

## **EFFECT OF SAVINGS DEPOSITS AND INTEREST RATE ON CREDIT ALLOCATION OF CREDIT INVESTASIS (Case Study In PT.Bank Mandiri (tbk) Dili, East Timor)**

**Domingas Soares Da Cruz<sup>1</sup>, Francisco Nicolau Barbosa<sup>2</sup>, Imelda MFQuim<sup>3</sup>**

Faculty of Economics, Banking Department, Univesidade Da Paz  
TIMOR LESTE

Email : boscojhonnie@gmail.com

### **ABSTRACT**

*This thesis With the title "Influence of the type of savings deposit and loan interest rates on credit allocation of investment in PT Bank Mandiri with some formulations include:*

*What kind of savings deposits partial effect on the allocation of investment credit at PT Bank Mandiri? Does the interest rate loan berpengaruh partially on the allocation of investment credit at PT Bank Mandiri? What type of savings deposit and loan interest rates berpengaruh simultaneously on the allocation of investment credit PT Bank independent?*

*Hypothesis: to test the hypothesis the author uses three (3) variables, namely: independent variable types of savings deposits (X1) and loan interest rates (X2) and the dependent variable (Y) pengalokasian investment credit. To determine the influence of independent variables on the dependent variable, then the data analysis tools that authors use linear regression adalsah bergandan as follows:*

*Results Multiple Linear Regression  $Y = 11\,532 + 0.241X1 + 0.436X2 + 2.364$  with a coefficient of determination R Square value (r<sup>2</sup>) of 0.604 or 60.4% means that the contribution of this type of savings deposit and loan interest rates*

*investasis credit is given to the allocation of 0.254 or 25.4% while the rest influenced by other factors not examined in this study.*

*Variable types of savings deposits (X1) has a positive influence on the allocation of investment credit signifikan (Y) because tcount compared with ttabel at 95% confidence level showed that thitung greater than ttabel or > 2,920 2,021*

*The variable interest rate loans (X2) has a positive influence on the allocation of investment credit signifikan (Y) because tcount compared with ttabel at 95% confidence level showed that thitung greater than 2,021 or 2,754 >*

*Type of savings deposits (X1) and loan interest rates (X2) bersamaas - Same or simultaneously have a positive influence on the allocation of investment credit signifikan (Y) because the value of F compared to the value of F table at the 95% confidence level indicates that the value of F > Ftable is (10.468 > 3:23).*

**Keywords:** type of savings deposit and loan interest rates for investment credit allocation.

## **INTRODUCTION**

Basically modern life demands more and as a result of advances in information technology, resulting in the need of society is also changing. Various economic activities carried out in order to increase revenue or income offset masyarakat. Untuk progress and modern lifestyles, different ways reached the public.

One is the community seeks to enhance business activities in order to gain maximum benefit. The activities of a business will run smoothly if supported with adequate capital. Capital can be obtained through a loan from the bank in the form of credit. Usahayang made public to increase their income from investments made modest to large capital investments that have an impact on the growth sectors of the economy of a country. So it takes the presence of institutions - bank financial institutions in a country.

The Bank is a financial institution whose main function is to run some collector of funds from the society surplus funds in the form of savings deposits and then channel the funds back to the people who need funds in the form of credit. Layakya countries - other countries, in Timor Leste are also several bank financial institutions that help the government boost economic growth and improve people's lives. The financial institution is one of them are Bank Mandiri Tbk, Branch Dili, East Timor.

Bank Mandiri Tbk, Dili East Timor Raise funds from the public in several types, namely, deposits. Funding through some type of savings bank aims to obtain funds as much - much. In order to raise public funds, banks provide fringe benefits to customers in the form of deposit so that people interested mengimpan tersebut. Suku money on bank deposit interest is determined based on the type of customer deposits. Interest rates and withdrawal criteria for different savings deposits with interest rates of demand deposits and time deposits. This led the public to choose the preferred type of savings. Of the three types of deposits, including savings deposits and short janka while deposits including long-term savings.

Funds raised from the public is short-term debt to banks in the form of cost savings interest, so that the debt untukmembayar banks to reallocate funds to people in need in the form of credit. The public will be interested to use credit products if the interest rate offered in accordance with the ability of creditors as well as regarding to premises as well as the amount of money owed to the bank to allow enough time for repayment of the loan. Loans disbursed depending on the type of customer deposits, because there are short-term deposits there are also long-term savings.

