

The Influence Of Savings And Deposits Cost On Profitability At The Branch PT. People's Credit Bank (BPR) Hasamitra

Mulyana Machmud¹, Safrida², Mh. Iqbal¹

¹Institute of Social Sciences and Business Andi Sapada

*Correspondence: Mulyana Machmud
Email: mulyanamahmud.pare@gmail.com

Accepted: Juli, 2023

Published: September, 2023



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Abstract: This study aims to analyze the impact of Cost Of Funds (Cosf) from Savings and Deposits on the Profitability of PT. Hasamitra People's Credit Bank (BPR) during the period 2019-2021. The research methodology involved multiple linear regression analysis, t-test, F-test, and coefficient of determination test. Both quantitative and qualitative data were utilized, with secondary data sourced from financial reports, including Profit and Loss reports and Balance Sheet Reports from 2019 to 2021. The findings of the multiple linear analysis resulted in the equation $Y = -1.285 + 7.188 X_1 + 6.572 X_2$. The t-test demonstrated that both Cosf from Savings and Cosf from Deposits had a significant impact on Profitability at PT. People's Credit Bank (BPR) Hasamitra in 2019-2021 and the F-test revealed that Cosf from Savings and Deposits jointly had a significant effect on Profitability. The influence of Cosf from Savings and Deposits on Return On Assets (ROA) was found to be substantial, accounting for 82.6% based on the R-square test of determination. The remaining 17.4% was attributed to other variables, such as loans received, capital, liquidity, operating expenses, operating income (BOPO), and other factors.

Keywords *Cosf Of Funds, Savings, Deposits and ROA*

INTRODUCTION

Banking institutions play a crucial role in the economic development of a country. This is because they function as financial intermediaries, bridging the gap between fund suppliers (capital owners) and fund users. Banks gather funds from the public in the form of deposits and channel them back to the public in the form of loans and other financial services to improve the overall standard of living for the majority of the population. (Nursaid et al., 2021) Based on its functions, banking is divided into two types: Commercial Banks and People's Credit Banks (BPR). "According to Banking Law No. 10 of 1998, Commercial Banks are banks that conduct business activities conventionally and/or based on Sharia principles and provide services in payment transactions. People's Credit Banks (BPR) are banks that conduct business activities conventionally and/or based on Sharia principles and do not provide services in payment transactions."

One of the important components that plays a significant role in advancing micro, small, and medium enterprises (MSMEs) is BPR (People's Credit Banks). BPR's working principle, which relies on speed and convenience while still adhering to the principle of prudential banking, makes it more attractive to business players (Mukarromah & Badjra, 2015). The business activities permitted for BPR (People's Credit Banks) include collecting funds from the public in the form of savings deposits and time deposits, providing credit in the form of loans, offering financing based on profit-sharing principles as determined by government regulations, and placing funds in the form of Bank Indonesia Certificates (SBI) or savings in other banks (Sudirman, 2013).

The cost of funds or Cost of Funds are costs incurred by banks in order to collect third party funds. That is, the bank will calculate the costs incurred for each fund that has been successfully collected from various sources of funds after taking into account the existence of a reserve fund that must be maintained by each bank. (Pts & East, 2021) Each type of funding source has a different interest rate. Therefore, the average cost of funds depends on the composition of the sources of funds that have been collected (Ismail, 2010).

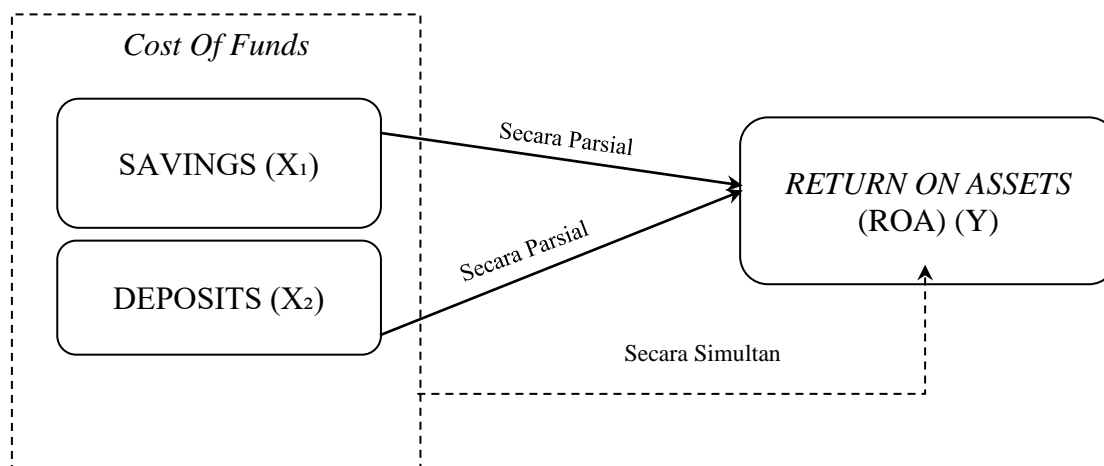
Savings are deposits whose withdrawals can only be made according to certain agreed terms but cannot be withdrawn by check, demand deposit slip and/or other equivalent means of payment. Sources of funds originating from savings have higher costs than demand deposits. Deposits are deposits that can only

