

CURRENT ACCOUNTS, SAVINGS, AND TIME DEPOSITS TO OPERATING PROFIT: A COMPARATIVE STUDY ON INDONESIAN STATE-OWNED BANKS

Apriani Simatupang^{1*}, Gladys T. Evidente²

¹ Universitas Pelita Harapan, Tangerang, Indonesia

² Iloilo Science and Technology University, Iloilo, Philippines

¹ aprianisimatupang01@gmail.com, ² gladiator1019@gmail.com

* Corresponding Author

Abstract

This study compares current accounts, savings, term deposits, and operating profit among state-owned banks during the Covid 19 pandemic. This study also compares the effect of current accounts, savings, and term deposits on the operating profit of state-owned banks. The research method used is a comparative study. The study results were that during the Covid 19 pandemic, the most significant amount of current accounts was at BMANDIRI; savings and term deposits at BBRI; and operating profit was at BMANDIRI. The lowest current accounts, savings, term deposits, and operating profit were in BBTN. Comparing current accounts, savings, and term deposits, BBNI does not significantly affect operating profit. At BBRI, BMANDIRI, and BBTN, demand deposits, savings, and term deposits have a significant influence. BBTN's current accounts and savings have a negative effect on its operating profit, while BBRI and BMANDIRI have a positive effect. Term deposits at BBRI, BMANDIRI, and BBTN positively influence operational reports. It can be concluded that during the Covid 19 pandemic in 2020, current accounts, savings, and term deposits significantly influenced operating profit.

Keywords: Comparative Studies; Third Party Funds; Operating Profits; Intermediation Funds

INTRODUCTION

Covid 19 became known to people after it was discovered in Wuhan, China. Covid 19 is a virus that spreads very quickly. This virus began to enter Indonesia in 2019. This pandemic impacts the sustainability of people's lives and includes the economic sustainability of the community and the country. As a result, some companies are temporarily closed or permanently closed. The company's closure resulted in many employees being laid off, which will eventually affect the financial condition of the people and the country. Banks as financial intermediation institutions also feel the impact of the Covid-19 pandemic. Herlina, L (2021), in her research, showed that the acquisition of Third Party Funds (DPK) of banks in the BUKU 4 category during the Covid-19 pandemic, namely from January to 2020, tended to decrease. In his writing, he found that the BUKU IV bank with the highest deposit increase was BNGA (PT). CIMB Niaga Bank, Sugianto, and Hakim (2018) showed that the value of third-party funds (DPK) has a significant influence with a positive correlation to bank profitability. Setiawan (2016), Elvitasari and Dalimunthe (2019), and Puspawati et al. (2016) showed that third-party funds have a significant and positive influence on operating net profit. Increasing banking profitability can predict cash flow in the coming period (Siboro, 2021). Operating Profit information is also essential for investors, related to the predicted dividend that investors will earn (Marismiati and Aini, 2021). According to www.ojk.go.id, third-party funds (DPK) is a non-bank third-party deposit consisting of current accounts, savings, and term deposits.

Banks have an essential role in effectively and efficiently disbursing funds and directly affect the allocation of business capital, industrial expansion, and economic growth of a country (Berger et al., 2004). Banking is essential in mobilizing and allocating funds from one community to another. According to Fahmi (2014), banks, in fulfilling their operational funds,

are sourced from their capital (first party funds), loans (second party funds), and the wider community (third party funds).

According to banking law no. 10 of 1998, current accounts are deposits of third parties whose withdrawal can be made at any time, using a check, warrant, or book transfer. Savings are bank debts to the community. Deposits are time deposits, either short-term or long-term. The term deposits vary greatly, ranging from 3 months to annual periods. Third-party funds significantly influence and positively correlate to the bank's operating profit (Elvitasari and Dalimunthe (2019). So, this study hypothesizes a positive influence on operating profit between current accounts, savings, and term deposits. The higher the current account, savings, and term deposits, the higher the operating profit. Moreover, vice versa, if current accounts, savings, and term deposits decrease, then operating profit also decreases.

In this study, the authors aim to compare current accounts, savings, term deposits, and operating profits between state-owned banks during the Covid-19 pandemic in 1 (one) year. In addition, this study also compared the effect of current accounts, savings, and term deposits on the operating profit of state-owned banks. In previous period studies, most of them conducted DPK research by testing the effect on the level of profitability. In this case, the authors measure the effect on operating profit and are subsequently compared. Why operating profit? Because in previous studies, it was stated that operating funds could predict the company's cash flow and dividends.

