



## **Bank Syariah Indonesia: Its Impact and Prospects on The Economy in Indonesia**

Damai Deha<sup>1\*</sup>, Muhammad Iqbal Fasa<sup>2</sup>, Suharto<sup>3</sup>

<sup>1,2,3</sup> Accounting Department, Universitas Islam Negeri (UIN) Raden Intan Lampung, Indonesia

(\*) Corresponden Author: [damaideha00@gmail.com](mailto:damaideha00@gmail.com)

### **Article Info:**

### **Abstract**

#### **Keywords:**

Merger Impact;  
Prospect of Merger;  
Economy;

On February 1, 2020, the Islamic banking sector under the auspices of BUMN inaugurated a merger of Islamic banks including BRI Syariah, BNI Syariah, and Bank Syariah Mandiri merging to become Bank Syariah Indonesia. The merger of these three banks will have complete competence, because each merged bank has its own advantages. Merger can be defined as a business union and / or joint supervision, the merger of two or more companies under one ownership, and the takeover of all assets and liabilities owned by a company to be merged with a company that takes over or a new company. The research method used is descriptive qualitative research. It can be seen that the results of the merger of 3 Sharia banks have had an impact on the economy in Indonesia, including printing millennial entrepreneurs through business incubator scholarships, collaborating with the Ministry of Tourism and Creative Economy to target MSME financing in the tourism sector and creative economy, developing the Sharia economy by collaborating with research institutes and universities, and some. The prospect of establishing Bank Syariah Indonesia can provide access to Islamic financial solutions in Indonesia, become a large bank that provides the best value for shareholders and becomes the company of choice and pride for Indonesia's best talents.

#### **Article History:**

Received : 24-04-2021

Revised : 15-03-2022

Accepted : 30-05-2023

#### **Article DOI :**

10.22441/jiess.2023.v4i1.003

#### **How to cite :**

Deha, D., Fasa, M., & Suharto, S. (2023). Bank Syariah Indonesia: Its Impact and Prospects on The Economy in Indonesia. *Journal of Islamic Economics and Social Science (JIESS)*, 4(1), 21-31. doi:<http://dx.doi.org/10.22441/jiess.2023.v4i1.003>



This work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/). Any further distribution of this work must maintain attribution to the author(s) and the title of the work, journal citation and DOI.

Published under licence by Universitas Mercu Buana.

## **INTRODUCTION**

With the increasing economic development and reality of globalization in all fields, a limited liability company must be able to compete with Indonesian limited liability companies and foreign limited companies (Lay et al., 2010) . In order to compete and not be liquidated or dissolved, a limited liability company must be able to seek to accumulate large amounts of capital and try to produce in the most efficient way. Its main goal is to increase its profits and seeks to reduce its profits, its management efficiency with long-term goals, low is one of its strategies.

Increase in bank capital (Noegroho, 2017a) is one of the efforts to strengthen the banking system. Strong capital in banks as regulators in producing healthy and comfortable banks. The capital of banks in Indonesia is categorized as low when compared to the capital of banks in other countries, while banks are known to be capital-intensive and high-risk businesses. The average core capital of universal banks in Indonesia is Rp. 1. 347.4 billion.

With the obligation to increase capital, it is expected that mergers and acquisitions will be established so that the bank's ownership structure becomes healthier. BI produces requirements known as the Sole Proprietorship policy in the National Banking or known as the single presence policy (SPP). The aim is to urge bank consolidation and support the effectiveness of tire supervisionk.

One way to achieve this growth is by joining a larger company. This process is also called consolidation. A company merger will almost certainly bring benefits, both to increase capital, and increase efficiency by approaching the minimum efficiency scale (MES). In addition, the merged company has higher economic power than before the merger (Lay et al., 2010).

As for the definition of merger (Wiyono, 2021) is a process of merging two companies where one of them remains in existence and uses the name of the company while the other company disappears and all its wealth is put into the company that remains standing. There is also an explanation that the definition of merger is the merger of two companies into one, where the company that merges takes over all assets and liabilities of the company that receives the merger. Merger is a form of external expansion of companies by merging two or more companies, where only one company name remains standing while the other company dissolves on legal grounds without liquidation first.

