

## **Analysis of The Influence of Third-Party Fund Composition, BI Rate, and Firm Size on Corporate Loan Prime Lending Rate**

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### **Abstract**

*The purpose of this study is to ascertain if the basic credit interest rate (SBDK) for corporate credit in banking businesses listed on the Indonesia Stock Exchange in 2018–2021 is influenced by the TPF composition, the BI-7 Day Reverse Repo Rate (BI Rate), and the size of the company. This study employed secondary data for its data collection. Publications representing the completed version of the data are acquired. Regression coefficient research indicates that the factors related to current accounts and business size are negative, but the variables related to savings, deposits, and BI Rate are positive. Joint hypothesis testing results indicate that the basic credit interest rate is influenced by the size of the company, the BI Rate, and the makeup of third-party funds. The basic credit interest rate is influenced by the BI Rate and company size, but not by the makeup of third-party funds. The value of R square is 0.271. This demonstrates how the BI Rate, the size of the company, and the makeup of third-party funds affect the basic credit interest rate by 27.1%, with other factors influencing the remaining amount.*

**Keywords:** *BI Rate, Third-party Funds, Firm Size*

### **Abstrak**

Penelitian ini bertujuan untuk mengetahui apakah komposisi DPK, BI-7 Day Reverse Repo Rate (BI Rate), dan ukuran perusahaan berpengaruh terhadap suku bunga dasar kredit (SBDK) kredit korporasi pada perusahaan perbankan yang terdaftar di Bursa Efek Indonesia. pada tahun 2018 – 2021. Data yang digunakan dalam penelitian ini adalah data sekunder. Data yang diperoleh sudah dalam bentuk jadi berupa publikasi. Hasil penelitian koefisien regresi variabel transaksi berjalan dan

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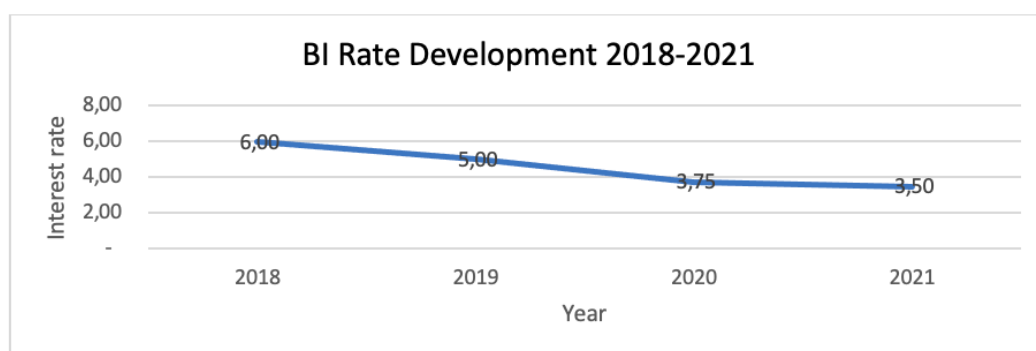
ukuran perusahaan bernilai negatif, sedangkan variabel tabungan, deposito dan BI Rate bernilai positif. Hasil pengujian hipotesis bersama menunjukkan bahwa komposisi dana pihak ketiga, BI Rate, dan ukuran perusahaan berpengaruh terhadap suku bunga dasar kredit. Secara parsial BI Rate dan ukuran perusahaan berpengaruh terhadap suku bunga dasar kredit, sedangkan komposisi dana pihak ketiga tidak berpengaruh. Nilai R square sebesar 0,271. Hal ini menunjukkan bahwa komposisi dana pihak ketiga, BI Rate, dan ukuran perusahaan berpengaruh terhadap suku bunga dasar kredit sebesar 27,1% sedangkan sisanya dipengaruhi oleh faktor lain.

**Kata Kunci:** BI Rate, Dana Pihak Ketiga, Ukuran Perusahaan

### I. INTRODUCTION

Banking is an institution that has the main function of being an intermediary between parties who experience excess funds and parties who need funds to be productive in sectors that need them in the form of loans. Loans disbursed by banks are the main source of bank income. Therefore, every bank tries to make potential customers interested in borrowing funds from their company. This is different for prospective customers when they want to borrow funds, of course they will consider the interest rate given by the bank. So far, people like to hear complaints about the high interest rates on bank loans, which is one of the reasons why prospective customers are reluctant to take out loans from banks.

Various efforts have been made by Indonesian banks to reduce banking interest rates for both loans and deposits, such as by issuing liquidity easing policies and lowering the benchmark interest rate or what is commonly known as the BI rate, which is now replaced by the term BI-7 Day Reverse Repo Rate (BI7DRR ) as depicted in the following image.

