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MERGER AND FINANCIAL PERFORMANCE: ISLAMIC BANKS PERSPECTIVE

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ABSTRACT
The growth of the Islamic Finance Industry shows positive developments. This study analyzes what influences performance in Islamic banking using quarterly data from 2018-2023. The research method used in this study is quantitative research with a comparative approach to compare financial performance consisting of CAR, ROA, ROE, NPF, NI, NOM, BOPO, and FDR of each Islamic Commercial Bank. The data obtained is then tested using SPSS. Before the analysis test is carried out, a normality test is first carried out as a basis for determining the appropriate comparative test analysis. If all data is normally distributed, the One Way Anova method is used, while the Kruskal Wallis Test is used if the data is not normally distributed. The results of the analysis test are used to see if there is a statistically significant difference between two or more variables. In this study, there are differences in financial performance between Islamic banks in Indonesia, including Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh. This study uses secondary data from quarterly financial reports reported to the Financial Services Authority (OJK) from 2018 to 2023.

Keywords: Merger, Performance, Islamic Banks

INTRODUCTION

The development of Sharia in Indonesia has experienced significant growth in the last five years. This period has witnessed fundamental changes in the structure and regulation of Islamic banking and government efforts to encourage financial inclusion and sustainable economic development. In essence, Islamic banking in Indonesia pays attention to the principles of Islamic economics in its banking operations, including the prohibition of interest and financial practices that are considered inconsistent with Islamic values. The development of the Islamic banking system in Indonesia is carried out within the framework of a dual banking system within the Indonesian Banking Architecture (API) framework to provide a more complete alternative banking service to the Indonesian people. Together, the Islamic banking system and conventional banking synergistically support the mobilization of public funds more widely to increase the financing capacity of national economic sectors. Astuti & Drajat (2021) stated that Islamic banks are an alternative for customers using the banking system in Indonesia. As of December 2020, Indonesia has 14 Islamic Commercial Banks, 20 Islamic Business Units, and 163 Islamic People's Financing Banks, meaning that Islamic banking has great potential in the competition of the banking world business in Indonesia. In addition, Islamic banks can also be a solution for Muslim customers who have high religiosity regarding the avoidance of bank interest, which in Islamic teachings is included in the category of usury. However, the market share of Islamic banks as of December 2020 was still 6.51%, even though the majority of Indonesia's population is Muslim. This shows that the potential of existing Islamic banks still needs to be optimal and far behind conventional banks, which control a market share of 93.49% in the same period. Therefore, steps to improve Islamic banks in Indonesia must be taken immediately, considering that the purpose of Islamic banks is quite good, namely to obtain external and internal benefits. In addition, the government sees an opportunity that through this merger, Indonesia can prove that as a country with a majority Muslim population, Indonesia has a fundamentally Islamic solid bank (Ahmad Suhaimi, MA, 2021).
The journey of Islamic banking in Indonesia began with PT Bank Muamalat Indonesia

(i.e. BMI) in 1992. BMI started with the main idea of Islamic religious leaders to developIslamic banking in Indonesia. The same year, the government also enacted Law Number 7 of 1992 concerning Banking, followed by Government Regulation Number 72 1992 concerning Banks Based on the Principle of Profit Sharing. During 1992 - 1998, Islamic banking has not shown significant progress. This is due to the absence of market instruments and alternative liquidity management. The existence of Islamic banks has not received optimal attention from banking authorities, especially in the provision of banking facilities, both in the context of open market operations, discount windows, and bank credit facilities with Islamic principles (Nizar, 2016). Financial reports and annual reports are used to measure a company's financial performance before and after mergers and acquisitions (Prayogi & Wibowo, 2022)

Research conducted by Izzun Khoirun Nissa (2022) entitled "Analysis of the Impact of BUMN Islamic Banking Mergers on Net Profit on Financial Performance", the results show an inconsistent relationship between DPK and net profit, the possibility of an increase in the net income of Indonesian Islamic banks does not only come from DPK but also from other sources. Meanwhile, ROA affects net profit because it is supported by the high ROA ratio of BUMN Islamic Commercial Banks, which continues to increase; in 2019-2020, ROA continued to increase from 0.31% to 0.81%. Meanwhile, Syaifullah and Nizar's (2016) research on Strengthening Islamic Banking through mergers shows that the development of Islamic banking, which is currently experiencing stagnation, cannot be separated from the shadow of its parent bank's policies. Moreover, mergers or consolidations have an insignificant effect on the economic, strategic, risk and financial aspects.

