The Influence Of Financing And Third Party Funds (Dpk) Towards 
Roa Of Islamic Rural Banks (Bprs) In Sumatera Barat

Rizal,¹ Khairil Faizal Khairi², Ifelda Nengsih³

Fakultas Ekonomi Dan Bisnis Islam IAIN Batusangkar¹,³ 
Faculty Of Economics And Muamalat ,Universiti Sains Islam Malaysia²

Abstract
This Research Aims To Investigate The Influence Of Financing And Third 
Party Funds (Dpk) Towards The Return On Assets (Roa) Of Islamic Rural 
Banks (Bprs) In West Sumatera. This Field Research Is A Quantitative Study 
With Seven Pt Bprs In West Sumatera As The Object Of The Research. 
This Research Uses Secondary Data In The Form Of Panel Data Which 
Combined Cross Section And Time Series Data. The Panel Data Are 
Quarterly Financial Statements From 2016 To 2018 Which Are Recorded 
In Financial Service Authority (Ojk). The Result Of This Research Shows 
Financing And Third Party Funds (Dpk) Influence Roa In The Amount Of 
59,65% Simultaneously. The Rest Of It Are Influenced By Other Factors 
That Are Not Investigated. Partially, Financing Is The Only Subject That 
Has Influence Toward Roa. Meanwhile, Third Party Funds Had No 
Significant Influence Towards Roa Of Seven Bprs In West Sumatera. This 
Case Is Interesting To Be Researched Since Quantitative Data Reflects 
Fluctuation Based On Financing From 2016 Until 2018 While Dpk Tend 
To Increase. However, Financing Is The Only Subject That Has Significant 
Influence Towards Roa. The Novelty Of This Product Is Roa Which Not 
Influenced Significantly By Third Party Funds Whereas The Increase Of 
Third Party Funds, The Greater The Provision Of Financing, And The 
Greater Roa Will Be. Even Though, Third Party Fund Always Increase. 
Then, Roa Is Actually Influenced By Other Factors Besides Financing And 
Third Party Funds For 40,35% Which Can Be Researched As Further 
Studies By Other Researchers.

Keywords : Roa, Financing, And Third Party Funds (Dpk)
A. INTRODUCTION

Islamic Rural Banks (Bprs) (Rifa’i, 2017) is one of profit-oriented Sharia financial institutions (Harianto, 2017). This financial institution established since 1991 (Azmy, 2018). The development of Islamic rural banks in Indonesia is increased. Based on statistic data from Ojk since February 2020 shows the amount of Bprs are 163 units which spread through 33 provinces with 258.651 m of total income with financing given in total amount of 10.426.783 t and third party funds (Dpk) is of 9.078.262 t. This significant amount will be a challenge and chance at the same time for Bprs to be able to serve the customer from micro business. On the other hand, this development of Bprs is interesting to be researched from every aspect of study. For example, the influence of inflation, interest rate, domestic gross product (Pdb) towards return on assets (study of Islamic rural banks in Indonesia 2009-2016) (Cahyani, 2018). Financing banks profitability analysis of Islamic rural banks: is the ownership of management take effect? (Fithria, 2018).

Analysis of the influence of financial performance towards Islamic rural banks profitability in Indonesia (Azmy, 2018). The influence of liquidity management towards financial performance of Islamic rural banks in Indonesia (Anwar, 2016). Analysis of Mudharabah financing towards the development of net profit of pt. bank perkreditan rakyat syariah amanah insan cita william iskandar medan (Muslih, 2017). Another question needs to be answered through research like Bprs in West Sumatera specifically the influence of financing and third party funds (Dpk) towards return on assets (Roa). Therefore, the researchers are interested in conducting this research.

The development of Roa, Dpk and financing towards Bprs in West Sumatera from 2016-2018 can be seen through the following table:
The Development Of Roa Of Bprs In West Sumatera From 2016-2018 Tend To Fluctuate. In 2016 Roa Of Bprs Is 0.845% And It Is Fluctuated 1.242% In 2017. However, It Is Declined To 1.013% In 2018. During 2016 Until 2018, Financing On Bprs In West Sumatera Also Tend To Fluctuate. In 2016, Financing On Bprs Is 22,211,058,500 And Declined To 19,979,325,464 In 2017. However, It Is Increased To 21,708,616,000 In 2018. On The Other Hand, Third Party Funds (Dpk) During 2016 To 2018 Of Bprs In West Sumatera Tends To Increase Every Year. Third Party Funds (Dpk) In Bprs Is Increased To 20,224,298,250 In 2016 And It Is Declined To 21,068,161,821 In 2017. However It Increased To 23,982,905,214 In 2018.


