THE EFFECT OF TOTAL SAVINGS, AMOUNT OF DEPOSITS, AND INTEREST RATE ON THE AMOUNT OF CREDIT PROVIDED BY PT. BPR MITRADANA MADANI MEDAN

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Abstract

This study aims to determine the effect of the amount of savings, amount of deposits, and interest rates on the amount of credit at PT. BPR Mitradana Madani Medan, either partially or simultaneously. This type of research is an associative study. The type of data used in this research is quantitative data and the data source in this study is secondary data. The sample in this study is the total amount of savings, deposits, credit and average of interest rates per month for the period August 2014-August 2018. The techniques that researchers do to collect the data needed in the study are observation and study documentation. The data analysis technique used in this study is analysis multiple regression. The results of this study indicate that the variable amount of savings (X1) partially has a significant positive effect on the amount of credit (Y). While the variable amount of deposits (X2) has no positive and no significant effect on the amount of credit (Y). And the interest rate variable (X3) partially has a significant negative effect on the amount of credit (Y). And based on the F test, simultaneously the amount of savings, amount of deposits, and interest rates have a positive and significant effect on the amount of credit given by PT. BPR Mitradana Madani Medan.

Keywords: Amount of Savings, Amount of Deposits, Interest Rates, Amount of Credit.

1. INTRODUCTION

The role of banks is very important for the development and economic growth which continues to increase at this time. Almost all aspects of life will not be separated from the role of banks and other financial institutions. In conducting bank business activities, it is not only for profit, but also aims at improving the standard of living of the community. Bank Perkreditan Rakyat (BPR) is a credit bank that provides credit to customers micro, small, or medium enterprises in increasing business financing, because in general, micro and small entrepreneurs need assistance from outside parties. The current existence of Rural Banks (BPR) is not as well known by the wider community as other conventional commercial banks. So far, most people only recognize BPR as a bank that provides credit. However, BPRs also receive funds from the public. Similar to commercial banks, people who save at BPR are also guaranteed by the Deposit Insurance Corporation (LPS), as long as the placement of these funds still meets predetermined criteria.

Savings are the safekeeping of funds that the public likes the most, and can also be opened with simple terms and conditions. While deposits are deposits whose withdrawals can only be made at a certain time in accordance with the agreement between the customer and the bank. In addition to providing savings and time deposit facilities, banks also provide credit services. Lending (credit) is the service that most attracts the public. And it can be said that credit is the heart of banking. The performance of Rural Banks (BPR) is still experiencing several problems, both from the internal side and from the external side. The problems seen from the internal side of the company are capital, corporate structure (Good Corporate Governance - GCG), the quality and quantity of human resources (HR), high costs that are impacted by interest rates, and products or services that are still not varied. Government policies are increasingly pushing BPRs to bankruptcy. The People's Business Credit (KUR) is one of them. The KUR program offers a lower interest rate, so in theory it will make competition at the microfinance level tighter. Since 2015 the KUR interest rate has

been at 9%, while in 2017 the KUR interest rate has been 7% and according to current data the KUR interest rate is 6% per year. The KUR program offers a lower interest rate, so in theory it will make competition at the microfinance level tighter. Since 2015 the KUR interest rate has been at 9%, while in 2017 the KUR interest rate has been 7% and according to current data the KUR interest rate is 6% per year. The KUR program offers a lower interest rate, so in theory it will make competition at the microfinance level tighter. Since 2015 the KUR interest rate has been at 9%, while in 2017 the KUR interest rate has been 7% and according to current data the KUR interest rate is 6% per year.

The low KUR interest rate has made BPR customers switch to conventional commercial banks. BPR Mitradana Madani Medan has been around for 23 years. PT. BPR Mitradana Madani Medan is able to compete with other conventional banks that offer KUR of 7% per year. Like conventional banks and other BPRs, PT. BPR Mitradana Madani Medan is also of course experiencing bad credit problems from its customers. The large number of customers who are in arrears in installment payments and also the many customers who are not responsible and just forget about their credit, are also a challenge for BPR Mitradana Madani. Various methods are used so that people want to deposit their money back at the BPR, and people also want to take credit at the BPR and pay it off right time. But of course it is not easy to make it happen. The KUR set by the government also has an effect on PT. BPR Mitradana Madani Medan, such as the lack of customers who save and deposit funds, as well as the lack of customers who take credit at PT. BPR Mitradana Madani Medan from November 2015 to October 2016.

