

Comparison of the Financial Performance of Bank Syariah Indonesia Pre and Post Merger During the Covid-19 Pandemic

Ismi Kuswati¹, Rika Nurlaila^{1*}, and Ibnu Muttaqin¹

¹Faculty of Islamic Economics and Business, IAIN Kudus, Indonesia

Abstract. The Covid-19 pandemic also affects the banking sector, this condition can reduce the competitiveness of Islamic banks. Nevertheless, the Minister of SOEs merged the BUMN Sharia banks, namely BRIS, BNIS, and BSM to become Bank Syariah Indonesia. This study aims to compare the financial performance of Bank Syariah Indonesia before and after the merger during Covid-19, on the ratio of ROA, NPF Nett, FDR, BOPO, and CAR. This study uses a comparative research method with quantitative data analysis using the Paired Sample t-test. Data collection was obtained through the official BSI website. In this study, it was found that there were differences in BSI's financial performance between pre and post-merger in terms of ROA, Net NPF, FDR, and BOPO, while the CAR ratio did not show any difference between pre and post-merger. These results provide recommendations to further researchers that it is necessary to increase the research ratio variable and the latest year of financial performance data.

Keywords: Financial performance, Merger, Bank Syariah Indonesia

1 Introduction

At this time all countries in the world are faced with the Covid 19 Pandemic Outbreak, in which this virus first broke out in the city of Wuhan. The beginning of the occurrence of the Covid 19 virus was initiated by information from the *World Health Organization* (WHO). WHO said that on December 31, 2019, a case of pneumonia with new symptoms was found in Wuhan City, Hubei Province, China. The spread of this virus is very fast, so it doesn't take long for this virus to spread to all countries in the world. (Fitriani, 2020)

The impact of the Covid 19 pandemic not only has a negative effect on human health but also adversely affects all sectors. One of the impacts on the Islamic banking sector, the pandemic condition can reduce the competitiveness of Islamic banks. Operational problems and non-performing financing experienced by Islamic Banks during this pandemic affected financial performance. Based on data from the OJK, which was recorded in July 2020, the total NPF of BUS was 3.31%, a decrease of 5 basis points (bps), while for UUS it was at 3.38%, an increase of 36 bps per year. (Ridwan Hidayat, 2021)

However, according to the chief executive of OJK banking supervision, Heru Kristiyana, he said that the financial performance of Islamic banking during the Covid-19 pandemic was

* Corresponding author: rikanurlaila2016@gmail.com

better than the achievements of conventional banking, especially regarding the distribution of financing or credit. As of December 2020, the total financing provided reached IDR 394.6 Trillion, an increase of 8.08% (yoy). Meanwhile, loans extended by banks nationally as of December 2020 reached Rp 5,482.5 T or a depreciation of minus 2.7% (yoy). (Miftahudin, 2021)

Even though in the midst of a pandemic like this, the Minister of State-Owned Enterprises (BUMN) Erick Thohir stated to merge or merge Islamic State-owned Banks. The process of the merger involved three Islamic Bank companies, namely BRIS, BNIs, and BSM to become Bank Syariah Indonesia (BSI), in which it is hoped that with the merger of the three Islamic Banks they can grow and survive well despite the current Covid 19 pandemic. at the moment.

Based on previous research, it was found that research results are relevant to this discussion. First, Krismaya et al. (2021) in this study resulted in the development of monthly profitability ratios at Bank Syariah Mandiri (BSM) and Bank Rakyat Indonesia Syariah (BRIS), while at Bank Negara Indonesia Syariah (BNIS) the ratio experienced an increase in OPM (*Operating Profit Margin*) and NPM (*Net Profit Margin*) and a decrease in the ratio of ROA (*Return on Assets*) and ROE (*Return on Equity*) from pre and post-merger to Bank Syariah Indonesia (BSI). Second, the research was conducted by (Alimun et al., 2022). The results of research on profitability ratios in terms of NPM, ROA, ROE, and ROI are not too significant but quite stable. In terms of liquidity ratios in terms of *Current Ratio*, *Quick Ratio*, and LDR, there is a much better comparison after the merger. And the activity ratio in terms of TATO and WATO has not changed too much in controlling the company's activities due to the time span of the merger being carried out only one year.

Financial performance according to According to Hutabarat (2020) financial performance is one form of seeing the company's potential in carrying out existing regulations well. Financial performance in banking can be interpreted as a description of the condition of a bank which can be seen from the aspect of *funding* or fundraising as well as aspects of *lending* or distribution of funds in certain periods. The good or bad of a bank can be known from the financial performance of the bank (Rahayu, 2020).

The merger can be interpreted as a merger of two or more Banks. The merger is a strategic effort to create a business entity that has high competitiveness. The strategic effort aims to be able to improve some of the financial system performance of the combined companies. The government's efforts to merge BUMN Sharia Banks into Indonesian Sharia Banks or BSIs are aimed at expanding the overall Sharia Bank market and becoming a pioneer in the development of the sharia economy in Indonesia. (Arga et al., 2021)

Based on the Gap Phenomenon, Research Gap, and Gap Theory above, this study aims to analyze the Comparison of the Financial Performance of Indonesian Islamic Banks Before and After the Merger During the Covid 19 Pandemic. Financial performance can be seen through Return on Assets (ROA), Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), Operational Expenditure on Operating Income (BOPO), and Capital Adequacy Ratio (CAR).

