The influence Sources of Funds and Collectability Level Credit to Credit Allocation and Financial Performance in Rural Banks in South Sulawesi

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Abstract. This research aims to identify and analyze: (1) Source of funding has a significant against credit allocation, (2) Source of funding significant against financial performance, (3) The credit collectability significant against credit allocations, (4) The credit collectability significant against financial performance, (5) Credit allocations significant against financial performance. The data used the research is primary data and secondary data. The population research is public credit Bank in in South Sulawesi, with the total sample 200 respondents as employee public credit Bank. Processing and analysis of data on the Structural Equal Modeling (SEM), to know financial performance public credit Bank used 3 (three) variable: financial resources, credit allocations and the credit collectability's result showed that: (1) Source of funding influential significant against credit allocations, (2) Source of funding significant against financial performance, (3) The credit collectability significant against credit allocations, (4) The credit collectability significant against financial performance, (5) Credit allocations significant against financial performance of public credit Bank in South Sulawesi.

Keywords: Financial Resources; Collectability Level Credit; Credit Allocations and Financial Performance

1 Introduction

Economic growth in the South Sulawesi region is influenced by several sectors including the banking sector, this can be seen in the performance of the South Sulawesi banking sector in the fourth quarter of 2010, generally experiencing a slowdown when compared to the previous quarter, due to the decline in several banking indicators such as the collection of third-party funds. and lending. The cause of the slowdown in banking performance was mainly due to slowing growth on the credit side and third-party funds (DPK) at conventional commercial banks, on the other hand, the performance of Rural Banks (BPR) still showed increased growth in the collection of DPK (third party funds) and lending (Irfan Sanjaya). :2011).

In 2006, the Research Institute for Economic and Local Bank (Rielbank) Hasanuddin University, South Sulawesi, conducted research related to the development of Rural Bank (BPR) in South Sulawesi, namely with the topic "Behavior and Preferences of the People of South Sulawesi towards Rural Banks (BPR)", concluded that the people of South Sulawesi prioritize the safety of savings in saving their money or saving, prioritizing the type of credit

WICSTH 2021, September 07-08, Denpasar, Indonesia

DOI 10.4108/eai.7-9-2021.2318266

according to their individual needs and the community more prioritizing friends/family as a very effective source of information about the existence Rural Bank (BPR). Several factors that can affect the performance of Rural Banks (BPR) include the source of bank funds, the level of collectability and credit allocation. The source of funds is the bank's business in obtaining funds in order to finance its operations. In accordance with the function of the bank as a financial institution where daily activities are engaged in finance, the sources of funds cannot be separated from the financial sector.

To support the bank's activities as a money seller (providing loans), the bank must first buy money (raise funds) so that from the difference in interest the bank earns a profit. Http://ondyx.blogspot.co.id:2014). According to Dahlan Siamat (2004; 174) states that: "One of the factors causing the collapse of the condition of a bank is the NPL (non-performing loan)which exceeds the reasonable limit set by BI (Bank Indonesia). NPL(non-performing loan) arises because the funds provided in the form of credit do not return on time". The high NPL (non-performing loan) can affect the bank's policy in disbursing credit, namely the bank becomes more careful.

Because a bank that continues to provide credit when its NPL (non-performing loan) is high means that the bank is risk taken. The maximum limit for the percentage of non-performing loans in every bank in Indonesia must refer to the regulations made by BI (Bank Indonesia) regarding the reasonable limit for the level of non-performing loans, which is 5%. This regulation is important so that every banking sector in Indonesia maintains the level of non-performing loans. Where the allocation of credit must be adjusted to the conditions of the community where the Rural Bank (BPR) is located, whether it is in a community environment where the majority of employees are employees, an agricultural community environment, the plantation community environment or the coastal community environment, etc.

This illustrates that in South Sulawesi, the factors supporting the growth and development of Rural Credit Banks (BPR) are the increasing absorption of third-party funds and the behavior and preferences of the community towards People's Credit Banks (BPR), which shows the relationship between the source of funds, the level of credit collectability, credit allocation and financial performance. This study has been carried out by several previous researchers, but the variables studied are still limited, therefore researchers seek to combine and combine various variables on external and internal factors, through the implementation of several dynamic perspective theories of a company (Helfert, Wibisono: 2007).