In connection with the reasons for this problem, the researcher is interested in writing it in a scientific paper in the form of a thesis with the title: "The Effect of Total Savings, Total Deposits, and Interest Rates on the Amount of Credit Provided by PT. BPR Mitradana Madani Medan ".

2. LITERATURE REVIEW

Credit

Credit is the provision of funds or other claims equivalent to that based on a lending-borrowing agreement between a bank and another party in which the borrower is obliged to pay off the loan after a specified period of time with an agreed amount of interest.

Credit is the provision of money or claims based on an agreement between the bank and the creditor, which is obliged to pay it in accordance with the agreement. The credit amount indicator is the total number of creditors taking credit at conventional banks and at Rural Banks (BPR).

Savings

According to Law 10 of 1998, it explains that savings are deposits whose withdrawals can only be made according to certain agreed terms, but cannot be withdrawn by check, bilyet giro, and / or other equivalent.

Savings are customer deposits whose withdrawals can only be made with certain conditions that cannot be withdrawn using a check, bilyet giro, or other equivalent. The indicator for the amount of savings in this study is the total amount of savings placed by the customer at BPR Mitradana Madani Medan with in Rupiah (Rp.).

Deposit

Time deposits are deposits whose withdrawals can only be made at a certain time based on the customer's agreement with the bank. Commercial and BPR banks can issue a deposit slip for time deposits. Time deposit interest is subject to final income tax.

The indicator for the amount of deposits is the total amount of funds deposited by depositors at conventional banks and in BPRs in Rupiah (Rp.). The amount of deposits can be counted per day,

monthly, quarterly, or yearly. And in this study the researchers used the total number of deposits each month during the period August 2014 - August 2018.

Interest rate

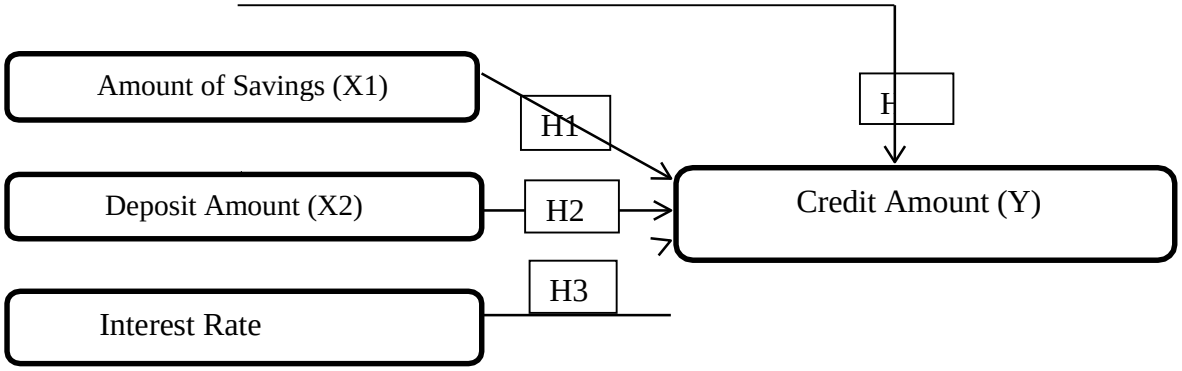
According to Heri Sudarsono (2004) "the interest rate is money given to someone because the lender has refrained from using his own money solely to fulfill a loan." Interest rate is the interest rate expressed in percent for a certain period of time (monthly or annually).

The interest rate indicator used in this study is the percentage (%) of the average monthly loan interest rate during August 2014-August 2018.

Conceptual framework

The conceptual framework that can be described in this study are as follows:

Figure 1: Conceptual Framework



Hypothesis

H1 : The amount of savings has a significant positive effect on the amount of credit extended by PT. BPR Mitradana Madani Medan.