According to (Noegroho, 2017a) There are many arguments and reasons that cause Indonesian national banks to merge, including:

1. Growth or diversification is generally due to rapid growth.
2. Synergies are expected to generate economies of scale to earn greater revenue.
3. Increase the borrowing power of the company.
4. Want to add skills and develop the technology.
5. With mergers and acquisitions, it is expected to cover tax losses and can increase revenue.
6. Increase the liquidity of the owner, because of the assumption that by merging several companies will produce more liquid shares than separate or small companies and then to protect themselves from takeover due to the company's debt due to this debt burden, the company's obligations become too high to be borne by the interested areas of the company.

In implementing business strategies and company development through mergers and acquisitions, several factors need to be considered (Johan, 2011), among others:

1. The turbulent changing environment must choose the method of implementing mergers and acquisitions in a timely manner. For example, Maybank planned to acquire Indonesia International Bank in 2008, but the facts prove that in the process of implementing the global crisis, things have changed completely and the global economy is unstable. As a result, Maybank had to renegotiate. In addition, in times of crisis or prosperity, there are many opinions that the conditions of acquisition are best.
2. The strategic capabilities of the company's management, including integration and growth capabilities Management integration capabilities are very important The merger process begins with the signing of the sale and purchase agreement, not the completion of the sale and purchase agreement. Integrating the culture, technology, personnel, and systems of both parties into one party that provides added value for shareholders.
3. Synergy between resources is essential for both parties to make mergers and acquisitions. The acquisition of a company similar to ours, either to increase value or to acquire another company, will increase risk. For something like this, further research is needed.

4. Market structure regulators will review upcoming mergers and acquisitions to gauge their impact on consumers. For example, General Electric acquired Honeywell in 2001-2002. This transaction is not permitted in the EU because General Electric will have the ability to monopolize and suppress aircraft engine manufacturing, aircraft interiors, and aircraft leasing. His customers.
5. Shareholder structure Management must pay attention to the composition and response of shareholders to mergers and acquisitions Management has experienced mergers and acquisitions many times, but shareholders give negative reactions that result in negative shares. Eastman Kodak's acquisition of Sterling Drugs Company caused its stock to plummet in one day.

Mergers are common in Indonesia and abroad. For example, the largest merger in Indonesia was the merger between Bapindo, Bank Bumidaya, Bank Export-Import Indonesia and Bank Negara Dagang which later became Bank Mandiri and became the largest bank in Indonesia today. In other countries, there are many examples of successful mergers, for example Royal Dutch Shell taking over energy supplier BG Group from the UK. This is done by Shell to expand the company's business into the field of water exploration and increase its LNG resources (Wulandari, 2020). Therefore, for companies that want to increase capital and expand their business scope, mergers can be the solution. Corporate concepts and business strategies can be developed or applied in the following areas:

1. Through acquisitions, companies will be able to develop products (economic sphere) or markets faster than organic growth alone. For example, a pharmaceutical company may acquire another pharmaceutical company that already has pharmaceutical patents rather than acquiring them through its own development. For example, Sanofi Aventis acquired Genzyme because Genzyme was filing a patent for a new sclerosis drug called Lembrada. Other cases, the acquisition of Procter & Gamble, and the acquisition of Gilley, resulted in synergies between the two entities.
2. Increase shareholder value Through acquisitions or mergers, the company will become larger and financial capabilities stronger, thereby increasing profitability and shareholder value. Khazanah acquired Bank Niaga and Bank Lippo through its subsidiary CIMB Niaga, then merged the two banks into CIMB Niaga to support business expansion and growth in Indonesia. Khazanah already owns XL telecommunications company, Petronas gas station, and Malaysian Palm Oil Company expansion in Indonesia.
3. Building an efficient company Through mergers and acquisitions, economies of scale will be realized, for example banks acquire other financial companies such as insurance, securities and financial companies, so that they can provide other insurance products to bank customers. In addition to the automotive field, Toyota's acquisition of Daihatsu also gave birth to many synergistic products between Toyota and Daihatsu, such as Avanza / Xenia and Terios / Rush. Similarly for financial institutions, performance can be improved after acquiring other financial institutions.
4. Building a Competitive Company By combining the two companies and realizing the merger of market shares such as Daihatsu and Toyota, the company will be more competitive and can determine its position in a competitive market. In addition to Toyota and Daihatsu, Renault and Nissan did the same, making the two companies one of the successful models of the auto industry alliance.
5. Restructuring the company. In addition, the company can divest or divest, for example the bank already has a sharia business unit, and the division becomes larger, so it can

divest, and the division becomes a separate legal entity and independent of the parent company. Bank Jabar Banten divides the Sharia investment business from its Sharia law business unit to Bank Jabar Banten Syariah independent of its parent company.