As It Is Explained Previously, The Research Gap Appears In Bprs In West Sumatera. When Financing In 2017 Declines Yet Roa Increases. It Is Also
Parallel With Dpk Which Also Increases. When Financing Is Increased In 2018, Roa Is Decreased. Third Party At The Same Time Continues To Increase. Therefore, This Case Needs A Further Research Regarding The Influence Of Financing And Third Party Funds (Dpk) Towards Roa In Islamic Rural Banks (Bprs) In West Sumatera. Based On The Background Of The Research, There Are Three Formulation Of The Problem; 1) Is There Any Influence Of Financing Towards Roa? 2) Is There Any Influence Of Dpk Towards Roa? 3) How Much Is The Influence Of Financing And Dpk Towards Roa

B. THEORITICAL


Each Ratio Is Related To One Another. Its Relationship Can Be Positively And Negatively. Having A Positive Relationship Indicates The Increase In The Value Of One Ratio Will Increase The Value Of Another Ratio. Otherwise, The Decrease Of One Ratio Will Decrease The Value Of Another Ratio. Meanwhile, A Negative Relationship Is That If One Ratio Of Value Increases, It Will Decrease The Value Of The Other Ratio.

Referring To This Research, The Following Ratios Are Used As The Basis Of This Research:

1. Return On Asset (Roa)

Mukuan, 2016). Profitability is able to evaluate the ability of a BPRS to support operational and capital activities through quantitative and qualitative assessments.

Return on assets (ROA) (Saifudin and Pribadi, 2017) will provide an overview of bank managers' ability to operate bank assets entrusted to them for profit. This profitability ratio also describes the work efficiency of the bank (Ananda, 2012).

The criteria of assessing for return on asset based on rating are the first rank is ROA > 1.450%, the second rank is 1.215% < ROA ≤ 1.450%, the third rank is 0.999 < 1.215%, the fourth rank is 0.765% < ROA ≤ 0.999% and the fifth rank is ROA ≤ 0.765% (OJK, 2019).

Return on asset is an indicator reflects if this ratio increases, bank assets have been used optimally to generate income (Qohar, A., & Munir, 2017). The greater the ROA of a bank, the greater the level of profit achieved by the bank and the better position of the bank in terms of asset use (Mokoagow, S. W., & Fuady, 2015).

2. Financing

The concept of financing in Islam (Ismal, 2010) differs with that of conventional financing. Loan is the main mode under conventional financing using interest rate as a time value for borrowed money. The Quranic injunction prohibits financial activities that have interest element and/or has no genuine nexus to trading activities under the Shariah (Islamic law) (Abdul Razak and Fauziah, 2011). Islamic financing refers to the provision of financial services in accordance with Islamic teachings (Shariah). (Kammer et al., 2015) Shariah bans interest (Riba) or usury, products with excessive uncertainty (Gharar), gambling (Maysir), short sales, as well as financing of prohibited activities that it considers harmful to society (Bananuka et al., 2020). Financing (Suci and Hardi, 2019) for investment and working capital with the aim of expedites economic mechanisms in the real sector through business (investment, buying and selling, etc) (Nuriyah, 2018). Financing to deposit ratio (FDR) can be used to measure disbursed financing effectiveness level. So, if the financing to deposit ratio (FDR) increases, bank profits will also increase, assuming that the bank can channel financing effectively (Sudarsono, 2017c). Financing to deposit ratio (FDR) (Yolanda, 2017) states the extent to which the bank's ability to pay back withdrawals made by depositors by relying on credit provided as a source of liquidity. The
Greater the financing, the higher the income earned, because the income increases automatically the profit will also increase (Azmy, 2018c). The success of banks in performing the intermediary function can be seen from the percentage of the loan to deposit ratio (LDR). In other terms financing is the total financing managed by Islamic banks. (Nuriyah, 2018)

3. Third Party Funds (Dpk).

Third Party Funds (TPF) are funds deposited by the public to banks in the form of demand deposits, savings deposits, and time deposits. On the other hand, TPF for the bank itself is a source of funds to be disbursed in financing activities, placements with other banks, and others. TPF is a source of funds for financing, so it is strongly suspected to affect the financing of MSMEs (Nuriyah, 2018). Funds sources are the main thing needed by banks in conducting operations, the greater the available funds, the greater the chance for the bank to carry out its functions (Anggreni and Suardhika, 2014). The growth of third party fund cause banks are able to channel more financing to customers, so that the bank had the opportunity to obtain a higher income. In other words, TPF has a positive relationship to profitability (Husaeni, 2017).