be withdrawn according to a certain period of time according to the agreement between the third party and the bank. Thus, in essence, this type of deposit cannot be disbursed before maturity. In terms of costs, sources of funds originating from these deposits generally have the highest costs compared to other sources of funds and are more stable than current accounts and savings accounts. Time deposit terms consist of 1 month, 3 months, 6 months, 12 months and 24 months. High or low interest rates depend on the term of the deposit (Pandia, 2012).

The primary goal of People's Credit Banks (BPR) is to focus on serving the community, especially in remote and underserved areas where access to commercial banking services has been limited. These banks play a crucial role in supporting national development and are expected to contribute to equity, economic growth, national stability, and ultimately create social welfare. To realize this, BPRs serve the needs of the community, who are generally fishermen, farmers, small entrepreneurs, traders, breeders, and retirees. These BPRs are involved in banking operations, offering services such as Savings, Deposits, and Credit. (Supeni et al., 2023)

According to Hawley, especially in the banking business, BPR, management must bear a significant level of risk to achieve the targeted profitability as a reward for the risk taken. The level of risk varies in different businesses, but there is a positive relationship between risk and profit (Sofyan, 2019). Alper and Adem (Anbar & Alper, 2011) stated that one of the sources of funding for banks is deposits. The high amount of deposits channeled will affect the interest margin and profit. Therefore, deposits have a positive and significant influence on profitability. Similar findings were reported Dawood (Dawood, 2014), stating that deposits have a significant impact on profitability. Javaid (Zaman, 2011) found similar results, showing that deposits have a positive influence on ROA (Return on Assets). On the other hand, Damayanti and Savitri (Damayanti & Savitri, 2018) stated that the variable of deposit growth does not have a positive and significant effect on profitability. Akbas (Akbaş, 2012) also found similar results, indicating that deposits have a negative impact on ROA.

Based on the background description provided, the aim of this research is to determine the significance of the influence of savings and time deposit funds on profitability at PT. People's Credit Bank (BPR) Hasamitra branches.



Hipotesis

1. It is suspected that the cost of funds from savings and time deposits has a partial effect on Return On Asset (ROA) at PT. People's Credit Bank (BPR) Hasamitra branches.
2. It is suspected that the cost of funds from savings and time deposits has a simultaneous effect on Return On Asset (ROA) at PT. People's Credit Bank (BPR) Hasamitra branches
3. .

METHOD

Research Methodology

The sample used in this study consists of 7 branches, namely PT. People's Credit Bank (BPR) Hasamitra Gowa, Bone, Daya, Palopo, Parepare, Pangkep, and Sidrap. This research utilizes both quantitative and qualitative approaches to explore the impact of the variables under investigation, namely the cost of funds of savings and time deposits on profitability at PT. People's Credit Bank (BPR) Hasamitra

branches. The data analysis technique employed in this study is multiple linear regression analysis, processed using SPSS.

RESULTS AND DISCUSSION

The following is the result of the calculation of the cost of funds from savings at PT. People's Credit Bank (BPR) Hasamitra Branch for 2019-2021 as follows:

Table 1. The calculation results of Cost of Funds from Savings, Deposits, and ROA at PT. People's Credit Bank (BPR) Hasamitra Branch for Years 2019-2021.