Based on a study conducted by KNKS entitled "Study of Conversion, Merger, Holding and Establishment of Sharia State-Owned Banks", Indonesia has great potential for the development of Islamic finance, one of which is through the Islamic banking industry which has existed since 1992. The development of Islamic banking is supported by Law No. 21 of 2008 (Sharia Banking Law) concerning Sharia banking. As a legal basis for regulation and development of Islamic banking at that time. Sharia banking growth continues to grow, as reflected by an increase in the number of Islamic financial institutions. Until the end of 2018, Indonesia has 14 Sharia Commercial Banks (BUS) and 20 Sharia Business Units (UUS), with offices and services throughout Indonesia (Law et al., 2019).

Based on information from the Global Islamic Finance Report (GIFR) in 2019, Indonesia successfully obtained a score of 81.93 on the Islamic Finance Country Index (IFCI). This score is the highest score, meaning that Indonesia ranks first in the global Islamic financial market. This rank increased by 5 levels, where in 2018, Indonesia was ranked sixth. Islamic banking activities in Indonesia began in 1991, with the birth of the initial Islamic bank in Indonesia was Bank Muamalat with an initial capital of 106 billion rupiah (Nurdany, 2016).

The resilience of the Islamic banking industry has been successful and contributed to the development of the national economy, especially amid the instability of economic conditions (Kassim, 2016). Not only that, there are 4 aspects that contribute to the development of the Islamic banking industry, namely:

1. There is a great demand from various Islamic countries for products that are in accordance with Islamic principles
2. There is a strengthening of the legal framework and policies in Islamic financial zones
3. There is an increase in demand from conventional banking investors, listed for the purpose of product diversification
4. There is industrial capacity to increase several financial instruments to meet the needs of industrial and individual investors (Hasan & Dridi, 2011).

Based on research conducted by Kassim (Kassim, 2016) underlining aspects of Islamic banking financing in its findings. Although Islamic banking financing contributes greatly in the short and long term, the long term has proven to have a stronger impact than the short term, so banks need to balance the allocation of funds for business expansion and investment purposes. This raises the question of whether Islamic banking is able to drive the economy or whether economic growth can increase because of Islamic banking, even though Islamic banking is closely related to economic growth.

In FoSSEI's analysis study, which discusses the impact and prospects of the merger of 3 state-owned Islamic banks, stated that compared to conventional banks, Islamic banks have a relatively low market share. However, as far as the existing economic sector is concerned, the contribution of Islamic banking has a greater influence on the economy, which shows the linkage between economic growth and Islamic banking. Based on data from the Financial Services Authority (OJK) as of July 2020, the number of Sharia Commercial Banks (BUS) has reached 14 BUS, the number of Sharia Business Units (UUS) has reached 20 UUS, and the total assets of BUS and UUS are 529,063 one billion rupiah. Given the size of assets currently owned, BUS and UUS are considered not enough to compete with conventional banks because Islamic banks still have a much lower market share compared to conventional banks which were recorded at 6.18% in June 2020 (OJK, 2020). In order to expand the market

share of the globally competitive Sharia banking industry, the Minister of SOEs-Erick Thohir merged Sharia banks under the auspices of BNI Syariah, BRI Syariah, and Bank Syariah Mandiri.

The three state-owned Islamic banks, namely BRI Syariah, Bank Syariah Mandiri and BNI Syariah, eventually became one unit and changed its name to Bank Syariah Indonesia (BSI). Many parties are optimistic that BSI will have a major impact on Islamic banking in Indonesia. Various economic actors in Indonesia have also shown a positive and comprehensive role. (Romadhon, 2021)

Mergers are carried out by SOEs because of certain goals and reasons to be achieved. These include the following:

1. Growth or Diversification A company can merge or acquire if it wants to grow faster, both size, stock market, and business diversification.
2. Companies that want to expand internally will definitely need funds. The need for these funds can be obtained by expanding externally, namely combining with companies that have high liquidity.
3. Creating Synergies One of the goals of a merger is to achieve a synergy, that is, to produce a level of economies of scale. Synergy will be clearly seen when the company merges with businesses with the same business form because it can make efficiency in its workforce and functions.
4. Tax Considerations Spending on taxes can result in losses for a company. Companies that experience tax losses can merge with companies that make profits to take advantage of tax losses. In this case, the acquiring company will increase the combination of after-tax income by subtracting the pretax income of the acquired company.
5. Improving Company Skills A company can have difficulty developing due to lack of skills in terms of management and technology. In order to overcome these problems, a company can join other companies that have qualified management and technology.
6. Protecting Yourself From Takeovers Every company has the potential to be a hostile target for a takeover. The merger acquires another company, and finances the takeover with debt, because of this debt burden, the company's obligations become too large to be borne by interested bidding firms.
7. Increase Owner Liquidity Every company that merges has the opportunity to have greater liquidity. When the company is larger, the stock market will be wider and easier to obtain so that it is more liquid than small companies.

Based on research conducted by Noegroho (Noegroho, 2017b) This strategy is used by banks as a decision and strategic step used to improve bank health so that banks are expected to work efficiently and improve public trust in banks and be able to generate optimal profits. However, some researchers assess that there are conditions that should not occur in banking mergers instead. There is a decrease in profits, third-party deposits and a high amount of credit disbursed.

## LITERATURE REVIEWS

On research conducted by (Wiyono, 2021) stated that the impact of the merger of 3 Islamic banks will be more efficient and competitive, considered to be able to increase the competitiveness of Islamic finance in the digital era. Then the impact on the Sharia economy is believed to be positive because new entities born from corporate actions will have large capital to move to become a driver of national economic growth.

While the research conducted by (Noegroho, 2017b) stated that with the merger of banks, the profits obtained will be greater and the bank's assets will increase. This shows that mergers have opportunities for the economy in Indonesia. In addition, mergers can run successfully when viewed from how the merger bank runs the process well and utilizes the advantages and covers the shortcomings of participating banks.

In a study conducted by FoSSEI on the impact of mergers and merger processes of three state-owned Sharia banks, it was stated that with the merger, the capital problems of Islamic banks have been resolved and Islamic banks will be able to expand more widely to meet and facilitate the needs of the community. And the increase in economic activity in the Sharia capital market because after the announcement of the merger of state-owned Islamic banks, public interest in buying their shares has increased. In addition, the process of the merger of state-owned Sharia banks is that the social function of Sharia banks is increasing in performance and performance.

Based on other research conducted by (Siregar & Siregar, 2020) stated that the merger of 3 state-owned Islamic banks is not appropriate because it will have an impact on small Islamic banks. The bad impact is that the market share of Islamic banks will fall. Because people will move to the state-owned Sharia bank. Then state-owned Islamic banks will monopolize the market share of Islamic banking or reduce competition between Islamic banks. Small Islamic banks are likely to shrink and dissolve.

Based on several studies that have been conducted by previous researchers, researchers want to examine more deeply the impact and prospects of the merger of 3 state-owned Islamic banks on the economy in Indonesia.

## **METHOD**

This research belongs to the qualitative type, Because this research is based on data to be collected and analyzed. A qualitative method is an approach or tracing to explore and understand a central phenomenon (Raco, 2018) To understand these central symptoms, researchers interviewed study participants or participants and then collected. The type of data used in this study is in the form of secondary data, which is data obtained from various existing sources or researchers as second hand(Silalahi & Ginting, 2020) Data is obtained through the study of documents or literature carried out by examining library materials such as books, papers, journals, articles, news newspapers and websites related to the object written. The analysis was conducted by looking at the impact and prospects of the merger of state-owned Islamic banks on the economy in Indonesia.

### **Population and Sample**

Population is a generalized area consisting of objects / subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions (Hermawan, 2019). In this study, the population used is the people of Indonesia. The sample is part of the population. The sample to be taken must be representative or have the same characteristics as the population(Alfianika, 2018).

## RESULTS AND DISCUSSION

In order to overcome Sharia banking capital, with the encouragement of SOE Minister-Erick Thohir, the Indonesian government merged BRI Syariah, BNI Syariah and Bank Syariah Mandiri under the auspices of SOEs. Mergers of Islamic banks can increase the capacity of Islamic banks, and they are usually limited by limited capital. The merger of the three state-owned Islamic banks is also expected to accumulate large amounts of assets, so that with the merger Islamic banks can become BUKU IV, which is equal to or higher than the average conventional bank that has become BUKU IV.