2 Literature Review

2.1 Financial Performance

All parties who cooperation with a company are very interested in the company's performance. The performance of a company can be described by two theories, one of which is the *agency* theory. According to Anthony and Govindarajan (2005), the concept of *agency theory* is a contract or collaboration between company owners or shareholders (*principal*) and company management (agents) (Mahiswari et al., 2014). In a company whose capital consists of shares, the shareholder (*principal*) authorizes the agent to run the company. The benefits obtained by both parties are based on the performance of the company, good

company performance will have a positive impact on the compensation to be received. Conversely, if the company's performance is bad, it will also have a negative impact on the compensation to be received.

The definition of financial performance according to Sucipto (Alimun et al., 2022) is the determination of special measures that can be used to measure the advantages of an organization or company to generate profits. From this definition, financial performance is a benchmark that can be used by companies in considering the company's financial condition. The level of the ratio owned by a bank can be used to see the financial performance of Islamic banking. Financial ratios owned by banks, especially Islamic banks, can provide information data to investors, the government, and customers regarding the financial condition of Islamic banks within a certain period.

2.2 Syariah Banking

The definition of a Sharia bank according to Law Number 21 of 2008 is a bank that carries out banking business activities based on Sharia principles; or Islamic law rules regulated in the fatwa of the Indonesian MUI such as the principles of justice, balance, benefit, universalism, and does not contain elements of gharar, maysir, usury, injustice, and forbidden objects. (www.ojk.go.id)

PT Bank Syariah Indonesia Tbk is the largest Islamic bank in Indonesia resulting from the merger of three state-owned Islamic banks, namely: BRIS, BNIS, and BSM. The policy made by the government to carry out a merger of three Islamic banks is expected to be able to provide options for new financial institutions for the community and can drive the national economy. BSI's recorded assets as of June 2021 reached Rp. 632 trillion, this made BSI the 7th largest bank in Indonesia. (www.bankbsi.co.id)

2.3 Merger

In terms of etymology, the word merger comes from English, namely "merger" which means merging. Meanwhile, according to terminology, the definition of a merger is the merger of two or more companies by building a new company and terminating the old company. In PJOK Number 74/PJOK.04/2016 the definition of a merger is to combine a legal action carried out by a company to merge with another company which has an impact on the assets, liabilities, and equity of the merging company and changes the law from the company that received the merger (Utari et al., 2022).

2.4 Non-Performing Finance (NPF)

Large NPF will increase costs, thereby allowing for losses in a bank. The larger the NPF ratio can worsen the quality of financing at the bank which can have an impact on the number of non-performing loans (Thamrin, 2021). NPF is said to be healthy if it is not more than 5%. The formula for the NPF is:

$$NPF = \frac{\text{Problem Financing}}{\text{Total Financing}}$$

2.5 Return on Asset (ROA)

The definition of ROA according to Mainata (2017) is a ratio used to compare net income with total assets. The higher the ROA shows the greater the benefits obtained from the profits owned by Islamic banks. (Winata, 2020). ROA is said to be good if it is more than 1.5%. The ROA formula is as follows:

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}}$$

2.6 Financing to Deposit Ratio (FDR)

The definition of FDR according to Riva'I and Buchari (2009) is a ratio that compares the total financing provided with effective third party funds issued by Islamic banks. According to the provisions of Bank Indonesia, a good FDR standard is in the range of 80%-110%. The

FDR ratio must be maintained so that it is neither too small nor too large. (Somantri & Sukmana, 2019). The FDR formula is as follows:

$$FDR = \frac{\text{Financing Provided}}{\text{Third Parties Fund}}$$

2.7 BOPO or Operating Expenses to Operating Income

According to Dendawijaya (2003), the definition of BOPO is an operational cost ratio used to assess the ability and efficiency of Islamic banks in carrying out their operational activities. A good BOPO ratio is a lower BOPO ratio. Referring to the provisions of BI, the BOPO standard is said to be good or healthy, which is below 90%. (Juwita & Devi, 2020). Based on circular letter of Bank Indonesia Number 6/23/DPNP dated 31 May 2004, the BOPO formula is:

$$BOPO = \frac{\text{Operating Costs}}{\text{Operating Income}}$$

2.8 Capital Adequacy Ratio (CAR)

According to Dendawijaya (2005) the definition of CAR is a ratio that pays attention to how far all bank assets contain risk. Referring to BI regulation No. 14/18/PBI/2012 Article 2 Paragraph 3 that the minimum CAR limit is 8%. Therefore, a higher CAR ratio makes a bank better. (Fachri & Mahfudz, 2021). The CAR formula is:

$$CAR = \frac{\text{Modal}}{\text{Risk Weighted Assets}}$$

3 Research Methods

This research uses a quantitative research approach. Where this research specification is regular, structured, and planned with a patent. The quantitative research method proposed by Arikunto (2006:12) is: "Quantitative research is a research approach that uses a lot of numbers, starting from collecting data, interpreting the data obtained; and presenting research results".

The object of this research is the Islamic State-owned Banks before the merger, namely: Bank Rakyat Indonesia Syariah (BRIS), Bank Negara Indonesia Syariah (BNIS), and Bank Syariah Mandiri (BSM), and after the merger, the Islamic bank is Bank Syariah Indonesia (BSI).

The sources of data used in this study are secondary data sources. Sources of secondary data come from library books, published financial reports from companies, magazines, and so on. The secondary data we used for this research was obtained from the financial statements of BRIS, BNIS, BSM, and BSI before and after the merger during the Covid-19 pandemic period 2020-2021.

