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The performance of third-party funds, consumption credit and profitability

Herry Achmad Buchory*), RA. Dwi Utami Widyawati
Magister Management Program, Ekuitas Business School, Bandung, Indonesia

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ABSTRACT

Banks are financial institutions that can collect and distribute funds directly to the public for profit. In carrying out these functions and objectives, the bank has a strategy of raising funds and distributing credit. The purpose of this study was to determine the effect of Third-Party Fund Performance, and Consumption Credit on Profitability. The research method used is descriptive and verification methods with a quantitative approach with a sample of 28 units of secondary data. The data analysis technique used is multiple linear regression. The results of the research analysis show that partially Third-Party Funds have no significant effect on Return on Assets (ROA); Cost of Funds has a significant effect on ROA and Consumption Credit has no significant effect on ROA. Simultaneously Third-Party Funds, Cost of Funds, and Consumption Credit have a significant effect on ROA.

Corresponding Author:

Herry Achmad Buchory,
Magister Management Program, Ekuitas Business School
Email: achmad.buchory@gmail.com

Introduction

A Bank can be defined in term of (1) the economic functions it performs, (2) the services it offers its customer, or (3) the legal basis its existences. Certainly bank can be identified by the functions they perform in the economy. They are involved in transferring funds from savers to borrowers (financial intermediation) and in paying for good and services (Rose, 2013). The business of raising funds for banks is one of the important functions because if the bank can raise large amounts of funds, the bank will be able to provide large amounts of credit so that the bank's profitability will increase. Profitability is the ability of a bank to earn profits. Return on Assets (ROA) is a ratio that is generally used to measure the level of profitability of a bank. With the profitability, so the bank will be able to meet the wishes of the stockholder and maintain the continuity of bank operations.

When the bank collects third-party funds, the bank provides compensation in the form of interest. And the compensation provided by the bank is a cost of funds which is a burden for the bank. The cost of funds is the total interest costs incurred by banks to obtain deposit funds in the form of demand deposits, savings and time deposits (Kasmir, 2016). A bank's financing plan revealed that the leverage decision is influenced not only by the function of capital, but also by funding costs. (Graddy in Buchory, 2019). The greater the cost of funds, the greater the burden borne by the bank which will ultimately affect the level of bank profitability. Thus, it is clear that TPF and the cost of funds will affect the level of bank profitability.

From third party funds collected by banks, most of them are channeled in the form of credit. According to Law no. 10 of 1998 concerning amendments to Law no. 7 of 1992 concerning banking, states that credit is the provision of money or equivalent claims, based on an agreement on a loan agreement between a bank and another party which requires the borrower to repay his debt after a certain period of time with interest. According to the purpose of use, credit are divided into: (1). Working capital credit, is a credit for the company's working capital in the context of financing the company's current assets; (2). Investment credit, is a credit given to businesses to rehabilitate, modernize, expand or establish new projects; and (3). Consumption credit are loans given to third parties/individuals (including bank employees themselves) for consumption purposes in the form of goods or services by buying (Rivai & Permata, 2006). The distribution of consumption credit by banks continues to increase every year. Consumption credit for banks is considered profitable because it has a relatively small risk compared to working capital credit and investment credit. Many factors influence the increase in the distribution of consumption credit by banks. According to Irfan, et al., (2014: 1) several factors that influence the increase in consumption credit are: (a). Consumer credit interest rates; (b). Community income level,; and (3). inflation rate . Meanwhile, according to Faricha (2019) are: (a). Third-party funds; (b). inflation; (c). Capital Adequacy Ratio; and (d). Exchange Rates.

The Regional Development Bank of West Java and Banten Provinces as bank bjb is the largest Regional Development Bank (BPD) in Indonesia with total assets as of December 31, 2020, of IDR 133.559,935 million; Third Party Funds (TPF) of IDR 99,624,819 million; and Loans or Credits of IDR 89,095,582 million. (Financial Report, bank bjb, 2020). Bank bjb TPF for the 2019-2020 period increased by 19.54% above the growth of the national banking and the Regional Development Bank of Indonesia (BPDSI). However, the increase in TPF was followed by an increase in the cost of funds to 5.54% above the average for the national banking and BPDSI. For credit, distribution are dominated by consumption credit, which amounted to 77% of the total credit disbursed. The consumption credit by Bank bjb in the period 2019 - 2020 increased by 9.30% above national banking - 0.76% and BPDSI by 5.67%. (Financial Services Authority, Indonesia Banking Statistics, Vol. 19 No. 1, December 2020). Consumption credit is profitable and safe, but it is still necessary to be aware of the potential risks that may arise due to the concentration of lending. While the level of profitability of bank bjb as measured by Return on Assets (ROA) in 2020 was 1.62% higher than the National Banking average of 1.50%, but below the BPDSI average of 2.04% (The Authority Financial Services, SPI Vol. 19 No. 1, December 2020).