Harjito and Martono (2013; 4) define financial management (financial management) or in other literature called spending, are all company activities related to how to obtain funds, use funds, and manage assets according to the company's overall objectives. 10 article 1 paragraph 2 of 1998 concerning banking, states that Rural Banks are banks that carry out business activities conventionally or based on sharia principles which in their activities do not provide payment traffic services. The business activities of Rural Banks are aimed at serving small businesses and local communities. Rural Banks are legally incorporated as Limited Liability Persons, Regional Companies or cooperatives.

Rural Banks are banks that have limited business activities with simple transactions, including raising funds in the form of savings, time deposits and lending. This limitation is given to Rural Banks related to the main service objectives of Rural Banks to micro, small and medium enterprises and the surrounding community. The regulation and supervision of Rural Banks by Bank Indonesia is directed at optimizing the function of Rural Banks as public trust institutions that play a role in assisting economic growth. This limitation is given to Rural Banks related to the main service objectives of Rural Banks to micro, small and medium enterprises and the surrounding community.

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Sinungan (1999) suggests that a business entity that is considered successful in the economic and trade constellation is a business entity that can optimally utilize capital funds from outside sources. Bank funds used as operational capital are sourced from funds from their own capital (DMS). The funds themselves consist of several parts (posts), namely: (1) Paid-up capital, which is the amount of money that was effectively deposited by the shareholders at the time the bank was established.

Generally, the first deposit capital from the owners (shareholders) is partly used by the bank for office facilities, office equipment and promotions to attract public interest, (2) Reserves, namely part of the bank's profit which is set aside in the form of capital reserves and other reserves that are used to cover future risks, (3) retained earnings which should belong to the shareholders, but they themselves decided not to share and reinvested in working capital. Usually this retained earnings is used to strengthen the cash reserve position or to increase loanable funds.

Loans from outside parties (DPPL). Funds originating from outside parties are parties that provide loans to banks which consist of 4 sources, namely: 1). Loans from other banks are known as call money, namely daily interbank loans. 2). Loans from banks or other financial institutions abroad, which are usually in the form of medium-term and long-term loans. 3) Loans from non-bank financial institutions (LKLB). 4). Loans from the central bank (Bank Indonesia).

To finance community businesses that are classified as priority, let alone high-priority ones, such as investment credit in sectors that must be supported in accordance with the direction of national development, production credit and working capital and other small loans. Funds from the community (DM). Public funds deposited in banks are the largest and most reliable source of funds, consisting of three types, namely: (1) Demand deposits (demand deposits) are deposits of third parties at banks which can be withdrawn at any time using cheques, warrants other payments or by way of book-entry, (2) Time deposits or time deposits are deposits of third parties at banks whose withdrawals can only be made within a certain period of time according to the agreement between the third party and the bank concerned., (3) Savings (savings).) is a third party deposit in a bank which can only be withdrawn under certain conditions. Thus, the variable source of funds (SD) used in this study has three (3) indicators, namely: 1) own funds (DMS); 2) external loan funds (DPPL); and 3) public funds (DM).

Credit Collectability Rate

Credit collectability is "the classification of loans based on the condition of payment of principal or installments of principal and interest by customers and the level of possibility of receiving back funds that are still invested in securities or other investments" (Mahmoedin, 2002:10).

Guidelines for assessing the level of credit collectibility (Syahyunan, 2002), as follows:

$$NKK = \frac{(25\%xDPK)+(50\%xKL)+(75\%xD)+(100\%xM)}{\text{Total Credits Granted}} \text{ X } 100\%$$

Information:

TPF	=	In Special Attention
KL	=	Not that smooth
D	=	Doubtful
M	=	Congested

We use the credit collectability value as the basis for calculating the quality of earning assets using the following formula:

$$KAP = \frac{15.5 - NKK}{0.15} \times 1$$

According to Sinungan (1993: 65), collectability is the rate of return of credit to companies that provide loans in the form of money or securities. Bank collectability level is measured by using Non-Performing Loan (NPL). Non-Performing Loan (NPL) is the rate of return on credit given by depositors to banks, in other words, NPL is the level of bad loans at the bank. Non-Performing Loan (NPL) is a ratio used to measure a bank's ability to refute the risk of credit failure by debtors (Darmawan, 2004). The collectability variable used in this study has two (2) indicators, namely: 1) current (performing loan/PL); and 2) loss (non-performing loan/NPL).