Next is the Data Collection Technique. Get the information data needed in this study is classified into two; *First* secondary data collection in the form of financial reports from the financial statements of BRIS, BNIS, BSM, and BSI before and after the 2020-2021 merger period. The financial report data was obtained through the official website of the Financial Services Authority (OJK). www.ojk.go.id and the official website of Bank Syariah Indonesia (BSI) www.bankbsi.co.id. *Second*, secondary data collection in the form of *Library Research*, researchers collect the required data by reading books, journals and research that have been carried out previously that are related and relevant to the research being discussed.

In this study, descriptive analysis technique is used, which is an analytical technique by combining data, revealing and analyzing so that it can provide data and descriptions according to the problems at hand. The analysis used is the ratio of CAR, NPF, FDR, ROA and BOPO seen in the financial statements of Bank Rakyat Indonesia Syariah (BRIS), Bank Negara Indonesia Syariah (BNIS), Bank Syariah Mandiri (BSM) and Bank Syariah Indonesia (BSI) for the 2020 period. -2021. From the results of this analysis, it can then be seen that the financial performance of Bank Syariah Indonesia Pre and Post Merger during the covid-19 pandemic. (Dayanti, 2021)

The financial performance of Islamic banking can be measured by using the comparative method or pre- and post-merger comparison to become Bank Syariah Indonesia. The framework of thinking in this research are:



Note:

X_1 : Pra Merger (2020)

X_2 : Pasca Merger (2021)

Research Hypothesis :

H_0 : There is no difference in the financial performance of Bank Syariah Indonesia pre and post-merger.

H_a : There are differences in the financial performance of Bank Syariah Indonesia pre and post-merger.

4 Results and Discussion

Table. 1. Pre and Post Merger Financial Statement Table

Year	Description	Quarter	ROA	NPF Nett	FDR	BOPO	CAR
2020	Pre Merger (X1)	I	1,00%	2,95%	93,10%	90,18%	21,99%
		II	0,90%	2,49%	91,01%	89,93%	23,73%
		III	0,84%	1,73%	82,65%	90,39%	19,38%
		IV	0,81%	1,77%	80,99%	91,01%	19,04%
2021	Post Merger BSI (X2)	I	1,72%	0,92%	77,28%	79,90%	23,10%
		II	1,70%	0,93%	74,53%	79,92%	22,58%
		III	1,70%	1,02%	74,45%	79,84%	22,75%
		IV	1,61%	0,87%	73,39%	80,46%	22,09%

Table. 1. Pre and Post Merger Financial Statement Table

Source : BSI (2020 and 2021) (www.bankbsi.co.id)

Based on the table above, we can see that the ROA (Return on Assets) for the first quarter to the fourth quarter in 2020 or pre-merger is 1.00%, then 0.90%, 0.84%, and then decreased to 0.81% in 2015. 2020. And in 2021 the ROA from the first quarter was 1.72% and in the second quarter to the third quarter, it was 1.70%, decreased by 0.02% from the first quarter, and decreased again by 0.09% in the fourth quarter to become 1.61%. The decline experienced in ROA may also occur due to the COVID-19 pandemic, which this pandemic has an impact on all sectors including Islamic banking.

Furthermore, in the NPF Net in the first quarter of 2020, the Net NPF reached 2.95%, in the second quarter, it was 2.49%, a decrease of 0.46% from the previous quarter. In the third quarter of 1.73%, it means that NPF Net in this quarter has decreased by 0.76%. And in the

fourth quarter also experienced an increase from the third quarter of 0.04% to 1.77%. For 2021 the Net NPF in the first quarter was 0.92% and in the second quarter there was an increase that was not too influential of 0.01%, namely to 0.93%. In the next quarter, namely the third quarter of 1.02%, which means an increase of 0.09% from the previous quarter, namely the second quarter. And in the fourth quarter of 0.87% which means a decrease from the third quarter of 0.15%.

In the next data, namely FDR (Financing to Deposit Ratio) or financing disbursed by banks from TPF. FDR in 2020 in the first quarter showed a figure of 93.10%, in the second quarter, it decreased by 2.09% from the previous quarter, which means in the second quarter the FDR was 91.01%. In the next quarter, there was another decline from the second quarter of 8.36%, which means that in the third quarter the number of FDR or financing disbursed was 82.65%. And in the fourth quarter, there was another decline from the third quarter of 1.99%, which means 80.99% of the total FDR in the fourth quarter. In 2021 the FDR (Financing to Deposit Ratio) in the first quarter is 77.28%. In the next quarter, namely the second quarter, there was a significant decline of 2.75%, which means in the second quarter the FDR was 74.53%. In the third quarter, FDR was 74.45%, down 0.08% from the second quarter. In the fourth quarter there was also another decrease from the third quarter of 1.06%, which means that the FDR in the fourth quarter became 73.39%.

BOPO (Operating Expenses to Operational Income) in 2020 in the first quarter showed a value of 90.18%. In the second quarter, the BOPO value decreased by 0.25%, which means in the second quarter the BOPO was 89.93%. In the next quarter, namely the third quarter of BOPO, it rose again from the second quarter of 0.46%, which means the BOPO value became 90.39%. In the fourth quarter, the BOPO was 91.01%, up 0.62% from the third quarter. In 2021 or after the BSI merger, the BOPO value in the first quarter showed a value of 79.90%. In the second quarter, it was 79.92%, up 0.02% from the previous quarter. In the third quarter, the BOPO value was 79.84%, a decrease from the second quarter of 0.08%. In the fourth quarter, the BOPO rose again from the third quarter of 0.62%, which means the BOPO value in the fourth quarter was 80.46%.