Cabang BPR	COF Tabungan (X ₁)		COF Deposito (X ₂)		Return On Assets (Y)	
Gowa	2,94%	0,0294	16,89%	0,1689	5,15%	0,0515
Bone	7,25%	0,0725	12,63%	0,1263	4,59%	0,0459
Daya	2,94%	0,0294	16,88%	0,1688	6,01%	0,0601
Palopo	6,21%	0,0621	13,64%	0,1364	4,86%	0,0486
Parepare	4,31%	0,0431	15,53%	0,1553	(0,09%)	(0,0009)
Pangkep	6,23%	0,0623	11,66%	0,1166	0,44%	0,0044
Sidrap	4,67%	0,0467	11,61%	0,1161	(22,87%)	(0,2287)

Source: Processed Data, 2022

a. Partial Test (Test statistic t)

According to Ghozali (Ghozali, 2011), the t-test essentially measures how much the influence of one independent variable individually explains the variation of the dependent variable.

The hypothesis is as follows:

Acceptance or rejection of the hypothesis is determined using the following criteria:

- a. If the $t_{count} > t_{table}$ at a significance level of 0.05, then the null hypothesis (H₀) is accepted.
- b. If the $t_{count} < t_{table}$ at a significance level of 0.05, then the null hypothesis (H₀) is rejected.

To calculate the t_{table} , the following formula is used:

$$t_{table} = \alpha / 2; nk$$

Where:

n = The number of samples studied, which is 7 samples.

k = The number of independent variables.

$$\alpha = 0.05 (5\%)$$

$$t_{table} = 0.05 / 2; 7 - 2$$

$$= 0.025; 5$$

$$= 2.571$$

Thus, the t_{table} value is obtained as $t_5: 0.025 = 2.571$ (based on the t-distribution table for df (degree of freedom) = 5, at a significance level of 0.025).

Tabel 2. Statistical Test Results t

		Coefficients				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	-1,285	.300		-4,280	.013
	COF Savings	7,188	2063	1,184	3,484	.025
	COF Deposits	6,572	1,506	1,483	4,364	.012

a. Dependent Variable: Return On Assets (ROA)

Source: Processed Results of SPSS 22, 2022

Based on the table above, the following hypothesis results are obtained:

1. The effect of COF Savings on Return On Assets (ROA) is significant. The Sig. Value of COF Savings is $0.025 < 0.05$, and the $t_{count} = 3.484 > t_{table} = 2.571$, leading to the acceptance of the hypothesis. This means that COF Savings has a significant effect on Return On Assets (ROA) at PT. People's Credit Bank (BPR) Hasamitra.
2. The effect of COF Deposits on Return On Assets (ROA) is significant. The Sig. Value of COF Deposits is $0.012 < 0.05$, and the $t_{count} = 4.364 > t_{table} = 2.571$, leading to the acceptance of the hypothesis. This means that COF Deposits have a significant effect on Return On Assets (ROA) at PT. People's Credit Bank (BPR) Hasamitra.
3. Based on the explanations above, the hypothesis "It is suspected that the Cost Of Funds of Savings and Deposits has a partial effect on Return On Assets (ROA) at the PT. People's Credit Bank (BPR) Hasamitra" is proven and accepted.

b. Simultaneous Test (Test statistic F)

According to Ghozali (Ghozali, 2016) the F statistical test essentially determines whether all the independent variables included in the model have a simultaneous effect on the dependent variable.

The hypothesis is as follows:

The F test is conducted by comparing the value of F_{count} with F_{table} at a significance level of 0.05 in the following manner:

- a. If the value of $F_{count} > F_{table}$, with a significance level of 0.05, then the hypothesis is accepted.
- b. If the value of $F_{count} < F_{table}$, with a significance level of 0.05, then the hypothesis is rejected.

To calculate F_{table} at a significance level of 5%, used the following formula :

$$F_{table} = (k - 1) / (n - k)$$

Where:

k = number of independent variables

n = number of samples (7)

$$F_{table} = (2 - 1) / (7 - 2) = 1 / 5 = 0.2$$

So, the F_{table} value with degrees of freedom (df1) 1 and degrees of freedom (df2) 5 is 0.2.