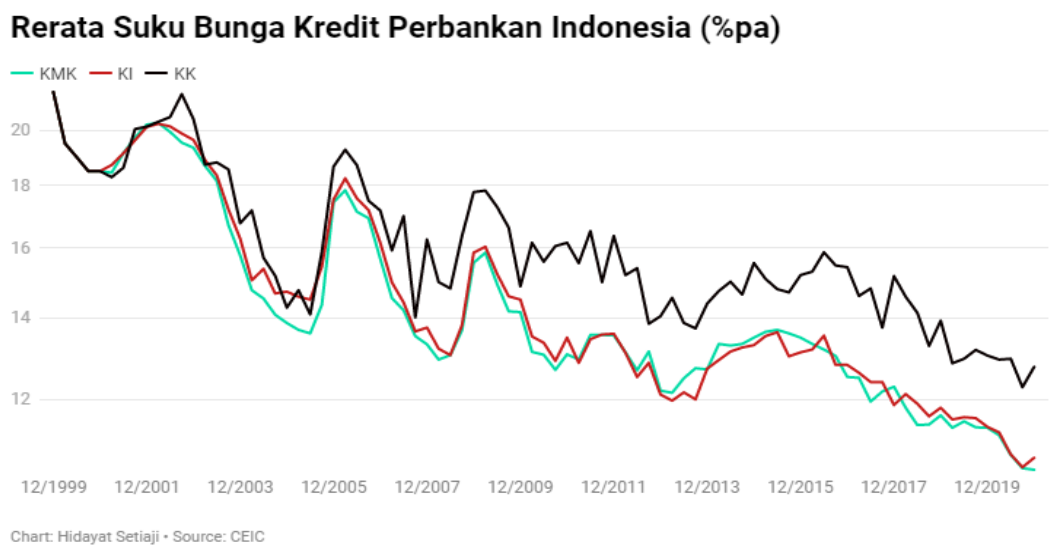


**Figure. 1 BI Rate Development**

**Source: BI-7 Day Reverse Repo Rate Bank Indonesia**

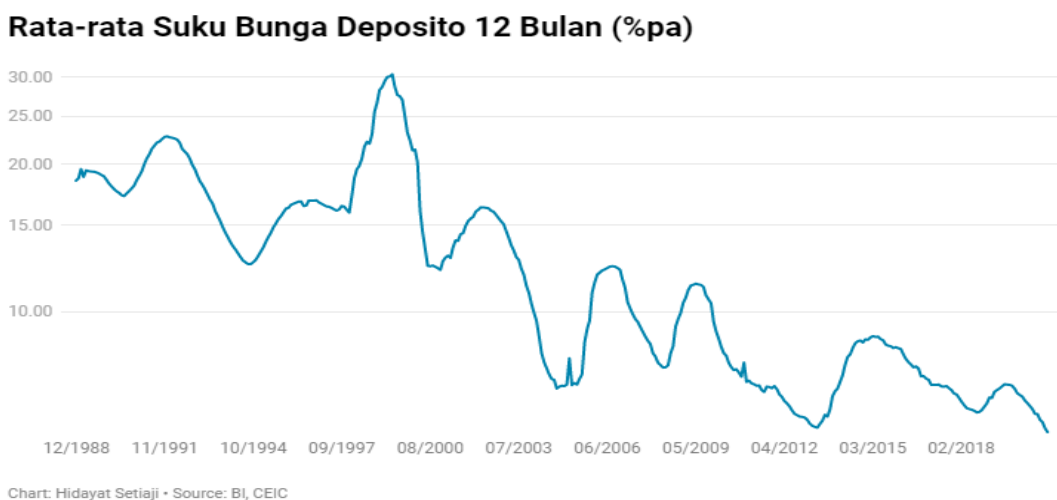
From this graph, it can be seen that Bank Indonesia throughout 2021 has cut interest rates by 250 basis points (bps) to 3.5%. Banks responded to the cut in the reference interest rate by Bank Indonesia by reducing loan interest rates, but the reduction was not as fast as the reference interest rate.

During 2020, the interest rate on working capital loans decreased by 87 bps. Investment credit decreased by 65 bps, while consumption credit decreased by 28 bps (Herdaru Purnomo & Hidayat Setiaji, 2021). When compared with the decline in the BI rate for all types of credit, it is still much smaller, this can be seen in the following picture.



**Figure 2. Average Banking Credit Interest Rates**  
Source: CNBC Indonesia

From the savings side, banks responded to the BI Rate cut by lowering deposit interest rates. The average deposit interest rate for a period of 12 months at commercial banks decreased by 114 bps, when compared to the position at the end of 2019 (Herdaru Purnomo & Hidayat Setiaji, 2021). Compared to the decrease in loan interest rates, the decrease in deposit interest rates was much greater, this can be seen in the image below:



**Figure 3. Interest Rate Development Chart 12 Month Deposit**  
Source: CNBC Indonesia

The decrease in loan interest rates, which is much lower than the decrease in bank deposit interest rates, causes *the spread between* loan and deposit interest rates to continue to widen and banking *Net Interest Margin* (NIM) continues to increase. Therefore, Bank Indonesia sees that the opportunity for banks to reduce credit interest rates is still quite wide. For this reason, banks are continuously encouraged to reduce loan interest rates. The result is that in the credit market, the decline in prime lending rates for banks continues, followed by a reduction in interest rates for new loans in all bank groups, except BPD banks (Haryono, 2021).

Of course, there are several factors that are used as benchmarks in determining the basic credit interest rate, such as the cost components incurred in the form of funding costs, overhead costs and expected profits. Apart from that, in determining the SBDK amount, banks must also be guided by Bank Indonesia's *7 - day Reverse Repo Rate* so that economic conditions remain stable and under control and people's interest in taking loans from banks increases.

Based on this, this research aims to examine the influence of the composition of third-party funds, the BI rate, *and company size on the basic credit interest rate (SBDK) for corporate credit.* in banking companies listed on the Indonesian Stock Exchange 2018 - 2021.

## II. LITERATURE REVIEW

### Bank

The basic definition of a bank, according to Kasmir (Kasmir, 2015), is a financial entity whose primary function is to collect money from the community and return it to it while also offering additional banking services. Thus, it may be said that a bank is an organization or business entity whose primary function is to receive deposits from clients and channel those deposits back to the community or other customers in the form of loans.

### Third-party Funds (DPK)

The public, or third parties, is the primary source of funding used by banks. In his book *Basics of Banking*, Kasmir (Kasmir, 2014) defines third-party funds as follows: "Third-party funds are funds collected by banks originating from the wider community, consisting of deposit savings (time deposits), demand deposits, and savings deposits." In the meantime, third-party funds are defined as "funds obtained from the community, in the sense of the community as individuals, companies, governments, households, cooperatives, foundations and others both in rupiah and foreign currencies" by Veitzal Rivai (Rivai, 2007).