This study aims to analyze the differences in the financial performance of Islamic banking before and after the merger of Islamic commercial banks in Indonesia. This study can contribute by becoming a reference for Islamic bank stakeholders in making decisions regarding the steps and strategic plans to be taken by Islamic banks. The novelty of this study is that it uses existing Islamic Banking Statistics data to provide a comprehensive picture of Islamic financial performance in Indonesia before and after the merger.

LITERATURE REVIEW

KPMM

According to Hilda Al Iqbal dan Budiyanto (2020),, the Minimum Capital Adequacy Ratio (CAR) is a ratio related to bank capital to measure the adequacy of capital owned by the bank to support risky assets.

$$CAR = \frac{Total\ Capital}{Risk-Weighted\ Assets} \times 100\% \tag{1}$$

From the CAR calculation, the higher the CAR value, the stronger the bank's ability to bear the risk of each credit and productive assets at risk. Conversely, the lower the CAR value, the worse the bank's ability to bear the risk of each credit. Bank Indonesia's provisions (PBI Number 15/12/PBI/2013) regulate the amount of CAR that must be achieved by a bank at least 8%.

NPF

NPF is a comparison of the level of risk of non-performing financing with the level of financing distributed by banks to customers. NPF reflects the level of risk of financing distributed, the smaller the NPF level, the smaller the level of financing risk that will be borne by the bank, conversely, the greater the NPF level, the greater the level of financing risk that will be borne by the bank (Muarif et al., 2019). Meanwhile, according to Bank Indonesia Circular Letter No. 9/24 / DPbs in 2007 concerning the bank health assessment system based on sharia principles, Non Performing Financing is financing that occurs due to the debtor (mudharib) because they cannot fulfill their obligations to return the financing funds (loans). Based on data from the Financial Services Authority (OJK), NPF in Islamic banks is ideally below 5%, if it is morethen it is classified as problematic financing. The level of problematic financing can certainly affect the bank's profitability level. The formula for calculating NPF is as follows (Formula 2)

$$NPF = \frac{\text{Non−current funding}}{Total\ Costing} \times 100\% \quad (2)$$

ROA

According to Mandasari (2021), Return On Asset (ROA) is a ratio used to measure a company's ability to generate profits from investment activities. This ratio measures the level of return on investment that the company has made using all assets owned. This ratio is used to measure management's ability to obtain overall profits. In the calculation of Return on Assets (ROA), it will be possible to know the picture related to the bank's ability to generate profit and show the level of efficiency of asset management carried out by the bank. The higher this ratio, the better the performance of a bank because it can be said that the bank can generate profit and good asset management. Conversely, the lower this ratio, the worse the performance of a bank because of the bank's ability to generate profit or profit and poor asset management.

ROE

According to Supriyadi (2021), Return on Equity (ROE) is one factor that can affect a company's value. ROE is the company's ability through the placement of its capital in the company to generate profit after tax. If ROE increases, the company's stock price will increase. This will increase the profitability enjoyed by shareholders. Return On Equity (ROE) describes the company's ability to generate profits based on certain shares. ROE is one of the most important profitability ratios. The higher the company's ROE value, the better the company's efficiency in generating net profit after tax.

NI

NI or Net Reward is a ratio used to understand the ability of a bank's productive assets to generate profits or gains by comparing operating income minus the average rewards and bonuses of productive assets. NI is a measure of the spread or gross margin of credit and investment assets from the bank. The higher the net reward, the more effective the bank is in placing productive assets in the form of financing so that the net reward affects the amount of profit that Islamic banks obtain. This NI ratio can show how much efficiency the bank has in managing its productive assets (Awintasari & Nurhidayati, 2021).

