COST OF FUND ANALYSIS AT PT. BANK RAKYAT INDONESIA

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Abstract: Cost of Funds is the cost that must be incurred by the bank to obtain a certain amount of funds from its customers, including checking deposits, savings and deposits. The lower the interest rate, the lower the cost of funds. This research has the objectives of (1) Wanting to know the amount of Cost of Funds that must be spent as deposit funds costs at PT. Bank Rakyat Indonesia (Persero) Tbk."((2) Want to know the effect of deposit fund costs on the amount of deposits at PT Bank Rakyat Indonesia (Persero) Tbk. data obtained from financial statements and analyzed for periode 2020-2024. The data analysis method used in this research is financial ratio analysis. Based on the research results, it is known that COF issued from deposits in 2020, 2021, 2022, 2023 and 2024 is IDR 29,097,327 million; IDR 19,754,086 million; IDR 19,475,590 and IDR 29,320,433 million. The higher the proportion of funds from deposits, the more interest costs paid and this will affect profits which decrease, because deposits as a source of public funds have the highest costs compared to savings and current accounts.

Keywords: Cost of Fund, Desposits saving

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1. Introduction

Banks are institutions that provide services to bridge the gap between those with surplus funds and those in need of funds. The main banking activities are collecting funds from the public, which are known in the banking world as the activities of funding and lending. Funding is the activity of collecting funds from the public in the form of deposits, while lending is the activity of channeling funds to the public in the form of credit (or loans). The bank must pay interest as a cost of funds while the third party is loaning money. The greater the amount of funds collected, the greater the interest costs. The higher the interest rate paid, the greater the interest costs paid. Interest costs are a cost of funds (COF) for the bank (Kasmir, 2019).
According to Muchdarsyah Sinungan (1999:90), a Deposit is a public or third-party savings whose withdrawal can only be done at a specific time according to an agreement between the depositor and the relevant bank. The withdrawal of a deposit may only be carried out at a certain time according to its maturity date. Deposit maturities generally consist of 1 month, 2 months, 3 months, 6 months, 12 months, 18 months, and 24 months.
Deposits at Bank Rakyat Indonesia are one of the largest contributors to the total funds collected from the public. Deposits also have relatively high funding costs. Funding costs that are not managed properly can affect the bank's profitability (Buchory, 2024). If a bank sets the interest rate on public deposits too high, the bank will pay higher than necessary costs for funds. Similarly, if the interest rate on public deposits set by the bank is too low, the bank will have difficulty raising funds from the public. Movements in the SBI interest rate serve as a benchmark for other interest rates. Therefore, an increase in the SBI interest rate automatically leads to an increase in interbank interest rates and deposit interest rates. Lower interest rates should result in a lower cost of funds, but conditions at banks are not in line with expectations. This is due to the characteristics of core depositors, which have caused banks to offer deposit

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interest rates above 8%, thereby increasing the cost of funds even though deposit interest rates have fallen. This is not in line with existing theory, which states that the lower the deposit interest rate, the lower the cost of funds, and vice versa. Therefore, research on this issue is needed.

2. Literature Review

The ALM theory is a framework used by bank management to manage and balance their assets (loans) and liabilities (funding, including deposits). The goal is to maximize net interest margin (NIM) and minimize risk (particularly interest rate, liquidity, and solvency risk). Liability Side: Banks classify funding based on cost and stability. Time deposits are liabilities that are sensitive to interest rates, and their cost of funds (CoF) must be actively managed so as not to erode NIM. Interest Rate Risk Side: ALM uses tools such as gap analysis to measure the difference between interest rate-sensitive assets and liabilities. If liabilities (Deposits) are sensitive to interest rates, ALM attempts to balance this sensitivity with the bank's assets (Kolari:1990).
According to Law Number 10 of 1998, dated November 10, 1998, of the Republic of Indonesia concerning Banking, a Bank is defined as a business entity that collects funds from the community in the form of deposits and channels them back to the community in the form of credit (or loans) and other forms in order to improve the standard of living of the general public. Kasmir (2016), the sources of bank funding sources consist of sources of funds from owner capital named first party fund. Second Party Funds, namely loan funds originating from external parties; and the third is the funds collected from the community are in the form of third-party funds (TPF). Law Number 10 of 1998 concerning Banking explains that TPF is a public fund the forms of which are current accounts, deposits, certificates of deposit, and savings. TPF is the largest source of funds for banks, reaching 80%-90% of all funds (Dendawijaya (2013:49).
The bank will pay the interest for funds collected. Interest is compensation (or a fee) for the service of lending money. This service fee is a compensation to the lender for the potential future benefits the borrowed money could have generated if it were invested. The amount of the loan is called the principal. The percentage of the principal paid as this service fee (interest) over a certain period is called the interest rate.
According to Boediono, in his book *Ekonomi Moneter* (2002: 75), the interest rate is stated as the price for the use of money for a specific period. According to Lukman Denda Wijaya (2009:50), a Time Deposit is a third-party saving placed with a bank that can only be withdrawn within a specific period based on an agreement.
From the definitions above, it can be concluded that a deposit is a saving whose withdrawal can only be done at a certain time based on the agreement between the depositing customer and the bank (time deposit). According to Selameti Riyadi (2006:82), the cost of funds, often referred to as Cost of Fund, is the cost that must be incurred by a bank for every rupiah of funds it collects from various sources before deducting the reserve requirement.