Bank BUKU is closely related to the expected rate of return on funds of customers. In general, the higher the BOOK of a bank, the higher its security, so that fund owners are willing to keep their funds at lower interest rates. Meanwhile, banks with smaller BUKU usually provide more incentives to encourage fund owners to keep their funds in the bank. The merger of the three state-owned Islamic banks will produce Islamic banking assets that are able to compete with conventional banks. After the merger, the three banks that were originally incorporated in BUKU III will become BUKU IV. The total assets of BRI Syariah, BNI Syariah and Bank Syariah Mandiri in 2019 amounted to 43,123,4888 million rupiah, 49,980,000 million rupiah and 112,291,867 million rupiah, respectively.

Through this merger, state-owned Islamic banks will become equivalent to Bank Mandiri and BNI 46 which have been incorporated in BUKU IV. After the merger of Islamic banks, the capital problems of Islamic banks have been resolved, and Islamic banks will be able to expand further to meet and facilitate the needs of the community. The existence of large amounts of capital will also encourage Islamic banks to provide more financing to the public. The merger of Islamic banks will also increase efficiency in the future strategic direction of the Islamic banking industry. In addition, the merger of Islamic banks will also make Islamic banks more inclusive and adjust them to their respective characteristics. Among them, BRI Syariah focuses on Core Business in the retail segment, including commercial business, SME business, consumer business and micro business, BNI Syariah divides the business sector into several segments including the commercial segment, consumer and retail segment, micro segment and treasury segment, while Bank Syariah Mandiri divides its business sector into the retail banking and wholesale banking segments. If Islamic banking becomes more inclusive, so does knowledge of Islamic finance.

The merger system seems to benefit the bank because it provides considerable efficiency for the bank's existence (Romadhon, 2021). However, the effect of liquidation on banks is that the merger reduces labor costs, and the result of such liquidation is a sharp increase in poverty and unemployment. According to Babenas, poverty increased rapidly at the end of 1997 compared to the beginning of 1997. In addition, the losses arising from cross-border mergers are: (Noegroho, 2017b) Cultural differences or cultures caused by the combination of two organizations that differ in habits, values, maybe even the country. Then the costs caused by the financial method, as well as the price paid may be too high due to various things that arise in the process. Possible political backlash from the host region or

country, as a result of a takeover by another company. Then related to labor issues, and others related to labor.

The impact of the merger of state-owned Sharia banks includes the following:

1. Thanks to the support and partnership between state-owned Islamic banks, assets have increased. The unification of state-owned Islamic banks will result in synergies that will enable them to be equal to or even outperform conventional banks. The increase in assets will encourage the Islamic banking industry to provide more financing to the public, so that economic growth will also increase. The merger can improve Indonesia's economy after COVID-19.
2. Increased economic activity in the Islamic capital market. The existence of this merger policy will make BRI Syariah a survivor entity, because BRI Syariah is the only Sharia bank listed on the Sharia capital market. After the merger information is released, Islamic banks are increasingly interested in buying their shares, however, investors also need to analyze in advance whether the behavior of buying shares in the capital market is *self-emitment* following the trend or planned behavior. Because after the merger and BRI Syariah becomes a survivor entity, the value of shares will be deceived because the ownership is no longer only owned by one bank, but by three banks at once, adjusted to the percentage owned.

On the other hand, after the merger process, Islamic banks need to plan and formulate business strategies to avoid business delays due to the process of adaptation to values, culture, structure and system. From manpower to available branches, Islamic banks also need to develop an effectiveness and efficiency plan. For this reason, careful planning is needed so that the mistakes that are greeting are not repeated when merging banks. One of the functions of Islamic banks is the social function which is reflected in the financing and commercial activities it runs. Sharia banks not only pursue profits, but also have social functions. If the three state-owned Islamic banks currently focus on small, medium and micro enterprises and entities, it is expected that after the merger this function will not be changed only for the benefit of certain groups. In the future, in order to improve performance, Islamic banks must be more selective in providing financing to the public.