Based on empirical data sourced from the financial statements of bank bjb for the 2014 - 2020 period, a phenomenon occurred, namely, when TPF increased ROA also increased, this happened in 2015, 2016 and 2018. Furthermore, the variable cost of funds is measured by interest expense paid by banks, when the cost of funds increases, ROA also increases, this happened in 2013, 2015, and 2018. And for credit, when credit increased but ROA decreased, this happened in 2017, 2019 and 2020. This phenomenon contradicts the theory which states that if TPF increases, profitability (ROA) will decrease and vice versa. If the cost of funds increases then profitability (ROA) will decrease and vice versa and if credit increases then profitability will increase and vice versa.

From the results of several previous studies on the effect of TPF on profitability, inconsistent conclusions were obtained. For example, the results of research by (Katuuk, Kumaat, & Niode, 2018); Primadewi and Suputra (2015); and Buchory (2017) state that the Third Party Funds has a negative and significant effect on profitability. However, the results of research conducted by (Illiyah, Istanti, & Muniroh, 2018); (Sukmawati & Purbawangsa, 2016); state that third party funds have a positive but not significant effect on profitability. While the results of research conducted by (Pujiati, Kisman, & Bastaman, 2020), (Magdalena, Marpaung, & Indira, 2019), (Parenrengi & Hendratni, 2018), and (Yanti, Arfan, & Basri, 2018), (Husaeni, 2017), and (Edo & Wiagustini, 2014) conclude that third party funds have a positive and significant effect on profitability.

Then the results of previous research on the effect of the cost of funds on profitability conducted by Maryam (2016) stated that partially the cost of funds had an effect on profitability. Likewise, research conducted by (Heryanti, 2018) concludes that the cost of funds has a significant effect on profitability. Meanwhile, according to the results of research by Hardimansyah (2016) states that the cost of funds (COF) has a negative effect on Return on Assets. Likewise, according to the results of research by (Ilyas, 2015) which states that the cost of funds has a negative effect on profitability.

Likewise, previous research on the effect of consumption credit on profitability, obtained inconsistent conclusions. Research conducted by (Kumaritah, 2012) states that consumer credit has no significant effect on profitability. Meanwhile, the research result of (Meitasari, 2013) state that all types of credit, namely consumer credit, working capital credit and investment credit, have a contribution to bank profits. (Suharta & Siswanti, 2014) state that lending has a positive and significant effect on profitability. However, according to the results of research by Savitri and Dianingsih (2016), credit distribution has a negative effect on profitability.

The novelty of this research is to prove that to see the effect of third-party funds (TPF) on profitability, it is better to include the variable cost of funds. Then this study will also prove that the provision of consumption credit does not provide a significant advantage to profitability, because the turnover rate of funds on consumption credit is slower than other types of credit.

Based on the above phenomenon, the purpose of this study is to analyze the effect of the performance of third party funds (DPK) and consumer credit on profitability, either partially or simultaneously. The performance of TPF is measured by the amount of third-party funds collected and the cost of funds paid by the bank; Consumption credit is measured by the number of consumption credit disbursed by banks, while profitability is measured by Return on Assets (ROA). The hypothesis in this study can be formulated as follows:

H-1: Third Party Funds have a significant effect on profitability at Bank bjb for the period 2014 - 2020 partially

H-2: Cost of Funds has a significant effect on profitability at Bank bjb for the period 2014 - 2020 partially

H-3: Consumption credit has a significant effect on profitability at Bank bjb for the 2014 - 2020 period partially at Bank bjb for the 2014 - 2020 period, partially, and finally