The benefits of this paper can provide readers with comparisons of STATE-OWNED Banks, namely BBNI, BBRI, BMANDIRI, and BBTN, related to current accounts, savings, and term deposits. Another benefit of this paper is that it can add insight to readers and reference materials for academics related to comparative studies and related to current accounts, savings, and term deposits to operating profits.

METHODOLOGY

The type of research used is comparative research, which compares intermediation funds (current accounts, savings, and term deposits) and operating profits between state-owned banks (Bank BRI, BNI, Mandiri, and BTN) during the Covid-19 pandemic in 2020. The data source is a secondary data source, namely data obtained from banks' Balance Sheets and Income statements. The Balance Sheet Statement and Profit/Loss Statement used are Monthly Statements. The procedures for data analysis will be:

- Tabulate data related to current accounts, savings, term deposits, and operating profits of state-owned banks (BRI, BNI, Mandiri, and BTN).
- Conduct a comparative analysis of the data using graphs of the development of current accounts, savings, time deposits, and operating profits of state-owned banks.
- Analyze the effect test (current accounts, savings, and term deposits) on operating profit using multiple linear regression.
- Conduct a comparative analysis of the influence test results between state-owned banks.

RESULT AND DISCUSSION

Comparison of current accounts, savings, term deposits, and operating profit between state-owned banks

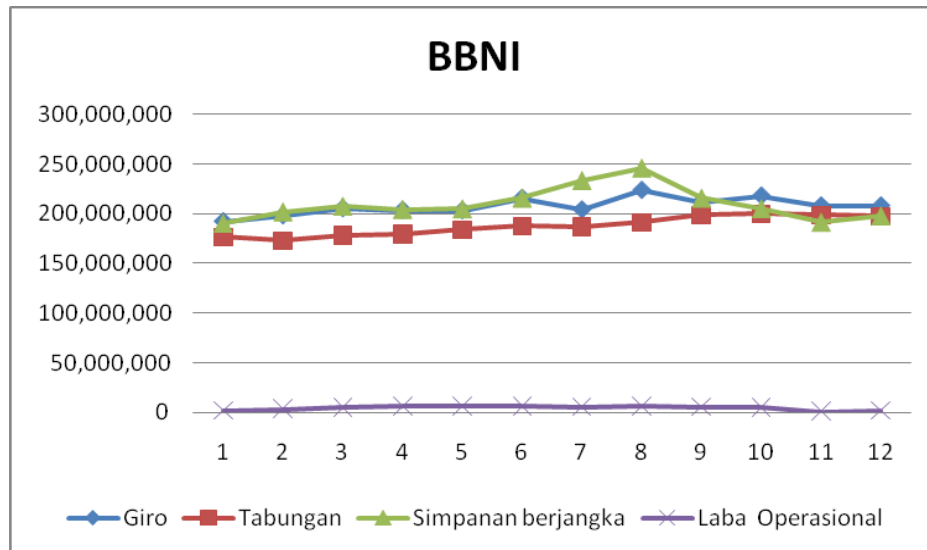


Figure 1. Graph of the development of current accounts, savings, term deposits, and operating profit of BBNI at 2020 (in million rupiahs)
 Source: processed data (2021)

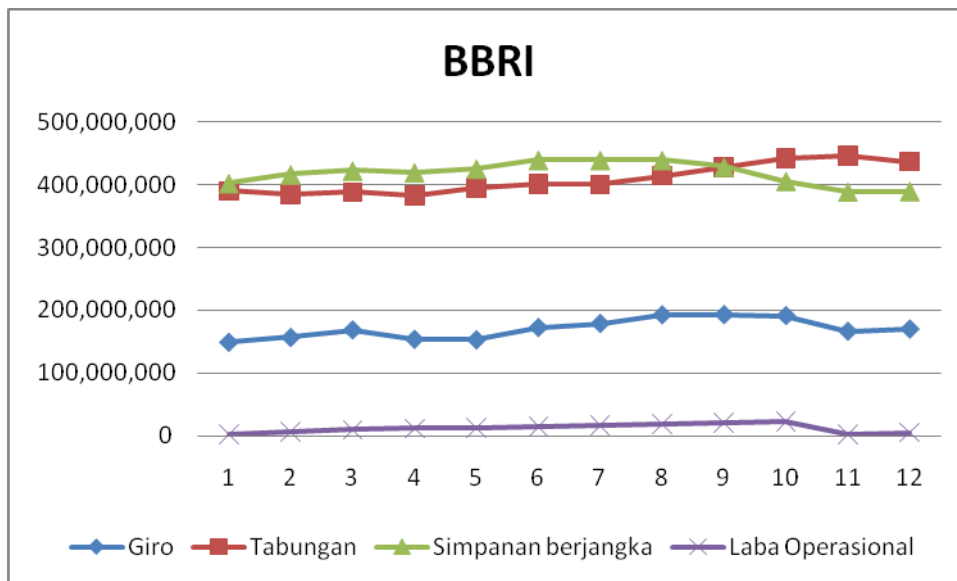


Figure 2. Graph of the development of current accounts, savings, term deposits, and operational profits of BBRI in 2020 (in million rupiahs)
 Source: processed data (2021)

