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The Effect Of Public Savings And Deposits Toward Credit Lending During Pandemic

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ABSTRACT

Bank's function to collect funds and provide loans to the public, therefore banks also need funds to carry out their functions. This research uses descriptive research method and purposive sampling technique. Data analysis used in this research are descriptive statistical test, normality test, heteroscedasticity test, multicollinearity test, autocorrelation test, multiple linear analysis test, t test, F test and coefficient of determination test. Based on the results of the research show that public saving has no effect and significant on lending, this can be seen from the results of partial hypothesis testing (t test) which shows tcount < ttable, namely -4.551 < 2.0243 and significant value < 0.05, namely with a value of 0.000 < 0.05. Based on this, the first hypothesis (H1) is rejected. Deposits have a significant effect on lending, this can be seen from the results of partial hypothesis testing (t test) which shows tcount > ttable, namely 13,398 > 2.0243 and significant value < 0.05, with a value of 0.000 < 0.05. Based on this, the second hypothesis (H2) is accepted. Community and deposits have a significant effect on lending, this can be seen from the results of simultaneous hypothesis testing (F test) which shows Fcount (166.311) > Ftable (3.25) with a significance of 0.000 <0.05, it can be interpreted that the third hypothesis (H3) accepted in other words, public savings and time deposits have a significant effect on lending simultaneously. Based on this, the third hypothesis (H3) is accepted.
Keywords: Bank, COVID-19, Deposits, Credit, Savings

INTRODUCTION

The COVID-19 pandemic had a significant negative impact toward economic shocks such as loss of job opportunities, while the level of community needs will increase over time. In an effort to improve the standard of living, people will try to meet their needs. One of the methods used by the community is to make credit loans through banks because credit is one of the activities that can improve the economy. Bank is a place for depositing or storing money, giving or distributing credit (Harahap dan Saraswati, 2020). Several fundraising activities such as savings and time deposits are mandatory banking operations which will later be used to provide funds for lending activities. Bank's operational activities, both fundraising and lending are interrelated, such as the effect of savings on lending and the effect of deposits on lending.

LITERATURE REVIEW

Defenition of Bank

According to (Indonesia 1998) explained that bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit. Basically, the bank has a function as a financial institution that connects parties

who need and those who experience a surplus of funds and channeling funds to deficit units. (Bimo Yuristio W 2018). Banks are some of the company's main funding sources, the failure of a bank impacting on companies (Wibowo 2016). Banks as third party fund collectors have a role to provide loans in the form of credit for companies. Credit provided by banks comes from the public (Suryaputra, Bandi, and Setiawan 2017).

Function of Bank

The main function of banks is to collect funds from the public and channel them back to the public for various purposes. To carry out its function as a fundraiser, the bank has several sources, there are three sources:

1. Funds sourced from the bank itself in the form of capital deposits.
2. Funds sourced from the general public collected through banking businesses such as demand deposits and time deposits
3. Funds sourced from financial institutions obtained from loan funds.

On the other side, the funds collected by the bank are channeled to the public in the form of credit (Hj. Sri Langgeng Ratnasari, S.E. 2014). The role of the national banking system needs to be improved in accordance with its function in collecting and distributing public funds (Indonesia 1998).

Bank Business Activities

Banks as financial institutions that work based on public trust have a strategic role and position in economic development. The main function of the bank is to collect funds from the public and distribute them to the public in the form of credit (Paparang 2016).

Bank activities in Indonesia, are as follows:

1. Raising Funds
   Fundraising is an activity to buy funds from the public (funding activity).
2. Channeling funds
   Distributing funds is an activity to sell funds that have been collected from the community (lending activity). (Hj. Sri Langgeng Ratnasari, S.E. 2014)

Savings

According to (Indonesia 1998), deposits can only be withdrawn according to certain agreed conditions. Public deposits are funds that have been successfully collected by banks as a very important aspect for the business and subsequently used as funds in lending activities (Sutasari, Aryawan, and Purnami 2018).

Deposits

According to (Indonesia 1998) deposits can only be withdrawn according to certain time based on the agreement. Deposit is an amount of funds placed on deposit account (Baidoo, Bagina, and Tobazza 2018). Another definition according to (Badjra 2015) is savings which deposit is made at once with a certain interest and period of time.

