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Accessibility and Its Impact on Third-Party Funds in Indonesian Islamic Banking

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Abstract

This study aims to analyze the impact of financial inclusion variables on third-party funds (DPK) in Islamic banking. The variables analyzed include both financial inclusion and non-financial inclusion factors. Financial inclusion variables are represented by office networks, ATM networks, and the number of savings customers. Meanwhile, non-financial inclusion variables include DPK, interest rates, profitability, yield equivalent, and the size of Islamic banking institutions. This research uses a quantitative approach with the Vector Error Correction Model (VECM) and Eviews as the analysis tool. The findings reveal that the financial inclusion variables significantly influencing Islamic banking deposits are the office network (KTR), ATM network (ATM), and the index of the number of DPK accounts per 1000 adult population (IRDPK). These results indicate that expanding banking infrastructure and increasing access to financial services play a critical role in boosting Islamic banking deposits. This study contributes to understanding how financial inclusion factors interact with other banking variables to shape the performance of Islamic banks in Indonesia, providing insights for policymakers and financial institutions in enhancing financial accessibility and deposit mobilization.

Keywords: Financial Inclusion, Third Deposit Funds, Islamic Banking, Financial Accessibility

Introduction

Financial inclusion is the affordability of people in a country for formal financial products and services, such as banking, insurance, and other formal financial institutions. Furthermore, Bank Indonesia defines financial inclusion as

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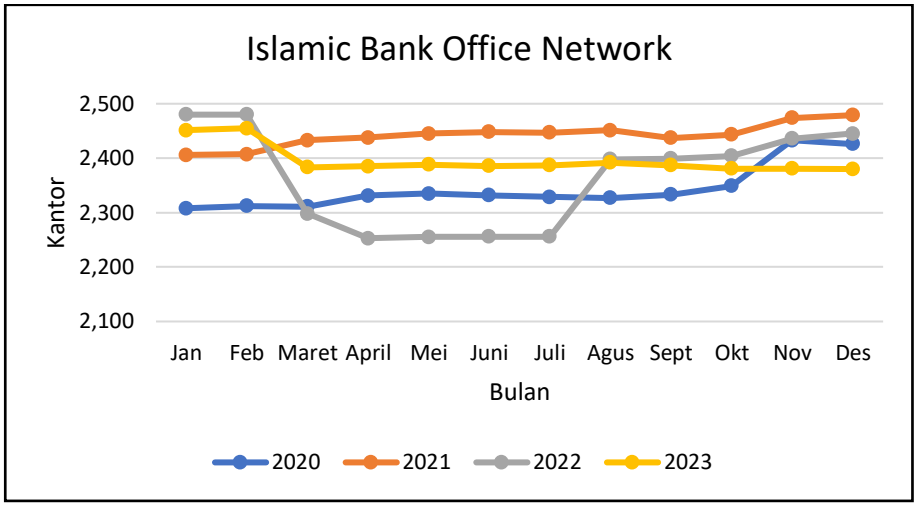
a means for everyone to have access and full services from financial institutions in a timely, convenient, informative and affordable manner, with full respect for their dignity and value. Financial inclusion is basically an effort designed to reduce or eliminate the factors that hinder the community in reaching the products and services of formal financial institutions (Nasution et al., 2013).

The Financial Services Authority (OJK) through Presidential Regulation No. 82/2016 has compiled five pillars that are the basis of the implementation of financial inclusion (SNKI), namely financial education, community property rights, intermediation facilities and financial distribution channels, financial services in the government sector, and protection consumers (Peraturan Presiden Nomor Nomor 82 Tahun 2016 Tentang Literasi Dan Inklusi Keuangan, 2016). Financial inclusion is measured through three indicators, namely availability/access, use, quality and welfare (BI, 2014). In this study, the authors only use access indicators as one of the dimensions of financial inclusion. Access can reflect the depth of reach of financial services, such as bank branch penetration, ATM availability, fees and information (Soetiono & Setiawan, 2018).