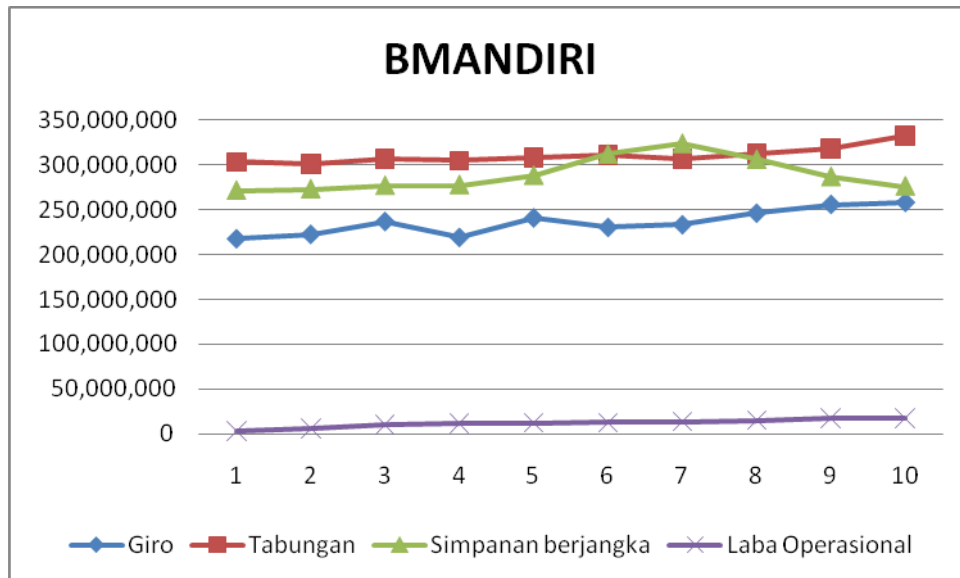


Figure 3. Graph of the development of current accounts, savings, term deposits and operating profit of BMANDIRI in 2020 (in million rupiahs)
 Source: processed data (2021)

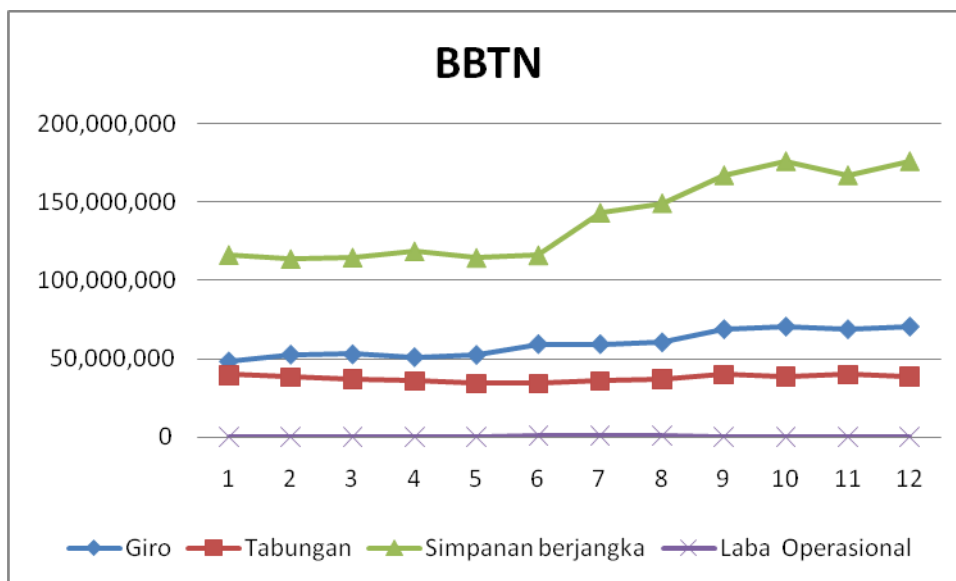


Figure 4. Graph of the development of current accounts, savings, term deposits, and operating profit of BBTN in 2020 (in million rupiahs)
 Source: processed data (2021)