Credit

Credit can be described as a temporary giving of money to someone in the hope that it will be repaid (Oladele John 2014). Credit is the ability to carry out a purchase or make a loan with a promise that the payment will be made in agreed period of time (Sutasari, Aryawan, and Purnami 2018). Besides that, credit is also a financial facility that allows people or business entity to borrow money to buy products and pay it back within period of time. (Sutasari, Aryawan, and Purnami 2018). Credit risk can be sourced from various functional activities of the bank such as credit, treasury, investment and trade financing (Henny Sjafitri S.E M.Si 2011).

Elements of Credit

Credit has several elements contained in the notion of credit itself. These elements include:

1. Term, each financing provided has a certain period of time, this period includes the agreed repayment period (Fathimah 2017).
2. Risk, there is a risk that may arise during a certain period of time between granting and repayment (Andrianto 2020).
3. Treaty or Agreement, between the creditor and the debtor there is an agreement and evidenced by the existence of an agreement (Andrianto 2020).

RESEARCH METHOD

Types Of Research

This study uses a descriptive research method, where this study collects detailed data from various literatures and then conveys in-depth conclusions systematically and actually.

Data Collection Technique

The technique used is sampling technique where the sample taken is Bank BNI, Bank Mandiri, Bank Syariah Indonesia and Bank BRI with a period of quarter 1 to 4 for 2020 to 2021. For 2022 using quarterly 1 and 2 financial reports.

Data Analysis

Analysis of the data used in this study as follows:

1. Descriptive Statistics Test
   According to (Prof. Dr. H Imam Ghozali, M.Com 2016) Descriptive Statistic test provides an overview or description of data seen from the average value, standard deviation, maximum and minimum.
2. Normality Test
   According to (Prof. Dr. H Imam Ghozali, M.Com 2016) Normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution.
3. Heteroscedasticity Test
   According to (Prof. Dr. H Imam Ghozali, M.Com 2016) 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.
4. Multicollinearity Test
   According to (Prof. Dr. H Imam Ghozali, M.Com 2016) Multicollinearity test aims to test whether the regression model found a correlation between independent variables (independent).
5. Autocorrelation Test
   According to (Prof. Dr. H Imam Ghozali, M.Com 2016) Autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period t-1 (previous).
6. Multiple Linear Analysis Test
   According to (Prof. Dr. H Imam Ghozali, M.Com 2016) Multiple Linear regression analysis was used to determine the effect of the independent variable with the dependent variable.
7. T Test
   According to (Dini Purwanto 2018) The t-statistical test aims to determine whether there is an influence of each independent variable individually on the dependent variable. The t test with the provisions of t count > t table then the independent

variables each have an effect on the dependent variable and otherwise if t count < t table then each independent variable has no effect on the dependent variable.

8. F test
   According to (Dini Purwanto 2018) Statistical f Test is used to show that all independent variables in the regression model together have a simultaneous effect on the dependent variable.

9. Coefficient of Determination test
   According to (Prof. Dr. H Imam Ghozali, M.Com 2016) The coefficient of determination is the square of the correlation coefficient related to the independent variable and the dependent variable.

RESULTS

Descriptive Statistics Test

The results discussed in this study consist of the results of descriptive statistical analysis, the classical assumption test, the multiple linear regression analysis and the hypothesis testing. The results of the study used the SPSS 24 statistical application.

Table 1. Descriptive Statistics Example (*N* =40)

	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
Public Savings	40	7.037.943.000.000	729.168.611.000.000	381.048.883.000.000	238.246.228.200.000
Deposits	40	2,0105	102,5585	70,3450	35,1019
Credit	40	313.169.000.000	1.111.777.871.000.000	624.314.802.900.000	396.925.129.300.000
Valid N (listwise)	40				

Based on Table 1 above, it can be seen that:

1. The number of data used is 40 consisting of 4 banks in state-owned Commercial Banks listed on the Indonesia Stock Exchange for 3 periods, namely the 2020-2022 period.
2. The Credit Distribution Variable has a minimum value of 313,169,000,000 owned by PT. Bank Syariah Indonesia Tbk in the 4th quarter of 2020 and a maximum value of 1,111,777,871,000,000 owned by PT. Bank Mandiri Indonesia (Persero) Tbk in the 2nd quarter of 2022. The mean value in this variable is 624,314,802,900,000 and has a standard deviation of 396,925,129,300,000.
3. The Public Savings Variable has a minimum value of 7,037,943,000,000 owned by PT. Bank Syariah Indonesia Tbk in the 4th quarter of 2020 and a maximum value of 729,168,611,000,000 owned by PT. Bank Negara Indonesia (Persero) Tbk in the 1st quarter of 2022. The mean value is 381,048,883,000,000 and the standard deviation is 238,246,228,200,000
4. Deposits Variable has a minimum value of 2.0105 owned by PT. Bank Syariah Indonesia Tbk in the 4th quarter of 2020 and a maximum value of 102.5585 owned by PT. Bank Mandiri Indonesia (Persero) Tbk in the 1st quarter of 2020, the average value is 70.3450 and the standard deviation is 35.1019.