Tabel 3. F statistical test results

		ANOVA				
Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	.052	2	.026	9,526	.030b
	residual	.011	4	.003		
	Total	.063	6			

a. Dependent Variable: Return On Assets (ROA)

b. Predictors: (Constant), COF Deposits, COF Savings

Source: Processed Results of SPSS 22, 2022

Based on the table above, the following hypothesis results are obtained:

1. Effect of COF Savings and Deposits on Return On Assets (ROA)

The results of data processing show that $F_{count} = 9.526 > F_{table} = 6.61$ with a significance level of $0.030 < 0.05$, meaning that the hypothesis is accepted. This means that COF of Savings and Time Deposits has a significant influence on Return On Assets (ROA).

2. Based on the explanation above the hypothesis "It is suspected that the Cost Of Funds of Savings and Deposits has a simultaneous effect on Return On Assets (ROA) at PT. People's Credit Bank (BPR) Hasamitra" is proven and accepted.

c. Determination Coefficient Test (R²)

According to Ghozali (Ghozali, 2011) the coefficient of determination (R²) is used to measure the extent to which the model can explain variations in the dependent variable. The coefficient of determination (R²) ranges between zero and 1. If the R² value is close to 1, it indicates that the independent variable can explain almost all the information needed to predict the dependent variable. On the other hand, if the R² value is close to 0, it indicates that the ability of the independent variable to predict the dependent variable is very limited.

Tabel 4. Determination Coefficient Test

Summary models

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.909a	.826	.740	.0522801

a. Predictors: (Constant), COF Deposits, COF Savings

Source: Processed Results of SPSS 22, 2022

Based on the processed data of the SPSS 22 summary model in the table shows the value of R-square = 0.826 (82.6%). This value means that the independent variable (Cosf Of Funds Savings and Deposits) has an influence of 82.6% on the dependent variable (ROA), which also means that the remaining 17.4% is explained by other variables, namely loans received, capital, liquidity , operational costs operating income (BOPO) and other variables.

d. Discussion

The impact of COF Savings and Deposits on Return On Assets (ROA) at PT. People's Credit Bank (BPR) Hasamitra is described as follows:

- a. Effect of COF Savings on Return On Assets (ROA) Based on research results, Cost Of Funds Savings (COF Savings) has a partial effect on Return On Assets (ROA). This influence is indicated by the higher tcount value compared to the ttable value. The regression analysis yielded tcount = 3.484 > ttable value = 2.571, signifying a significant effect of COF Savings on ROA. The significance value of COF Savings is 0.025, lower than the significance value used for processing research data (0.05). Therefore, the hypothesis is accepted, concluding that COF Savings has a partial effect on ROA.
- b. Effect of COF Deposits on Return On Assets (ROA) Based on research results, Cost Of Funds Deposits (COF Deposits) has a partial effect on Return On Assets (ROA). This influence is indicated by the higher tcount value compared to the ttable value. The regression analysis yielded tcount = 4.364 > ttable value = 2.571, signifying a significant effect of COF Deposits on ROA. The significance value of COF Deposits is 0.012, lower than the significance value used for processing research data (0.05). Therefore, the hypothesis is accepted, concluding that COF Deposits has a partial effect on ROA.
- c. Effect of Cosf Of Funds Savings and Deposits on Return On Assets (ROA) Based on the results of the study, both COF Savings and COF Deposits simultaneously affect Return On Assets (ROA). This influence is indicated by the higher Fcount value compared to the Ftable value. The regression analysis yielded Fcount = 9.526, while Ftable at a significance level of 5% is 6.61, indicating a significant effect of both COF Savings and Deposits on ROA. The significance value of COF Savings and Deposits is 0.030, lower than the significance value used for processing research data (0.05). Therefore, it is concluded that both COF Savings and Deposits have a significant joint effect on ROA.

The influence of these two variables (COF Savings and Deposits) on Return On Assets (ROA) is substantial, accounting for 82.6% based on the R-square test of determination. The remaining 17.4% is influenced by

other variables, namely loans received, capital, liquidity, operating expenses, operating income (BOPO), and other factors.

CONCLUSION

Referring to the problem, the research conclusions can be formulated as follows:

- a) *Cost Of Funds* Savings and deposits
 - 1) *Cost Of Funds* Savings partially affect Return On Assets (ROA).
 - 2) *Cost Of Funds* Deposits partially affect the Return On Assets (ROA).
- b) *Cost Of Funds Savings and Deposits* simultaneously affect the Return On Assets (ROA).

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