H2: The amount of time deposits has a significant positive effect on the amount of credit extended by PT. BPR Mitradana Madani Medan.

H3: Interest rates have a significant negative effect on the amount of credit extended by PT. BPR Mitradana Madani Medan.

H4: Total Savings, Total Deposits, Interest Rates have a positive effect on the amount of credit extended by PT. BPR Mitradana Madani Medan.

3. RESEARCH METHOD

Types of research

The type of research in this research is associative research or "related research to determine the effect or relationship between two or more variables" (Sugiono, 2016).

Research sites

This research was conducted at PT. BPR Mitradana Madani Medan which is located at Jl. Kapten Muslim No.36 A, Sei Sikambing C. II Kec. Medan Helvetia, Medan City, North Sumatra. Type of Data According to Sugiono, (2012) "quantitative research is research in which the data is obtained in the form of numbers or also in the form of qualitative data which is estimated". The type of data used in this research is quantitative data, which is obtained directly from the company. Data source

The data source is where the research data was obtained. The data in this study are secondary data, namely reports on the amount of savings, deposits, interest rates, and reports on the company's monthly credit amounts for the period 2014 to 2018.

Population

The population in this study is a report on the amount of savings, the amount of deposits, interest

rates, and the amount of credit issued by PT. BPR Mitradana Madani Medan.

Sample

The sampling technique used in this study was purposive sampling technique, namely the sampling technique with consideration of certain characteristics or criteria, while the sampling criteria in this study included:

1. Total savings per month (August 2014-August 2018),
2. Number of deposits per month (August 2014-August 2018),
3. Monthly average interest rate (August 2014-August 2018)
4. The amount of credit given per month (August 2014-August 2018).

4. RESULTS AND ANALYSIS

Descriptive Statistics Test

The results of the descriptive statistical test for Total Savings (X1) have a minimum value of Rp. 2,516,682, -., The maximum value is Rp. 212,827,412, -., And an average value of Rp. 62,431,388.90. For Total Deposits (X2) has a maximum value of Rp. 0, the maximum value is Rp. 6,500,000,000, -, and an average value of Rp. 463,691,836.73. The Interest Rate (X3) has a minimum value of 18.16%, a maximum value of 30.56% and an average value of 25.03%. Meanwhile, the total credit (Y) has a minimum value of IDR 120,000,000, a maximum value of IDR. 1,711,271,726, -, and an average value of Rp. 746,490,837.14

Classic assumption test

Table 1: Normality Test Results

	Unstandardized Residual
N	49
Kolmogorov-Smirnov Z	, 710
Asymp. Sig. (2-tailed)	, 695

From the processed data, it can be seen that the Asymp. Sig is greater than 0.05, which is 0.695, which means that the data is normally distributed.

Multicollinearity Test

Table 2: Multicollinearity Test Results

Dependent Variable	Independent Variable	Collinearity Statistics		Information
		Tolerance	VIF	
Credit Amount	Amount of Savings (X1)	, 992	1,009	Not Multicollinearity
	Deposit Amount (X2)	, 920	1,087	Not Multicollinearity
	Interest Rate (X3)	, 927	1,079	Not Multicollinearity

The test results of the VIF value of the Total Savings variable (X1) are 1.009 <10 while the Tolerance value is 0.992> 0.1, this means that there is no multicollinearity symptom between the amount of savings and the amount of credit (Y). For the Total Deposits variable (X2), it has a VIF value of 1.087 <10 and a Tolerance value of 0.920> 0.1 which indicates that there is no multicollinearity symptom between Total Deposits (X2) and Total Credit (Y). And for the Interest Rate variable (X3) it has a VIF value of 1.079 <10, and a Tolerance value of 0.927> 0.1, this shows that there is no multicollinearity symptom between the Interest Rate (X3) and the Total Credit (Y). It can be concluded that there are no symptoms of multicollinearity in this study.