The last one is the CAR (Capital Adequacy Ratio) in the first quarter of 2020, the CAR is 21.99%. In the second quarter, the CAR value showed a value of 23.73%, which means that the CAR value in this quarter increased by 1.74% from the previous quarter. In the third quarter, the CAR value was 19.38 percent, a significant decrease from the previous quarter, which was 4.35% in the second quarter. In the fourth quarter, the CAR value was 19.04%, down 0.34% from the third quarter. In 2021, namely after the merger, the CAR value in the first quarter showed a value of 23.10%. In the second quarter, the CAR value was 22.58%, a decrease of 0.52% from the previous quarter. In the third quarter, the CAR value showed 22.75%, up 0.17% from the previous quarter, namely the second quarter. In the last quarter, namely the fourth quarter, the CAR value was 22.09%, a decrease that was not too significant from the previous quarter, which was down by 0.66%.

Return on Aset

From the graph, it can be seen that there is a difference between the Return On Assets (ROA) of Pre-Merger and Post-Merger. Where the post-merger ROA is higher than the pre-merger ROA. Post-Merger ROA has the highest ROA value in the first quarter of 1.72% and the lowest ROA in the fourth quarter of 1.61%. Meanwhile, for Pre-Merger ROA, the highest ROA was in the first quarter of 1.00% and the lowest was in the fourth quarter of 0.81%.

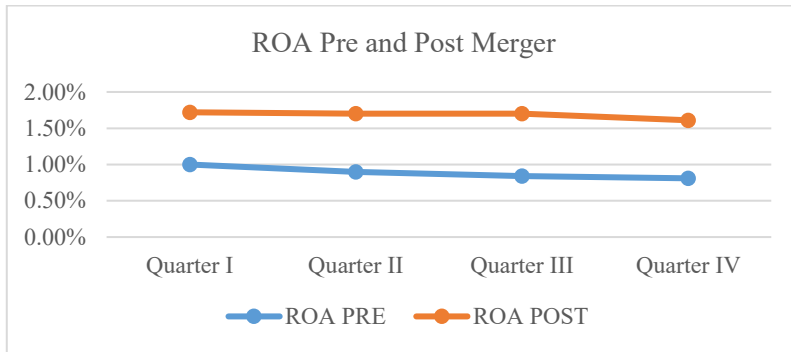


Figure 1. ROA Chart per quarter

Source : BSI (2020 and 2021) (www.bankbsi.co.id)

The greater the ROA value, the better the profitability of a bank. Referring to circular letter of Bank Indonesia Number 9/24/DpbS of 2007 concerning the rating system for soundness of commercial banks based on Sharia principles, the ROA assessment criteria are known, namely:

Table. 2. ROA Assessment Criteria

Rating	Ratio	Assesment
1	ROA > 1,5%	Very healthy
2	1,25% < ROA ≤ 1,5%	Healthy
3	0,5% < ROA ≤ 1,25%	Quite healthy
4	0 < ROA ≤ 0,5%	Less healthy
5	ROA ≤ 0%	Not healthy

Source: Circular Letter of Bank Indonesia Number 9/24/DpbS of 2007

From the table above, the ROA in 2020 (Pre Merger) in the first quarter is categorized as quite healthy, the second quarter is quite healthy, the third quarter is quite healthy and the fourth quarter is quite healthy. Meanwhile, the ROA in 2021 (Post Merger) in the first quarter is in the healthy category, the second quarter is healthy, the third quarter is healthy and the fourth quarter is also in the healthy category.

Table. 3. Results of Pre- and Post-Merger SPSS ROA data processing

Pair	Mean	Std. Deviation	Std. Error	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
				Lower	Upper			
1 ROA PRE – ROA POST	-.79500	.05745	.02872	-.88641	-.70359	27.678	3	.000

Based on the data that has been processed through SPSS with the Paired Sample T Test, in the Paired Samples Statistics table it can be seen that the average pre-merger ROA is 0.8875 and the post-merger ROA is 1.6825. From the mean value, it can be seen that the average post-merger ROA is higher than the pre-merger ROA. As for the results of the Paired Sample Test with a 95% confidence interval, it can be seen that the significance value of the Pre-Merger and Post-Merger ROA shows $0.000 < 0.05$, so it can be concluded that H_0 is rejected and H_{a1} is accepted. So, there is a difference in ROA between the Pre-Merger and Post-Merger of Bank Syariah Indonesia. The results of this study state that the financial performance of Bank Syariah Indonesia after the Merger is better than the financial performance of the Pre-Merger in the ROA section, because it has a higher mean value and a significance value of < 0.05 .

Based on research on conducted by Selly and Dian Lestari Siregar in 2021 that the result of her research have changed between pre and post merger Bank IBK Indonesia on the ROA ratio. (Selly & Siregar, 2021). So, in this study the authors received the same results regarding the ROA ratio which have changed during pre merger and post merger.