H-4: Third Party Funds, Cost of Funds and Consumption Loans have a significant effect on Profitability at Bank bjb Period 2014 – 2020 simultaneously

Method

The research method used in this research is descriptive method is a method that aims to make a picture or descriptive of a situation objectively using numbers, starting from data collection, interpretation of the data and appearance and results (Arikunto, 2006) and verification method with a quantitative approach. Descriptive method is a statistical method used to analyze data by describing or describing the data that has been collected as it is without intending to make generally accepted conclusions or generalizations. While the verification method is a research method that aims to determine the quality between variables through a hypothesis test so that the results of the evidence show that the hypothesis is rejected or accepted. And the quantitative method is a research method where the research data is in the form of numbers, or quantitative data that is scored (Sugiyono, 2017). The descriptive method in this study is used to describe the research variables consisting of Third-Party Funds, Cost of Funds, Consumption Credit and Profitability (Return on Assets) at Bank bjb for the 2014 - 2020 period. While the verification method was used to test the effect of Third-Party Funds, Cost of Funds and Consumption Credit on Profitability at Bank bjb for the 2014 - 2020 period, either partially or simultaneously. The type of data used in this study is secondary data sourced from the Annual Report and Quarterly Published Financial Statements of Bank bjb for the Period 2014 – 2020 through the official website of Bank bjb. For technical data collection, the author uses data collection techniques by means of documentation. The number of samples is 28 units.

The data analysis technique in this study uses multiple regression analysis, which aims to measure how much influence the independent variable has on the dependent variable, by first doing the classical assumption test (Umar, 2014), which consists of: normality test; multicollinearity test; heteroscedasticity test; and autocorrelation test.

After performing multiple regression analysis, then the correlation coefficient analysis was carried out to determine the level of relationship between the independent variable and the dependent variable together. Furthermore, to measure how much the dependent variable is influenced by the independent variable, the coefficient of determination test (R^2) is carried out. Meanwhile, to test the significance level of the independent effect on the dependent variable, the t-test and F-test were used.

Results and Discussions

The Development of Third-Party Funds, Cost of Funds, Consumption Credit, and Return on Assets

Based on secondary data obtained from financial reports published by Bank bjb for the period 2014 – 2020, it is shown in Table 1. From the data in Table 1, it can be seen that the third-party funds, cost of funds and consumption credit have increased every year, except for the return on assets which has fluctuated and tends to decrease from 2016 to 2020. For a more in-depth analysis, the author also uses data on the quarterly financial statements for the 2014 – 2020 period as shown in Table 2.

Table 1. The Development of Third-Party Funds, Cost of Funds, Consumption Credit, and Return on Assets (Billion rupiahs)

Description	2014	2015	2016	2017	2018	2019	2020
Third-Party Funds	52.992	62.749	72.828	81.015	81.609	83.340	99.625
Cost of Funds	3.953	4.674	4.186	4.781	5.075	5.663	5.516
Consumption Credit	36.457	42.904	48.991	52.652	57.531	62.767	68.604
Return on Assets (%)	1,92	2,04	2,22	2,01	1,71	1,68	1,62

Source: Financial Statements of Bank bjb for the period 2014 - 2020, processed by the author.

Table 2. The Development of Third-Party Funds, Cost of Funds, Consumption Credit, and Return on Assets (Billion rupiahs)

