

## Effect of Third Party Funding, Financing to Deposit Ratio and Return on Asset for Financing at Bank Muamalat KCP Probolinggo

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**Abstract:** The purpose of this research is to determine the influence of third party funds, financing deposit ratio and return on assets on financing in the 2018 period. - 2022 at Bank Muamalat KCP Probolinggo. The type of research used in this study is a quantitative method with a descriptive approach. The sample in this study is the Quarterly financial reports for 2018 to 2022 as many as 20. The data in this study is secondary data. Observation collection method by collecting data on the Annual Financial Report of Bank Muamalat KCP Probolinggo in 2018 - 2022. Banks provide community services and public financial intermediaries. Therefore, banks must always be in the midst of society so that the flow of money from people who have excess can be accommodated and distributed to people who are lacking. One of the bank distribution products is financing provided by one party to another party to support a planned business project, either carried out individually or by an institution. The formulation of the problem in this study is whether there is an influence of third party funds, financing deposit ratio and return on assets on financing for the 2018 to 2022 period. The results of the study show that partially DPK have a significant positive effect and FDR have a Significant negative effect on financing at Bank Muamalat KCP Probolinggo for the 2018-2022 period. Meanwhile, ROA has no significant effect on financing at Bank Muamalat KCP Probolinggo for the 2018-2022 period. Meanwhile, DPK, FDR and ROA simultaneously have a positive effect on financing at Bank Muamalat KCP Probolinggo for the 2018-2022 period. DPK, FDR and ROA contributed 34.1% to financing, the remaining 65.9% was influenced by other variables outside those studied.

**Keywords:** Third Party Funds, Financing Deposit Ratio, Return On assets, Financing

### 1. Introduction

As defined in article 1 of Law no. 10 of 1998, the Bank's main activity is collecting and distributing funds to the community. Fundraising is done by looking for other sources of funding, and one of the most important sources of bank funding comes from the community. An increase in the amount of funds collected from the public will show the level of public trust in the bank. From various sources of funds that the bank has managed to collect, the bank actively and effectively reallocates these funds to the community. The progress of a bank can be a benchmark for a country's progress, the greater the task of the banks that control that country, meaning that the existence of the financial world is really needed by public authorities and society.

Profitability is the level of a bank's ability to increase profits. The level of profitability can be measured by Return on Assets (ROA), which is a ratio that measures management's ability to manage assets to generate profits. Funding or

expenditure, namely, financing carried out to support the proposed investment either by yourself or by someone else, namely. Financing is defined as financing provided to customers by financial institutions such as Bank Muamalat.

PT. Bank Muamalat Indonesia (BMI) as the bank that first implemented Indonesian sharia principles and became one of the universal sharia banks in Indonesia, has a main agenda to become an alternative to current financial solutions. With the main task as collecting and distributing funds. Financing funds sourced from sharia principles.

However, the development of Bank Muamalat's financing over the past 5 years has experienced a decline, in 2018 financing worth IDR. 33,566 (Millions of Rupiah), much larger than the financing in 2022, which is worth IDR. 18,821 (Millions of Rupiah). The decrease in financing was also followed by a decrease in TPF, FDR and ROA which can be seen in the table below:

**Table 1.1**  
Composition of DPK, FDR ROA and Financing at Bank Muamalat Indonesia Year 2018-2022

Year	DPK (in million rupiah)	FDR (%)	ROA (%)	Financing(in millions rupiah)
2018	45,305	73.15	0.08	33,566
2019	40,357	73.51	0.05	29,867
2020	41,425	69.84	0.03	29,077
2021	46,871	38.33	0.02	18,041
2022	46,143	40.63	0.09	18,821

Source:[www.bankmuamalat.co.id](http://www.bankmuamalat.co.id) Data is processed

How much financing is successfully distributed by Bank Muamalat is influenced by several factors, both internal and external factors, the internal factors in question are TPF, FDR and ROA. In previous research compiled by Eris Munandar, it was revealed in his research that there are several variables that influence the size of financing disbursed by banks, the variables in question are DPK, LDR and ROA, the variables used in this research are internal bank factors that influence the size. financing disbursed by banks.

According to several studies, it was found that the influence of third parties was able to influence the existence of NPF, FDR and BOPO on Profitability (ROA) at PT Bank Muamalat in Indonesia.

According to Ami Nullah Maris Tanjung, M. Guffar Harahap, Aswin Fahmi, M. Fahmi, M. Radiansyah 9 (2023) entitled "The Influence of Total Assets and Third Party Funds on Financing at Bank Muamalat Indonesia from 2018 to 2022" this research shows that there is a significant relationship between total assets and third party funds on simultaneous financing.

Research conducted by Affan Syu'aidi (2017), "Analysis of the Influence of Third Party Funds and Profit Sharing Levels on Financing at PT. Bank Muamalat Indonesia, Tbk Medan Branch". This research shows that Third Party Funds and Profit Sharing Levels partially have a positive effect on financing at Bank Muamalat.

Study others carried out by Adzil Arsyi Sabana, Abdul Wahid Mongkito, Siti Msriati (2022), "Analysis of the Effect of NPF, FDR and BOPO on Profitability (ROA) at PT Bank Muamalat Indonesia Tbk (2011-2020). The method used is the quantitative method using the path analysis model. The results show that the variables FDR, NPF do not have a significant effect on ROA, while BOPO has a positive and significant effect on ROA.