According to Muljono, (Muljono, 2006) he defines that: "Third-party funds are funds that are collected from the community will be used to fund the real sector through credit distribution. These third-party funds are collected by banks through various fund products offered on the general public, who put their trust in the bank

concerned to save their money and then withdraw it at maturity in exchange for interest as well as *capital gains* from the bank". Based on the type of product, third-party funds generally consist of Current Accounts, Savings and Deposits.

Current accounts according to banking law number 10 of 1998 are third-party deposits or funds, where withdrawals can be made at any time using media, namely checks, giro cards and other means of payment orders. Giro account or *Current Account* is a type of banking product in the form of deposits from individual customers or business entities in rupiah or foreign currency, which can be withdrawn at any time, during working hours, using a check or giro bill. All Indonesian citizens and foreign nationals as well as business entities and other institutions that are valid according to applicable law can open a checking account.

Usually, checking accounts are used by customers, both individuals and institutions, to carry out financial transactions, especially transfers of large amounts. Customers with checking accounts do not need to carry large amounts of cash when making transactions, because withdrawing money can only be done using a check or giro bill given to the party receiving the money. Every withdrawal and deposit will be administered by the bank according to the type of transaction and at the end of each month the customer will receive a transaction report called a bank statement.

Savings is a money savings product for individuals or business entities at a bank with conditions that comply with the bank's provisions. The definition of savings according to Banking Law number 10 of 1998 is a deposit from which withdrawals can only be made according to certain agreed conditions, but cannot be withdrawn by check, giro bill, and/or other equivalent instruments. Savings can be withdrawn at any time without time limits, including via ATMs (Automated Teller Machines), but cannot be withdrawn via giro cards, checks and other withdrawal devices determined by the bank. Savings are also defined as the part of income that is not consumed and is saved for future needs.

*Mobile banking & internet banking* services, and other services provided by each bank. Money saved in savings can now be withdrawn easily via savings book, withdrawal slip, ATM card, *mobile banking*, and so on. In general, deposits are money savings products provided by banks with a deposit system that is made in advance and has withdrawal provisions that can only be made in accordance with withdrawal provisions that can only be made in accordance with a certain time period agreed upon by the customer and the bank. As proof of ownership of deposits, customers will be given proof in the form of deposit slips.

Generally the terms offered are from 1, 3, 6, 12 or even up to 24 months. New deposits can be disbursed at maturity according to the term, so if they are forced to be disbursed before maturity the bank usually imposes fines or penalties. Although deposited funds can only be withdrawn after a certain period of time, deposits have their own advantages compared to savings accounts. The interest rates given by banks for deposits are more competitive than ordinary savings.

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If no distribution is carried out at maturity, deposits can also be extended automatically using the ARO (*Automatic Roll Over*) system deposits will be extended automatically after maturity, until the owner cashes in the deposit.

### **BI-7 Day Reverse Repo Rate**

BI - 7 Day Reverse Repo Rate is a framework for monetary operations that implements a new reference rate or policy interest rate, namely the BI-7 Day Reverse Repo Rate (BI7DRR), which has been effective since August 19, 2016. Bank Indonesia issued the BI - 7 Day Reverse Repo Rate policy as a replacement for what was previously known as the BI Rate, with the aim of strengthening the effectiveness of monetary policy. Changing the BI rate to BI - 7 Day Reverse Repo Rate can quickly influence the money market, banking, and real sector, so that every time there is a change in the interest rate policy determined by Bank Indonesia, the impact will be on banking interest rates for deposits, savings, current accounts, and credit.

The policy of changing the BI - 7 Day Reverse Repo Rate as the new policy interest rate is expected to strengthen monetary policy signals with the BI - 7 Day Reverse Repo Rate interest rate as the main reference interest in the financial market. Furthermore, it can increase the effectiveness of monetary policy transmission through its influence on movements in money market interest rates and banking interest rates, and the formation of an interbank money market (PUAB) for tenors of 3 months to 12 months.

### **Firm Size**

Firm or company Measure is one of the factors considered in deciding a company's esteem. Firm Measure reflects a company's add up to resources. Understanding company measure Concurring to Adawiyah (Adawiyah, 2017), company measure could be a scale that can classify the measure of a company in different ways, counting utilizing resources, log measure, and stock advertise esteem. Companies are categorized into two sorts: small-scale and large-scale.

In expansion, firm estimate can impact the level of client certainty in sparing, and. The greater the company, the better known it is by the open, which suggests that it is less demanding to get data that will increment the esteem of the company. Indeed expansive companies with add up to resources with a fairly expansive resource esteem can pull in clients to contribute their reserves within the company. In terms of company measure, it is seen from the full resources possessed by the company that can be utilized for the company's operational exercises.

### **Basic Credit Interest Rate**

The Basic Credit Interest Rate (SBDK), also known as the Prime Lending Rate. used as a benchmark to determine the loan interest rate charged by the bank to its prospective customers. The SBDK amount does not consider the estimated risk

premium component, the amount of which depends on the bank's assessment of the risk of each debtor or group of debtors. Thus, the credit interest rate charged to debtors is not necessarily the same as the prime lending rate (Keuangan, 2022).

Bank Indonesia and the Financial Services Authority are trying to create a conducive economy by controlling competition between banks by setting the Basic Credit Interest Rate or SBDK. In addition, the aim of establishing the SBDK is a form of transparency in the loan interest rates charged to prospective customers. Therefore, banks are required to provide information on basic credit interest rates through media that is easily accessible to the public.

To determine the interest rate, the bank must determine three components of costs incurred: the cost of funds, overhead, and profit margin. Apart from that, in determining the SBDK amount, banks must also be guided by Bank Indonesia 7 day Reverse Repo Rate (Haryono, 2021).