NPF Nett

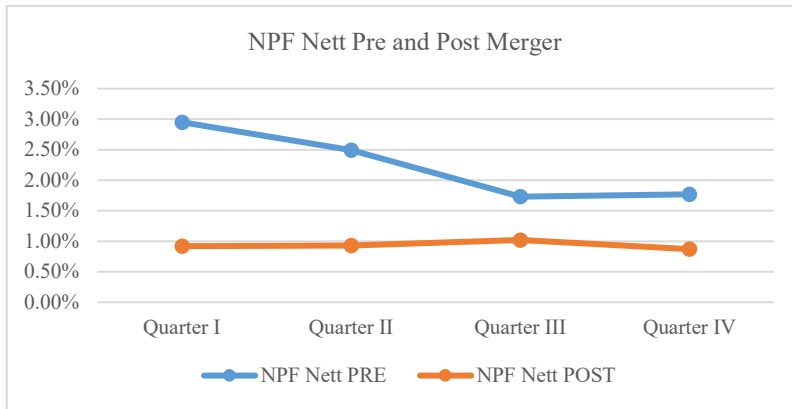


Figure 2. NPF Nett Chart per quarter

Source : BSI (2020 and 2021) (www.bankbsi.co.id)

From the graph above, it can be seen that there is a difference between the Pre-Merger Net NPF and Post-Merger Net NPF, where the Pre-Merger Net NPF is higher than the Post-Merger NPF Nett. NPF Net (*Non-Performing Financing Net*) is financing that is included in the substandard, doubtful and loss category. The greater the NPF value, the lower the profit that will be obtained by a Sharia Bank. The maximum limit of the NPF is 5% so that it can be said to be healthy. So, from the graphic data, the post-merger NPF Nett value is better than the Pre-Merger Net NPF. However, both the Pre-Merger and Post-Merger NPF Nett from the I-IV quarters have a Net NPF value of <5%, which means both are in the healthy category.

Table. 4. Results of Pre- and Post-Merger SPSS NPF Nett data processing

Pair	NPF Nett PRE - NPF Nett POST	Paired Differences			95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
1		1.30000	.60789	.30395	.33271	2.26729	4.277	3	.023

Based on the data that has been processed through the SPSS application using the Paired Sample T Test, it can be seen that the mean NPF Nett Pre-Merger is 2.2350 while the average NPF Nett-Post-Merger is 0.9350. From the mean value, it can be seen that the Pre-Merger Net NPF value is higher than the Post-Merger Net NPF. The results of the significance of the Pre-Merger and Post-Merger NPF Nett show a value of 0.023 < 0.05, so it can be concluded that H_0 rejected and H_{a_s} accepted, which means that there are differences in the financial performance of Pre-Merger and Post-Merger of Bank Syariah Indonesia on NPF Nett.

Based on research conducted by Arizal Jaya and friends in 2021 that the results of his research did not change between pre and post-merger Bank Woori Saudara on the NPF ratio. (Jaya, 2021). So, in this study the authors did not receive the same results regarding the NPF ratio which did not change pre and post merger. Because in this study is known that there is a change in the NPF ratio pre and post merger.

FDR (Financing to Deposit Ratio)

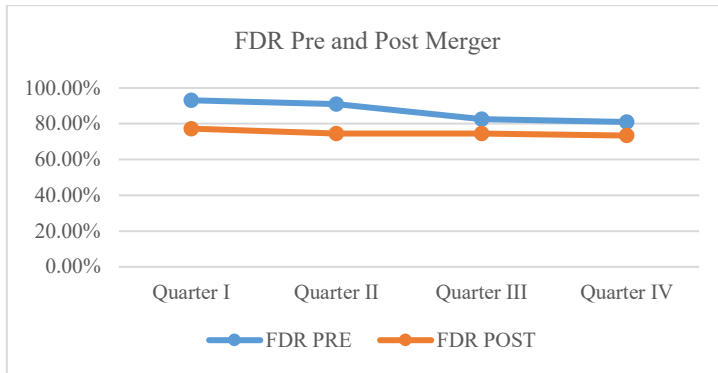


Figure. 3. FDR Chart per quarter

Source : BSI (2020 and 2021) (www.bankbsi.co.id)

In the graph above, it can be seen that there is a difference between the value of the Pre-Merger FDR and the Post-Merger FDR, where the Pre-Merger FDR value is higher than the Post-Merger FDR value. The highest value of Pre-Merger FDR was in the first quarter of 93.10% while the highest value of Post-Merger FDR was in the first quarter of 77.28%.

The FDR value should be neither too small nor too large. The FDR value that is too small makes the bank very liquid, this illustrates the large number of funds from TPF that are collected in *idle funds* or idle conditions which can cause the bank to lose the opportunity to earn profits because it does not channel these funds to the financing sector. Meanwhile, FDR that is too high can also cause a decrease in bank liquidity, because there is a risk that money collected from TPF cannot be returned at any time due to the a lot of funds allocated in the form of financing.

Judging from the provisions of Bank Indonesia, the FDR standard of a bank to be said to be healthy or reflect liquidity is 80%-110%. If the bank's FDR position shows below or above 80%-110%, the bank is categorized as not carrying out its function as a liaison intermediary party to the fullest. The average amount of the pre-merger FDR is 86.93% while the average post-merger FDR is 74.91. If we look at the Limits of FDR according to Bank Indonesia, the value of Pre-Merger FDR can be said to be healthy because it is >80%, while Post-Merger FDR is in the fairly healthy category because it is <80%.

Table. 5. Results of Pre- and Post-Merger SPSS FDR data processing

Pair	FDR PRE - FDR POST	Paired Differences			95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error	Lower	Upper			
1		12.02500	4.77704	2.38852	4.42367	19.62633	5.034	3	.015

Based on the data that has been processed through the SPSS application by utilizing the Paired Sample T Test, it can be seen that the average value (Mean) of the Pre-Merger FDR is 86.9375 while the post-Merger FDR average value is 74.9125. From the mean value, it can be said that the Pre-Merger FDR value is higher than the Post-Merger FDR. With the results of the significance of the Pre-Merger and Post-Merger FDR showing a value of 0.015 < 0.05, it can be concluded that H_0 rejected and H_{a1s} accepted, which means that there are differences in the financial performance of Pre-Merger and Post-Merger of Bank Syariah Indonesia in FDR.