Autocorrelation Test

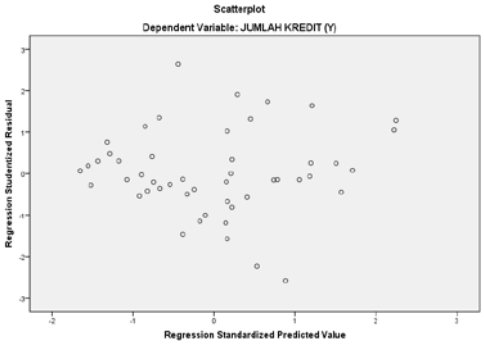
Table 3: Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	, 645a	, 417	, 378	348942641,176	1,047

From the table above, it can be seen that the Durbin-Watson value is 1.047 or between -2 and 2, which means that there is no autocorrelation in this study.

Heteroscedasticity Test

Figure 1: Heteroscedasticity Test Results



From the figure, it can be seen that the dots spread out and do not form a certain pattern. It can be concluded that the data that is owned does not have a heteroscedasticity problem. It can be concluded that the regression model that is owned can be used to predict the amount of credit that will be given in the future.

Multiple Linear Regression Test

Table 4: Multiple Linear Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2381295194,051	405261755,029		5,876	, 000
	TOTAL SAVINGS (X1)	2,249	, 927	, 278	2,427	, 019
	TOTAL DEPOSITS (X2)	, 059	, 054	, 130	1,099	, 278
	INTEREST RATE (X3)	-71994719,442	15587894,823	-, 546	-4,619	, 000

Based on the table above, it can be seen that the linear regression equation is obtained as follows :

Y = 2381295194,051+ 2.249 X1 + 0.059 X2 - 71994719.42 X3 + e

1. A positive constant value shows the positive influence of the independent variable. If the independent variable increases or has an effect in one unit, then the value of the dependent variable also increases. Constant Value 2381295194,051 which means that if the value of Total Savings (X1) and Total Deposits (X2) increases while the Interest Rate (X3) decreases by 1%, the Total Credit (Y) variable will increase by 2381295194,051. And if the variable Amount of Savings (X1) and Total Deposits (X2) has decreased, while the Interest Rate (X3) has increased by 1%, the variable Amount of Credit (Y) will decrease by 2381295194,051.
2. The coefficient value of the total savings variable (X1) is 2.249. Which shows that if the amount of savings has increased by 1%, then the amount of credit (Y) will increase by 2.249.
3. The value of the variable coefficient of the amount of deposits (X2) is 0.059. Which means that if the amount of deposits has increased by 1%, the amount of credit (Y) will increase by 0.059
4. The coefficient value of the interest rate variable (X3) is -71994719.42. Which means that if the interest rate increases by 1%, the amount of credit will decrease by 71994719.42.

Hypothesis testing

Table 5: Partial Statistical Test Results (Test T)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2381295194,051	405261755,029		5,876	, 000
	TOTAL SAVINGS (X1)	2,249	, 927	, 278	2,427	, 019
	TOTAL DEPOSITS (X2)	, 059	, 054	, 130	1,099	, 278
	INTEREST RATE (X3)	-71994719,442	15587894,823	-, 546	-4,619	, 000

1. The amount of savings shows a significant value of 0.019 <0.05 and a t-table value of 2.0141 where t count is greater than t table (2.427> 2.0141), which means that the variable amount of savings (X1) has a partial effect on the amount of credit, so H1 is accepted.
2. The number of deposits shows a significant value of 0.278> 0.05 and the value of tcount <ttable (1.099 <2.0141), which means that the amount of deposits has no positive and insignificant effect on the amount of credit so that H2 is rejected.
3. The interest rate shows a significant value of 0.000, which means that the interest rate variable (X3) partially affects the amount of credit. The tcount value is -4,619. This means that the interest rate has a significant negative effect on the amount of credit so that H3 is accepted.