On the bank Mandiri Tbk, Dili, East Timor, funds that have been collected by the bank is allocated to investment loans with interest rates in accordance with the bank, with the aim to assist entrepreneurs in investing and developing business activities that have an investment ada. Kredit long-term credit, so that the supply of credit funds should also be derived from long-term savings, it should be noted that the bank did not experience a shortage of funds when customers withdraw their funds back. Banks need to classify the source of short-term funding needs to be allocated to short-term loans, while the long-term savings should be allocated to the long-term credit.

Pendaaan investment loans disbursed have not noticed the type of deposit and loan interest rates ynag not match the standard set so that only a portion of customers (employers) who use investment credit.

### **Type Savings deposits**

Cashmere (2012: 61), the definition of savings deposits are deposits that can be withdrawn only at a specific time based on customer agreement to save the bank.

Ompusunggu (2009: 191), the bank is a type of financial institution performing the function of collecting funds from the public in the form of savings and channel those funds.

Anwari (1979; 12) gives the sense that: deposit is the name given to save the depositors in a bank that is located on the requirements of the storage period.

Karim (2014; 411) mengemukakan money deposited in the bank by persons and institutions a particular effort to be stored and then withdrawn when needed or on terms that have been agreed upon, the requested or needed in call deposits.

Based on the description above can be explained that the deposit is the money to the bank penarikannya can only be done at a specific time has been agreed that the agreement made in writing between the bank and its customers storage (depositors).

Cashmere (2002; 93) defines deposito is one place for customers to invest in securities, the owner of the deposit referred to depositors. To each depositor will reward interest on deposits.

The advantage for banks with menghimpun and saved money through deposits is relatively long and the frequency penarikannya also rare. Thus the bank may seek to use these funds for lending purposes.

Definition of deposits according to the law (10 Tahun1998) is sipanan that withdrawal can only be done at a certain time based on penyalangan customer agreement with the bank. Justify can only be done at certain times. Usually, if the customer storage for a period of three months then the money can only be resolved after that period expires and is often called the maturity date.

Means or a tool to attract deposits in the deposit depends on the type deposits.

Contains some of the differences so in need of different means, for example to deposits withdrawal using deposit slips. As for the use of certificates of deposit certificates of deposit, time deposits offered dalam practice consists of various types, both in rupiah and foreign currency, each has its own advantages so that deposits choose according to their taste.

Based on the description above, it can be explained that, the deposit is money to banks that penarikannya can only be done at a specific time has been agreed that the agreement made in writing between pihak bank with storage customers (depositors).

### **Types of deposits**

Deposits can be classified into several types are: (1) deposits, (2) certificates of deposit, and (3) deposits on call,

#### **Lending rates**

Cashmere (2012: 114) loan interest rate is the interest given to the borrower or the price paid by borrowers to the loan interest rate is bank.Tingkat; flowers given to the peminjan or the price paid by the customer to the bank peminjan.

Sinungan (2002: 282), lending rate is the amount of compensation or remuneration for the use of money by the customer. whereas Kashmir (2008: 85), credit is penediaan cash or equivalent claims based on a lending agreement or with banks and other parties who require peminjan repay the debt after a certain period of time with interest.

Miller (2005: 39), Flowers is a fee for borrowing money, compensation is a compensation to the lender on the future benefits of the loan money if invested. The amount of such loans is called "debt principal" (principal) .Persentase of the principal debt paid as compensation (interest) in a given period is called "interest". Miller, RL and VanHoose, mengatakan that the interest rate is the number of funds, valued in money, received a lender (creditor), while the interest rate is the ratio of interest on the loan amount.

Cashmere (2008: 114), interest rates can be interpreted as the remuneration provided by the bank based on the conventional principle to customers who buy or sell their products. Flowers can also be interpreted as a price to be paid to customers with nasabah to be paid by the bank.

Berry (2006: 67), In the daily banking activities there are two kinds of flowers given to nasabahnya namely as follows: (1) deposit, and (2) interest on the loan.

Crosby (2004: 87), states that the factors primarily affected by the size penetapansuku interest are: as follows: (1) need for funds, (2) profit targets desired, (3) a period, (4) quality assurance and (5) competitive products.

Cashmere (2005: 97), from the beginning, the credit comes from the word that means confidence credere, meaning if someone obtaining credit, meaning they obtain kepercayaan. Sementara that gives credit to someone means giving confidence that the money lent definitely returned.

Cashmere (2008: 73), Credit are: Provision of money or taguhan that can be equivalent, based on agreements between bank lending to other parties who require the borrower to pay off the money phak after any particular time period with interest.

Cashmere (1998: 91), the provision of a credit facility has a specific purpose. the purpose of granting such credit will not be separated from the mission of the bank is established.

The main purpose of granting a loan are as follows: (1) make a profit, (2) help the customer's business, and (3) assist the government.