Year	Third-Party Funds		Cost of Funds		Credit Consumption		Return on Assets	
	Amount	Growth	Amount	Growth (%)	Amount	Growth (%)	Amount	Growth (%)
2014/Q1	57.931	23,89	902	-68,80	34.158	6,54	2,36%	-9,58
2014/Q2	59.288	2,34	1.948	115,88	36.087	5,65	1,70%	-27,97
2014/Q3	61.451	3,65	2.834	45,50	37.028	2,61	1,69%	-0,59
2014/Q4	52.992	-13,77	3.953	39,49	36.457	-1,54	1,92%	13,61
2015/Q1	66.536	25,56	958	-75,77	39.280	7,74	2,53%	31,77
2015/Q2	77.385	16,30	2.228	132,58	40.550	3,23	1,77%	-30,04
2015/Q3	77.041	-0,44	3.439	54,38	41.571	2,52	1,79%	1,13
2015/Q4	62.749	-18,55	4.674	35,88	42.904	3,21	2,04%	13,97
2016/Q1	74.522	18,76	1.064	-77,23	44.354	3,38	2,55%	25,00
2016/Q2	68.253	-8,41	2.054	93,03	45.726	3,09	2,62%	2,75
2016/Q3	72.999	6,95	3.128	52,27	47.495	3,87	2,63%	0,38
2016/Q4	72.828	-0,23	4.186	33,81	48.991	3,15	2,22%	-15,59
2017/Q1	78.166	7,33	1.179	-71,84	50.018	2,10	2,32%	4,50
2017/Q2	79.085	1,18	2.310	95,96	51.333	2,63	2,26%	-2,59
2017/Q3	86.550	9,44	3.524	52,56	51.864	1,03	2,21%	-2,21
2017/Q4	81.015	-6,39	4.781	35,67	52.653	1,52	2,01%	-9,05
2018/Q1	86.984	7,37	1.280	-73,24	53.643	1,88	2,08%	3,48
2018/Q2	83.163	-4,39	2.463	92,51	54.585	1,76	2,06%	-0,96
2018/Q3	84.096	1,12	3.645	47,98	55.093	0,93	2,08%	0,97
2018/Q4	81.609	-2,96	5.075	39,23	57.531	4,42	1,71%	-17,79
2019/Q1	84.796	3,91	1.368	-73,04	58.701	2,03	1,91%	11,70
2019/Q2	89.329	5,35	2.773	102,69	60.461	3,00	1,80%	-5,76
2019/Q3	92.533	3,59	4.199	51,40	61.850	2,30	1,68%	-6,67
2019/Q4	83.340	-9,94	5.663	34,86	62.767	1,48	1,68%	-
2020/Q1	87.970	5,56	1.383	-75,58	63.762	1,58	1,80%	7,14
2020/Q2	90.382	2,74	2.795	102,18	65.005	1,95	1,65%	-8,33
2020/Q3	109.134	20,75	4.213	50,71	68.219	4,94	1,61%	-2,42
2020/Q4	99.625	-8,71	5.516	30,95	68.604	0,56	1,62%	0,62
Maximum	22.267	23,89	5.663	132,58	68.604	6,54	2,63%	31,77
Minimum	8.874	-13,77	902	-77,23	34.158	-1,54	1,61%	-27,97
Average	15.084		2.983		51.096		2,01%	

Source: Financial Statements of Bank bjb for the period 2014 - 2020, processed by the author.

Based on Table 2 above, shows that the development of Third-Party Funds (TPF) for the period 2014 – 2020 generally shows an increase. The highest TPF position was achieved in 2020 in the third quarter of IDR 109.134 billion, the lowest in 2014 in the fourth quarter of IDR 52.992 billion and the average quarterly TPF during the 2014-2020 period was IDR 78.634 billion. When compared to TPF from the National Banking and Regional Development Banks (RDB) in Indonesia, TPF collected by Bank bjb for the 2019 - 2020 period grew by 19.54% above the national banking average growth of 6.67%. and the average growth of RDB in Indonesia is 10.96% (Indonesia Banking Statistics, Vol. 19 No. 1, December 2020). This shows that the performance of TPF of bank bjb is better than the national banking average and the average RDB throughout Indonesia.

The development of the cost of funds by Bank bjb for the period 2014 – 2020 generally shows an increase in line with the increase in TPF collected by Bank bjb. The highest total cost of funds was achieved in the fourth quarter of 2020 at IDR 5.516 billion, the lowest occurred in 2014 the first quarter of IDR 902 billion and the average quarterly during the 2014-2020 period was IDR 2.983 billion. When compared with the ratio of cost of funds to National Banking Deposits and Regional Development Banks (RDB) in Indonesia, the cost of funds paid by Bank bjb in 2020 was 5.54% above the average ratio of cost of funds to National Banking deposits of 2.86 % and the average cost of funds ratio of RDB in Indonesia is 3.67% (Indonesia Banking Statistics, Vol. 19 No. 1, December 2020). The cost of funds paid by Bank bjb is higher than the national banking average and the average BPD throughout Indonesia. This shows that the structure of third-party funds is relatively more expensive compared to TPF collected by national banks and RDBs throughout Indonesia. From the data in table 2 above, it can also be seen that in the fourth quarter of each year, TPF of bank bjb have decreased. This shows that at the end of every year there is a withdrawal of TPF, the TPF is suspected to be owned by the government or large customers. Thus, it can be said that the level of dependence of Bank bjb on funds owned by the government or large customers is quite high and this has the potential to create liquidity risk.