Another research conducted by Muthi'ah Afifah Fauziah, Nana Diana (2023), "The Influence of Operational Costs on Operational Income, Non-Performing Financing and Financing to deposit Ratio on Return On Assets". The method used is the Quantitative method using a descriptive and verification approach, the results show that BOPO has a negative effect on ROA, and NPF, FDR has a positive and significant effect on ROA.

The sophistication of sharia banking services today is of course accompanied by the increasing vulnerability of muamalah banks and their customers to becoming targets of modern banking crime by taking advantage of technological advances. Another research conducted by Rahman, M.A. Other research conducted by Bella Adni, Rafidah, Novi Mubyarto, (2022), "Factors that Influence Mudharabah Financing at Bank Muamalat Indonesia". Where the method used is a quantitative method with a descriptive approach, while the simultaneous results of DPK, ROA, CAR, NPF and total assets simultaneously influence Mudharabah financing.

Based on the research above, we want to study or analyze the influence of third parties using the financing to deposit ratio and return on assets on financing at Bank Muamalat KCP Probolinggo. In order to find out whether partially DPK and FDR have a significant positive effect on financing at Bank Muamalat KCP Probolinggo for the 2018-2022 period.

## **2. Methodology**

Research on the Effect of Third Funds, Financing to Deposit Ratio and Return On Assets on Financing at Bank Muamalat KCP Probolinggo uses quantitative methods with a descriptive approach. Using quantitative methods because the data required is in the form of numbers in financial reports, the numbers in question are the amount of financing, Third Party Funds (DPK), Financing to deposit ratio (FDR) and Return on Assets (ROA). Meanwhile, the descriptive method is a statistical method which has the task of collecting, managing and analyzing data and then presenting it in a good form.

The population in this research is required 20 data from the 2018 - 2022 quarterly financial reports. The data collection technique in this research was that the researcher carried out indirect observations by collecting data from

the annual financial reports of Bank Muamlat KCP Probolinggo from 2018-2022. The sampling method used in this research is Saturated Sampling. Saturated sampling is a sample selection technique when all population data is sampled. The reason for using the saturated sampling technique is because the population size is relatively small, namely less than 30.

Then the researcher analyzed the financial reports using 3 independent variables, namely, Third Party Funds (DPK) as  $X^1$ , Financing to Deposit Ratio (FDR) as  $X^2$ , Return On Assets (ROA) as  $X^3$ . The methods used are the classical assumption test, simple and multiple linear regression analysis, and hypothesis testing.

### **3. Results and Discussion**

#### **The Influence of Third Party Funds on Financing**

Based on test results it shows that DPK has a positive and significant effect on financing. This is stated from the test results, namely that T DPK has a calculated  $t$  of  $3.303 > 2.110$  with a significance value of  $0.004 < 0.05$ , so it can be concluded that the size of the DPK can influence financing. These results are in accordance with previous research (Affan Syu'aidi, 2017; Husnul Khotimah, 2016; Nur Aini, 2021; Ferial Nurbaya, 2013)

#### **The Influence of FDR on Financing**

Based on the results of the  $t$  test, it shows that FDR has a negative and significant effect on financing. This is stated from the test results, namely that DPK has a calculated  $t$  value of  $-(5.651) > 2.110$  with a significance value of  $0.000 < 0.05$ , so it can be concluded that the increase in FDR is not accompanied by an increase on financing. These results are in accordance with previous research (Hamdanil Arifin, 2022)

#### **The Effect of ROA on Financing**

Based on the results of the  $t$  test, it shows that ROA has no effect on financing. This is stated from the test results, namely that ROA has a  $t$  value of  $(1.334) < 2.110$  with a significance value of  $0.201 > 0.05$ , so it can be concluded that the size of ROA cannot influence financing. These results are in accordance with previous research (Zaharatul Jannah, 2022)

#### **The simultaneous influence of TPF, FDR and ROA on financing**

Based on the  $F$  test results, it shows an  $f$  table value of 3,239 with a calculated  $F$  of 49.071, a calculated  $F$  value of  $49.071 > 3,239$   $F$  table. Meanwhile, the significance value is 0.000, which means the return value is  $< 0.05$ , so it can be concluded that  $H_a$  is accepted, which means the independent variables (DPK, FDR, ROA) simultaneously have a positive effect on the dependent variable (Financing) at Bank Muamalat KCP Probolinggo.

The Adjusted R Square value of 0.341 shows that the DPK, FDR and ROA variables can simultaneously influence the dependent variable by 34.1%. And 65.9% was influenced by other variables not examined in this research.

#### **4. Conclusion**

Analysis and discussion can be concluded that DPK, FDR, and ROA on financing at Bank Muamalat KCP Probolinggo for the 2018-2022 period. In Chapter IV, namely:

- a. DPK has a significant positive effect on Bank Muamalat KCP Probolinggo financing for the 2018-2022 period
- b. FDR has a significant negative effect to Bank Muamalat KCP Probolinggo financing for the 2018-2022 period
- c. ROA has no effect on Bank Muamalat KCP Probolinggo's financing for the 2018-2022 period
- d. Simultaneously the variables DPK, FDR, and ROA have a significant positive effect on the financing of Bank Muamalat KCP Probolinggo for the 2018-2022 period

Therefore, there are two positive and significant variables on the financing of Bank Muamlat KCP Probolinggo for the 2018-2022 period, namely the DPK and FDR variables, while the ROA variable has no significant effect on financing. Meanwhile, simultaneously DPK, FDR and ROA have a significant positive effect on the financing of Bank Muamalat KCP Probolinggo for the 2018-2022 period. DPK, FDR and ROA contributed 34.1% to financing, the remaining 65.9% was influenced by variables other than those studied.

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