Credit Allocation

In general, allocation is the determination of part of an amount (money, supplies, etc.) that is allocated to an area, business entity, organization. (Source: Akbar Kaelola, Dictionary of Contemporary Political Terms, Yogyakarta: Dictionary of Contemporary Political Terms, first edition 2009 page 1). While credit is a financial facility that allows a person or business entity to borrow money, to buy products and pay them back within a specified period of time. (Law No. 10 of 1998) states that credit is the provision of money or an equivalent claim, based on an agreement or loan agreement between a bank and another party that requires the borrower to repay his debt after a certain period of time with interest. If someone uses credit services, then he will be charged interest bill.

Credit Allocation as the determination of an amount (money, supplies, etc.) which is a financial facility provided either by an individual or a business entity to borrow money, to buy a product and repay it within the period specified in an agreement. objectives, namely, among others, (1) Achieve a sufficient level of profitability. (2) Maintaining public trust by maintaining a secure liquidity position.

The credit allocation variable (AK) in this study has three (3) indicators, namely: 1) working capital credit (KMK); 2) investment credit (INV); and 3) consumer credit (KON). etc.) which is a financial facility provided either by an individual or a business entity to borrow money, to purchase a product and to repay it within the period specified in an agreement. sufficient profitability. (2) Maintaining public trust by maintaining a secure liquidity position.

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Financial performance

Financial performance is a description of financial conditions in a certain period regarding aspects of fund raising and distribution of funds which are usually measured by indicators of capital adequacy, liquidity and profitability (Jumingan: 2006). With regard to financial performance, of course, being faced with various levels of risk faced by the banking sector in lending, the banking sector needs to supervise the development of the bank's performance itself. Several analytical tools that are usually used in measuring banking performance are: 1) Liquidity, 2) Profitability, 3) Solvency. Financial performance variable (KK) in this study has three indicators, namely: 1) liquidity (LIK); 2) profitability (RENT); and 3) solvency (SOLV).

2 Research Methods

Test a theory or hypothesis in order to strengthen or even reject an existing theory or hypothesis of research results, is referred to as explanatory research (explanatory research), which aims to explain the relationship between two or more symptoms or variables, where pThe researcher only prepared a few questions as a guide to obtain primary data in the form of information, information, as the initial data needed. Explanatory research is explanatory research that highlights the causal relationship between research variables and tests the hypotheses that have been formulated previously (Singarimbun and Effendy (1995: 4). This research is located in the province of South Sulawesi, throughout PT. Bank Perkreditan Rakyat, which registered in South Sulawesi.

This research was conducted for 6 months starting from January to July 2014. The total population in this study were all Rural Banks in South Sulawesi spread over 24 districts/cities with a sample of 30 BPR with total number of employees632person. Respondents who were designated as samples were 420 people, the number of each respondent was in accordance with the position level as follows: 143 managers, 37 cashiers, 34 credit officers, 56 Accounting Officers (AO), 62 credit analysts. people and Accounting Staff of 88 people.

After distributing questionnaires to respondents, the results of the questionnaires returned were 207 questionnaires, which were declared eligible and fully filled out the questionnaires totaling 200 respondents, 7 questionnaires were declared invalid because they were not filled out completely. according to the theory put forward by Ferdinand (2002), that a good sample size for model testing using Structural Equation Modeling (SEM) is between 100-200 samples or depending on the number of parameters used. Based on the proposed hypothesis and the analytical model used, there are 2 (two) variables in this study, namely: endogenous variables and exogenous variables, Exogenous variables or independent variables, namely; Source of funds (X1) and the level of credit collectability (X2), Endogenous variable (Endogenous variable) or the dependent variable, namely; Credit Allocation (Z) and Financial Performance (Y).