Normality Test

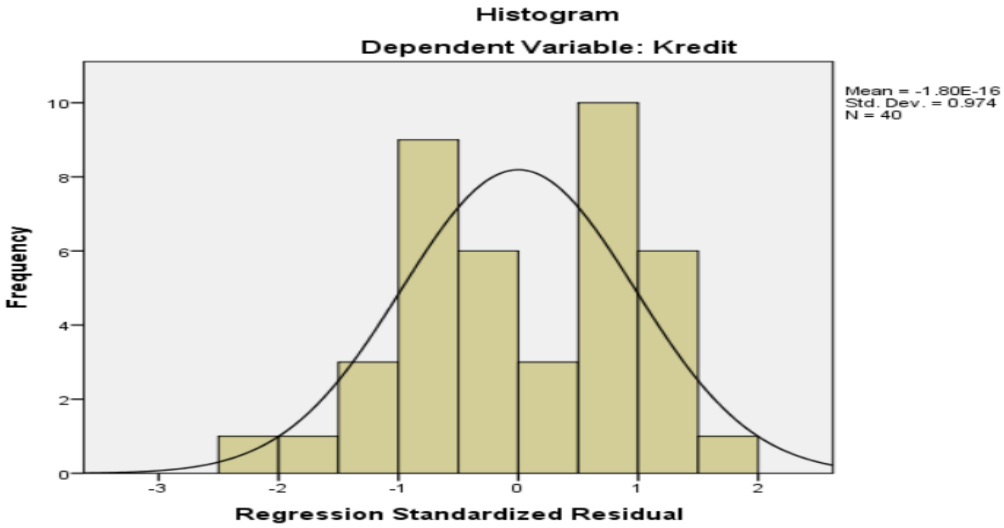

Figure 1. Normality Test (Histogram)
Based on Figure 1 above, it can be explained that the data spreads around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern, then the regression is considered to meet the assumption of normality.

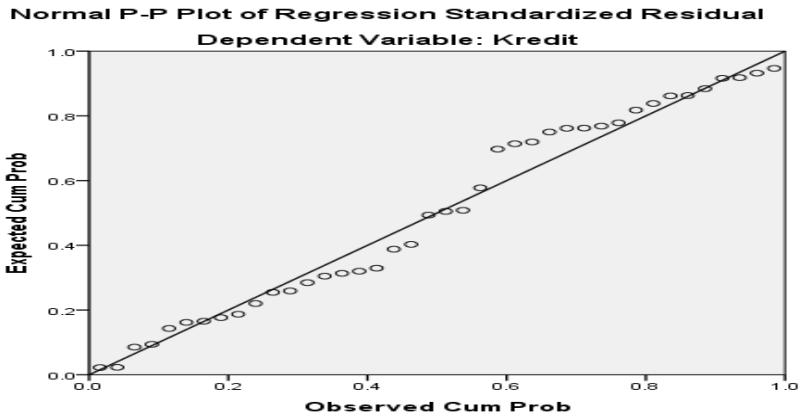

Figure 2. Normality Test (Normal Probability Plots)
Based on Figure 2 above, it can be explained that the data spreads along a diagonal line. The results of this test indicate that the data is normally distributed.

Table 2. Normality Test (Kolmogorov-Smirnov)

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		40
Normal Parameters[a,b]	*Mean*	-0.0218750
	Std. Deviation	1,2558285229097
Most Extreme Differences	*Absolute*	0.127
	Positive	0.100
	Negative	-0.127
Test Statistic		0.127
Asymp. Sig. (2-tailed)		.103[c]

Based on Table 2 above, it can be seen the value of asymp. Sig (2-tailed) is greater than 0.05, which is 0.103. The results of this test indicate that the data is normally distributed.