Table 1. Comparison of Descriptive Statistics between State-Owned Banks

		Giro	Tabungan	Simpanan Berjangka	Laba Operasional
BNI	Mean	209,306,677.09	188,686,404.45	211,315,147.91	4,505,509.18
	Median	208,229,117.00	187,843,757.00	205,132,105.00	5,095,691.00
	Standard Deviation	7,625,240.12	9,425,395.00	15,838,607.47	1,817,359.06
	Minimum	198,305,880.00	172,925,882.00	191,546,999.00	775,415.00
	Maximum	224,055,349.00	199,835,918.00	245,753,369.00	6,103,237.00
BRI	Mean	170,595,108.17	408,653,830.83	417,716,184.50	12,658,507.58
	Median	169,420,972.00	400,531,188.00	420,708,558.50	12,831,058.50
	Standard D	16,158,423.09	23,441,495.11	18,350,615.64	7,030,736.39
	Minimum	148,635,722.00	382,342,265.00	387,949,466.00	2,887,438.00
	Maximum	193,464,541.00	445,715,349.00	439,291,821.00	23,580,368.00
BMANDIRI	Mean	243,853,783.25	313,667,975.08	288,931,091.75	12,932,817.58
	Median	238,996,777.50	309,454,353.00	286,375,684.50	13,231,853.00
	Standard Deviation	22,062,221.81	11,963,697.77	16,599,891.88	4,859,048.95
	Minimum	217,835,273.00	300,960,575.00	271,235,812.00	2,894,052.00
	Maximum	283,986,067.00	338,698,937.00	323,453,843.00	18,774,471.00
BTN	Mean	60,661,187.64	37,136,276.09	141,242,068.18	610,031.36
	Median	59,423,847.00	36,966,853.00	142,912,187.00	510,595.00
	Standard De	7,717,634.64	2,000,691.35	26,765,299.47	349,496.36
	Minimum	51,203,690.00	34,159,966.00	113,429,411.00	275,316.00
	Maximum	70,372,687.00	39,805,416.00	175,821,851.00	1,284,942.00

Source: processed data (2021)

Based on table 1, the bank with the largest current accounts is BMANDIRI while the one with the lowest current accounts is BBTN. The biggest savings are in BBRI while the smallest savings are in BBTN. As to term deposits, the largest is in BBRI while the lowest is in BBTN. And lastly, for the operating profit, the highest is in BMANDIRI while the lowest operational profit is in BBTN.

Comparison of Analysis of the Effect of Current Accounts, Savings, and Term Deposits on BBNI's Operating Profit

BBNI

SUMMARY
OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.758399
R Square	0.57517
Adjusted R Square	0.415858
Standard Error	0.516678
Observations	12

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	2.891412	0.963804	3.610348	0.065044
Residual	8	2.135648	0.266956		
Total	11	5.02706			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-64.7457	71.71701	-0.90279	0.393006	-230.125	100.634	-230.125	100.634
Current Accounts	7.392407	7.200763	1.026614	0.334639	-9.21258	23.9974	-9.21258	23.9974
Saving	-7.44734	4.775222	-1.55958	0.157479	-18.459	3.564345	-18.459	3.564345
Deposits	4.183151	2.945239	1.420309	0.193295	-2.60858	10.97489	-2.60858	10.97489

Based on the regression results, the significance of > 0.05 means that current accounts, savings, and term deposits did not significantly affect operating profit during the Covid 19 pandemic.

BBRI

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.877259713
R Square	0.769584604
Adjusted R Square	0.68317883
Standard Error	3957381.429
Observations	12

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	4.18457E+14	1.395E+14	8.906634	0.006263112
Residual	8	1.25287E+14	1.566E+13		
Total	11	5.43744E+14			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-109618892.4	83447243.48	-1.3136311	0.2253899	-302048581	82810796	-302048581	82810796
Current Accounts	0.266028056	0.178579779	1.4896875	0.1746358	-0.14577765	0.6778338	-0.1457777	0.6778338
Saving	0.009394947	0.132435806	0.0709396	0.9451871	-0.29600257	0.3147925	-0.2960026	0.3147925
Deposits	0.174891557	0.142280779	1.2292002	0.2539221	-0.15320851	0.5029916	-0.1532085	0.5029916

Based on the regression results on BBRI, the significance value of $0.01 < 0.05$ means that the hypothesis is accepted, namely current accounts, savings, and term deposits have an influence on operating profit.