C. METHODOLOGY

The method used in this research was a quantitative method with secondary data in the form of panel data which derived from mix data of cross section and time series. This panel data is consist of seven BPRS in West Sumatera in the form of quarterly financial statements from 2016 to 2018. Seven BPRS are BPRS Al Makmur, BPRS Barakah Nawaitul Ikhlas, BPRS Gajah Tongga Koto Piliang, BPRS Mentari Pasaman Saiyo, BPRS Al Haji Miskin, BPRS Carana Kiat Andalas, and BPRS Ampek Angkek Canduang. Meanwhile, data source of this research is secondary data in the form of financial authority services report. In this research there are two variables used; financing and third party funds (Dpk) as independent variable and return on assets (ROA) as dependent variable. Regression analysis technique is used because the data which analyzed are panel data. Therefore, the technique used is the development of linear regression by using the ordinary least square (OLS) method. The technique of data analysis is using statistic Eviews. This analysis technique has several steps such as:
Regression Model Selection

The equation of data panel regression model is shown as below.

\[ Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \epsilon_{it} \]

Explanation:
- \( Y \) = Return on Assets (Roa)
- \( X_1 \) = Financing
- \( X_2 \) = Third Party Funds (Dpk)
- \( I \) = Unit (Bank)
- \( T \) = Period of Time (Annual/Quarterly)
- \( \alpha \) = Constant
- \( \epsilon \) = Output Variable

There are three techniques in estimating the parameter of panel data;
1. **Common Effect**, this technique is combined cross section data and time series as a whole without differentiate the period of time and bank.
2. **Fixed Effect**, this technique is estimating panel data by using dummy variable to cover the different intercept.
3. **Random Effect**, this model is estimating panel data where interference variable is connected to period of time and bank (Enterprise). (Widarjono, 2005).

Moreover, Widarjono says there are three tests used to choose techniques of data panel estimation such as; Chow Test, Hausman Test and Lagrange Multiplier Test. In Chow Test, if prob value in F are lower than significance, then the choice goes to Fixed Effect than Common Effect. If prob in F are greater than significance then Common Effect will be chosen rather than Fixed Effect. In Hausman Test, Chi squares are observed. If prob of Chi squares are lower than significance then Fixed Effect will be chosen than Random Effect. If prob of Chi squares are higher than significance then the choice will be Random Effect than Fixed Effect. In Lagrange Multiplier Test, if prob value are lower than significance then Random Effect will be chosen than Common Effect. If prob are greater than significance value then Common Effect are selected than Random Effect. However, Nachrowi (2006) said besides the
Consideration Above, We Can Also Look At Period Of Time (T), If T Is Greater Than Total Of Enterprises (Bank) Then Fixed Effect Model Are Recommended And If Period Of Time (T) Way Lower Than Enterprises (Bank), Random Effect Are Recommended To Be Used. Based On Data Collected In This Research, It Shows That Period Of Time Are Greater Than Enterprises (Bank), So It Decided To Use Fixed Effect Model.


D. RESULTS AND DISCUSSION

Classic Assumption

Fixed Effect Is A Model Chosen To Be Used In This Research. Because This Research Used Fixed Effect Classic Assumption, Test Was Needed. The Result Of Classic Assumption Test Described As Below:

Normality Test

The Result Of Normality Test Used Jarque Bera Method Is Shown Through Picture Below.
Based on Picture 1, it shows *Jarque-Bera* probability value in the amount of 0.610317. *Jarque-Bera* probability value is greater than significance that is 0.610317 > 0.05. Thus, it can be concluded that residuals are distributed normally.

