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JL.Surya Kencana No.1 Pamulang, Tangerang Selatan – Banten
Telp. (021) 7412566, Fax (021) 7412491
Email : seminarhumanis@gmail.com

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Analysis Of The Role Of Treasury In Increasing Bank Sejahtera Profits

Patriottika Mandala Surya

Universitas Pamulang, Tangerang Selatan, Banten 15417, Indonesia

E-mail: patriotikas@gmail.com

Abstract Treasury is one of the fields in banking that can carry out activities on the interbank money market in the form of buying and selling of funds. For banks with excess funds can sell them to other banks, and vice versa. Treasury in carrying out its activities must be supported by human resources who are experts in their fields. Having the ability, general knowledge and broad banking to be able to analyze the state of the economy. Alco is very instrumental in arranging strategies to achieve optimal returns expected by the Treasury sector, because everything is regulated in this committee. By monitoring the situation and monetary conditions of the interbank money market, if a bank is to conduct Interbank Money Market transactions, it can take a benchmark or basis for selling and buying at the expected interest rate. This study uses secondary data obtained from the Bank's financial statement data that has been audited. Data is analyzed using correlation coefficients and simple linear regression analysis and then hypothesis testing is carried out. The results showed that: (a) Placement of funds between banks did not play a dominant role in bank profits. (B) Regulation and management of interbank funds in their activities required various strategies to be able to create more optimal bank profits.

Keywords: Interbank Money Market, Money Market Income

INTRODUCTION

In the banking industry, there is a field that deals with interbank money market transactions, namely the treasury (funding) sector. The role of treasury in banks is very important because this field can help other areas such as credit, marketing and operations in increasing bank profits. Because of this very important role, banking practitioners state that treasury is the heart of the bank. This is very interesting to discuss, especially in increasing the profits of a bank.

Treasury in its daily duties is to manage bank liquidity properly to a safe position where the process of treasury activities is very fast, so it requires skilled personnel who meet the requirements as dealers / traders. The less important role of treasury is to analyze the condition of the interbank money market carefully and carefully in order to obtain an expected interest rate. The point here is that when we look for funds we will not get expensive funds, meaning that these funds are not at high interest rates or at reasonable and profitable interest rates.

Likewise, when the bank is about to make a trade (meaning buying funds and then selling it immediately) the dealer gets a very profitable spread rate / interest difference. So by making careful observations, the interest rate can be anticipated so that bank profits will be even higher.

In carrying out its activities, the treasury may use instruments including call money, deposit on call, Indonesian bank certificates (SBI), money market securities (SBPU) and so on in accordance with the funds required by the bank at that time. These instruments have limits set by the banking sector. Call money with maturities from one day to less than 3 months. Time deposits with maturities of more than one month, while SBI and SBPU are determined by Bank Indonesia. These monetary instruments have different procedures and or procedures so that it is interesting to discuss further.

The treasury sector has a committee which is often called the Asset Liability Committee (ALCO) chaired by a Treasury Director and its members consist of credit, marketing, fund administration and accounting. Alco has duties and responsibilities in handling management assets and liabilities which have 4 (four) main functions, namely liquidity management, gap management, foreign exchange management, income and investment management.

LITERATURE REVIEW AND HYPOHETIS DEVELOPMENT

The area responsible for managing banking funds is the treasury sector. There are many strategies, special skills and several provisions regarding fund placement and fundraising that must be mastered. Therefore, several principles such as always maintaining a balance between the two sides of the balance sheet, assets and liabilities must be able to reduce costs as low as possible and must be able to be a profit center, are also absolutely necessary.

The movers and thinkers of the bank are this treasury group which oversees the money market unit. The number of personnel depends on the size of the bank concerned. The distribution can be in the money market and capital market groups, fund managers such as fund dealers and fund administrators. Those who are placed in the treasury unit are generally those with the best quality / competence in the bank.

In carrying out its duties, the assisting tool used is the Bank's Business Plan which is a written document describing the development plan and business activities of the Bank within a certain period of time as well as a strategy for realizing the plan according to the target and time set. This is generally anticipated for the next 5 years or using a five-year budget. This budget planning also includes planning for the sources of funds collected, asset growth, the number of loans to be provided, the amount of profit expected. So at the beginning of the year there was a stipulation that we would seek funds in the form of a Demand Deposit account, a Savings account, a Deposit account, an increase in Own Capital and so on.