Some countries have made commitments to develop financial inclusion and some have had a National Financial Inclusion Strategy which was then made a priority program (Soetiono & Setiawan, 2018). The models adopted by each country to increase financial inclusion vary. India adopted a technology system in order to increase its financial inclusion, such as the use of mobile banking, internet banking and others (Bharali & Borman, 2017; Ezzahid & Elouaourti, 2021; Soetiono & Setiawan, 2018; Tikku & Singh, 2023). Indonesia is not much different from India in implementing financial inclusion programs. Indonesia also encourages Technology of Finance (Tekfin) and Financial Technology (Fintek) in increasing public financial inclusion. In addition, authorities in Indonesia (OJK and BI) also encourage the use of banking agents in areas that are less or not affordable with banking offices. The competent authority also encourages all PUJK in Indonesia to be able to develop the products they have. It is hoped that in the future more Indonesian people will be able to take advantage of financial service products, especially banking products.

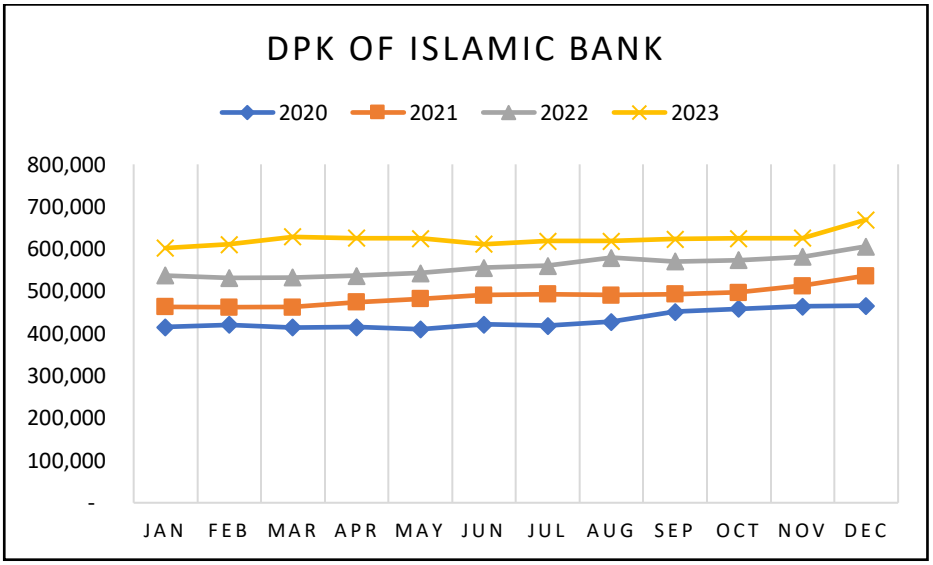
Research on the effect of financial inclusion on Islamic banking deposits is still very limited. Actually there are several studies that have led to one of the dimensions of financial inclusion access, namely sharia banking service offices, but with two different dependent variables, namely *mudharabah* savings and or *mudharabah* deposits (Hidayanti, 2016; Juniarty et al., 2017; Novianto & Hadiwidjojo, 2013; Rachman et al., 2013). The study has the same result that the

number of bank offices or branch offices will affect *mudharabah* deposits and *mudharabah* deposits. In other words, an extensive office network will further increase the public's opportunity to access and use Islamic banking services. In line with this, Soetiono & Setiawan (2018) also stated that the more branch offices of financial institutions or ATMs, the higher the likelihood of people to access and use financial service products. This is inversely proportional to empirical data which proves that when the number of sharia banking office networks declines, the amount of sharia banking deposit funds.



Source: SPS-OJK 2020-2023 (Data Processed)

Picture 2. DPK's Growth in Islamic Bank



Source: SPS-OJK 2020-2023 (Data Processed)

Several previous studies have stated that there are several factors that influence third-party funds of Islamic banking in Indonesia. Prasetya et al. (2015) in his study stated that interest rates negatively affect Islamic banking deposits. When interest rates rise, Islamic banking deposits will decline and vice versa. Another factor is the size of Islamic banking which is illustrated by Islamic banking assets. According to Al Arif & Hanifah (2017) and Mahmudah (2017) in their research stated that the size (assets) of Islamic banking affects the deposit of Islamic banking in Indonesia. The increase in third deposit funds of Islamic banking is in line with the increase in assets managed by Islamic banking. A good management of sharia banking assets will have an impact on increasing profits or profitability of sharia banking, so that the profit sharing or returns distributed to deposit customers will also increase. Increased profitability of Islamic banking will have an impact on the equivalent level of customer yields, so the equivalent yield can be more attractive to offer to customers or prospective customers. Based on research conducted by Mahmudah (2017) and Prasetya et al. (2015) that profitability and yield equivalents affect third deposit funds of Islamic banking.