3. Method

This study is a quantitative descriptive study. It aims to determine the performance of PT. Bank Rakyat Indonesia (Persero) Tbk. in managing the cost of funds from deposits in order to increase profits. The data collection method is through documentation. Data is obtained from the financial reports of PT Bank Rakyat Indonesia from 2020 to 2024. Data in the form of interest rates earned and total funds collected by PT Bank Rakyat Indonesia are entered into a formula to calculate the cost of funds. The resulting value will be interpreted based on relevant theory.

4. Result and Discussion

Fund Data of PT Bank BRI
The following table is an interest of public fund comparison data owned by PT BRI.

Table 1. Deposit interest rate developments from 2020 to 2024

Time Periode	Interest 2020	Interest 2021	Interest 2022	Interest 2023	Interest 2024
1 Month	6%	2,75%	2,25%	2,25%	3,35%
3 Month	6,6%	2,75%	2,50%	2,50%	3,50%
6 Month	5,6%	2,90%	2,75%	2,75%	3,00%
12 Month	5,6%	2,90%	3,00%	3,00%	3,00%
24 Month	5,5%	2,90%	3,00%	3,00%	3,00%

Source: secondary data processed (2025)

Based on the table above, the five-years development shows that the lowest deposit interest rate is 2.25% and the highest is 6%, with an average of 4.13%.

Table 2. BRI Savings Interest Rates (BritAma & Simpedes)

Average Savings Balance	2020–2022 (estimated)	2023-2024 (estimated)
<Rp.1.000.000	0%	0%
Rp.1.000.000 - <Rp.5.000.000,-	0,70%	0,70%
Rp.50.000.000 - <Rp.500.000.000,-	0,85%	0,85%
Rp.500.000.000 - <Rp.1.000.000.000,-	1,10%	1,10%

Source: secondary data processed (2025)

Table 3. BRI Current Account Interest Rate (Rupiah)

Average Balance	2020 (beginning)	2020 (end)
0 - Rp.5 million	0%	0%
Rp.5 million - Rp.25 million	0,25%	0,25%
>Rp.25 million - Rp.100 million	0,25%	0,25%
>Rp.100 million - Rp. 1 billion	1,00%	1,00%
>Rp.1 billion	2,00%	2,00%

Source: BRI secondary data, financial reports

Interest rates for five-year savings accounts: lowest interest rate 0%, highest 2%, average 1%. Based on the three tables presented above, it can be concluded that the comparison of interest rates for deposits, savings, and current accounts is 4:1:1. Table shows us that the interest of deposit is he highest among the others fund.

Table 4. Total Public Funds, Deposits, Savings, Current Accounts, and Interest Expenses, PT. Bank Rakyat Indonesia (Persero) Tbk Period from 2020 to 2024 (in millions of IDR)

Period	Public funds	Deposit	Saving	Giro	Interest expense
2020	1.121.102.149	452.175.948	475.848.207	193.077.994	(39.883.405)
2021	1.138.743.215	420.476.279	497.676.739	220.590.197	(28.533.680)
2022	1.307.884.013	435.480.503	522.647.920	349.755.590	(25.762.613)
2023	1.358.328.761	484.258.839	527.945.550	346.124.372	(42.461.798)
2024	1.365.450.104	446.468.817	544.426.947	374.554.340	(56.282.443)

Source: PT BRI financial report data (2025)

Based on Table 4, public funds come from deposits, savings, and current accounts, with savings accounting for the largest portion, followed by deposits, and current accounts accounting for the smallest portion.

Table 5. Percentage of public funds collected by PT. Bank Rakyat Indonesia (Persero) Tbk for the period from 2020 to 2024

Year	Deposit	Saving	Giro	Public Funds
2020	40,3%	42,5%	17,2%	100%
2021	36,9%	43,7%	19,4%	100%
2022	33,3%	39,9%	26,8%	100%
2023	35,7%	38,9%	25,4%	100%
2024	32,7%	39,9%	27,4%	100%

Source: secondary data processed (2025)

Based on Table 5, it shows the highest percentage of public funds from savings, followed by deposits and the lowest from current accounts.

Cost of Fund Analysis

Table 6. Calculation of CoF for all public funds

Periode	**Interest Expense**	**Total Public Fund**	**COF (*Cost of Fund)***
2020	(39.883.405)	1.121.102.149	3,6 %
2021	(28.533.680)	1.138.743.215	2,5 %
2022	(25.762.613)	1.307.884.013	2,0 %
2023	(42.461.798)	1.358.328.761	3,1 %
2024	(56.282.443)	1.365.450.104	4,1 %

Source: secondary data processed (2025)

Based on Table 6, the Cost of Funds (COF) from 2020 to 2024 will fluctuate, declining from 2020 to 2022 and then rising in 2023 and 2024.