The meaning of the interbank money market is a meeting place for banks that buy funds and banks that sell funds that both need each other to conduct money market transactions with a short period of time, namely not more than one year, using electronic tools in the form of telephones, routers, screens. According to Suyatno et al (1994: 78) what is meant by the interbank money market is a market that is organized to meet the needs of bank funds, for example banks that need additional funds to cover the shortage of clearing losses on the relevant day and / or to meet the provisions of liquidity maintenance obligations. Interbank Money Market Instruments can be described as follows:

1. Interbank Call Money is a short-term funding facility required by banks to fulfill their obligations to third parties, in the case that a bank that needs funds can find it by contacting banks with excess funds and vice versa.
2. Interbank Time Deposit is an interbank fund facility with a minimum maturity of one month, the withdrawal can only be made according to the due date or according to what has been agreed between the owner of the fund and the borrower of the funds.

3. Interbank Deposit on Call is an interbank fund facility whose withdrawal is made by contacting the bank in advance so that the bank is prepared to provide the funds, the period is free or usually over one week.
4. Interbank Certificates of Deposit are an interbank fund facility with a minimum maturity of one month, which is carried out by means of a discount, meaning that when placing the funds by paying them after deducting discount interest (prepaid interest), the bank receiving the funds is already paying direct interest. upfront, unlike other transactions.
5. Bank Indonesia Certificates are securities on loan in rupiah issued by Bank Indonesia in recognition of short-term debt under a discount system.
6. Money Market Securities are documents indicating a re-auction of commercial bank receivables classified as healthy to Bank Indonesia for a certain period of time with a certain prepaid interest rate.

METHODS

The data to be processed and analyzed in this study is annual data from 1991 - 1995 and is secondary data, namely data processed by the previous bank and reported to Bank Indonesia, namely data from published financial reports, literature, information from publications and books. references regarding regulations and policies that are relevant in this study

The techniques used in this research are quantitative techniques. Quantitative analysis technique is an analysis that is carried out by calculations that involve numbers. Quantitative analysis method is used to analyze the role of treasury in increasing the profit of the Bank. The approach used is quantitative by applying the correlation analysis model and simple linear regression.

RESULTS AND DISCUSSION

Table 1. Regression Coefficient

Variable	Regression Coefficient	t – test DF = 3	T – tabel 0.05
Placement of funds	0.028	0.538	3.182
Variable influencing	Placement of funds		
Constants	23941,621		
Cooeficient of determination	0,088		
Corellation Cooeficient	0,297		

Sources : Research data, 2020

From the results above, it can be entered into the formula to determine the simple linear regression equation as follows : Y = 23941,621 + 028 X

Meaning : Every increase in the placement of funds of IDR. 1, - will affect the profit of IDR. 0,028, -

Discussion

Placement of funds between banks is one of the activities of the treasury unit of the Bank in managing funds appropriately and correctly. To clarify the role of interbank placement of funds with increasing profits, a simple linear regression is used. The purpose of using this analysis is to measure the strength of the role between the two variables, namely the interbank fund placement variable and profit, where profit is the dependent variable while the interbank placement of funds is an independent variable. Because t count (0.538) is smaller than t table (3.182), Ho is accepted at a significant level of 5% so that from the test results it can be concluded that the placement of funds only plays a small role in the level of Bank profits.

The results of simple linear regression calculations for variables X and Y

1. Variable Regression Coefficient t - test DF = 3 T - 0.05 table
2. Placement of funds 0.028 0.538 3.182
3. Variable influencing fund placement
4. Constants 23941,621
5. The coefficient of determination is 0.088
6. The correlation coefficient is 0.297
7. Because t count (0.538) is smaller than t table (3.182), Ho is accepted at a significant level of 5% so that from the test results it can be concluded that the placement of funds only plays a small role in the level of Bank profits.

CONCLUSIONS

From several descriptions that have been put forward, the findings from the research results include:

1. Based on the linear regression analysis and the coefficient of the relationship, it can be concluded that the placement of funds between banks has no significant role in the profit of the Bank. This is evident in the linear regression coefficient of 0.0028 with a positive correlation of 0.0297.
2. With a statistical test (t test) on existing data and it is evident from the increase and decrease in data X affect data Y only by 8.8%. Likewise, when viewed from the results of the calculation Y = 23941 + 0.028 X, it means that the regression coefficient is positive 0.028 so that the placement of funds between banks does not play a dominant role in bank profits.
3. Fund management is very important for a bank, so in its management it must use various trading strategies in order to generate optimal profit

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