NOM

Net Operating Margin is the primary profitability ratio in Islamic banks. It determines the ability of productive assets to generate profits through a comparison of operating income and operating expenses with the average product assets. NOM must be maintained stable so that if NOM is low, the level of profitability will also be low, which means that the profits obtained will be small (Munandar, 2020). Net Operating Margin can be viewed from two perspectives. If viewed from the first perspective, namely from the competitive nature of the bank and the profitability side, a small margin indicates a competitive banking system with low intermediation costs. Onthe profitability side, a high margin illustrates the stability of this banking system because banks can add high margins to profitability and capital so that they can protect against risk.

BOPO

BOPO is the ratio of comparing total operating expenses to total operating income. According to Bank Indonesia Regulation Number 14/26/PBI/2012 concerning Business Activities and Office Networks Based on Bank Core Capital, the reflection of the bank's efficiency level is measured, among others, through the ratio of Operating Costs to Operating Income (BOPO). This BOPO ratio is also called the efficiency ratio, used by banks to measure the ability of a bank's management to control operating income costs (Moorcy et al., 2020). The formula for the BOPO ratio is as follows:

$$BOPO = \frac{\text{Operating Expenses}}{Operating\ Income} \times 100\% \quad (3)$$

In calculating the BOPO ratio, it can be seen that the higher this ratio is in a bank, the more inefficient the performance of a bank is due to excessively high expenses or lower income compared to the expenses of a bank. Conversely, if this ratio is lower, it can be said that the performance of a bank is more efficient in terms of the expenses incurred and the income it has

FDR

The financing to Deposits Ratio (FDR) is a measurement ratio that can show current accounts, savings, time deposits, and others that can be used to channel funding to customers. The higher the FDR, the greater the income the bank will receive (it is assumed that the credit provided by the bank occurs effectively so that the amount of non-performing credit will be smaller). Financing To Deposits Ratio (FDR) states how far the bank can repay withdrawals made by depositors by relying on the credit provided as a source of liquidity (Mandasari, 2021).

HYPOTHESIS

H1: There is a significant difference in CAR between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh before and after the merger of Indonesian Sharia banks.

H2: There is a significant difference in NPF CROSS between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh before and after the merger of Indonesian Sharia banks.

H3: There is a significant difference in NPF NETT between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh before and after the merger of Indonesian Sharia banks.

H4: There is a significant difference in ROA between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh before and after the merger of Indonesian Sharia banks.

H5: There is a significant difference in ROE between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh before and after the merger of Indonesian Sharia banks.

H6: There is a significant difference in NI between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh before and after the merger of Indonesian Sharia banks.

H7: There is a significant difference in NOM between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh before and after the merger of Indonesian Sharia banks.

H8: There is a significant difference in BOPO between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh before and after the merger of Indonesian Sharia banks.

H9: There is a significant difference in NPF NETT between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh before and after the merger of Indonesian Sharia banks.

METHODS

Population and Sample
The population in this study is Islamic Commercial Banks in Indonesia. While determining the sample using purposive sampling. The samples taken have criteria: Islamic Commercial Banks that have been established no later than 2018. Islamic Commercial Banks that have complete quarterly financial reports from the 2018 third quarter to 2023 third quarter. The sample used is the financial statements, including CAR, ROA, ROE, NPF, NI, NOM, BOPO, and FDR ratios of 9 Islamic commercial banks in Indonesia, with a total sample of 1620.

Collecting Data Method
This study uses secondary data from quarterly financial reports reported at the Financial Services Authority (OJK). The data taken is before the Indonesian Sharia Bank merger in 2018 third quarter to 2020 fourth quarter, and data after the Indonesian Sharia Bank merger in 2021, second quarter to 2023, third quarter. secondary data from quarterly financial reports reported at the Financial Services Authority (OJK) from 2018 to 2023. This Quarterly Report is used because quarterly reports contain sources of information reported by companies, where the information is beneficial in decision-making. Quarterly financial data is obtained through the official website of the Financial Services Authority (www.ojk.go.id).