Based on the phenomena that have been presented by the author, the authors are interested in taking up the research theme with the title The Role of Financial Inclusion on Third Deposit Funds of Islamic Banking in Indonesia. Sharia Banking in research only focuses on Sharia Commercial Banks (BUS) and Sharia Business Units (UUS). The purpose of this article is to describe the factors or determinants that influence Islamic banking deposits in Indonesia. In general, the variables used in this study consisted of two variables, namely financial inclusion variables and non-financial inclusive variables. Proxies used in financial inclusion variables are the office network of Islamic banks, ATM networks and the number of deposit customers. The non-financial inclusive variable proxy consists of Islamic bank deposits, interest rates, equivalent yields, profitability and company size.

Methods

The population used in this study is Islamic banking in Indonesia. The sample used as research data from this population is Sharia Commercial Banks and Sharia Business Units in Indonesia with monthly statistical specifications from 2020 to 2023. This period was chosen because pandemic covid-19 a pandemic is hitting Indonesia and economic conditions are uncertain due to restrictions on outdoor community activities. The research method used in this

study is a quantitative method with time series data analysis. The model used in this research is the Vector Autoregression (VAR) model.

Vector Autoregression (VAR) is a regression system model consisting of two or more dependent variables (Hakim, 2017). This model is used in analyzing time series data. The use of VAR in this study aims to capture the phenomena that occur in Islamic banking in terms of financial inclusion and minimize the theoretical approach. In testing the effect of financial inclusion variables on Islamic banking deposits, it can be done through the VAR equation model as follows:

$$Y_{nt} = \beta_0 + \beta_n Y_{nt-1} + \cdots + \beta_p Y_{nt-p} + \alpha_1 Y_{nt-1} + \cdots + \alpha_p Y_{nt-p} + \gamma_1 Y_{nt-1} + \cdots + \gamma_p Y_{nt-p} + e_{nt}$$

The above equation can be written more concisely as follows:

$$Y_{nt} = \beta_0 + \sum_i^p = 1\, \beta_i Y_{nt-i} + \sum_i^p = 1\, \alpha_i\, Y_{nt-i} + \sum_i^p = 1\, \gamma_i\, Y_{nt-i} + e_{nt}$$

The equation above is an example of an equation with two endogenous variables. In conducting an analysis using VAR, several testing processes need to be done. The testing process of the VAR method, namely stationary test, cointegration test and VAR test. After conducting the test process, the VAR method has a method or technique to help analyze the test results, namely the method of impulse response, variance decomposition and granger causality test.

The VAR formation process starts from testing stationary time series data. If the stationary data is in the level category, then the model used is VAR in the form of levels. However, if the data is not stationary in the level category and stationaries in the data differentiation category, then the data must be tested again through cointegration test. If cointegration does not occur, then the model used is VAR in the form of levels. However, if cointegration occurs, the model used is VECM (Vector Error Correction Model). The VECM model is a restricted model (restricted VAR) because of the cointegration which shows the long-term relationship between variables in the VAR system (Widarjono, 2018).

A Time Series data is declared if it has a constant mean, constant variance and constant autocovariance for a certain lag length or is known as the concept of weak stationarity (Hakim, 2017). Stationary testing is done using a root test (unit root test) with Augmented Dickey Fuller (ADF) test. In the stationarity test, the data is tested first, whether the data is stationary at degrees in level, first difference or second difference. The trick is to compare the probability value with an alpha value of 5% (0.05).

VAR test is used to see whether the variable data influences other variables. The number or value inside the sign () is the standard error, while the value inside the [] sign is the t-test value. Variables will affect if the t-test value is more than two (Hakim, 2017). In this study, the author uses five endogenous variables, so that the VAR equation model can be written as follows:

$$Y_{1t} = \beta_0 + \sum_i^p = 1\, \beta_i Y_{1t-i} + \sum_i^p = 1\ \alpha_i\, Y_{2t-i} + \sum_i^p = 1\ \gamma_i\, Y_{3t-i} + \sum_i^p = 1\ \gamma_i\, Y_{4t-i} + e_{1t}$$