Heteroscedasticity Test

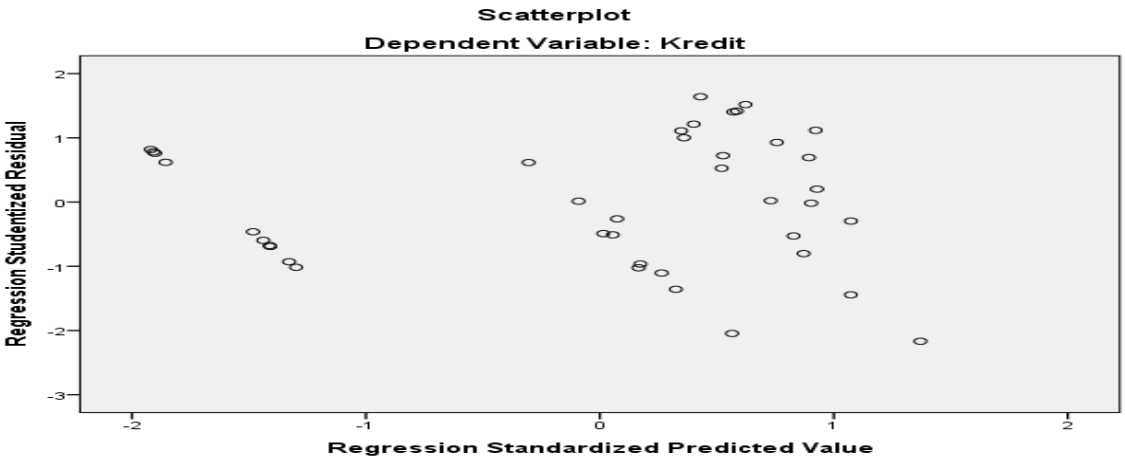

Figure 3. Heteroskedasticity Test
Based on Figure 3 above, it can be explained that the data processing points spread below and above the origin point (number 0) on the Y axis and do not have a regular pattern. The results of this test indicate that there is no heteroscedasticity or homoscedasticity.

Multicollinearity Test
Table 3. Multicollinearity Test

Coefficients[a]

Model		*Collinearity Statistics*	
		Tolerance	*VIF*
1	*(Constant)*		
	Public Savings	.294	3.403
	Deposits	.294	3.403

a. *Dependent Variable*: Credit

Based on Table 3 above, it can be seen that the Community Savings and Time Deposit variables have a tolerance value of 0.294 > 0.10. The variables of Community Savings and Time Deposits have a *Variance Inflation* Factor (VIF) value of 3,403 < 10, so it can be concluded that Community Savings and Time Deposits do not exist or do not experience symptoms of multicollinearity.

Autocorrelation Test

Table 4. Autocorrelation Test

Model	*Durbin-Watson*
1	2.229

a. *Predictors*: (*Constant*), *Deposits, Public Savings*

b. *Dependent Variable: Credit*

Based on Table 4 above, the Durbin-Watson value (d) is 2,053. This value will be compared with the value of the Durbin-Watson table which uses a significance of 5% for the number of samples (n) as many as 40 and the number of independent variables (k) as much as 2. Based on the Durbin-Watson table, it can be seen that the dL value is 1.3908 and the dU value is 1.6000. . Therefore, the values of d, dL, dU meet the Vth criteria with the condition that dU < d < 4 – dU (1.6000 < 2.229 < 4 – 1.6000), with a value of 1.6000 < 2.229 < 2.4000. The results of this test indicate that there is no positive or negative autocorrelation.

Multiple Linear Analysis Test

The following is a table of results from the Multiple Linear Regression Analysis Test, the Multiple Linear Regression Equation Formula:

$Y = a + \beta_1 X_{1+} \beta_2 X_{2+} e$

Table 5. Multiple Linear Analysis Test

Coefficient[a]

Model		*Unstandardized Coefficients*		*Standardized Coefficients*
		B	*Std. Error*	Beta
1	(Constant)	-121,066,274,494,693	46,236,483,780,620	
	Public Savings	-0.727	0.160	-0.437
	Deposits	14,536,376,520,160	1,084,962,582,653	1.286

Based on Table 5 above, it can be seen that the multiple linear regression equations in this study are:

Total Credit Distribution = -121,066,274,494,693 - 0,727 Public Savings + 14,536,376,520,160 Deposits + e

The above equation can be explained as follows:

1. Constant value of (α) of -121,066,274,494,693 shows that if the variable value of Public Savings and Time Deposits is 1 or fixed, then credit distribution will be decrease by 121,066,274,494,693 units.
2. Coefficient Value $X_1(\beta_1)$ Public Savings variable is -0.727 indicating that the public savings variable (X_1) against Credit has decreased by 1 unit, then the value of Credit will decrease by 0.727 units.
3. Coefficient Value $X_2(\beta_2)$ Deposit Variable is 14,536,376,520,160 shows that Deposit variable (X_2) against Credit has increased by 1 unit, then the value of Credit will increase by 14,536,376,520,160 units.