Based on research on conducted by (Alimun et al., 2022) that the result of her research have changed between pre and post merger Bank IBK Indonesia on the FDR ratio. So, in this

study, the authors received the same results regarding the FDR ratio which has changed during pre-merger and post-merger.

BOPO or Operating Expenses to Operating Income

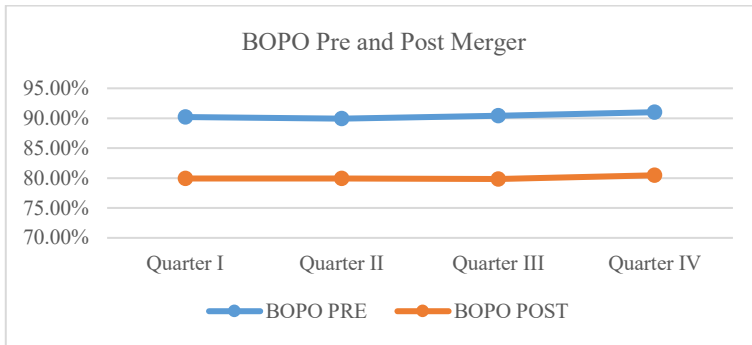


Figure 4. BOPO Chart per quarter

Source : BSI (2020 and 2021) (www.bankbsi.co.id)

Based on the graph regarding the BOPO above, it can be seen that there is a significant difference between the BOPO Pre-Merger and Post-Merger. Where the Pre-Merger BOPO value is lower than the Post-Merger BOPO. The highest BOPO Pre-Merger was 91.01% in the fourth quarter, while the highest BOPO for Post-Merger was 80.46% in the fourth quarter. BOPO is a bank efficiency ratio that estimates operational costs to operating income. BOPO can be used to describe the level of efficiency in a bank in controlling costs incurred on a regular basis to income.

According to Bank Indonesia, the standard BOPO is a maximum of 90%. If the BOPO ratio is > 90%, the bank is said to be inefficient in carrying out its operational activities. This means that if the BOPO value is greater, it indicates the inability of a bank to manage operational costs.

If you look at the data from the graph above and the maximum BOPO criteria, it can be said that Post-Merger BOPO tends to be healthier than Pre-Merger BOPO, because Post-Merger BOPO in quarters I-IV does not exceed the maximum standard of BOPO, which is 90%. As for the Pre-Merger BOPO, it can be seen that the BOPO value from quarters I-IV tends to be high, even in the fourth quarter, the value reaches 91.01%, exceeding the maximum limit determined by Bank Indonesia, which is 90%.

Table. 6. Results of Pre- and Post-Merger SPSS BOPO data processing

Pair	BOPO PRE - BOPO POST	Paired Differences			95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
1		10.34750	.25851	.12925	9.93616	10.75884	80.056	3	.000

Based on the data that has been processed through the SPSS application using the Paired Sample T-Test, it can be seen that the average Pre-Merger BOPO value is 90.3775 while the Post-Merger BOPO is 80.0300. From the mean value, it can be concluded that the Pre-Merger BOPO is higher than the Post-Merger BOPO. The results of the significance of BOPO Pre-Merger and Post-Merger show a value of 0.00 < 0.05, which means H_0 rejected and H_a accepted, it can be said that there is a difference in Financial Performance of Pre-Merger and Post-Merger of Bank Syariah Indonesia in BOPO.

Based on research conducted by Venantinus Nugroho Puji Raharjo in 2011 that the result of her research have changed between pre and post-merger Bank IBK Indonesia on the Operating Expenses to Operating Income ratio. (Raharjo, 2011). So, in this study, the authors

received the same results regarding the Operating Expenses to Operating Income ratio which has changed during pre-merger and post-merger.

CAR (Capital Adequacy Ratio)

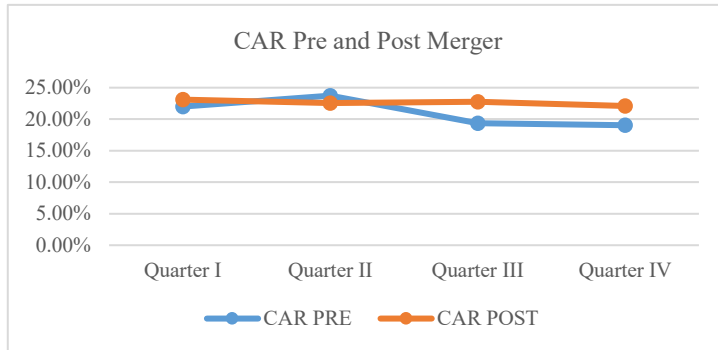


Figure 5. CAR Chart per quarter

Source : BSI (2020 and 2021) (www.bankbsi.co.id)

From the graph above, it can be seen the ratio of CAR Pre-Merger and CAR Post-Merger. For Pre-Merger CAR, it can be seen that there was a significant decline from the first and second quarters to the third and fourth quarters, the highest CAR value in the Pre-Merger was in the second quarter at 23.73%, while the lowest value was in the fourth quarter of 19.04%, which means there was a 4.69% decrease from the highest CAR to the lowest CAR. For Post-Merger CAR, it can also be seen that there is a decrease in the same as Pre-Merger CAR, but when compared to the quarterly decline of Post-Merger CAR, it is not too significant compared to Pre-Merger CAR. For Post-Merger CAR, the highest value reached 23.10% in the first quarter and the lowest in the fourth quarter of 22.09%, a decrease from the highest to the lowest of 1.01%.