With the merger, Islamic bank custodian funds will increase significantly. That way, the funds used for financial literacy will be more ideal. According to records, in the first semester of 2020, BSI's total combined assets reached IDR 214.6 trillion, and core capital exceeded IDR 20.4 trillion. BSI will be more quickly known to the public. There will also be more BSI network operations. There may even be several BSI offices in one city. In this way, the BSI network will become stronger. There is no reason for the lack of network operations in the community. At the same time, the other four factors are directly related to the community. Therefore, other stakeholders also intervened to increase awareness of Islamic banking product knowledge. (Romadhon, 2021)

The progress of Islamic banking from year to year has undoubtedly made Bank Syariah Indonesia (BSI) a leader in the national banking business. The merger of three



Islamic banks with the largest entities in Indonesia will encourage Islamic banks to be more competitive in this digital era. (Romadhon, 2021).

Based on research (Suparyanto, 2018) The prospect of the development of Islamic banking in the country itself can be seen broadly from 3 (three) things:

1. The population, Indonesian people who are nota bene or the majority are Muslim so that this is a strong trigger for the development of Islamic banking in Indonesia
2. Human Resources (HR), the development of banking in the country also cannot be separated from the human resources who manage the banking, many efforts to improve human resources, especially in the field of sharia economic law, of course this affects the productivity and professionalism of Islamic banks themselves
3. The government, the existence of the government in supporting the development of the Islamic economy, especially in the banking sector is quite large

This is tested by the issuance of Law No. 21 of 2008 concerning Sharia Banking as the government's effort to strengthen the contribution of Islamic financial institutions in strengthening national development. Not only that, training activities were also carried out to mangulas, poverty alleviation, and Islamic banking was considered able to help in the program because it was considered to bring "masalah" for economic improvement, equitable distribution of citizens' welfare.

The prospects of Bank Syariah Indonesia when viewed from the mission of Bank Syariah Indonesia ([www.bankbsi.co.id](http://www.bankbsi.co.id)) itself include:

1. Providing access to Sharia financial solutions in Indonesia, by serving more than 20 million customers and becoming the top 5 banks by assets (500+T) and book value of 50 T by 2025.
2. To be a large bank that provides the best value for shareholders, namely being the top 5 most profitable banks in Indonesia (ROE 18%) and strong valuation (PB >2).
3. Being the company of choice and pride of Indonesia's best talents, a company with strong values and empowering communities and committed to employee development with a performance-based culture.

In addition, what can be done by Bank Syariah Indonesia to improve the Indonesian economy (Law et al., 2019) These include:

1. The development of the halal industry.
2. The development of MSMEs.
3. The potential of people who do not have an Islamic bank account is still high
4. Market share is still low so there is a large potential funding that has not been realized.
5. Government support for Islamic economic development has begun to be seen with the policy on BPKH funds.
6. The development of ZISWAF fund management and the development of sukuk instruments.
7. Digital Banking can be utilized by Islamic banks in facilitating services to customers/the public.

8. Other social funds that have not been fully managed through Islamic banks.

Things that have been done from Bank Syariah Indonesia in terms of advancing the Indonesian economy ([www.bankbsi.co.id](http://www.bankbsi.co.id)) include the following:

1. Bank Syariah Indonesia collaborates with Laznas Bangun Sejahtera Umat to produce millennial entrepreneurs through business incubator scholarships that have been going on since 2018 and are supported by the Ministry of Education and Culture.
2. Strengthening the gold installment business in collaboration with Jamkrindo Syariah with the hope of expanding the range of services that can be accepted by customers throughout Indonesia.
3. Bank Syariah Indonesia collaborates with the Coordinating Ministry for Economic Affairs in literacy and inclusion activities for Muhammadiyah youth and students, for the implementation of this event is expected to be a solution and answer the needs of the community in managing finances in accordance with Sharia principles through various products, services, and complete features.
4. Strengthening digital services by implementing digital transactions in the rest area of the Cipali-Palikanci toll road. The strengthening of this service is part of support for the acceleration of Indonesia's digital economy transformation that can reach the wider regional community and facilitate economic activities in the form of transactions and funding.