Table 1. Variables, Subvariables (Indicators) and Measurement Scale

Variable	Subvariable (Indicator)	Scale	Source
Source of Funds (X_1)	Own Capital ($X_{1.1}$) External Loan ($X_{1.2}$) Community Fund ($X_{1.3}$)	interval	Sinungan (1999)
Credit Allocation (Z)	Working Capital Loan (Z_1) Investment Credit (Z^2) Consumer Credit (Z_3)	interval	Cashmere (2004)
Collectability Rate (X_2) Credit	Performing Loan (PL) ($X_{2.1}$) Non Performing Loan (NPL) ($X_{2.2}$)	interval	BI Circular (2005)
Financial Performance (Y)	Liquidity (Y_1) Solvency (Y_2) Profitability (Y_3)	interval	BI Circulars (1992, 1998); Hempel, Simonson, and Coleman (1993); Munawir (2010:33)

Source: Data processed

Questionnaire technique was used to explore the responses of the respondents to each item of the questionnaire that was submitted with statements. The research questionnaire consists of statement items arranged in the variables of Source of Funds, Level of Credit Collectability, Credit Allocation, and Financial Performance.

Compilation of answers for each questionnaire item on research variables, using a Likert scale format. Likert scale is used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena. Usually, five scale options are provided with a format such as: 1) Strongly disagree (STS), 2) Disagree (TS), 3) Neutral (N), 4) Agree (S) and 5) Strongly agree (SS).

Analysis of the data used in this study is the method of Structural Equation Modeling (SEM). Variables in this study have been determined, then further examined as to the relationship between existing variables. Source variables, credit collectability level and credit allocation, which will be studied whether it can affect financial performance. To clarify the concept of this research, the conceptual framework developed in this study is described in the following figure.

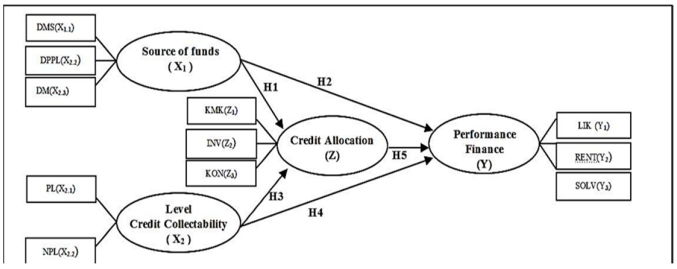

Fig1. Conceptual Framework

The hypothesis in this study is based on the background of the problem, research objectives and literature review as well as the conceptual framework as follows:

H1 Source of funding has a significant against credit allocation.
H2 Source of funding significant against financial performance.
H3 The credit collectability significant against credit allocations.
H4 The credit collectability significant against financial performance.
H5 Credit allocations significant against financial performance.

3 Results and Discussion

Structural Equation Modeling (SEM) analysis. Structural model functions to ensure that the model is in accordance with the data and ensures whether or not there is an influence between the variables studied. At this stage, the first thing to do is to ensure that the model is in accordance with the data, or the model is fit. Then if the model is fit then hypothesis testing can be done. The results of the structural model estimation analysis are presented in the following figure:

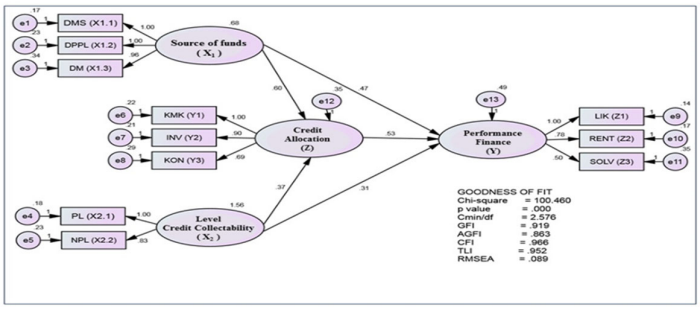

Fig 2. Full Structural Model

Structural Analysis Model

The calculation of the goodness of fit index values generated by the structural model is as follows:

Table 2. Value of Goodness of Fit and Cut off Value Structural Model

Criteria	Model Test Results	Critical Value	Information
Probability X_2 Chi square	0.000	≥ 0.05	Unwell
Cmin/DF	2,247	≤ 2.00 or 2.00 – 3.00	Fit
RMSEA	0.079	≤ 0.08	Fit
GFI	0.930	≥ 0.90	Fit
AGFI	0.879	≥ 0.90	Marginal
TLI	0.962	≥ 0.90	Fit
CFI	0.974	≥ 0.90	Fit

The calculation results show that most of the model suitability criteria have provided an index that is in accordance with the recommended one (fit or marginal), so the model is acceptable. Test result Goodness of Fitcan be defined as acceptable if some of the criteria are

met if there are 7 criteria of Goodness of Fit, then there are at least 4 criteria that must be met. According to table 5.18, it is known that there are 5 criteria that are met out of 7 criteria, so the model can be accepted. The relationship with AGFI, Ferdinand (2008), explains that the value of AGFI has a requirement of 0.9, and if it is between 0.8-0.9, it can be said that the Marginal or model is still acceptable. Next will be testing the reliability of the model and testing the hypothesis.

Contract Reliability Evaluation

According to Solimun (2002), that in the SEM analysis, the reliability of the model is checked using construct reliability. A model is said to be reliable if the construct reliability value of each variable/construct is greater than 0.70. The results of testing construct reliability on exogenous variables can be seen in the table below.

Table 3. Construct Reliability of Exogenous Variables

Variable	Indicator	Factor Loading (FL)	(FL)2	Error (1-FL2)	Construct Reliability
Source of Funds (X_1)	DMS	0.897	0.805	0.195	0.891
	DPPL	0.863	0.745	0.255	
	DM	0.804	0.646	0.354	
Credit Collectability Rate (X_2)	PL	0.945	0.893	0.107	0.926
	NPL	0.911	0.830	0.170	

Source: Data, processed

The table above shows that the exogenous variables consisting of sources of funds and the level of credit collectability have construct reliability values greater than 0.70, so it can be concluded that these variables are reliable or reliable in compiling the model developed in this study. The results of the test of construct reliability on endogenous variables can be seen in the table below as shown in the table of Construct Reliability of Endogenous Variables as follows:

Table 4. Construct Reliability of Endogenous Variables

Variable	Indicator	*Factor Loading (FL)*	(FL)2	Error (1-FL2)	*Construct Reliability*
Credit Allocation (Z)	KMK	0.898	0.806	0.194	0.890
	INV	0.884	0.781	0.219	
	KON	0.777	0.604	0.396	
Financial Performance (Y)	RENT	0.926	0.857	0.143	0.910
	SOLV	0.736	0.542	0.458	
	LIKE	0.959	0.920	0.080	

Source: Data, processed

Table 4 above shows that the endogenous variables consisting of nurse satisfaction and nurse performance have construct reliability values greater than 0.70, so it can be concluded that these variables are reliable or reliable in compiling the model developed in this study.

The following are the results of the SEM test with the SEM or standardized coefficient values for each variable in the SEM Coefficient Value table of Effects Between Variables as follows :

Table 5. SEM Coefficient Value of Effect Between Variables

Causality Relationship			direct effects	Indirect Effect
Source of Funds (X_1)	→	Credit Allocation (Z)	0.510	-
Credit Collectability Rate (X_2)	→	Credit Allocation (Z)	0.469	-
Source of Funds (X_1)	→	Financial Performance (Y)	0.297	0.206
Credit Collectability Rate (X_2)	→	Financial Performance (Y)	0.299	0.189
Credit Allocation (Z)	→	Financial Performance (Y)	0.403	-

Source: Data, processed

The following are the Regression Weight and Standardized Regression Weight structural equation models that have been modified, as shown in the Regression Weight Causality Test table as follows :