CAR is a capital adequacy ratio. The usefulness of this ratio is to explain the ability of a bank to prepare funds that are used to handle possible losses. The bank can be said to be healthy if it has a CAR > 8% because according to the provisions of Bank Indonesia, a CAR of 8% and above is in the healthy category, 6.4%-7.9% CAR is in the unhealthy category, and CAR < 6.4% is categorized as healthy. not healthy. This means that when viewed from the minimum CAR limit, it can be interpreted that the greater the CAR value in a bank, the better the bank's ability to deal with the possible risk of loss.

Based on the minimum CAR limit from Bank Indonesia, which is > 8%, the Pre-Merger CAR from quarters I-IV is in the healthy category because it has a CAR value of > 8%, as well as Post Merger CAR from quarters I-IV is in the healthy category because > 8 %.

Table. 7. Results of Pre- and Post-Merger SPSS CAR data processing

Pair	Mean	Std. Deviation	Std. Error	95% Confidence Interval of the Difference		t	Df	Sig. (2-tailed)
				Lower	Upper			
1 CAR PRE - CAR POST	-1.59500	2.08470	1.04235	4.91222	1.72222	-1.530	3	.223

From the data that has been processed through the SPSS application by utilizing the Paired Sample T-Test, it can be seen that the Mean CAR Pre-Merger value is 21.0350 while the average post-Merger CAR value is 22.6300. So it can be concluded that the post-merger CAR is higher than the pre-merger. The results of the significance of the Pre-Merger and Post-Merger CAR, it shows a value of 0.223 > 0.05, which means H₀ is accepted and H_a is

rejected. It can be said that there is no difference in the financial performance of the Pre-Merger and Post-Merger of Bank Syariah Indonesia in CAR.

Based on research conducted by Nugraheni Wijayanti in 2014 that the results of his research did not change between pre and post-merger PT. Bank CIMB Niaga Tbk on the CAR ratio. (Wijayanti et al., 2014). So in this study, the authors received the same results regarding the CAR ratio which didn't change during pre and post-mergers.

5 Conclusion

1. ROA. Based on the results of the paired sample t test, the significance value of Pre-Merger and Post-Merger ROA shows $0.00 < 0.05$, which means that there is a difference between Pre-Merger ROA and Post-Merger ROA during the covid 19 pandemic. The difference can also be seen through the mean value where the mean Post-Merger ROA is higher than the mean Pre-Merger ROA. This shows an increase in performance in the ROA ratio when a merger has been carried out during the covid 19 pandemic. The higher the ROA value in Islamic banks, the better.
2. NPF Nett. Based on the results of the paired sample t test, the comparison of the NPF Nett Pre and Post Merger of Bank Syariah Indonesia during the COVID-19 pandemic, there was a difference with a significance value of $0.023 < 0.05$. However, both the Pre and Post Merger Net NPF showed that they were below the maximum NPF limit of 5%, which means that during the COVID-19 pandemic and the merger of Bank Syariah Indonesia, they were still in the healthy category.
3. FDR. From the results of the paired sample t test, the significance value shows a value of $0.015 < 0.05$, which means that there is a difference between Pre and Post Merger FDR during the Covid 19 period. FDR is said to be healthy if it is at 80%-110%, Pre-merger FDR has a mean of 86.93 % included in the healthy category. Meanwhile, the mean post-merger FDR 74.93% is in the fairly healthy category. In this case, Pre-merger FDR is better than Post-merger FDR during the covid-19 pandemic.
4. BOPO. Based on the results of the paired sample t test, it is known that there is a difference between BOPO Pre and Post Merger during the COVID-19 pandemic with a significance value of $0.00 < 0.05$. BI's standard of healthy BOPO is not exceeding a maximum of 90%. Post-Merger BOPO is more likely to be healthy than Pre-Merger BOPO when viewed from the I-IV quarters. Because, there is no post-merger BOPO from quarters I-IV that exceeds 90%.
5. CAR. Based on the results of the paired sample t test CAR Pre and Post Merger during the COVID-19 pandemic, it shows a significance value of $0.223 > 0.05$, which means that there is no difference between Pre and Post Merger CAR. The minimum CAR limit to be said to be healthy is $> 8\%$, both Pre- and Post-merger CAR are both $> 8\%$ so they are in the healthy category.
6. The implication of this research is that companies can make better decisions because the results of the study show that mergers make the company's financial performance is better.

References

- Alimun, P. R., Kasim, A., & Mamonto, A. (2022). Analisis Kinerja Keuangan Bank Syariah Sebelum dan Setelah Merger Dilihat dari Rasio Profitabilitas, Likuiditas dan Aktivitas. *Mutanaqishah: Jurnal Of Islamic Banking*, 2(21), 33–44. <https://e-journal.iaigorontalo.ac.id>
- Arga, A., Fiqri, A., Azzahra, M. M., Branitasandini, K. D., & Pimada, L. M. (2021). Peluang