Furthermore, This banking prime lending rate is reported to the Financial Services Authority and Bank Indonesia so that the OJK and BI can determine the basic interest rates of all banks in Indonesia.

### **Connection Composition of DPK with Prime Lending Rate**

Third-party Funds (DPK), namely funds collected by banks from the public. In general, public funds play a very large role in supporting bank businesses and are a mainstay for banks (Leon, 2008). Public funds deposited in banks are the largest source of funds that banks rely on most in carrying out their operations. In general, the types of third-party fund products consist of Current Accounts, Savings and Deposits.

These three types of savings have different characteristics, especially related to deposit interest rates and the timing of disbursement of funds. Deposits have the highest savings interest rates but have a definite time period for disbursement of funds. In contrast to deposits, savings have lower interest rates with withdrawals that can be made at any time. Meanwhile, savings in the form of demand deposits have the lowest interest rates, and are usually used by the owner for business activities, so that sometimes the balance is very small, sometimes in some banks there are overdraft types of demand deposit accounts.

Based on this, if third-party funds are dominated by savings in the form of deposits, it will have an impact on the large burden of third-party funds that must be borne by the bank, then the hypothesis taken is:

**H1: The composition of third-party funds (DPK) influences the basic credit interest rate (SBDK)**

### **Relationship between BI-7 Day Reverse Repo Rate and Prime Lending Rate**

Bank Indonesia issued the BI - 7 Day Reverse Repo Rate policy as a replacement for what was previously known as the BI Rate, with the aim of strengthening the effectiveness of monetary policy. Changing the BI rate to the BI - 7

Day Reverse Repo Rate can quickly influence the money market, banking, and real sector, so that every time there is a change in the interest rate policy determined by Bank Indonesia. Therefore Bank Indonesia 7 day Reverse Repo Rate should be used as a guideline in determining interest rates. Based on this, we propose the following hypothesis:

**H2: BI-7 Day Reverse Repo Rate influences the basic credit interest rate (SBDK)**

### **Firm Size Relationship with Prime Lending Rate**

Firm Estimate may be a reflection of the entire resources claimed by a company. Companies themselves are categorized into two sorts, to be specific small-scale companies and large-scale companies. Subsequently, firm measure can impact client certainty in sparing stores. The greater the company, the superior known it is to the open. Indeed huge companies that have add up to assets with a decently expansive resource esteem can pull in clients to contribute their stores within the company. This source of reserves can be effectively gotten, and the fetched of reserves is certainly cheaper. This can be distinctive in case keeping money is still moderately little in terms of assets; hence, the sources of stores moreover ended up more costly. Based on this, the taking after theory can be drawn:

**H2: Firm estimate impacts the fundamental credit intrigued rate (SBDK)**

## **III. RESEARCH METHODS**

Research is classified as causal associative research, which aims to investigate the existence of the influence or relationship between the composition of third-party funds, BI rate, and company size on the prime lending rate for corporate credit, and if there is, how close the influence is and whether the influence is meaningful (Sugiyono, 2017). Next, we tested the data based on the collected data. samples with certain considerations (Sugiyono, 2016). The data used in this research were secondary data in the form of quantitative data. sourced from Indonesian Banking Statistics, Financial Services Authority ( [www.ojk.go.id](http://www.ojk.go.id) ), Bank Indonesia ( [www.bi.go.id](http://www.bi.go.id) ), annual report, and the Indonesian Stock Exchange website ([www.idx.co.id](http://www.idx.co.id) ).

The research sampling method used is non-probability sampling, where the data used for research use purposive sampling, namely sampling based on the researcher's subjective assessment with certain characteristics that are considered to be related to previously known population characteristics with certain considerations (Iskandar, 2009).

Next, we examine the influence of the independent variable on the dependent variable. In this study, the variables used consist of the prime lending rate level as the dependent variable, while the independent variables are the composition of third-party funds, BI rate, and company size. Next, the adjusted R-squared was calculated to determine the magnitude of the contribution of the dependent variable.



#### IV. RESEARCH RESULTS AND DISCUSSION

##### Descriptive Analysis of Research Variables

A descriptive analysis was used to provide a description of the research variables. This analysis included the average value, standard deviation, maximum value, and minimum value. The following are the results of the descriptive analysis of the prime lending rate for corporate credit, third-party fund Composition, BI-7 Day Reverse Repo rate, and firm size. Prime lending rates for corporate credit.

**Table 1. Descriptive Analysis**

	N	Minimum	Maximum	Mean	Std. Deviation
Giro	152	.01	.45	.1717	.09977
Savings	152	.02	.51	.1902	.12224
Deposit	152	.22	.97	.6380	.18840
BI Rate	152	3.52	5.63	4.6250	.80716
Company Size	152	5.39	8.38	6.8058	.73639
Corporate SBDK	152	.06	.19	.1030	.01898
Valid N (listwise)	152				

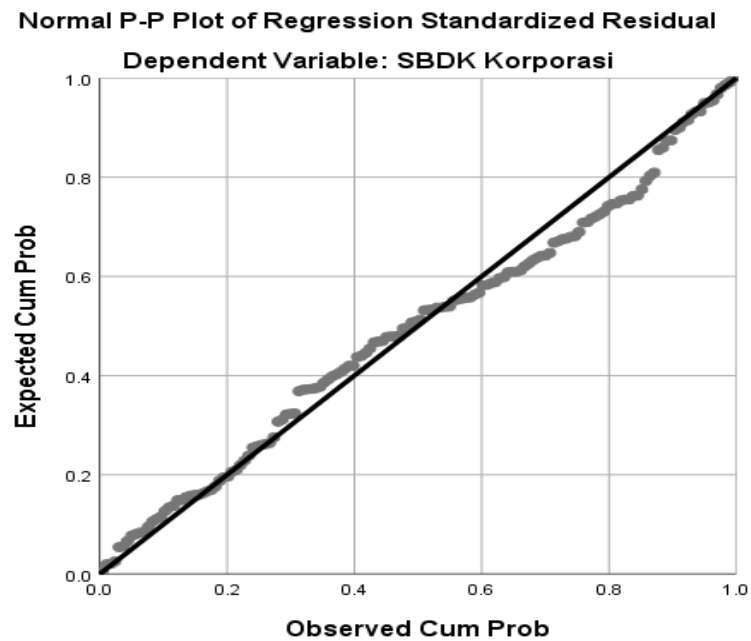
**Source: Processed Financial Report Data, 2022**