Table 6: Simultaneous Statistical Test Results (Test F)

ANOVAa

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	391330439294548840 0,000	3	130443479764849613 0,000	10,713	, 000b
Residual	547924350740528640 0,000	45	121760966831228592,000		
Total	939254790035077500 0,000	48			

a. Dependent Variable: AMOUNT OF CREDIT
b. Predictors: (Constant), INTEREST RATE (X3), NUMBER OF SAVINGS (X1), NUMBER OF DEPOSITS (X2)

Based on the results of data processing above, the F value counted 10.713, the F table value was 2.81 (10.713> 2.81), and the significant value was 0.000 <0.05. This shows that the amount of savings, amount of deposits, and interest rates simultaneously affect the amount of credit given by PT. BPR Mitradana Madani Medan so that H4 was accepted.

Determination Coefficient Test (R2 Test)

Table 7: Test Results of the Coefficient of Determination (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	, 645a	, 417	, 378	348942641,176

From the table above, it can be seen that the R Square value is only 0.417 or only 41.7%, which can be concluded that the dependent variable can only be explained by the independent variable of 41.7%, and the other 58.3% can be explained by other factors not included in this study.

Discussion

Effect of Amount of Savings on Amount of Credit

The results of hypothesis testing show that the amount of savings has a significant positive effect on the amount of credit with a significant value of 0.019 which is smaller than 0.05. Besides based on tcount is 2.427 and ttable is 2.0141 (tcount> ttable). It can be concluded that the amount of savings has a positive and significant effect on the amount of credit at PT. BPR Mitradana Madani Medan, so H1 can be accepted. This means that the higher the amount of savings, the higher the amount of credit will be.

The Effect of Deposit Amount on Credit Amount

Based on the hypothesis testing, it shows that the amount of deposits has no significant positive effect on the amount of credit with a significance value of 0.278 which is greater than 0.05 (0.278> 0.05). And based on the ttable value is 2.0141 while the tcount value is 1.099 (tcount <ttable). It can be concluded that the amount of deposits has no positive and insignificant effect on the amount of credit so that H2 is rejected.

The Effect of Interest Rates on Total Loans

Based on the hypothesis testing, it can be seen that the interest rate has a significant negative effect on the amount of credit with a significance value of 0.000 which is less than 0.05 (0.000 <0.05). And the tcount value is -4,619, this means that the interest rate has a significant

negative effect on the amount of credit. So that H3 which states that the Interest Rate has a significant negative effect on the amount of credit extended by PT. BPR Mitradana Madani Medan is accepted. This negative effect shows that the interest rate has little effect on the amount of credit. This also means that according to the theory that the demand for credit will decrease with increasing interest rates. Because when interest rates are low,

The Effect of Total Savings, Total Deposits, and Interest Rates on Total Loans

Based on the hypothesis testing, it shows that the amount of savings, the amount of deposits, and the interest rate have a significant positive effect on the amount of credit. This is indicated by the Fcount value of 10.731 and the Ftable value of 2.81 with a significant value of 0.000> 0.05. Thus H4 which states that the amount of savings, the amount of deposits, and the interest rate have a significant positive effect on the amount of credit extended by PT. BPR Mitradana Madani Medand is acceptable.

5. CONCLUSION

This study draws several conclusions which include:

1. Total Savings (X1) has a significant positive effect on the amount of credit (Y) provided by PT. BPR Mitradana Madani Medan. Which means that if the amount of savings has increased, the amount of credit will also increase, and if the amount of savings has decreased, the amount of credit will also decrease.
2. Total Time Deposits (X2) has no positive and insignificant effect on total credit

   (Y) given by PT. BPR Mitradana Madani Medan. Based on the processed data, the amount of deposits does not affect the amount of credit which may be due to other factors that affect the amount of credit more than the amount of deposits.
3. Interest Rate (X3) has a significant negative effect on the amount of credit (Y) given by PT. BPR Mitradana Madani Medan. Which means that if the interest rate decreases, the amount of credit will increase, and if the interest rate increases, the amount of credit will decrease.
4. Total Savings, Total Deposits, and Interest Rates have a positive effect on the amount of credit extended by PT. BPR Mitradana Madani Medan, so H4 was accepted. If PT. BPR Mitradana Madani Medan continues to improve company performance and is better able to see the factors that affect the amount of credit, so the amount of credit extended to the public can be further increased, and will increase the company's profitability.

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