Results And Discussion

Islamic Banking & Third Deposit Funds

Islamic banking is an institution that focuses on providing various financial services to the public in accordance with sharia principles. According to Law Number 21 Year 2008, sharia banking is everything related to Sharia Commercial Banks and Sharia Business Units, both institutional and business activities. financing and services (Ascarya, 2013). Funding product services in Islamic banks generally have three types of products, namely savings, deposits and current accounts. Savings in sharia banking are defined as deposits based on *wadiah* agreements or other contracts in accordance with sharia principles and withdrawals can be made at any time by using certain tools or means (Undang-Undang Nomor 21 Tahun 2008 Tentang Perbankan Syariah, 2008). Similar to the definition of savings, current accounts are savings products owned by Islamic banking, but the withdrawal of funds can be done using certain facilities, such as checks, crossed checks or other means of order equivalent to that.

Islamic banking activities are supported by three sources of funds, namely main capital or core capital as tier 1, supplementary capital as tier 2 (Muhamad, 2005) and customer funds or commonly referred to as Third Deposit Funds (DPK). Third deposit funds are the result of funding activities in Islamic banking. Funding is an Islamic bank's activity in collecting or collecting funds from the public. Third deposit funds are funds that come from the community, both individuals and institutions using several products or instruments, including savings, current accounts and deposits. Third deposit funds are a source of strength from both conventional and sharia banks to channel financing to the public (Prasetya et al., 2015). The greater the third deposit funds raised by Islamic banking, the greater the chance of Islamic banking to channel financing to the

public. In addition, Islamic banking will also have greater potential to benefit from its business activities.

Financial Inclusion

Financial inclusion is a program of providing formal financial services to the public that is not yet or even unreachable to formal (un-bankable) financial institutions (Bharali & Borman, 2017; Hasanah & Istikomah, 2023). The Financial Services Authority explains that financial inclusion is the availability of access to various financial institutions, products and services in accordance with the needs and abilities of the community in order to improve the welfare of the community (Peraturan Otoritas Jasa Keuangan (POJK) Nomor 76 Tahun 2016 Tentang Peningkatan Literasi Dan Inklusi Keuangan Di Sektor Jasa Keuangan Bagi Konsumen Dan/Atau Masyarakat, 2016). According to Perpres Number 86 Year 2016, financial inclusion is a condition when every member of the community has access to a variety of quality formal financial services in a timely, smooth and safe manner at affordable costs according to their needs and abilities in order to improve the welfare of the community.

The implementation of financial inclusion in Indonesia is very diverse, in fact the program has been implemented for a long time. One of the implementations of financial inclusion programs that have long existed, namely cooperatives and People's Business Credit or commonly known as KUR (Wahid, 2014). These two programs can indirectly support the implementation of financial inclusion. In addition, the existence of *Baitul Maal wat Tamwil* (BMT) can also help increase financial inclusion in Indonesia (Marlina & Rahmat, 2018; Nengsih, 2015; Santoso & Ahmad, 2016). Other implementations of financial inclusion in Indonesia are LAKU PANDAI, Simpel (Student Deposits), LAKU MIKRO, Micro Insurance, TPAKD (Regional Financial Access Acceleration Team) and others.

Especially for banking, so far what is developing is Smart and Simple Practice. Smart Practice is an abbreviation of Financial Services Without Offices in the Framework of Financial Inclusion. This program was officially launched around 2015-2016, after the issuance of POJK Number 19/POJK.03/2014 and SEOJK Number 6/SEOJK.03/2015 regarding financial services without offices in the framework of financial inclusion by the Bank (DPNP-OJK, 2015). This program is also part of the development of branchless banking that has been launched by the Government of Indonesia since June 2012 through SNKI (National Strategy for Financial Inclusion). Al Arif & Firmansyah (2018) stated

that the "Laku Pandai" Program can increase third deposit funds in BRI Syariah. Thus, the potential to increase the use of the community for sharia savings products can still be increased, without the need to establish an office network that requires quite expensive costs.

Stationary Test

At this stage, the authors do a stationary test of the data used in thesis research. Stationary test of time series data uses a model developed by Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP). The results of stationary testing of the variables used in the study can be seen in Table 1. Based on the above table, the majority of stationary variables are in the 1st difference category, except for the stationary profitability variable in the level category as well as the stationary TPF and Size variables in the 2nd difference category. Data can be said to be stationary if the probability value is below the critical value, namely 1% (0.01), 5% (0.05) and 10% (0.1). Because the research variable data used by the author is not stationary in the level category, it cannot use the VAR model in the form of levels. Thus, the data needs to be done cointegration test to see the relationship between variables.