**Multicollinearity Test**
The result of multicollinearity is shown as follows.

<table>
<thead>
<tr>
<th>Command</th>
<th>Capture</th>
</tr>
</thead>
<tbody>
<tr>
<td>View</td>
<td>Proc</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Correlation</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>X1</strong></td>
</tr>
<tr>
<td><strong>X1</strong></td>
<td>1.000000</td>
</tr>
<tr>
<td><strong>X2</strong></td>
<td>0.788058</td>
</tr>
</tbody>
</table>

Based on Picture 1 it shows that each correlation of free variable in the amount of 0.788058 is lower than 0.85. It means multicollinearity problem are not existed.

**Auto Correlation Test**
Based on the result of Breuch-Godfrey model analysis, it shows the value as follows.
Table 2  
Breusch-Godfrey Serial Correlation Lm Test: 
Null Hypothesis: No Serial Correlation At Up To 2 Lags

<table>
<thead>
<tr>
<th>F-Statistic</th>
<th>24.76794</th>
<th>Prob. F(2,80)</th>
<th>0.0000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obs*R-Squared</td>
<td>32.12248</td>
<td>Prob. Chi-Square(2)</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

Based On Table 2 It Shows That Chi Squares Probability Value In The Amount Of 0.0000. Probability Value Are Lower Than Significance Value Which Decided In The Amount Of 0.0000 < 0.05. So, It Can Be Concluded That Auto Correlation Happened.

**Heteroscedasticity Test**

There Are Several Methods Available To Do Heteroscedasticity Test Such As; White, Cross Terms, Even Without White Cross Terms. In This Research White Method Are Used With The Result Present In The Table As Follows.

Table 3  
Heteroscedasticity Test: White 
Null Hypothesis: Homoscedasticity

<table>
<thead>
<tr>
<th>F-Statistic</th>
<th>2.193614</th>
<th>Prob. F(2,81)</th>
<th>0.1181</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obs*R-Squared</td>
<td>4.315953</td>
<td>Prob. Chi-Square(2)</td>
<td>0.1156</td>
</tr>
<tr>
<td>Scaled Explained Ss</td>
<td>4.644079</td>
<td>Prob. Chi-Square(2)</td>
<td>0.0981</td>
</tr>
</tbody>
</table>

Based On Table 3 It Shows Probability Value Of Chi Squares In The Amount Of 0.0981. From The Table Above It Shows That Probability Value Of Chi Squares Is Greater Than Significance That Are Set In The Amount Of 0.0981 > 0.05. It Means There Are No Heteroscedasticity.

Seeing The Result Of Four Test Of Classic Assumption, It Shows That There Are One Assumption That Are Not Fulfilled; Auto Correlation. Because There Are Only One Classic Assumption That Are Not Fulfilled, It Can Be Decided That This Research Are Reasonable To Use Fixed Effects Model.
Eligibility Model Test

Based on Nachrowi statements (2006) if period of time (T) are greater than the amount of enterprises, then fixed effect could be used. However, to make it way certain eligibility model test used. The result of that test are presented in the table below.

Table 4
Dependent Variable: Y
Method: Panel Least Squares
Date: 05/10/20   Time: 13:34
Sample (Adjusted): 3/01/2016 12/01/2018
Periods Included: 12
Cross-Sections Included: 7
Total Panel (Balanced) Observations: 84

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>T-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>0.831585</td>
<td>0.415129</td>
<td>2.003197</td>
<td>0.0494</td>
</tr>
<tr>
<td>X1</td>
<td>-1.75e-11</td>
<td>8.21e-12</td>
<td>-2.129003</td>
<td>0.0371</td>
</tr>
<tr>
<td>X2</td>
<td>2.64e-11</td>
<td>1.98e-11</td>
<td>1.332460</td>
<td>0.1874</td>
</tr>
</tbody>
</table>

Effects Specification

Cross-Section Fixed (Dummy Variables)
Period Fixed (Dummy Variables)

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Root Mse</td>
<td>0.525908</td>
<td>R-Squared</td>
</tr>
<tr>
<td>Mean Dependent Var</td>
<td>1.033690</td>
<td>Adjusted R-Squared</td>
</tr>
<tr>
<td>S.D. Dependent Var</td>
<td>0.948493</td>
<td>S.E. Of Regression</td>
</tr>
<tr>
<td>Akaike Info Criterion</td>
<td>2.028810</td>
<td>Sum Squared Resid</td>
</tr>
<tr>
<td>Schwarz Criterion</td>
<td>2.607576</td>
<td>Log Likelihood</td>
</tr>
<tr>
<td>Hannan-Quinn Criter.</td>
<td>2.261469</td>
<td>F-Statistic</td>
</tr>
</tbody>
</table>
| Durbin-Watson Stat   | 1.420532  | Prob(F-Statistic)           | 0.688862

Eligibility Model Test are reflected from F test result. Based on Table 4 probability F are lower than significance (0.000000 < 0.05). It means H0 are rejected. In another words, bigger variable are influence dependent variable
Simultaneously, Adjusted R-Squared Value Are In The Amount Of 0,596493 That Shows The Influence Of Dummy Variable Through Dependent Variable In The Amount Of 59,65% While The Rest Are Influenced By Other Variables.