Table 6. Regression Weight Causality Test

Causality Relationship			Std. Estimate	CR	*P-value*
Source of Funds (X_1)	→	Credit Allocation (Z)	0.510	8,245	0.000
Credit Collectability Rate (X_2)	→	Credit Allocation (Z)	0.469	7,405	0.000
Source of Funds (X_1)	→	Financial Performance (Y)	0.297	4,280	0.000
Credit Collectability Rate (X_2)	→	Financial Performance (Y)	0.299	4,623	0.000
Credit Allocation (Z)	→	Financial Performance (Y)	0.403	4,587	0.000

Source: Data, processed
Source of Funds has a significant effect on Credit Allocation

Based on testing the causality relationship to the variables, it shows that the variable parameter of the source of funds on credit allocation shows significant results with a CR value of 8.245, this value is greater than 1.96, and the resulting significance level (p) is 0.000 ($p \leq 0.05$). In addition, the coefficient (standardized estimate) produces a value of 0.510 (positive). This means that the source of funds has a significant influence on the allocation of credit. This shows that the source of funds is a very important variable in the application of the allocation of funds, because the funds collected from the public are the largest and most reliable source of funds by banks (can reach 80% - 90% of all funds managed by banks).

These funds consist of demand deposits (demand deposits), time deposits and savings. the funds that have been obtained will be used in all bank's operational activities (Brigita Elisabet: 2014). StudyRenawati (1994), in her research on "Uefforts to raise public funds as a source of credit disbursement at National Private Commercial Banks in Level I regions of East Java". Find that the accumulation of public funds has a positive and significant relationship with the release of credit. Research by Nurhasniya (2004), concludes that the development of the number of savings, time deposits and current accounts has a positive and significant effect on the development of the amount of credit.

Sources of Funds have a significant effect on the Financial Performance of Rural Banks in South Sulawesi

Sources of funds have a significant effect on the financial performance of Rural Banks in South Sulawesi. The influence of both is positive, this means that the bank's ability to collect public funds will increase income so that it can improve banking financial performance. Based on the causality test, the estimation results of the variable source of funds on financial performance based on the indicators show significant results with a CR value of 4.280, this value is greater than 1.96, and the resulting significance level (p) is 0.000 ($p \leq 0,05$). In addition, the coefficient (standardized estimate) produces a value of 0.297 (positive).

This means that the source of funds has a significant effect on the financial performance of Rural Banks in South Sulawesi, where these sources of funds will generate different types of funds, in addition to generating different profits or profits, so that the ability to obtain funds from each source can be on target in the current period. Profits obtained from the provision of funds to the public is a very important consideration because the provision of these funds requires income that is relatively sufficient for the survival of the banking sector.

Therefore, bank management in an effort to raise funds does not only look at the amount of funds it has collected, but it is very important to pay attention to how much profit must be earned on the funds collected and how much funds will be distributed. so that the ability to obtain funds from each source can be on target in the current period. Profits obtained from the provision of funds to the public is a very important consideration because the provision of these funds requires income that is relatively sufficient for the survival of the banking sector.

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The level of credit collectability has a significant effect on credit allocation

The results of testing the third hypothesis are obtained that the level of credit collectability has a significant effect on credit allocation at rural credit banks in South Sulawesi. In testing the causality relationship, it shows that the estimated variable parameter of the level of credit collectibility on credit allocation based on the indicators shows significant results with a CR value of 7.405, this value is greater than 1.96, and the resulting significance level (p) is 0.000 ($p \leq 0.05$). The coefficient (standardized estimate) produces a value of 0.469 (positive). This means that the level of credit collectibility has a significant effect on credit allocation at Rural Banks in South Sulawesi.

Puritasari Research, Dona (2006), found that the implementation of financial statement analysis has been adequate, one of which is the analysis of financial ratios, and this is proven at the percentage level of credit collectibility which shows that current loans are 79%, substandard loans are 11%, doubtful loans are 4%, bad loans by 6%. Furthermore, the research of Suci Adriani, Sunandar, Hetika (2013), the results of this study can be concluded that the receivables turnover rate at KPRI Harapan from 2010-2013 is getting better due to the improved collectibility rate and high receivables returns, reaching 99.53% in 2013.