Table 1. Stationary Test Results

Variable	Level	1st Difference
	ADF	ADF
Third Deposit Fund (DPK)	0.9797	0.0000
Office Network	0.1596	0.0000
ATM	0.7604	0.0000
IRDPK	0.9943	0.0000

Source: Processed Data

Cointegration Test

Cointegration test uses a model developed by Johansen with lag interval 1 to 4. Cointegration test results can be seen in the following table:

Table 2. Cointegration Test Results

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**

None *	0.555512	67.08982	47.85613	0.0003*
At most 1 *	0.400888	32.22407	29.79707	0.0258*
At most 2	0.202351	10.19485	15.49471	0.2660
At most 3	0.010943	0.473139	3.841465	0.4915

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	**Eigenvalue**	**Max-Eigen Statistic**	**0.05 Critical Value**	**Prob.****
None *	0.555512	34.86575	27.58434	0.0049*
At most 1 *	0.400888	22.02922	21.13162	0.0373*
At most 2	0.202351	9.721709	14.26460	0.2309
At most 3	0.010943	0.473139	3.841465	0.4915

Source: Processed Data

The upper table shows the cointegration statistical test with trace statistics, while the bottom table reports the max-eigenvalues statistics. Based on the trace statistic test and the maximum eigenvalue statistic, there is a cointegration with an alpha significance level of 5% (0.05). Starred probability values (*) indicate cointegration because the probability value is below or less than the 5% significance level (0.05). Based on these test results, it can be concluded that the data used in the study occurred cointegration, thus the model used was the Vector Error Correction Model (VECM).

VECM Test (Vector Error Correction Model)

Based on the results of stationarity test on time series data and cointegration tests conducted previously, it is known that the right model for use in this study is the Vector Error Correction Model (VECM). In the VAR estimation tables there are nine equations. In each equation can be seen in the value that is in to see the effect of each variable. The VECM test is performed using a lag length of 1 to 4. By using the rule of thumb, the variable will have a significant effect if it has a t-test value of more than 4.

Table 3. Long-term Regression Results

Cointegrating Eq:		***CointEq1***	
DPK(-1)		1.000000	
KTR(-1)	-542.1548	(105.974)	[-5.11592]*
ATM(-1)	36.42814	(25.7672)	[1.41374]*
IRDPK(-1)	-1912.331	(377.063)	[-5.07165]*
C		1054410	

Source: Processed Data

Table 3 is the result of a long-term regression relationship between all the variables in the study based on the cointegration test. Based on table 3, it can be concluded that all variables have an influence in the long run. Furthermore, the results of the VAR estimation with the VECM model in the short term can be seen in the following table:

Table 4. VECM Estimation Results

D(DPK(-1))			
D(DPK)	**D(KTR)**	**D(ATM)**	**D(IRDPK)**
-0.199580	0.000207	-0.000243	2.81E-05
(0.25049)	(0.00071)	(0.00221)	(5.6E-05)
[-0.79676]	[0.29230]	[-0.11009]	[0.49755]
D(DPK(-2))			
-0.133334	0.001678	0.000900	5.66E-06
(0.24397)	(0.00069)	(0.00215)	(5.5E-05)
[-0.54652]	[2.43361]*	[0.41878]	[0.10293]
D(DPK-3))			
-0.157090	-0.000615	-3.16E-05	9.85E-06
(0.25386)	(0.00072)	(0.00224)	(5.7E-05)
[-0.61881]	[-0.85752]	[-0.01414]	[0.17211]
D(DPK(-4))			
-0.164742	-0.001177	0.004808	-5.25E-05
(0.25066)	(0.00071)	(0.00221)	(5.6E-05)

[-0.65724]	[-1.66123]	[2.17648]*	[-0.92889]

Source: Processed Data

Granger Causality Test Analysis

Granger causality test analysis technique will analyze the causal relationship between variables in the VAR system. Table 5 is the result of the analysis with the granger causality technique. Can be seen in the probability column, values that have asterisks (*), (**), and (***) are hypotheses that are rejected at the significance level of 1% (0.01), 5% (0.05) and 10 % (0.10) with a lag length of 2. A probability value that does not have an asterisk means that the hypothesis failed to be rejected or accepted. The results of the Granger Causality Test can be seen in table 6 as follows:

Table 5. Causality Granger Test Results

Null Hypothesis:	**Obs**	**F-Statistic**	**Prob.**
KANTOR does not Granger Cause DPK	46	0.10422	0.9013
DPK does not Granger Cause KANTOR		0.36242	0.6982
ATM does not Granger Cause DPK	46	1.44925	0.2465
DPK does not Granger Cause ATM		0.99586	0.3782
IRDPK does not Granger Cause DPK	46	4.27664	0.0206*
DPK does not Granger Cause IRDPK		2.79583	0.0727*
ATM does not Granger Cause KANTOR	46	0.03929	0.9615
KANTOR does not Granger Cause ATM		0.53009	0.5925
IRDPK does not Granger Cause KANTOR	46	0.46468	0.6316
KANTOR does not Granger Cause IRDPK		0.76595	0.4714
IRDPK does not Granger Cause ATM	46	0.23972	0.7879
ATM does not Granger Cause IRDPK		1.32636	0.2766

Source: Processed Data

Effect of Sharia Banking Office Networks

Tabel 3 and 4 have shown that sharia banking office networks has the effect to third deposit funds in Islamic banking Indonesia for a short and along term. That is different from granger causality test result in the table 6, null hypothesis

(H_0) that shown sharia banking office networks doesn't has the causality relation between third deposit funds. Based on the table 6, first and second probability has a value bigger alpha value 1%, 5% and 10%. So it can be concluded that sharia banking office networks and DPK doesn't has two way causality.

Sharia banking office network is a sharia banking service office for various financial transactions. Sharia banking office network consists of Head Operational Offices (HOO/KPO) or Branch Offices (BO/KC), Sub-Branch Offices (SBO/KCP) and Cash Offices (CO/KK). Based on the results of the regression analysis in the previous section that the Islamic banking office network has an influence on Islamic banking DPK in Indonesia. However, the causality relationship between these two variables does not have a bidirectional causality relationship. The results of this analysis are in line with the results of previous studies which stated that the number of offices affects the Islamic banking deposit products, which products are part of Third Deposit Funds (Prasetya et al., 2015). This indicates that the addition of the Islamic banking office network can increase the number of DPK in Islamic banking.

The network of Islamic banking offices is an illustration of the availability of Islamic banking access to the wider community. The availability of broad access can facilitate the public or customers in conducting various transactions. Research conducted by Qodriyah (2016) states that the majority of people choose banking with more affordable access. Thus, they can be more efficient and effective in conducting financial transactions in banks. According to Soetiono & Setiawan (2018) financial institution office services are part of an access point that can be reached by the public. Based on the causality granger test, the Islamic banking office network and ATM network have a two-way or causal relationship. That is because the majority of ATM networks owned by Islamic banking are only in office networks spread throughout Indonesia. In contrast to conventional banking, the ATM network has spread throughout the region, such as in supermarkets, minimarkets, rest areas and so on.

Effect of Sharia Banking ATM Networks

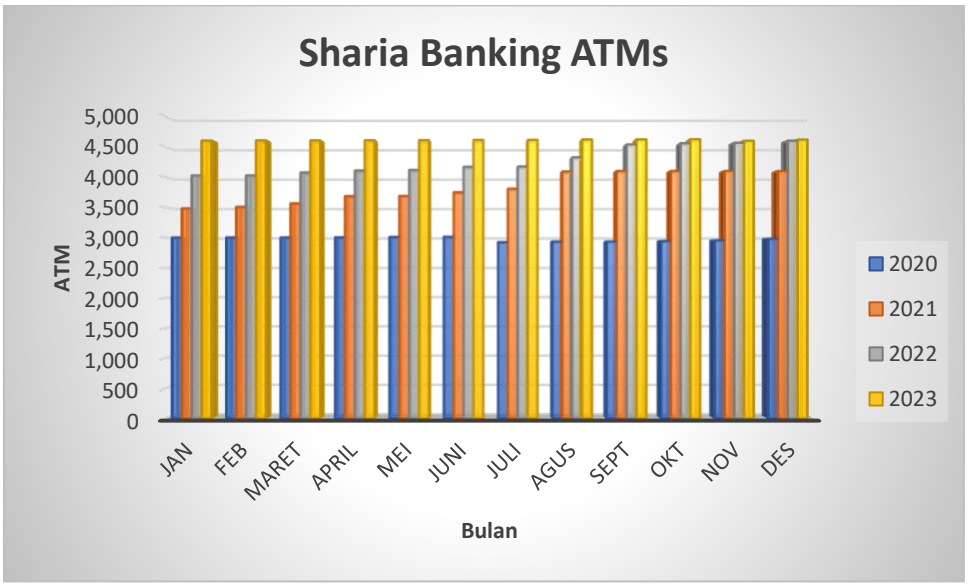
Table 3 and 4 have shown that sharia banking ATM networks has the effect to third deposit funds in Islamic banking Indonesia for short and long term. The result of granger causality test also show that the third null hypothesis (H_0) has a probability value of (0.0040), this value has a value smaller than the significance value of 1% (0.0040 <0.01). Probability value smaller than alpha can reject H_0, so