The amount of credit disbursed by Bank bjb up to the fourth quarter of 2020 reached IDR 89.096 billion or 66.71% of the total assets of IDR 133.560 billion. From the total credit of IDR 89.096 billion, amounting to IDR 68.604 billion or 77.00% are consumption credit.

The developments of the consumption credit of Bank bjb for the period 2014 – 2020 generally showed an increase. The highest number of consumer loans was achieved in 2020 in the fourth quarter of IDR 68.604 billion, the lowest occurred in 2014 in the first quarter of IDR 34.158 billion and the average quarterly during the period 2014-2020, it was IDR 51.096 billion. If you pay attention to the provision of consumption credit by the National Banking in the period 2019 - 2020, it has decreased by -0.76% and the provision of consumption credit by RDB in Indonesia grew by 5.67%. Meanwhile, the provision of consumption credit by Bank bjb in the period 2019 - 2020 increased by 9.30%. This shows that the provision of consumer credit Bank bjb is higher than the national banking average and the average BPD throughout Indonesia. (Indonesia Banking Statistics, Vol. 19 No. 1, December 2020).

Return on Assets (ROA) of bank bjb for the period 2014 – 2020 fluctuated with a downward trend. The highest ROA was achieved in the third quarter of 2016 at 2.63%. The lowest ROA occurred in the third quarter of 2020 at 1.61% and the average ROA per quarter during the 2014-2020 period was 2.01%. When compared to the average National Banking ROA in 2020 of 1.59% and the average ROA of Indonesia's RDB in 2020 of 2.04%, the ROA achieved by Bank bjb is 1.62%, higher than the banking average National, but below the average RDB in Indonesia (Keuangan, 2017). If you pay attention to the Circular Letter of Bank Indonesia No. 13/24/DPNP dated October 25, 2011 regarding the Assessment of Commercial Bank Soundness Level, the ROA of Bank bjb is considered very healthy because it is above 1.50% ROA.

The Effect of Third-Party Funds, Cost of Funds, Consumption Credit, on Return on Assets

To determine the effect of Third Party Funds (TPF), Cost of Funds and Consumer Credit on Return On Assets (ROA) at Bank bjb for the period 2014 – 2020, data analysis will be carried out using multiple linear regression analysis, correlation coefficient analysis, analysis of the coefficient of determination (R^2).), partial test (T test) and simultaneous test (F test), with the classical assumption test first consisting of normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.

Multiple Linear Regression Analysis

This multiple linear regression analysis is useful to prove whether or not there is a relationship between Third Party Funds (TPF), Cost of Funds and Consumer Credit and Return onn Assets (ROA) (Y). The following are the results of multiple linear regression analysis:

Table 3. Multiple Linear Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.148	.062		2.390	.025
	TPF	-.012	.019	-.273	-.631	.534
	COF	-.006	.002	-.435	-2.352	.027
	CC	.001	.016	.017	.038	.970

Source: Output SPSS Ver. 25 (Data processed by the author, 2021)

The constant has a positive value of 0.0148, meaning that if the independent variables, namely Third Party Funds (TPF), Cost of Funds (COF) and Consumer Credit (CC) are all zero (0), then the dependent variable is

Return on Assets (ROA) is equal to 0.0148. The regression coefficient of TPF is negative at -0.12, this indicates an opposite relationship between TPF on ROA so that every 1% increase in TPF will be followed by a decrease in ROA of –0.12. Then COF regression coefficient is negative at -0.006, this indicates that there is an opposite relationship between COF on ROA so that every 1% increase in COF will be followed by a decrease in ROA of – 0.006. While the CC regression coefficient is positive at 0.001, this indicates a unidirectional relationship between CC on ROA so that every 1% increase in CC will be followed by an increase in ROA of 0.001.