The table above illustrates that the average composition of DPK on deposits is greater than the composition of DPK on current accounts and savings. The average value of the BI-7 Day Reverse Repo Rate was 4.625, with the lowest value being 3.52, and the highest being 5.63. Meanwhile, the average company size is 6.81 with the lowest value being 5.39 and the highest being 8.38.

##### Classic Assumption Test

The inferential examination strategy utilized in this investigate was different relapse investigation. Numerous relapse was utilized to specifically decide the impact of the autonomous variable on the subordinate variable. Some time recently carrying out the different relapse examination, the classical presumption test is to begin with calculated with the point that the coming about condition may be a great and impartial condition, as takes after:

The comes about of the typicality test can be seen within the Kolmogorov-Smirnov p-plot chart within the picture underneath.



**Figure 4. Data Normality Test**  
**Source: Processed Secondary Data, 2022**

Based on the above image, it can be seen that the data points are along the diagonal line; therefore, it can be said that the regression model is normally distributed.

A good regression model should have no correlation with independent variables. The results of the multicollinearity test used the variance inflation factor (VIF) value. are as follows.

**Table 2. Multicollinearity Test Table**  
**Coefficient<sup>a</sup>**

Model		Collinearity Statistic	
		Tolerance	VIF
1	Giro	,434	2,305
	Saving	,309	3,233
	Deposit	,187	5,342
	BI Rate	,979	1,021
	Company Size	,406	2,465

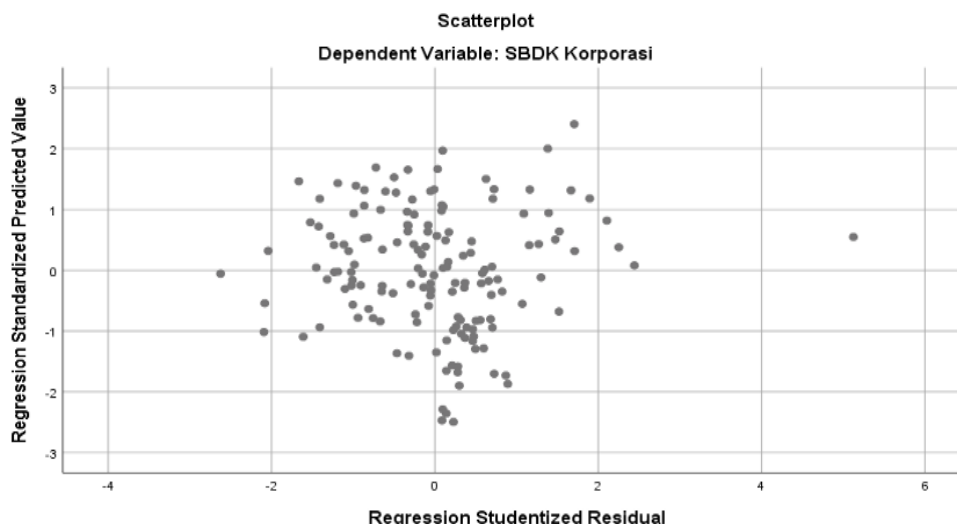
a. Dependent Variable: Corporate SBDK

**Source: Processed Secondary Data, 2022**

Within the over table, it can be seen that the resistance esteem is over 0.1, and the fluctuation expansion figure (VIF) esteem is underneath 10. In this way, it can be concluded that there was no multicollinearity issue within the information.

Another, to detect the nearness or nonappearance of heteroscedasticity, able to look at the plot chart between the anticipated esteem of the subordinate variable and its remaining. Discovery of the nearness or nonattendance of heteroscedasticity

can be performed by looking at the nearness or nonappearance of certain designs on the scatterplot chart.



**Figure 5. Heteroscedasticity Test**  
**Source: Processed Secondary Data, 2022**

Based on the comes about of heteroscedasticity testing utilizing the diffuse plot test, it can be seen that the information is spread over and underneath the zero point. So it can be said that there's no heteroscedasticity issue within the relapse demonstrate.

The autocorrelation test was carried out utilizing the Durbin–Watson measurable test, to be specific, by comparing the calculated Durbin-Watson (DW) numbers with the basic values (dL and dU). The comes about of the autocorrelation tests.

**Table 3. Autocorrelation Test Results**

<b>Model Summary<sup>b</sup></b>	
<b>Model</b>	<b>Durbin-Watson</b>
1	2,037

**Source: Processed Secondary Data, 2022**

Based on the over table, the Durbin-Watson esteem was 2.037. Since the DW esteem is between  $dU ( 1.8032 ) < DW ( 2.037 ) < 4 - dU ( 2.1968 )$  , it can be concluded that there's no autocorrelation .