Data Analysis Method
This research is quantitative research with a comparative approach. The comparative approach is used to compare the financial performance of each Islamic commercial bank, which consists of CAR, ROA, ROE, NPF, NI, NOM, BOPO, and FDR. The data obtained was then tested through SPSS software. Before the analysis test was carried out, the normality test was carried out first. The normality test results of the data are used as the basis for determining the appropriate comparative test analysis. If all data is normally distributed, then the Two-Way Anova method is used, whereas the Friedman Test is used if the data is not normally distributed. The analysis test results are used to see whether there is a statistically significant difference between two or more variables. In this study, there are differences in financial performance between Islamic banks in Indonesia, including Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh.

RESULTS

This study is a study on Merger and Financial Performance from the perspective of Islamic banks in Indonesia, which includes KPPM, Gross NPF, Net NPF, Return of Assets (ROA), Return On Equality (ROE), NI, NOM, BOPO, Financing to Deposit Ratio (FDR). Data Normality Test is used to determine whether the data is typically distributed. Table 1 shows the results of the Normality Test of the data obtained using the Two-Way Anova method, where the significance value obtained must be more than 0.05 so that the data can be normally distributed. While variable data in the table above has a significance value below 0.05, the data obtained is non-parametric or not normally distributed. So, the data must be tested using the Friedman Test.

Normality Test

Table 1. Normality Test

Ratio	Group	Sig.	Conclusion	Hypothesis Testing
KPMM	Pre-Merger	0.000	Data is not normally distributed	Friedman Test
	After Merger	0.000	Data is not normally distributed	Friedman Test
NPF	Pre-Merger	0.006	Data is not normally distributed	Friedman Test

GROSS	After Merger	0.000	Data is not normally distributed	Friedman Test
NPF NETT	Pre-Merger	0.000	Data is not normally distributed	Friedman Test
	After Merger	0.000	Data is not normally distributed	Friedman Test
ROA	Pre-Merger	0.000	Data is not normally distributed	Friedman Test
	After Merger	0.000	Data is not normally distributed	Friedman Test
ROE	Pre-Merger	0.000	Data is not normally distributed	Friedman Test
	After Merger	0.000	Data is not normally distributed	Friedman Test
NI	Pre-Merger	0.000	Data is not normally distributed	Friedman Test
	After Merger	0.000	Data is not normally distributed	Friedman Test
NOM	Pre-Merger	0.000	Data is not normally distributed	Friedman Test
	After Merger	0.000	Data is not normally distributed	Friedman Test
BOPO	Pre-Merger	0.000	Data is not normally distributed	Friedman Test
	After Merger	0.000	Data is not normally distributed	Friedman Test
FDR	Pre-Merger	0.000	Data is not normally distributed	Friedman Test
	After Merger	0.002	Data is not normally distributed	Friedman Test

Source: Processed Data (2024)

Based on the table above states that all significance is at a value below 0.05, so the difference test that will be carried out is a non-parametric test from the two-way ANOVA test, namely the Friedman test.

The Friedman Test (Two Way ANOVA) compares dependent K-samples originating from randomized block experiments with an ordinal or interval scale, but they are not normally distributed. So table 2 shows that with the Friedman test, there are experimental units that are grouped according to data differences.

The Friedman Test

Table 2. Friedman Test

Ratio	Sig.	Conclusi on
KPMM	0.000	significantly different
NPF GROSS	0.140	not significantly different
NPF NETT	0.000	significantly different
ROA	0.000	significantly different
ROE	0.058	not significantly different
NI	0.340	not significantly different
NOM	0.001	significantly different
BOPO	0.000	significantly different
FDR	0.003	significantly different

Source: Processed Data (2024)

This study aims to see whether there is a difference in the performance of Islamic commercial banks in Indonesia before and after the merger by looking at the CAR ratio, Gross NPF, Net NPF, ROA, ROE, NI, NOM, BOPO, and FDR, using the Data Normality Test and Friedman Test. From each ratio variable, a significant value of 0.00 is obtained. So, there is a significant difference in financial performance before and after the merger between Islamic Commercial Banks.