Cashmere (2008: 87), spoke about credit there are several elements contained therein include: (1) trust, (2) the agreement, (a period of time, (3) risk, and (4) the remuneration

### **Investment Loan**

Cashmere (2012: 91), defines the investment loan is one type of Credit rating based on terms of usability, which is normally used for business expansion or building a new plant or a project or for the purposes of rehabilitation.

Abror (2009: 192), claimed investment loans are loans granted by the bank where the bank menyediakan investment or working capital.

Investment credit are: credit that is good for the interests of capital increase held a function of rehabilitation, expansion or build a business and create a new project. In other words, investment loans are loans used for financing of capital goods companies are medium and long term. changes in capital goods can include capital purchases goods and services useful for the rehabilitation of the business or the establishment of new businesses all anchored in the goal of increasing productivity.

Investment credit interest calculated quarterly singly in the quarter and paid at the end of the quarter concerned. If the grace period specified in the suspension of interest payments, the interest that accrues during the grace period is capitalized or added to the principal debt. For delays or arrears in the payment of interest and installments subject to a penalty of 3% per year of the amount of arrears in addition to the prevailing interest rates.

## **RESEARCH METHODS**

### **Population**

Sugiyono (2012: 61), the population is a generalization region consisting of objects or subjects that have certain qualities and characteristics defined by the researchers to be studied and then withdrawn kesempulannya. dalam this study were used as the overall population is 47 employees at Bank Mandiri Tbk, Branch Dili East Timor ,.

### **Samples**

Sugiyono (2012: 62) states that the sample is part of the number and characteristics possessed by populasi. Jadi sample in this study is 40, total employees at Bank Mandiri Tbk, Branch Dili, East Timor.

### **Test Validity**

Validity test used to measure whether or not a legitimate or valid questionnaires. A questionnaire is said to be valid if the questions on the questionnaire mampu to reveal something that will be measured by the questionnaire. Testing the validity of using Pearson Correlation is by calculating the correlation between the scores of each of the questions with a total score. If the correlation between the scores of each of the questions with a total score has a significance level below 0.05 then the questions are considered valid and otherwise, Ghozali (2009: 49).

### **Test Reliability**

Data reliability test is a test performed to measure a questionnaire which is an indicator of a variable or konstruk. Suatu reliable or reliable questionnaire say if someone answers in the questionnaire consistent or stable over time. A questionnaire said reliable or reliable when Cronbach Alpha value is greater than or equal to 0.60, Ghozali (2009: 49).

### **Linear Regression Analysis**

Regression analysis aims to measure the strength of the relationship or influence between two or more variables are variables work motivation and discipline to work productivity, it also indicates the direction or influence the relationship between the dependent variable independent. Results of multiple regression analysis between each independent variable (X) and the dependent variable (Y), can be calculated with the following formula:

$$Y = a + b_1 + b_2 X_1 X_2 + e$$

The calculation result is shown in the following table:

Based on the multiple linear regression equation,  $Y = a + b_1 + b_2 X_1 X_2 + e$ , it can generate multiple linear regression as follows

$$Y = 11,532 + 0,241 + 0,436 \text{ where:}$$

- $a = 11\ 536$  means that the average yield for investment credit variable (Y) before the affected variables  $X_1$  and  $X_2$  memiliki fixed value (Constanta) of 11 536
- $b_1 = 0.241$  adalah regression coefficient of the variable savings deposits ( $X_1$ ) meaning that any changes in deposit depositodapat positive and significant impact on investment loans (Y) of 0241, or 24.1%.
- $b_2 = 0436$  is the regression coefficient of the variable interest rate loan

### **The coefficient of determination (R<sup>2</sup>)**

From the SPSS output models magnitude Summary Adjusted R Square (R<sup>2</sup>) is 0331 this means that 33.1% of the variation work productivity can be explained by the variation of the independent variable, namely the free variable  $X_1$  and  $X_2$ . While the rest (100% - 33.1%) = 66.9% influenced by other variables not examined.

**Table 1. Coefficients Determinasi**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.604 <sup>a</sup>	.365	.331	2.089	1.714

a. Predictors: (Constant), tsbk x2., simpanan depositox1

b. Dependent Variable: kredit investasi y1

**Partial Test**

Based on the calculation results can be known partially that variable savings deposits ( X1 ) and significant positive effect on the variable investment credit ( Y ) value  $t = 2,920$  with significance level  $0.013 < 0.05$ . Thus the variable savings deposits ( X1 ) positive and significant impact on investment loans ( Y ) .