### Multiple Regression Analysis

Analysis methods are used for see influence Composition of Third-party Funds consisting of current accounts ( $X_1$ ), savings ( $X_2$ ) and deposits ( $X_3$ ), *BI Rate* ( $X_4$ ) and *Firm Size* ( $X_5$ ) Against the Prime Lending Rate for Corporate Credit (Y) multiple linear regression analysis is used with the following equation:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5$$

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Where :

Y = Corporate Credit SBDK Rate

X<sub>1</sub> = Composition of DPK Giro

X<sub>2</sub> = Composition of TPF Savings

X<sub>3</sub> = Composition of TPF Deposits

X<sub>4</sub> = BI-7 Day Reverse Repo Rate

X<sub>5</sub> = Firm Size

a = Constant

b<sub>1</sub>-b<sub>5</sub>, = Regression Coefficients

**Table 4. Multiple Regression Analysis**

Coefficients <sup>a</sup>						
Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	0.152	0.025		6,167	0,000
	Giro	-0.001	0.003	-0.049	-0.459	0.647
	Savings	0.003	0.003	0.128	1,008	0.315
	Deposit	0.004	0.009	0.071	0.433	0.666
	BI Rate	0.007	0.002	0.284	3,974	0,000
	Firm Size	-0.011	0.003	-0.423	-3,816	0,000

a. Dependent Variable: Corporate SBDK

**Source: SPSS v25.0 2022 Output**

Based on the calculation results in the table above, the results of the multiple linear regression equation are obtained as follows:

$$Y = 0.152 - 0.001 X_1 + 0.003 X_2 + 0.004 X_3 + 0.007 X_4 - 0.011 X_5$$

The esteem of the relapse coefficient on the free factors outlines that in the event that the free variable is assessed to extend by one unit and the esteem of the other free factors is assessed to be steady or rise to to zero, at that point the esteem of the dependent variable is anticipated to extend or diminish agreeing to the sign of the relapse coefficient of the free variable. In the interim, the relapse coefficient of the free variable appears the course of the relationship between the variable in address and the prime loaning rate for corporate credit.

The relapse coefficient for the independent variable X1 is negative, demonstrating that there's a unidirectional relationship between DPK composition current account (X1) with the Prime Loaning Rate for Corporate Credit (Y). The relapse coefficient for the variable expanded by one unit this will cause the Prime Loaning Rate for Corporate Credit (Y) to diminish by 0.001 unit.

The relapse coefficient for the free variable X2 is positive, showing that there's a unidirectional relationship between DPK composition reserve funds (X2) with the Prime Loaning Rate for Corporate Credit (Y). The relapse coefficient for the variable expanded by one unit this will cause the Prime Loaning Rate for Corporate Credit (Y) to extend by 0.003 units and bad habit versa.

Relapse coefficient for autonomous variable X3 encompasses a positive esteem, showing that there's a unidirectional relationship between Third-party Finance Composition stores (X3) with Prime Loaning Rate for Corporate Credit (Y). The relapse coefficient for the variable expanded by one unit this will cause the Prime Lending Rate for Corporate Credit (Y) to extend by 0.004 units and bad habit versa.

The relapse coefficient for the autonomous variable X4 is positive, demonstrating that there's a unidirectional relationship between the BI rate (X3) with the Prime Lending Rate for Corporate Credit (Y). The relapse coefficient for the variable X2 of 0.007 implies that the BI rate expanded by one unit this will cause the Prime Loaning Rate for Corporate Credit (Y) to extend by 0.007 units and bad habit versa.

The relapse coefficient for the autonomous variable The relapse coefficient for variable X5 of 0.011 implies that Firm Measure increments by one unit this will cause the Prime Loaning Rate for Corporate Credit (Y) to diminish by 0.011 units and bad habit versa.

## Hypothesis Testing

### Simultaneous Hypothesis Testing

Based on the results of calculations using SPSS 25, to find out whether the TPF composition variable consists of current accounts ( $X_1$ ), savings ( $X_2$ ) and deposits ( $X_3$ ), BI rate ( $X_4$ ) and *Firm Size* ( $X_5$ ) Against the Prime Lending Rate for Corporate Credit (Y) together or simultaneously, namely using the F test with the following results:

**Table 5. Simultaneous Hypothesis Testing**

ANOVA <sup>a</sup>						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	0.015	5	0.003	10,831	0,000 <sup>b</sup>
	Residual	0.040	146	0,000		
	Total	0.054	151			

a. Dependent Variable: Corporate SBDK

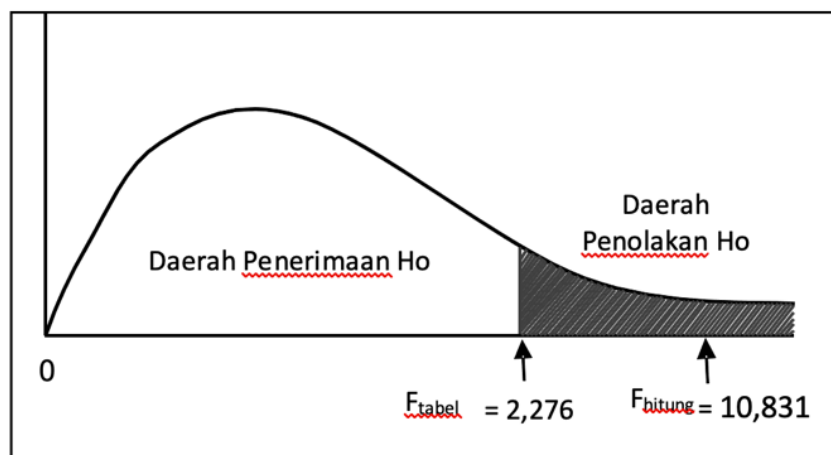
b. Predictors: (Constant), Company Size, BI Rate, Current Accounts, Savings, Deposits

Source: SPSS v25, 2022

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From the table over, it is known that the F - tally is 10.831 and after that the noteworthiness esteem (sig.0.000) when compared between the noteworthiness esteem (sig) and the alpha esteem ( $\alpha = 0.05$ ), at that point the importance esteem is littler than the alpha esteem, meaning that the variable Composition of TPF comprising of current accounts (X 1 ), reserve funds (X 2 ) and stores (X 3 ), BI rate (X 4 ) and Firm Estimate (X 5 ) have a noteworthy impact on the Prime Loaning Rate for Corporate Credit at the same time. At that point carry out a theory test with the F test, with the taking after conditions:

- If F - number > F - table at that point H is rejected and H 1 is acknowledged which suggests there's a noteworthy impact between the TPF Composition variable which comprises of current accounts (X1), investment funds (X2) and time stores (X3), BI-7 Day Invert Repo Rate (X4) and Firm Measure (X5) on the Prime Loaning Rate for Corporate Credit .
- If F - number < F - table at that point H is rejected and H 1 is rejected which implies there's no critical impact between the TPF Composition factors which comprise of current accounts (X1), investment funds (X2) and stores (X3), BI-7 Day Switch Repo Rate (X4) and Firm Measure (X5) on the Prime Loaning Rate for Corporate Credit.



**Figure 6. Simultaneous Hypothesis Testing**  
**Source: Processed Secondary Data, 2022**

Based on the provisions stated above, where the F - count is 10.831 and degrees of freedom (nk-1) or  $152-5-1= 146$ , the F - table figure is 2.276, while the F - count is 10.831 so that F - count > F - the table means that  $H_0$  is rejected and  $H_1$  is accepted, which means that there is a significant influence between the TPF Composition variable which consists of current accounts (X 1 ), savings (X 2 ) and deposits (X 3 ), BI-7 Day Reverse Repo Rate (X 4 ) and Firm Size (X 5 ) on the Prime Lending Rate for Corporate Credit.

### Partial Hypothesis Testing

Partial hypothesis is used to determine the influence of the independent variable on the dependent variable partially (each). The calculation technique is the t test. The following are the results of t test calculations using SPSS 25.0 software.

**Table 6. Partial Hypothesis Testing**

Model		Coefficients <sup>a</sup>			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	0.152	0.025		6,167	0,000
	Giro	-0.001	0.003	-0.049	-0.459	0.647
	Savings	0.003	0.003	0.128	1,008	0.315
	Deposit	0.004	0.009	0.071	0.433	0.666
	BI Rate	0.007	0.002	0.284	3,974	0,000
	Firm Size	-0.011	0.003	-0.423	-3,816	0,000

a. Dependent Variable: Corporate SBDK

**Source: SPSS v25.0, 2022**

At that point carry out theory testing utilizing the t test which has the taking after conditions.

- If  $t \text{ tally} > t \text{ table}$  or  $-t \text{ check} < -t \text{ table}$  at that point H is within the dismissal region, meaning H 1 is acknowledged or has an impact.
- If  $t \text{ number} < t \text{ table}$  or  $-t \text{ number} > -t \text{ table}$  then H is within the acknowledgment zone, meaning H 1 is rejected or has no impact.

The T table esteem for a test measure of 152 and 5 free factors is  $\pm 1.976$ .

Based on the table criteria for halfway speculation test comes about, it can be seen that the calculated t esteem for the DPK Giro Composition variable is -0.459. When compared with the t table, it is -1.976, so  $-t \text{ tally} (-0.459) > -t \text{ table} -1.976$ . So this implies that the composition of DPK current accounts has an immaterial impact on the Prime Loaning Rate for Corporate Credit. At that point, on the off chance that we see at the centrality esteem, it can be seen that the esteem is 0.647 and this esteem is more noteworthy than 0.05. Hence, based on these two parameters, it can be found out that the current store store composition does not have a noteworthy impact on the prime loaning rate for corporate credit.

The calculated t esteem for the reserve funds store store composition variable is 1.008. When compared with the t table, it is 1.976, so the calculated t ( $1.008$ )  $< t \text{ table} 1.976$ . So this implies that the composition of investment funds stores has an immaterial impact on the prime loaning rate for corporate advances. At that point, on the off chance that we see at the centrality esteem, it can be seen that the esteem is 0.315 and this esteem is more prominent than 0.05. In this way, based on these two parameters, it can be found out that the composition of store stores does not have a noteworthy impact on the Prime Loaning Rate for Corporate Credit.

The calculated t esteem for the TPF store composition variable is 0.433. When compared with the t table, which is 1.976, so the calculated t ( $0.433$ )  $< t \text{ table} 1.976$ . So this implies that the composition of third-party stores on stores has an inconsequential impact on the Prime Loaning Rate for Corporate Credit. At that point, in the event that we see at the centrality esteem, it can be seen that the esteem is 0.666 and this esteem is more noteworthy than 0.05. Hence, based on these two parameters, it can be discovered that the composition of TPF stores does not have a noteworthy impact on the prime loaning rate for corporate credit.

## Analysis of The Influence of Third-Party Fund Composition, BI Rate, and Firm Size on Corporate Loan Prime Lending Rate

The calculated t esteem for the BI rate variable is 3.974. When compared with the t table, which is 1.976, so t check (3.974) > t table 1.976. So this implies that the BI rate incorporates a noteworthy impact on the prime loaning rate for corporate credit. At that point, in case we see at the noteworthiness esteem, it can be seen that the esteem is 0.000 and this esteem is littler than 0.05. In this way, based on these two parameters, it can be found out that the BI-7 Day Switch Repo Rate encompasses a noteworthy impact on the Prime Lending Rate for Corporate Credit.

The calculated t esteem for the Firm Measure variable is -3.816. When compared with the t table, it is -1.976, so -t count (-3.816) < -t table -1.976. So this implies that Firm Measure contains a noteworthy impact on the Prime Loaning Rate for Corporate Credit. At that point, in case we see at the importance esteem, it can be seen that the esteem is 0.000 and this esteem is littler than 0.05. Thus, based on these two parameters, it can be discovered that the meaning of Firm Measure encompasses a critical impact on the Prime Loaning Rate for Corporate Credit with a negative relationship course.