CAR

Based on the results of the Friedman test, it is known that the CAR results in 2018-2023 produced a significant difference of 0.000%. Thus, the difference shows an increase from before and after the merger.

Table 3. CAR Result

BANK	Before Merger				After Merger			
	MIN	MAX	AVG	SD	MIN	MAX	AVG	SD
Bank Muamalat	12,01	15,21	12,58	0,94	15,12	34,05	28,05	7,44
Bank Mega Syariah	19,28	24,15	21,06	1,64	21,19	30,80	25,97	3,17
Bank Victoria Syariah	18,04	26,40	21,24	2,20	28,80	149,68	68,12	44,87
Bank Panin Dubai syariah	14,46	31,43	19,34	5,65	20,19	31,06	24,72	3,75
Bank KB Bukopin Syariah	0,15	22,22	107,76	26,12	17,90	23,74	21,30	2,23
Bank BCA Syariah	24,27	45,26	34,41	8,35	36,66	43,85	39,37	2,78
Bank BTPN Syariah	39,34	49,44	42,43	3,06	46,72	58,10	51,24	3,50
Bank BJB Syariah	14,95	24,14	16,73	2,65	20,26	23,73	22,30	1,22
Bank Aceh	18,14	20,74	19,21	0,79	18,11	24,65	21,29	2,22

Source: Processed Data (2024)

Judging from the table above, each bank's average before and after the merger also increased; only Bank KB Bukopin Syariah experienced a decrease in the average value. This study's results align with the research of Nasution et al. (2023), which explains that CAR in 2018-2022 began to increase by 0.646%. So, it can be concluded that the first hypothesis that there is a significant difference in CAR before and after the merger between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, and Bank Aceh **can be accepted.**

NPF

The Friedman test results above indicate a significant difference. According to Maghfirah et al. (2022), NPF measures the level of financing problems faced by banks; the smaller the NPF value, the smaller the financing risk borne by the bank.

Table 4. NPF Measures

BANK	Before Merger				After Merger			
	MIN	MAX	AVG	SD	MIN	MAX	AVG	SD
Bank Muamalat	2,50	4,98	4,08	0,96	0,08	3,97	1,21	1,47
Bank Mega Syariah	1,38	4,04	2,08	0,77	0,72	1,12	0,95	0,13
Bank Victoria Syariah	2,58	4,08	3,37	0,51	0,00	3,72	1,80	1,60
Bank Panin Dubai syariah	2,45	3,97	3,06	0,52	0,89	3,24	2,13	0,82
Bank KB Bukopin Syariah	0,05	4,96	3,94	1,44	3,71	4,85	4,15	0,46
Bank BCA Syariah	0,01	0,62	0,29	0,20	0,00	0,01	0,01	0,00
Bank BTPN Syariah	0,00	0,26	0,07	0,09	0,01	0,70	0,27	0,23
Bank BJB Syariah	1,50	3,22	2,02	0,56	1,37	2,83	2,02	0,42
Bank Aceh	0,04	0,27	0,10	0,08	0,03	0,25	0,09	0,07

Based on the table above, the average value of the NPF ratio experienced a significant difference, namely a decrease in the NPF value from before and after the merger. This result aligns with Istiqomahh et al. (2024), stating that the NPF at BUS showed a significant difference from 2018 to 2021, namely an average decrease during the pandemic of 0.0038. With this decrease in the ratio, the quality of bank financing is improving so that it can increase profitability in Islamic commercial banks.

So it can be concluded that the second hypothesis is that there is a significant difference in NPF before and after the merger between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh **can be accepted.**

ROA

Based on the Friedman test results, the ROA results in 2018-2023 produced a significant difference. Thus, the difference shows an increase from before and after the merger. The results of this study are in line with the research of Rizal et al. (2021), which explains that in 2016-2019, there was a significant increase, namely from 0.63% to 1.73%.