## CONCLUSION

Based on the results of the research above, it can be concluded that the merger of three Islamic banks into Bank Syariah Indonesia, (BSI) is predicted to have a positive impact and have great prospects and have a significant effect on improving the economy in Indonesia. With a significant increase in managed funds, it is estimated that the prospects of Bank Syariah Indonesia will be good so that the public can feel the impact of the merger of 3 Sharia banks under the auspices of SOEs. Researchers hope that BSI will continue to provide the best service to the people of Indonesia.

## REFERENCES

- Alfianika, N. (2018).* Textbook of teaching research methods Indonesian. *Deepublish.*
- Hasan, M., & Dridi, J. (2011).* *The effects of the global crisis on Islamic and conventional banks: A comparative study.* *Journal of International Commerce, Economics and Policy*, 2(02), 163–200.
- Hermawan, I. (2019).* Educational Research Methodology (Qualitative, Quantitative and Mixed Method). *Hidayatul Quran.*
- Johan, S. (2011).* *Implementation of Business and Corporate Strategy Through Mergers and Acquisitions.* *ULTIMA Management*, 3(1), 68–81.  
<https://doi.org/10.31937/manajemen.v3i1.176>
- Kassim, S. (2016).* *Islamic finance and economic growth: The Malaysian experience.* *Global Finance Journal*, 30, 66–76.

- Law, C., Society, F. H., Florida, T., Quarterly, H., Press, C. C., Eames, R., Boulevard, W., Schneider, D. M., Gough, K., Gough, K., Cartoon, S., Edgerton, D., Bruun, G., Hobsbawm, E. J., Bijker, W. E., Vergragt, P. J., Oliver, J., MacKenzie, D., Wajcman, J., ... Bruno, L. (2019). *Study of Conversion, Merger, Holding, and Establishment of Sharia State-Owned Banks*. *Journal of Chemical Information and Modeling*, 53(1), 1689–1699. <http://dx.doi.org/10.1016/j.techsoc.2016.08.001><https://medium.com/idols-of-the-theatre/the-problems-with-colonial-science-and-technology-transfer-5eb6bd7c0800><https://www.dawsonera.com/readonline/9781848133815><https://publication/uuid/F4832ADD-8D>
- Lay, A., Marbun, B. N., Pardede, S. M., & Budijanto, M. (2010). Effectiveness of Merger and Acquisition Regulations in the Legal Framework of Business Competition. *Jakarta: PT. Sinar Harapan Library*.
- Noegroho, I. (2017a). *Mergers are a challenge or opportunity for the Indonesian economy*. *Journal of Accounting*, 2(3), 12. <https://doi.org/10.30736/jpensi.v2i3.107>
- Noegroho, I. (2017b). *Mergers are a challenge or opportunity for the Indonesian economy*. *Journal of Economic and Accounting Research (JPENSI)*, 2(3), 12-pages.
- Nurdany, A. (2016). Analysis of the Effect of Islamic Banking Financing, Assets, and FDR on Public Welfare in Indonesia. *UII*.
- Raco, J. (2018). Qualitative research methods: their types, characteristics and advantages.
- Romadhon, B. (2021). *Correlation of Merger of Three Sharia Banks and Public Awareness of Sharia Banking Products*. *Journal At-Tamwil: Sharia Economic Studies*, 3(1), 86–98.
- Silalahi, K., & Ginting, M. C. (2020). *Analysis of Differences in Company Financial Performance Before and After Merger (Study on IDX-Listed CIMB Niaga Bank)*. *JOURNAL OF MANAGEMENT*, 1(1), 35–46.
- Siregar, E. S., & Siregar, F. A. (2020). *Assessing the potential of Islamic banks in Indonesia during the Covid-19 period*. *Al-Masharif: Journal of Economics and Islamic Sciences*, 8(2), 177–188.
- Suparyanto, D. (2018). *Prospects of Sharia Banking in Indonesia*. *Al-Insiyroh: Journal of Islamic Studies*, 2(2), 170–181.
- Wiyono, W. M. (2021). *The impact of the merger of 3 (three) state-owned Islamic banks on the development of the Islamic economy*. *Legal Horizons: Scientific Magazine of Faculty of Law, Wijayakusuma University*, 23(1), 65–73.
- Wulandari, T. (2020). *Analysis of Company Performance Before and After Mergers and Acquisitions*. *Journal of Management, Business, and Accounting*, 19(2), 227–236.

[www.bankbsi.co.id](http://www.bankbsi.co.id)

[www.knks.go.id](http://www.knks.go.id)