- dan Tantangan Merger Bank Syariah Milik Negara di Indonesia Pada Masa Pandemi Covid-19. *El Dinar: Jurnal Keuangan Dan Perbankan Syariah*, 9(1), 1–18. <https://doi.org/10.18860/ed.v9i1.11315>
- Dayanti, M. (2021). *Analisis Laporan Keyangan Menggunakan Pendekatan Likuiditas Solvabilitas dan Profitabilitas Sebagai Alat Pengambilan Keputusan Bagi Stakeholder [IAIN Bengkulu]*. <http://repository.iainbengkulu.ac.id/id/eprint/5716>
- Fachri, M. F., & Mahfudz. (2021). Analisis Pengaruh CAR,BOPO,NPF Terhadap ROA (Studi pada Bank Umum Syariah di Indonesia Periode Tahun 2016-2019). *Diponegoro Journal of Management*, 10(1), 1–10. <https://ejournal3.undip.ac.id/index.php/djom/article/view/30914>
- Fitriani, P. D. (2020). Analisis komparatif kinerja keuangan bank umum syariah pada masa pandemi covid-19. *Jurnal Ilmu Akuntansi Dan Bisnis Syariah*, II(02), 113–124. <https://doi.org/10.15575/aksv.v2i2.9804>
- Jaya, A. (2021). Perbandingan Kinerja Keuangan pada Bank Woori Saudara Sebelum dan Setelah Merger The comparison of financial performance pre-merger and post-merger Bank Woori Saudara. *Indonesian Journal of Economics and Management*, 1(3), 523–531. <https://doi.org/10.35314/ijem.v1i3.3014>
- Juwita, A., & Devi, M. (2020). *Analisis Kinerja Keuangan Bank Konvensional dan Bank Syariah (Studi Empiris Pada BEI dan Jakarta Islamic Indeks Periode 2015-2019)* (pp. 644–645). <https://journal.unimma.ac.id/index.php/conference/article/view/4689>
- Krismaya, S., Kusumawardhana, V., Ekonomi, F., Malang, U. M., & Pertiwi, S. (2021). Analisis Perkembangan Profitabilitas Bank BSM, BRIS, Dan BNIS Sebelum dan Setelah Merger Menjadi BSI. *Jurnal Manajemen, Ekonomi, Keuangan Dan Akuntansi*, 2(2), 134–144. <http://ejournal.poltekkutaraja.ac.id/index.php/meka/article/view/73>
- Mahiswari, R., Nugroho, P. I., Kristen, U., & Wacana, S. (2014). Pengaruh Mekanisme Corporate Governance, Ukuran Perusahaan dan Leverage Terhadap Manajemen Laba dan Kinerja Keuangan. *Jurnal Ekonomi Dan Bisnis*, 17(1), 1–20. <https://doi.org/10.24914/jeb.v17i1.237>
- Miftahudin, H. (2021). *Masa Pandemi, Kinerja Keuangan Bank Syariah Lebih Mentereng Ketimbang Bank Konvensional*. <https://www.medcom.id/ekonomi/keuangan/RkjlNzGN-masa-pandemi-kinerja-keuangan-bank-syariah-lebih-mentereng-ketimbang-bank-konvensional>
- Raharjo, V. N. P. (2011). *Analisis kinerja keuangan bank sebelum dan sesudah merger*. <http://e-journal.uajy.ac.id/id/eprint/1289>
- Rahayu. (2020). *Kinerja Keuangan Perusahaan*. Program pascasarjana Universitas Prof. Moestopo. https://books.google.co.id/books/about/kinerja_keuangan_perusahaan.html?id=hCl6EAAAQBAJ&printsec=frontcover&source=kp_read_button&hl=id&newbks=1&newbks_redir=1&redir_esc=y
- Ridwan Hidayat, D. (2021). Kinerja Keuangan Perbankan Syariah Pada Masa Covid-19 dan Strategi Peningkatannya. *Finansha-Jurnal of Sharia Financial Management*, 2(2), 77–91. <https://doi.org/10.15575/fjsfm.v2i2.14207>
- Selly, & Siregar, D. L. (2021). Analissi Kinerja Keuangan Sebelum dan Sesudah Merger Pada Sektor Perbankan yang Terdaftar di Bursa Efek Indonesia. *Scientia Journal: Jurnal Ilmiah Mahasiswa*, 3(1).

- https://ejournal.upbatam.ac.id/index.php/scientia_journal/article/view/2775
- Somantri, Y. F., & Sukmana, W. (2019). Analisis Faktor- Faktor yang Mempengaruhi Financing to Deposit Ratio (FDR) pada Bank Umum Syariah di Indonesia. *Berkala Akuntansi Dan Keuangan Indonesia*, 04(02), 61–71. <https://doi.org/10.20473/baki.v4i2.18404>
- Thamrin, H. (2021). Analisis dampak covid 19 terhadap kinerja keuangan perbankan syariah di indonesia. *Jurnal Tabarru': Islamic Banking and Finance*, 4(1), 37–45. [https://doi.org/10.25299/jtb.2021.vol4\(1\).6068](https://doi.org/10.25299/jtb.2021.vol4(1).6068)
- Utari, K. K., Septiyana, Y., & Elwardah, K. (2022). Efisiensi Keputusan Merger Tiga Bank Syariah di Indonesia pada Masa Pandemi Covid-19 (Studi di BSI Kc Bengkulu Panorama). *Jurnal Ekombis Review*, 10(14), 311–324. <https://doi.org/10.3676/ekombis.v10i1>
- Wijayanti, N., Ekonomi, F., Bisnis, D. A. N., & Surakarta, U. M. (2014). *Analisis Kinerja Keuangan Bank Sebelum dan Sesudah Merger (Studi Kasus PT Bank CIMB Niaga Tbk)* (pp. 1–15). Universitas Muhammadiyah Surakarta. <http://eprints.ums.ac.id/eprint/28116>
- Winata, I. (2020). Pengaruh Rasio Kecukupan Modal, Likuiditas dan Operasional Terhadap Kinerja keuangan Bank Syariah di Indonesia (Studi Empiris Pada BRI Syariah). *Jurnal Development*, 8(1), 90–95. <https://doi.org/10.53978/JD.V8i1.151>