it can be concluded that ATM has a one-way causality to Islamic banking deposits.

ATM is an abbreviation of Automatic Teller. ATMs in Indonesia have three types, non-cash ATMs, cash withdrawal ATMs and cash withdrawal ATMs. Non-cash ATMs are only for non-cash transactions, such as electricity payments, credit purchases and so on. Cash withdrawal ATMs are generally used by customers to withdraw cash in the amount of money they have in an account, but ATM cash withdrawals can also be used for other non-cash transactions. ATM cash withdrawal deposits can be used by customers not only to make cash withdrawal transactions, but can also be used to make cash deposit transactions.

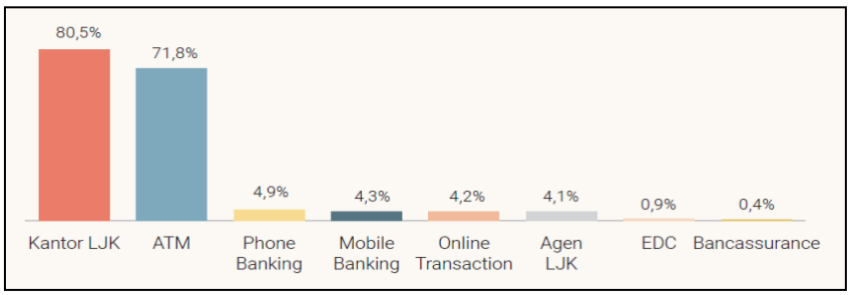
ATM is one of the many e-channel banking that can be used by customers for 24 hours. Its nature that can be functioned for 24 hours to transact, making ATM as a second means of conducting financial transactions after the office network. Access of the public and customers in using ATMs is a consideration in using banking products. Research conducted by Abdallah & Lubis (2015) states that ATMs are an important facility for customers to use banking products. ATM network is one of the access points for customers in conducting various financial transactions, making ATM as an important facility and needs to be considered by the public in opening an account in an Islamic banking. Based on Sharia Banking Statistics (SPS) data, ATMs owned by sharia banks in Indonesia have decreased, as illustrated below:

Picture 4. Number of Sharia Banking ATMs



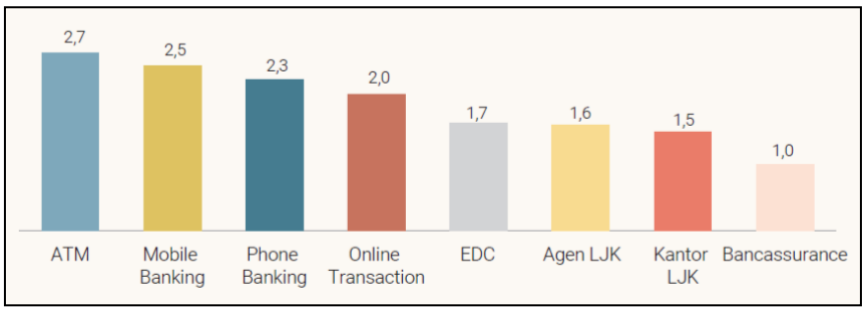
The decrease in the number of ATMs as shown above may be caused by the synergy established by Islamic banking with conventional banking as its parent company, so that it is possible that Islamic banking can make efficiency in the procurement of ATM machines. The synergy in question is the cooperation of the use of conventional banking ATMs which can also be used as sharia banking ATMs, so that sharia banking customers can also take advantage of existing conventional banking ATM networks with a wider network. Although sharia banking has synergized with conventional banking in the use of ATM networks, its utilization is still limited, in accordance with the strategies and policies of each bank. Even though ATM is one of the most important facilities for customers and also the facility most widely used by customers (Picture 5). In addition, ATMs also become the delivery channel facility with the highest frequency of use in Indonesia per month (Picture 6).