Correlation and Determination Analysis
The method used for the analysis of the correlation coefficient in this research is done by using the Pearson Product Moment Correlation analysis. The results of statistical data processing to determine the correlation coefficient are presented in Table 4 below:

Table 4. Results of the Analysis of the Correlation Coefficient and the Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.558[a]	.312	.226	.00286281

a. Predictors: (Constant), CC, COF, TPF
b. Dependent Variable: ROA
Source: Output SPSS Ver. 25 (Data processed by the author, 2021)

Based on Table 4. above, it can be explained that the value of the correlation coefficient (R) is 0.558. This value is in the correlation coefficient interval (R) which shows a "medium" relationship between TPF, COF, and CC with ROA. While the results of the coefficient of determination obtained the results of the R Square (R^2) value of 0.312 or equivalent to 31.2%. This shows that the effect of TPF, COF, and CC on ROA is 31.2%, the remaining 68.8% is influenced by other variables not included in the study.

Partial Test Results (t-test)
The t-test or partial regression coefficient test is used to determine whether the independent variable partially has a significant effect or not on the dependent variable. By using the results of data processing in Table 3, it can be explained the effect of the independent variable on the dependent variable partially as follows:

Effect of Third-Party Funds (TPF) on Return on Assets (ROA)
Based on the data in Table 3. it is known that the t-count value of Third-Party Funds (TPF) is obtained at 0.631 < t-table which is 2.06390 and the significance value is 0.534 greater than 0.05, then H01 is accepted and Ha1 is rejected. Thus, statistically it can be concluded that the TPF variable has no significant effect on Return on Assets (ROA). The relationship between TPF and ROA at Bank bjb is opposite or negative, meaning that if TPF increases, ROA decreases. Therefore, the DPK must be channeled optimally in the form of credit or other productive assets in order to increase profitability. Although due to the increase in TPF there was a decrease in ROA, but it was not statistically significant. This is due to the increase in TPF resulting in an increase in the cost of funds, but this increase can still be offset by a relatively stable ROA. ROA of Bank bjb is 1.62% higher than the average of the National Banking although it is below the average of Regional Development Banks (RDB) in Indonesia of 2.04%. And the ROA of Bank bjb is classified as very healthy because it is above 1.50% according to the soundness of Commercial Banks. The results of this study are in line with research conducted by Katuuk and Niode (2018) which states that Third Party Funds (TPF) have a significant negative effect on Return on Assets (ROA). Then according to Primadewi and Suputra (2015) who stated that Third Party Funds had a negative effect on Profitability. The same thing was stated by Buchory (2017) from the results of his research which stated that the Structure of Third-Party Funds had a negative and significant effect on profitability as measured by Net Interest Margin (NIM). However, the results of this study are not in line with the results of previous research conducted by Illiyah and Muniroh (2017) which stated that Third Party Funds (TPF) had a significant positive effect on ROA. Likewise, the results of research by Sukmawati and Purbawangsa (2016) state that third party funds have a positive but not significant effect on profitability. While the results of research conducted by (Pujiati et al., 2020), Magdalena, et al. (2019), Parenrengi, et al. (2018), and (Yanti et al., 2018), Husaeni (2018), and Edo and Wiagustini (2014) conclude that third party funds have a positive and significant effect on profitability.

Effect of Cost of Funds on Return on Assets (ROA)

Based on the test results in Table 3, it is known that the t-count value of Cost of Funds (COF) is obtained at 2,352 > t-table which is 2.06390 and the significance value is 0.027 less than 0.05 (0.027 < 0.05), then H01 is rejected and Ha2 is accepted. Thus, statistically it can be concluded that the Cost of Funds variable has a significant effect on Return on Assets (ROA). The relationship between Cost of Funds and ROA at Bank bjb is opposite or negative, meaning that if the COF increases, ROA decreases. The high cost of funds was caused because the structure of TPF owned by Bank bjb was still dominated by time deposits. The results of this study are in line with research conducted by Maryam (2016) which states that partially the cost of funds has an effect on profitability. Likewise, the research conducted by Heryanti and Putri (2018) on the effect of the cost of funds on profitability concluded that the cost of current account funds has a significant effect on profitability. Meanwhile, according to the research results of Hardimansyah (2016), it is stated that the cost of funds (COF) has a negative effect on the Return on Assets of Bank Persero. Likewise, according to the results of research by Ilyas (2015) which states that the cost of funds has a negative effect on profitability.