The cost of funds is obtained by comparing the total expenses incurred with the total funds raised. The results of the cost of funds calculation at PT Bank Rakyat Indonesia are presented in the table below.

Tabel 7. percentage of COF based on type of fund

Year	CoF of Saving	CoF deposito	CoF of Giro
2020	1,53%	1,45%	0,62%
2021	1,09%	0,9%	0,51%
2022	0,79%	0,67%	0,54%
2023	1,21%	1,11%	0,78%
2024	1,64%	1,34%	1,12%

Source: secondary data processed (2025)

Table 8. Interest costs from deposits, savings, and current accounts

Tahun	Biaya di COF (%)			Biaya bunga	Biaya di COF (Rp)		
	Deposito	Tabungan	Giro		Deposito	Tabungan	Giro
2020	1,45%	1,53%	0,62%	39.883.405	29.097.327	7.675.674	3.110.404
2021	0,9%	1,09%	0,51%	28.533.680	19.754.086	5.981.098	2.798.496
2022	1,03%	0,79%	0,54%	25.762.613	19.475.590	3.734.397	2.552.626
2023	1,11%	1,21%	0,78%	42.461.798	29.320.433	7.990.478	5.150.887
2024	1,34%	1,64%	1,12%	56.282.443	37.151.957	11.367.390	7.763.096

Source: secondary data processed (2025)

Based on Table 8, data obtained from PT. Bank Rakyat Indonesia (Persero) Tbk., the 2020 Deposit Cost is 4x1.45 divided by (4x1.45+1.53+0.62) multiplied by Rp 39,883,405 = Rp 29,097,327. The Savings Fee for 2020 is 1.53 x 1 divided by (4 x 1.45 + 1.53 + 0.62) multiplied by Rp 39,883,405 = Rp 7,675,674. The 2020 checking account fee is 0.62% x 1 divided by (4 x 1.45 + 1.53 + 0.62) multiplied by Rp 39,883,405 = Rp 3,110,404.

Deposits successfully collected during 2020 amounted to Rp.452,175,948 million, in 2021 Rp 420,476,279 million, in 2022 Rp 435,480,503 million, and in 2023 Rp 484,258, 839 million in 2024, and Rp. 446,468,817 million in 2024, with a Cost of Funds for all funds in 2020, 2021, 2022, 2023, and 2025 of 3.6%; 2.5%; 2.0%; 3.1%; 4.1% COF from deposits in 2020, 2021, 2022, 2023, and 2024 is 1.45%; Rp0.9%; 1.03%; 1.11%; and 1.34%, so the COF issued from deposits in 2020, 2021, 2022, 2023, and 2024 is Rp 29,097,327 million; Rp19,754,086 million; Rp19,475,590 million, and Rp 29,320,433 million.

The higher the proportion of funds from deposits, the more interest costs are paid, which will affect profits that continue to decline. The interest paid by banks to deposit customers is an important component of the Cost of Funds. The higher the deposit interest rate, the higher the bank's Cost of Funds. Effective management of the Cost of Funds, including through determining competitive but still profitable deposit interest rates, is key to the financial health and profitability of banks.

5. Conclusions

Cost of Funds incurred by PT. Bank Rakyat Indonesia (Persero) Tbk. The cost of funds for all funds in 2020, 2021, 2022, 2023, and 2024 is 3.6%; 2.5%; 2.0%; 3.1%; and 4.1%. The cost of funds that must be incurred as deposit costs in 2020, 2021, 2022, 2023, and 2024 is 1.45%; 0.9%; 1.03%; 1.11%; and 1.34%. Therefore, the COF incurred from deposits in 2020, 2021, 2022, 2023, and 2024 is IDR 29,097,327 million; IDR 19,754,086 million; IDR 19,475,590 million; and IDR 29,320,433 million.

Public Funds are sourced from Deposits, which were successfully collected during 2020 amounting to Rp.452,175,948 million, in 2021 amounting to Rp 420,476,279 million, in 2022 amounting to Rp 435,480,503 million, Rp 484,258,839 million in 2023, and Rp 446,468,817 million in 2024. The COF issued from deposits in 2020, 2021, 2022, 2023, and 2024 is Rp 29,097,327 million; Rp19,754,086 million; Rp19,475,590 million; and Rp29,320,433 million. The higher the proportion of funds from deposits, the more interest costs are paid, which will affect profits that will continue to decline, because deposits as a source of public funds have the highest costs compared to savings and current accounts.

Based on the results of the cost of funds analysis conducted at PT Bank Rakyat Indonesia, it can be concluded that PT Bank Rakyat Indonesia should offer its customers and prospective customers savings products with lower funding costs. Deposits at PT Bank Rakyat Indonesia are a highly sought-after product due to their high interest rates, which can become a cost for PT Bank Rakyat Indonesia in the long term. Therefore, it is necessary to review the interest rates on deposits to ensure they remain attractive and competitive.

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