T Test

Table 6. Partial Significance Test (t Test)

Model		t	*Sig.*
1	*(Constant)*	-2.618	.013
	Savings	-4.551	0.000
	Public Deposits	13.398	0.000

Based on Table 6 above, the Community Savings Variable (X1) has a value of tcount (-4.551) < ttable (2.0243) with a significant level of 0.000 <0.05 so it can be concluded that partially the Community Savings variable has no significant and significant effect on Credit Distribution and Deposit Variables. (X2) has a value of tcount (13.398) > ttable (2.0243) with a significant level of 0.000 <0.05 so it can be concluded that the Deposit variable has a significant effect on credit.

F Test

Table 7. Simultaneous Significance Test (F Test)

Model		F	*Sig.*
1	*Regression*	166.311	,000[b]
	Residual		
	Total		

Based on Table 7 above, it can be seen that the value of Fcount (166.311) > Ftable (3.25) with a significance of 0.000 <0.05, it can be interpreted that the hypothesis is accepted in other words Public Savings and Time Deposits simultaneously have a significant effect on Credit Distribution.

Coefficient of Determination Test

Table 8. Coefficient of Determination Test

Model	R	*R Square*	*Adjusted R Square*
1	0.949[a]	0.900	.894

a. *Predictors*: (*Constant*), Deposits, Public Savings

b. *Dependent Variable*: Credit

Based on Table 8 above, it can be seen that the R Square value is 0.900 or 90.0%. This means that 90.0% of the Credit variable is influenced by the Community Savings and Time Deposit variable, while the remaining 10.0% of the Credit Distribution variable can be influenced by other variables not examined in this study.

DISCUSSION

The Effect of Public Savings on Credit Distribution

Based on the results of a partial test, Public Savings has no effect on Credit Distribution. This can be seen from the results of partial hypothesis testing (t test) which shows tcount < ttable, namely -4.551 < 2.0243 and significant value < 0.05, with a value of 0.000 < 0.05. Based on this, the first hypothesis (H1) is rejected.

The Effect of Deposit on Credit Distribution

Based on the partial test, Deposits have a significant effect on Credit Distribution. This can be seen from the results of partial hypothesis testing (t test) which shows tcount > ttable, namely 13.398 > 2.0243 and a significant value < 0.05, with a value of 0.000 < 0.05. Based on this, the second hypothesis (H2) is accepted.

The Effect of Public Savings and Deposit on Credit Distribution

Based on the results, Public Savings and Time Deposits have a significant effect on Credit Distribution. This can be seen from the results of simultaneous hypothesis testing (F test) which shows Fcount (166.311) > Ftable (3.25) with a significance of 0.000 <0.05, it can be interpreted that the third hypothesis (H3) is accepted in other words Community Savings and Deposits simultaneously have a significant effect on Credit Distribution. Based on this, the third hypothesis (H3) is accepted.

CONCLUSION

Based on the results of the analysis and discussion that has been done, the conclusions in this study are public saving has no significant and significant effect on lending, this can be seen from the results of partial hypothesis testing (t test) which shows $t_{count} < t_{table}$ is -4.551 < 2.0243 dan significant value < 0.05 namely with a value of 0.000 < 0.05. Based on this, the first hypothesis ($H_{1)}$ is rejected.

Deposits have a significant effect on lending, this can be seen from the results of partial hypothesis testing (t test) which shows $t_{count} > t_{ttable}$ is 13.398 > 2.0243 and significant value < 0.05 with value 0.000 < 0.05. Based on this, the second hypothesis (H_2) is accepted.

Public savings and deposits have a significant effect on lending, this can be seen from the results of simultaneous hypothesis testing (F Test) which shows F_{count} (166,311) > F_{table} (3,25) with a significance 0,000 < 0,05 so it can be interpreted that the third hypothesis (H_3) is accepted in other words, public savings and deposits have a significant effect on lending simultaneously. Based on this, the third hypothesis (H_3) is accepted.

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