While result of calculation for that variable interest rates ( X2 ) and significant positive effect on the variable investment credit ( Y ) value  $t = 2,754$  with significance level  $0.009 < 0.05$ . Thus the variable interest rate ( X2 ) , positive and significant impact on investment loans ( Y ) .

**Table 2. Partial Test Results**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	11.532	2.364		4.879	.000		
1 simpanan depositox1	.298	.030	.241	2.920	.013	.685	1.459
tsbk x2.	.254	.092	.436	2.754	.009	.685	1.459

Test Simultaneously

Of the value of  $F = 10.648$  with a significant level of  $0.000$ , to significantly  $= 0.000 > 0.05$  then simultaneously positive and significant effect on the dependent variable (  $Y$  ).

**Table 3. Simultaneous Test Results**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	92.935	2	46.467	10.648	.000 <sup>b</sup>
	Residual	161.465	37	4.364		
	Total	254.400	39			

### CONCLUSION AND SUGGESTION

From the data processing has been done in the previous chapter, it produced some of the research findings as follows:

#### Conclusion

1. From the data processing has been done in the previous chapter, it produced some of the research findings as follows: Results of multiple linear regression  $11.532 + 0.241X_1 + 0.436X_2$ . means the average yield of the investment loan before be basmemiliki variables affected the value fixed at 11 532.
2. In the regression coefficients of the savings deposits ( $X_1$ ) means that any changes regarding the investment credit variable ( $Y$ ) for 0241, or 24.1% assuming that the variable ( $X_2$ ) is konstanta. while the regression coefficient of the variable interest rate loan ( $X_2$ ) means that any changes could involve increasing the investment credit ( $Y$ ) of 0436, or 43.6% assuming that the variable ( $X_1$ ) is constant.
3. Correlation ( $R$ ) of 0.604 atau 60.4%, which means that the variable ( $X_1$ ) and ( $X_2$ ) has a strong relationship to the variable ( $Y$ ). Besides, it also, determinant coefficient of 0331 or 33.1% means the second contribution of independent variables on the dependent variable is quite important ( $Y$ ) amounted to 66.9% or influenced by other factors not examined in this study.

#### Suggestion

Based on the conclusion by the author results of the discussion will propose some suggestions may be useful for the company PT . MAndir Bank ( Persero ) tbk.cabang Dili, Timor-Leste to further refine pengembangan employees work in companies that akang come include:

1. At the company to always pay attention to the interest savings deposit and loan interest rates so that customers can return the money to the bank loan in accordance with the provisions of Bank Mandiri .
2. For further research that examines wantid same title so variable that they use more of the variables that exist , in order to determine the effect on variable savings deposits and loan interest rates .

### REFERENCES

Abror Achmad. (2009). Lembaga Keuangan, Alfabeta CV Bandung

Anwari (1997). Manajemen Keuangan, Edisi Kesembilan, Edisi Revisi Jilid Satu.

- Berry. (2006). Pengantar Teknik dan Manajemen Industri Edisi Pertama Cetakan Kedua
- Dajan (19860).Manajemen Keuangan,Edisi Kesembilan,Edisi Revisi Jilid Satu.
- Kasmir (2005).Dasar dasar perbankan,Edisi Satu Cetakan Pertama,PT Raja Grafindi
- Kasmir. (1998). Manajemen Keuangan, Edisi Tiga BPFE UGM, Cetakan Kedua Salaemba.
- Kasmir. (2001). Manajemen Perbankan Edisi Kesatu Cetakan Kedua PT Jakarta.
- Kasmir (2003). Manajemen bank Jakarta Grafindo Persada.
- Kasmir (2008). Manajemen Perbankan,Edisi Satu Cetakan Kedua.
- Kasmir (2002). Bank dan Lembaga Keuangan Lainnya. Edisi Redisi Jakarta PT
- Karim. (2014). Manajemen Bank Syariah,Edisi Revisi Penulis
- Kasmir. (2012). Bank dan Lembaga Keuangan lainnya, Cetakan ke sebelas, PT Raja Grafindo Persada, Jakarta.
- Ompusunggu Elly Santi. (2009). Lembaga keuangan, Alfabeta CV Bandung.
- Sugiyono .(2012). Statistika Untuk Penelitian, Cetakan ke 21, Alfabeta CV Bandung.
- Sugiyono. (2000). Manajemen Keuangan,Edisi Ketiga Yogyakarta,BPFE CetakanPertama.
- Sunungan.(2001). Keuangan Perbankan, Edisi Revisi Malang, Cetakan Pertama Jakarta.
- Pandia Frianto. (2009). Lembaga Keuangan, Cetakan Pertama, PT Rineka Cipta, Jakarta.