Picture 5. Most Used Delivery Channel



Source : OJK (2017)

Picture 6. Frequency of Use of Monthly Delivery Channels



Source : OJK (2017)

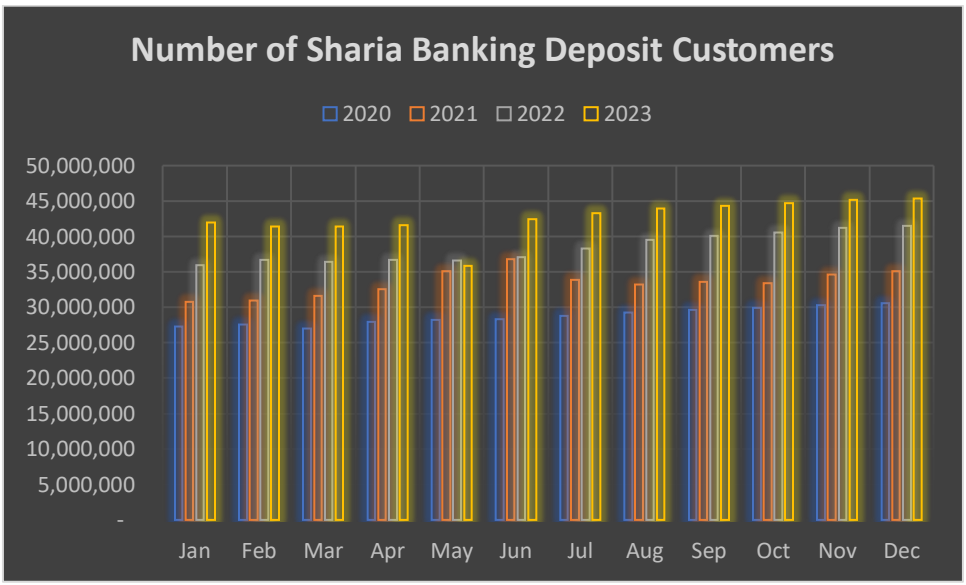
Effect of Sharia Banking Customers

Customers are the people who use products in Islamic banking. The customers referred to in this study are customers who use savings products in

Islamic banking. Based on the results of the VECM test (table 4), customer has no influence on Islamic banking deposits either in lag 1 or lag 2. That is different from long term estimation at the table 3, result at the table 3 shown that customer of sharia banking has the effect to third deposit funds. Table 6 has shown that customer of sharia banking variable doesn't has the causality relation between third deposit funds, because the probability has a value bigger than alpha 1%, 5% and 10%.

The non-influence of customer on Islamic banking deposits can be indicated that the majority of Islamic banking customers only use savings products only for transactions, so that funds only temporary placements are saved. In addition, it can also be indicated that there are still very few Indonesians who use savings products in Islamic banking. In fact, from 2020 to 2023, the number of deposit customers in Islamic banking continued to increase (Picture 7).

Picture 7. Number of Sharia Banking Deposit Customers



Source: (OJK, 2023)

Conclusion

Based on the analysis and explanation in the previous chapters, it can be concluded that the office network (KTR) of Islamic banking institutions (including BUS and UUS), which comprises various components such as Head Operational Offices (KPO), Branch Offices (KC), Sub-Branch Offices (KCP), and Cash Offices (KK), has a significant impact on the Third Party Funds (DPK)

of Islamic banks in Indonesia. This influence is observed both in the short term (at lag 1) and in the long term, indicating the critical role of branch network expansion in sustaining and growing DPK.

Additionally, the analysis shows that the ATM network also affects DPK in the short term (lag 1) and remains influential in the long term. However, the Index of the Number of DPK Accounts per 1000 Adult Population (IRDPK) only impacts DPK in the long term, with no noticeable effect in the short term. These findings highlight the differing temporal dynamics of various banking infrastructure factors and their contributions to Islamic banking deposits in Indonesia.

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