### Coefficient of Determination

The coefficient of determination is used to see the magnitude of the influence of the TPF composition which consists of current accounts ( $X_1$ ), savings ( $X_2$ ) and deposits ( $X_3$ ), BI rate ( $X_4$ ) and *Firm Size* ( $X_5$ ) on the Prime Lending Rate for Corporate Credit. The coefficient of determination ranges between 0 and 1 (0%-100%), where the greater the percentage, the greater the influence.

**Table 7. Coefficient of Determination Test Results**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,520 <sup>a</sup>	,271	,246	.01648

a. Predictors: (Constant), Company Size, BI Rate, Current Accounts, Savings, Deposits

b. Dependent Variable: Corporate SBDK

**Source: SPSS v25.0 2022 Output**

Based on the table above, it can be seen that the coefficient of determination ( $R^2$ ) value is 0.271. This means that the influence between variables from the composition of TPF which consists of current accounts ( $X_1$ ), savings ( $X_2$ ) and deposits ( $X_3$ ), BI rate ( $X_4$ ) and *Firm Size* ( $X_5$ ) as a whole on the Prime Lending Rate for Corporate Credit amounting to 27.1% while the remaining 72.9% was influenced by other variables that the researchers did not involve in this research, where the biggest influence came from the BI rate.

### Discussion

Based on the results of multiple regression analysis, the regression coefficient for the independent variables demand deposits and firm size is negative, indicating that there is a unidirectional relationship between the composition of deposits. giro and



*firm size* with the prime lending rate for corporate credit , this can happen because DPK giro is a type of DPK with very low interest. So the more banks collect funds in the form of demand deposits, the lower the prime lending rate for Corporate Credit. Likewise, the larger the company size (company capital), the company has abundant funds so it can distribute loans at low interest.

On the other hand, the independent variable in the form of savings and deposits has a positive value , this happens because these two types of deposits have quite high interest, especially for types of deposits with large amounts, banks often provide high special interest rates. If banking funding sources are dominated by high-interest deposits, this will of course have an impact on loan interest. Likewise, the BI rate variable shows a unidirectional relationship. The BI rate set by Bank Indonesia is aimed at strengthening the effectiveness of monetary policy. Any changes can quickly affect the money market, banking and real sector , so that banks will of course adjust their deposit and loan interest rates.

The results of statistical analysis and hypothesis testing simultaneously obtained an F - count of 10.831 and degrees of freedom (nk-1) or  $152-5-1=146$  obtained an F - table number of 2.276 , meaning  $F - \text{count} > F - \text{table}$  . So it can be said that there is a significant influence between the variables DPK Composition ( current accounts, savings and deposits ), BI rate and *Firm Size* to the prime lending rate for Corporate Credit . This shows that if there is a change in the composition of TPF ( current accounts, savings and deposits ), the BI rate and *Firm Size*,, this will be followed by changes in the prime lending rate for Corporate Credit.

The results of statistical analysis and partial hypothesis testing, for the TPF composition parameters for both demand deposits, savings and deposits, can be said that there is no significant influence of TPF composition on demand deposits on the Prime Lending Rate for Corporate Credit . Conversely for the Bi rate parameter and *Firm Size*, there is a significant influence on the composition of current deposit deposits on the Prime Lending Rate for Corporate Credit. This can happen because the interest rates for both deposits and loans are determined by the BI rate. So if the BI rate does not change, of course the deposit interest rate does not change, then the loan interest will also remain the same. Likewise with the size of the company, if the capital deposit is large then the bank has sufficient funds to distribute so that the bank is free to regulate its loan interest rates to be able to compete with other banks.

The value of the coefficient of determination ( $R^2$  is 0.271 , this shows that the variable composition of DPK ( current accounts, savings and deposits ) , BI rate as well as *Firm Size* has an overall influence on the prime lending rate for Corporate Credit amounted to 27.1%, while 72.9% was influenced by other variables not examined in this research, such as risk level, time period, desired profit, quality of guarantee, and others.

## V. CONCLUSIONS AND SUGGESTIONS

### Conclusion

This inquire about was conducted to analyze the impact of the composition of third-party stores, Bank Indonesia 7- day Invert Repo Rate, and company estimate relative to the fundamental credit intrigued rate (SBDK) for corporate credit in managing an account companies recorded on the Indonesian Stock Trade 2018 - 2021. The test in this inquire about is keeping money companies recorded on the Indonesia Stock Trade (BEI) for the 2018 period and 2021. Based on the inquire about comes about, the taking after conclusions can be gotten:

1. The composition of Third-party Stores (current accounts, investment funds and deposits) has no impact on the fundamental credit intrigued rate (SBDK) for corporate credit in managing an account companies recorded on the Indonesian Stock Trade.
2. BI-7 Day Turn around Repo Rate has an impact on the essential credit intrigued rate (SBDK) for corporate credit in banking companies recorded on the Indonesian Stock Trade.
3. Firm Measure has an impact on the essential credit intrigued rate (SBDK) for corporate credit in managing an account companies recorded on the Indonesian Stock Trade.
4. Simultaneously, Third-party Stores (current accounts, reserve funds and stores), BI-7 Day Invert Repo Rate and Firm Measure have an impact on the essential credit intrigued rate (SBDK) for corporate credit in keeping money companies recorded on the Indonesian Stock Trade.

### Suggestions

There are many factors that need to be considered when banking companies determine their loan interest rates, apart from the composition of DPK (current accounts, savings and deposits), *BI-7 Day Reverse Repo Rate* as well as *Firm Siz* , therefore, for further research, it is recommended to increase the research sample data by increasing the research year period, other factors such as the level of NPL ( *Non-performing loans* ), time period and others.

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