Table 5. ROA Result

BANK	Before Merger				After Merger			
	MIN	MAX	AVG	SD	MIN	MAX	AVG	SD
Bank Muamalat	0,02	0,35	0,07	0,10	0,02	0,16	0,08	0,05
Bank Mega Syariah	0,65	1,74	0,98	0,34	2,00	4,08	2,79	0,64
Bank Victoria Syariah	0,02	0,34	0,17	0,12	0,23	1,83	0,80	0,55
Bank Panin Dubai syariah	0,00	0,26	0,17	0,10	-6,72	2,03	0,61	2,69
Bank KB Bukopin Syariah	0,00	0,21	0,05	0,06	-5,48	0,23	-0,58	1,78
Bank BCA Syariah	0,87	1,17	1,02	0,11	0,91	1,59	1,20	0,25
Bank BTPN Syariah	5,80	13,58	11,03	3,08	7,78	11,57	10,51	1,28
Bank BJB Syariah	0,39	0,60	0,49	0,07	0,55	1,41	0,90	0,28
Bank Aceh	1,58	2,51	2,03	0,37	1,22	2,39	1,82	0,29

Source: Processed Data (2024)

Based on the image above, there was a significant decrease from the lowest value data after the merger, namely -6.72, which occurred at Bank Panin Dubai Syariah in the 4th quarter of 2021. The bank's ROE decreased in 2021, and from 2022 to 2023, Islamic general banks were able to stabilize the ROA level. So it can be concluded that the fourth hypothesis, namely that there is a significant difference in ROA before and after the merger between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh **can be accepted.**

ROE

Based on the results of the Friedman test, it is known that the ROE results in 2018-2023 did not produce a significant difference. The results of this study are in line with the research of Sari et al. (2021), which explains that the ability of Islamic banks to generate profits by utilizing their capital from 2016 to 2020 is considered quite good because the ROE value is more than 5% and less than or equal to 12.5%.

Table 6. ROE Result

BANK	Before Merger				After Merger			
	MIN	MAX	AVG	SD	MIN	MAX	AVG	SD
Bank Muamalat	0,25	3,69	0,73	1,08	0,20	1,46	0,73	0,42
Bank Mega Syariah	3,16	9,76	4,89	2,09	10,47	28,48	16,68	6,46
Bank VictoriaSyariah	-0,10	2,69	1,15	0,98	0,69	5,74	2,68	1,63
Bank Panin Dubai syariah	0,01	1,74	0,89	0,62	-31,76	12,39	4,27	13,48
Bank KB Bukopin Syariah	0,00	1,19	0,28	0,33	-23,60	1,60	-2,33	7,83
Bank BCA Syariah	2,37	5,01	3,53	0,92	2,44	5,34	3,67	1,06
Bank BTPN Syariah	12,79	31,79	25,58	7,61	16,96	26,12	22,92	2,90
Bank BJB Syariah	0,51	4,73	3,27	1,23	2,03	9,74	5,48	2,75
Bank Aceh	12,04	23,44	17,93	4,60	7,32	18,53	14,16	3,12

Source: Processed Data (2024)

Judging from the average ROE ratio before the merger of 6.47 and after the merger of 7.58 so that the ROE value is more than 5% and less than 12%, it can be concluded that the ability of Islamic banks to generate profits by utilizing their capital both before and after the merger in Indonesian Islamic banks is considered quite good. So it can be concluded that the fifth hypothesis, namely, there is a significant difference in ROA before and after the merger between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh cannot be accepted.

BOPO

Based on the Friedman test results, the BOPO results in 2018-2023 produced a significant difference. This difference shows an increase from before the merger and after the merger.

