefficient of determination test (R²) aims to find out what percentage of the influence of the independent variable simultaneously on the dependent variable. The output results of the coefficient of determination test (R²) are:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.938 ^a	.880	.876	57646.23665

a. Predictors: (Constant), Dana Pihak Ketiga, Pembiayaan

b. Dependent Variable: Total Aktiva BPRS

Referring to the R Square (Summery Model) in the regression output, it is known that the result is 0.880 (88%). Thus, it can be explained that the variable Financing and Third Party Funds have a joint influence of 88% on the variable Total Assets of Islamic Rural Banks.

Discussion

The Effect of Financing on Total Assets at the Syahriah People's Financing Bank in Indonesia for the 2016-2020 Period

Based on the partial test, the results obtained are that the financing variable has no partial or individual effect and is not significant on the variable total assets of Islamic Rural Banks. The results of this study are not in line with the research conducted by Mindyaningsih (2021) with the title "The Effect of Return On Assets, Return On Equity, Non Performing Financing, Third Party Funds and Total Financing on

Total Assets of PT. BNI Syariah Bank Year 2012-2019” which states that third party funds affect the total assets of BNI Syariah banks and have a positive relationship. This means that when third party funds increase, the total amount of BNI Syariah bank assets will also increase [10].

The Effect of Third Party Funds on Total Assets at the Syahriah People's Financing Bank in Indonesia for the 2016-2020 Period

Based on the partial test, the results obtained that the Third Party Fund variable has a significant partial or individual effect on the Total Assets of the Islamic People's Financing Bank variable. The results of this study support the research conducted by Ariani, et al (2022) with the title "The Effect of Third Party Funds (TPF), Financing to Deposit Ratio (FDR), Non Performing Financing (NPF) and Return on Assets (ROA) on Total Banking Assets Sharia in Indonesia” which states that Third Party Funds have a partial effect on the Total Assets of Islamic Banking in Indonesia [11].

The Effect of Financing and Third Party Funds on Total Assets at the Syahriah People's Financing Bank in Indonesia for the 2016-2020 Period

Based on the simultaneous test, the results obtained are that the variables of Financing and Third Party Funds are significant simultaneously (simultaneously) on the variable Total Assets of Islamic Rural Banks. The results of this study are in line with research conducted by Erviana (2021) with the title "Analysis of the Effect of Financing and Third Party Funds (TPF) on Total Assets of PT. BPR Syariah Bhakti Sumekar Year 2012-2016” which states that there is a significant influence between financing variables and third party funds (DPK) on total assets [12].

V. CONCLUSION

The conclusion is based on the results of the simultaneous test (f test) it can be seen that the Fcount value is 198,194 and the Ftable value is 3.16, then $F_{count} > F_{table}$ ($198,194 > 3.16$). Significant value $0.000 < 0.05$, then the variables of Financing and Third Party Funds are significant simultaneously (simultaneously) to the Total Assets of Islamic Rural Banks. Then the hypothesis H_0 is rejected and H_a is accepted, that is, there is an effect of Financing and Third Party Funds on the Total Assets of the Islamic People's Financing Bank.

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