The regression function formed is:

$$\text{Operating profit} = -109618892.4 + 0.27 \text{ Current Accounts} + 0.01 \text{ Savings} + 0.17 \text{ Deposits}$$

The amount of $R^2 = 0.77$ means that 77% of operating profit is influenced by current accounts, savings, and term deposits, and 23% is influenced by other factors. The regression results in the coefficient column show that BBRI's current accounts, savings, and term deposits each positively influence operating profit during the Covid-19 pandemic in 2020.

BMANDIRI

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.9036383
R Square	0.8165621
Adjusted R Square	0.7477729
Standard Error	2440321.9
Observations	12

<i>ANOVA</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	2.121E+14	7.069E+13	11.870499	0.002573528
Residual	8	4.764E+13	5.955E+12		
Total	11	2.597E+14			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-98936794	32731097	-3.0227155	0.0164912	-174414838.6	-23458750	174414839	-23458750
Current Accounts	0.077375	0.0748739	1.0334046	0.3316405	-0.095284485	0.2500345	-0.0952845	0.2500345
Saving	0.2007627	0.1376987	1.457986	0.1829542	-0.116770959	0.5182964	-0.116771	0.5182964
Deposits	0.1039299	0.0452122	2.2987131	0.0505723	-0.000329646	0.2081895	-0.0003296	0.2081895

Based on the regression results at BMANDIRI, the significance value of $0.00 < 0.05$ means that the hypothesis is being accepted, namely current accounts, savings and term deposits have an influence on operating profit.

The regression function formed is:

$$\text{Operating profit} = -98936794 + 0.087 \text{ Current Accounts} + 0.20 \text{ Savings} + 0.10 \text{ Deposits}$$

The amount of $R^2 = 0.82$ means that 82% of operating profit is influenced by current accounts, savings, and term deposits, and 18% is influenced by other factors. The regression results in the coefficient column show that BMANDIRI's current accounts, savings, and term deposits each have a positive influence on operating profit during the Covid-19 pandemic in 2020.

BBTN

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.8859967
R Square	0.7849902
Adjusted R Square	0.7043616
Standard Error	0.3348068
Observations	12

<i>ANOVA</i>					<i>Significance F</i>
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	
Regression	3	3.2740443	1.0913481	9.7358708	0.0047847
Residual	8	0.8967647	0.1120956		
Total	11	4.170809			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	197.18331	42.753367	4.6121118	0.0017279	98.593867	295.77275	98.593867	295.77275
Current Accounts	-1.3022209	2.2779957	-0.5716521	0.5832579	-6.5552883	3.9508465	-6.5552883	3.9508465
Saving	-12.635613	2.4645266	-5.1269942	0.0008994	-18.318822	-6.9524048	-18.318822	-6.9524048
Deposit	3.1758575	1.8308985	1.7345897	0.1210353	-1.0462019	7.3979169	-1.0462019	7.3979169

Based on the regression results on BBTN, the significance value of $0.00 < 0.05$ means that the hypothesis is being accepted, namely current accounts, savings and term deposits have an influence on operating profit.

The regression function formed is:

$$\text{Operating profit} = 197.18331 - 1.30 \text{ Current Accounts} - 12.64 \text{ Savings} + 3.18 \text{ Deposits}$$

The amount of $R^2 = 0.78$ means that 78% of operating profit is influenced by current accounts, savings, and term deposits, and 22% is influenced by other factors. The regression results in the coefficient column shows that BBTN current accounts and savings accounts have a negative influence on operating profit while its term deposits have a positive influence on operating profit during the Covid 19 pandemic in 2020.

CONCLUSIONS

A comparison of current accounts, savings, term deposits, and operating profits between state-owned banks during the Covid-19 pandemic in 2020, showed that the largest current account was in BMANDIRI. The largest savings and term deposits are in BBRI while the highest operating profit was in BMANDIRI. Meanwhile, the lowest current accounts, savings, term deposits, and operating profit were in BBTN. A comparison of the effect of current accounts, savings, and term deposits on the operating profit between state-owned banks shows that BBNI current accounts, savings and term deposits do not have a significant effect on the operating profit, while current accounts, savings, and term deposits of BBRI, BMANDIRI and BBTN have a significant influence on the operating profit during the Covid-19 pandemic in 2020. The influence of BBTN's current accounts and savings accounts has a negative influence on its operating profit, while BBRI and BMANDIRI have a positive influence. Meanwhile, BBRI, BMANDIRI, and BBTN term deposits have a positive influence on the operational statements of each bank. It can be concluded that during the Covid-19 pandemic in 2020, current accounts, savings, and term deposits have a significant influence on the operating profit of the banks.

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