Table 7. BOPO Result

BANK	Before Merger				After Merger			
	MIN	MAX	AVG	SD	MIN	MAX	AVG	SD
Bank Muamalat	94,38	99,50	98,31	1,48	96,11	99,29	97,25	1,08
Bank Mega Syariah	85,52	94,91	92,74	2,91	64,64	78,44	71,75	4,93
Bank Victoria Syariah	95,64	99,80	97,81	1,46	71,17	97,02	88,44	9,52
Bank Panin Dubai syariah	97,41	100,20	98,70	1,04	72,21	202,74	93,67	39,61
Bank KB Bukopin Syariah	0,99	99,96	89,11	30,98	96,37	180,25	107,76	26,12
Bank BCA Syariah	86,26	90,14	88,65	1,27	76,93	88,51	83,53	3,95
Bank BTPN Syariah	54,85	77,20	64,09	7,25	56,81	70,70	60,64	4,52
Bank BJB Syariah	93,74	95,97	94,90	0,70	81,83	93,31	88,73	3,92
Bank Aceh	76,95	89,11	81,86	3,58	72,29	86,41	78,99	3,55

Source: Processed Data (2024)

When viewed based on the maximum value data in the table above, the BOPO ratio has increased from 100.20 to 202.74. This means that in controlling operational costs, Islamic commercial banks experienced a decline in performance after the merger. According to (Anita, 2021), the decrease in the BOPO ratio was due to the increasing burden and was not comparable to the income generated.

The results of this study are in line with the research of Syaifulloh et al. (2024), which explains that BOPO in the observation period 2015 to 2021 had a value range of 0.67 to 2.17 with an average BOPO ratio of 0.93 which shows that the BOPO variable has a significant effect. So it can be concluded that the eighth hypothesis, namely that there is a significant difference in ROA before and after the merger between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB BukopinSyariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh, can be accepted.

FDR

Based on the Friedman test results, the FDR results in 2018-2023 produced a significant difference. Thus, the difference shows a decrease from before the merger and after the merger. According to Siswoyo et al. (2023), if there is a decrease in FDR, the financing disbursed will also decrease.

Table 8. FDR Result

BANK	Before Merger				After Merger			
	MIN	MAX	AVG	SD	MIN	MAX	AVG	SD
Bank Muamalat	68,05	79,03	72,57	3,29	38,33	64,42	45,92	9,63
Bank Mega Syariah	63,94	99,23	89,86	11,81	50,18	84,16	62,36	10,23
Bank Victoria Syariah	73,81	90,60	79,61	4,88	50,12	90,73	70,54	14,54
Bank Panin Dubai syariah	88,82	111,71	97,87	6,52	89,20	119,84	100,06	9,46
Bank KB Bukopin Syariah	1,82	196,73	101,19	51,05	85,98	152,06	101,31	20,15
Bank BCA Syariah	81,32	96,39	89,43	4,14	78,27	89,67	83,67	4,11
Bank BTPN Syariah	92,37	98,68	96,07	1,85	92,67	97,64	95,11	1,45
Bank BJB Syariah	86,64	100,67	93,53	4,15	81,00	93,47	87,50	4,56
Bank Aceh	57,04	73,77	67,57	5,51	66,59	77,67	72,37	4,27

Source: Processed Data (2024)

The highest ratio value before the merger was greater than after the merger, which was196.73 by KB Bukopin Syariah, and the highest value after the merger was also at KB Bukopin Syariah Bank in the 4th quarter of 2022, but after that, it continued to decline. It can be concluded that at the beginning of the merger, Islamic commercial banks in Indonesia did not affect the ratio value. Still, in the following years, all Islamic commercial banks experienced a decrease in the FDR ratio from 2021 to 2022. Then, in 2023, the FDR ratio at Islamic commercial banks stabilized again. The smaller the amount of funds distributed to customers in the form of credit, the amount of idle funds increases and the income earned will decrease. So it can be concluded that the ninth hypothesis, namely that there is a significant difference in ROA before and after the merger between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh, can be accepted.

NI

Hardiningrum et al. (2023) concluded that the higher the Net Reward level in a bank, the greater the amount of profit received by the bank. The results of the Friedman test stated that there was no significant difference in Islamic commercial banks in Indonesia before and after the merger of Indonesian Islamic banks.