Hypothesis Test Of Each Variable
a. First Hypothesis
H0: Financing Has No Significant Effect Towards Return On Assets (Roa)
Ha: Financing Has Significant Effect Towards Return On Assets (Roa)
Based On Table 3 It Shows Coefficient B1 -0,75e-11 With T-Statistic -2, 129003 And Probability (Significance) 0,0371. Probability Value Are Lower Than Significance (0,0371 < 0,05). It Can Be Concluded H0 Is Rejected Because There Are Significant Effects In Financing Towards Roa.

b. Second Hypothesis
H0: Third Party Funds (Dpk) Has No Significant Effect Towards Roa
Ha: Third Party Funds (Dpk) Has Significant Influence Towards Roa
Based On Table 3 It Shows Coefficient B2 2,64e-11 With T-Statistic 1,332460 And Probability (Significance) 0,1874. Probability Value Are Greater Than Significance (0,874 > 0,05). Based On The Result, H0 Are Not Rejected Because There Are No Significant Influence Of Third Party Funds Towards Roa.

Model Interpretation
Regression Equation Resulted Based On Regression Analysis Of Panel Data Are Followed As Below.

\[ \hat{Y}_{it} = 0,831585 + (-1,75E - 11)X_1 + 2,64E - 11X_2 + e \]

Based On The Regression Equation Stated Earlier, It Can Be Interpreted As Follows. (First) Based On The Equation Above, It Shows Positive Constanta Value In The Amount Of 0,831585 Which Reflects Positive Influence Of Independent Variable (Financing And Third Party Funds). If Independent Variable Are Higher Or Influencing In A Unit, Then Return On Assets (Roa) Will Increase And Fulfilled. In Another Word, If There Are No Financing And Third Party Funds Variable Then Return On Assets (Roa) 0,831585. (Second) Coefficient Value Of Regression Variable In Financing (X1) Towards Return On Assets (Roa) (Y) Is -1,75. It Means If Financing Is Increased, Then Return

E. CONCLUSION


The Research Findings Reflect The Better Financing Will Impact To The Higher Return On Assets (Roa). On The Contrary, The Lower Financing Then Roa Will Be Much Lower. In Financing There Are Several Aspect That Needs To Be Concerned By Both Sides Such As; Profit Sharing Ratio That Has Been Negotiated And Level Of Actual Profit Business That Has Been Gotten. Therefore, Bank As The Owner Of The Funds Will Calculate The Ratio That Will Be Negotiated As Income Profit. However, Coefficient Value Of Financing Regression Variable (X1) Towards Roa (Y) That Is -1,75. It Means If Financing Is Increasing Then Roa Value Will Decrease In The Amount Of 1,75. Negative Value Of Coefficient Means That Between Financing And Roa Has Negative Relation. Financing Added Will Affect The Decrease Of Roa Value. This Interesting Finding Need To Be Researched To Find Factors Causing It. Theoretically, The Enhancement Of Financing Will Influence The Increasesment Of Roa. However, The Research Results Show The Opposite Of Theory. Thus,
It Will Necessary To Conduct Further Researches In Bprs (Islamic Rural Banks) In West Sumatera.

Meanwhile, Third Party Funds From This Research Shows That The Result Of T-Count Value In The Amount Of 1,332460 With Significance 0,0371 With Significance 0,1874. Probability Value Are Higher Than Significance (0,1874 > 0,05). It Means That H0 Are Not Rejected Because There Is No Significant Influence Of Third Party Funds Towards Return On Assets. It Means That Each Enhancement Of Third Party Funds Are Not Followed By Enhancement Of Return On Assets (Roa), Where If The Amount Of Third Party Funds Are Distributed To Financing, Then The Income From Financing Tends To Have No Enhancement And The Ability Of Bank To Obtain The Profit Are Not Increase Constantly.
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