The Effect of Consumption Credit on Return on Assets (ROA)

Based on the test results in Table 3, it is known that the t-count value for Consumption Credit (CC) is 0.038 < t-table, namely 0.038 < 2.06390 and the significance value is 0.970 greater than 0.05 (0.970 > 0.05), so H03 is accepted and Ha3 is rejected. Thus, statistically it can be concluded that the Consumer Credit variable has no significant effect on Return on Assets (ROA). The relationship between Consumption Credit and ROA at Bank bjb is unidirectional or positive, meaning that if Consumption Credit increases, ROA also increases, and vice versa. Although consumer credit dominates lending at Bank bjb by 77%, its effect on ROA is not statistically significant. The results of this study prove that although consumption credit is seen from the security of its return, it is relatively safe compared to other types of credit such as working capital credit and investment credit, but because the term of consumption credit is generally long term, the turnover rate is relatively long compared to other types of credit such as working capital credit and investment credit. The results of this study are in line with research conducted by Kumaritah (2012) which states that consumer credit does not have a significant effect on profitability. And according to the results of research conducted by Meitasari (2014) states that all types of credit, namely consumer credit, working capital credit and investment credit, have a contribution to bank profits.. Likewise, according to the results of research conducted by Suharta and Siswanti (2014) stated that the provision of credit has a positive and significant effect on profitability. However, according to the results of research conducted by Savitri and Dianingsih (2016), credit distribution has a negative effect on profitability.

Simultaneous Test Results (F-Test)

Simultaneous testing (F-test) was carried out to determine whether all independent variables had a simultaneous effect on the dependent variable. The results of the F-test are shown in Table 5. below:

Tabel 5. Simultaneous Test Results (F-Test)

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.000	3	.000	3.621	.028[b]
	Residual	.000	24	.000		
	Total	.000	27			

a. Predictors: (Constant), CC, COF, TPF

b. Dependent Variable: ROA

Source: Output SPSS Ver. 25 (Data processed by the author, 2021)

Based on the results of the simultaneous test (F-test) as listed in Table 5, it can be seen that the F-count has a value of 3.621 > F-table which is 2.290 with a significance value below 0.05 (0.028 < 0.05), meaning that H04 is rejected and Ha4 is accepted. So it can be concluded that Third Party Funds, Cost of Funds, and Consumption Credit simultaneously have a significant effect on Return On Assets (ROA). From the results of statistical tests as in Table 3 and Table 5 above, it proves that Third Parties (TPF), Cost of Funds (COF) and Consumer Credit (CC) have an effect on Return on Assets (ROA) either partially or simultaneously.

Conclusions

Development of TPF Bank bjb for the period 2014 – 2020 showed an increase. The growth of TPF of bank bjb is above the average growth of national banks and the average BPD throughout Indonesia. Then the ratio of the cost of funds paid by Bank bjb in 2020 is above the average for the National Banking and the average for Regional Development Banks (BPD) in Indonesia. Meanwhile, consumer credit still dominates lending by

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bank bjb with a growth rate in 2020 above the growth of national banking and the growth of BPD throughout Indonesia. And Return on Assets (ROA) for the period 2014 – 2020 fluctuated with a downward trend. The level of profitability (ROA) achieved by Bank bjb is higher than the average for the National Banking, but below the average for Regional Development Banks (BPD) in Indonesia. However, ROA of Bank bjb includes a very healthy rating based on the Rating of Commercial Bank Soundness

Based on the results of statistical tests, it is concluded that partially Third-Party Funds (TPF) have no significant effect on Return on Assets (ROA); Cost of Funds has a significant effect on Return on Assets (ROA) and Consumer Credit has no significant effect on Return on Assets (ROA). Meanwhile, simultaneously Third-Party Funds (TPF), Cost of Funds, and Consumer Credit have a significant effect on Return on Assets (ROA). The influence of Third-Party Funds (TPF), Cost of Funds, and Consumer Credit Return on Assets (ROA) is 31.2%, while the remaining 68.8% is influenced by other variables not included in the study. The results of this study are useful for bank management in determining funding strategies, namely when collecting TPF, in addition to having to consider the COF level, the bank must also have a purpose for using the TPF. In addition, in determining the credit strategy, one must gradually adjust the composition of credit so that it is not dominated by consumer credit, which in fact does not have a significant effect on profitability.

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