According to BI Circular No. 3/30 DPNP dated December 14, 2001, NPL is measured by the ratio of non-performing loans to the total loans granted. A high NPL will increase costs, so that the potential for bank losses. The higher this ratio, the worse the quality of bank credit which causes the number of non-performing loans to increase, and therefore banks must bear losses in their operational activities so that it affects the decrease in profit (ROA) obtained by banks (Kasmir, 2004).

The Level of Credit Collectability has a significant effect on the Financial Performance of Rural Banks in South Sulawesi

The results of the causality test between the variables show that the parameter estimation of the credit collectability level variable on financial performance based on the indicators shows significant results with a CR value of 4.623, this value is greater than 1.96, and the resulting significance level (p) is 0.000 (p). 0.05). In addition, the coefficient (standardized estimate) produces a value of 0.299 (positive).

It means that the level of credit collectability has a positive and significant effect on financial performance at Rural Banks in South Sulawesi, Non-Performing Loans (NPL) are used as independent variables that affect Return On Assets (ROA) based on their relationship with the level of bank risk which leads to bank profitability (ROA).). Non-Performing Loan (NPL) is used to measure the ability of bank management in managing non-performing loans provided by banks. Credit risk accepted by the bank is one of the bank's business risks resulting from uncertainty in its return or resulting from not repaying the credit provided by the bank to the debtor, (Hasibuan, 2007).

Credit Allocation has a significant effect on Financial Performance of Rural Banks in South Sulawesi

The results of the causality test on the research variables show that the estimation results of the credit allocation variable parameters on financial performance based on the indicators show significant results with a CR value of 4.587, this value is greater than 1.96, and the resulting

significance level (p) is 0.000 (p). 0.05). In addition, the coefficient (standardized estimate) produces a value of 0.403 (positive). It means that credit allocation has a positive and significant effect on the financial performance of Rural Banks in South Sulawesi.

This is because the main purpose of banking is to obtain optimal profits and maintain the security of funds entrusted by customers who deposit funds in the bank. The function of credit given to the community is to increase the usability of money, increase the usability of goods, increase the circulation and traffic of money, one of the instruments to stabilize the economy, stimulate community economic activity, increase national income, and mobilize community economic relations.

Research by Mochamad Soedarto (2004), the results of his research show that partially or simultaneously Interest Rates, Capital Adequacy Levels, Total Public Savings, and Total Non-Current Loans have a positive effect on financial performance. Thus, the higher the volume of consumer credit granted, the greater the bank's ability to earn a profit which will then achieve maximum profitability in accordance with the bank's goal of obtaining optimal profit. So that the higher the intensity of the provision of consumer credit.

4 Conclusion

Based on the test results of this study, it was concluded that:

a. Source of funding influential significant against credit allocations. The influence of various existing sources of funds can support and support adequate credit allocation in accordance with the portion based on its designation and credit allocation. It can be said that the increase in fixed sources of funds can be followed by the distribution of credit allocation.
b. Source of funding significant against financial performance. With stable sources of existing funds, it can improve financial performance. This means that the source of funds can be regarded as routine banking income which shows an increase in financial performance.
c. The credit collectability significant against credit allocations. Determination of credit collectability so that potential credit bottlenecks can be resolved resulting in timely fulfillment of credit allocations according to progress in banking. This can be interpreted that, when the level of payment congestion is resolved, it will have an impact on the allocation of credit according to its designation.
d. The credit collectability significant against financial performance. The ups and downs of the smoothness volume or the delay in the re-acceptance/payment of funds invested in current loans will result in the frequency of financial performance increasing or decreasing. This means that when it is on the accuracy of current or non-performing payments, it can affect financial performance.
e. Credit allocations significant against financial performance of public credit Bank in South Sulawesi. Appropriate credit allocation will result in an increase in the value of financial performance. This implies that for each appropriate credit allocation with careful analysis in determining the debtor's ability to repay the debt in accordance with the agreement, the risk can be controlled thereby increasing the value of financial performance.

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