Table 9. NI Result

BANK	Before Merger				After Merger			
	MIN	MAX	AVG	SD	MIN	MAX	AVG	SD
Bank Muamalat	0,83	2,67	1,47	0,62	0,44	1,59	0,85	0,44
Bank Mega Syariah	4,95	5,73	5,29	0,30	4,35	5,63	4,98	0,39
Bank Victoria Syariah	1,74	3,05	2,40	0,49	2,41	3,62	2,86	0,39
Bank Panin Dubaisyariah	1,19	2,42	1,63	0,44	2,98	3,88	3,39	0,32
Bank KB Bukopin Syariah	0,02	3,28	2,22	0,89	1,66	3,16	2,53	0,50
Bank BCA Syariah	4,15	4,58	4,39	0,15	4,74	5,16	4,91	0,14
Bank BTPN Syariah	23,73	32,77	29,15	3,53	25,37	27,32	26,49	0,64
Bank BJB Syariah	5,14	6,27	5,58	0,41	4,96	5,61	5,40	0,25
Bank Aceh	6,86	7,79	7,41	0,37	6,76	7,05	6,88	0,09

Source: Processed Data (2024)

When viewed from the total data, the average Net Reward ratio (NI) between before and after did not have a significant difference; both were at 6. So, it can be concluded that BUS did not experience a decrease in the ability of productive assets to generate profits, so the merger did not have a major effect on the NI ratio. So it can be concluded that the ninth hypothesis, namely that there is a significant difference in ROA before and after the merger between Bank Muamalat, Bank Mega Syariah, Bank Victoria Syariah, Bank Panin Dubai Syariah, Bank KB Bukopin Syariah, Bank BCA Syariah, Bank BPTN Syariah, Bank BJB Syariah, Bank Aceh cannot be accepted.

NOM

NOM is a bank profitability ratio that must be maintained stable. If NOM is low, the profitability level will also be low, which means that the profit obtained will be small. The Friedman test results obtained a significance of 0.001, so it can be concluded that there is a difference between before and after the merger.

Table 10. NOM Result

BANK	Before Merger				After Merger			
	MIN	MAX	AVG	SD	MIN	MAX	AVG	SD
Bank Muamalat	0,04	0,49	0,14	0,13	0,04	0,22	0,16	0,06
Bank Mega Syariah	0,45	1,57	0,77	0,38	1,73	2,45	2,17	0,22
Bank Victoria Syariah	0,01	0,64	0,35	0,21	0,07	2,07	1,22	0,60
Bank Panin Dubai syariah	-0,64	0,24	0,04	0,26	-7,37	2,18	0,62	2,92
Bank KB Bukopin Syariah	-0,38	0,00	-0,23	0,10	-6,07	0,07	-0,99	1,86
Bank BCA Syariah	0,94	1,24	1,11	0,12	0,92	1,83	1,29	0,33
Bank BTPN Syariah	6,20	14,97	12,04	3,44	8,07	12,58	11,13	1,48
Bank BJB Syariah	0,01	0,50	0,17	0,14	0,19	1,02	0,60	0,23
Bank Aceh	-4,18	1,90	0,08	-2,08	0,62	1,76	1,20	0,31

Source: Processed Data (2024)

In the table above, the average data for almost all Islamic commercial banks is increasing, but for KB Bukopin Syariah Bank and BTPN Syariah Bank. Therefore, not all Islamic commercial banks experienced an increase in the NOM ratio, but there were still Islamic commercial banks that experienced a decline. According to Gibran (2022), the higher the NOM, the higher the profit-sharing income on productive assets. So, if there is a decline, there is a decline in the profit-sharing income on productive assets managed by Islamic commercial banks.

CONCLUSION

Based on the results in the previous chapter, the conclusions that can be drawn to answer the problem formulation are: (1) The Current Asset Ratio (CAR) shows that the Friedman test results in 2018- 2023 produced a significant difference. The difference shows an increase from before and after the merger, and CAR in 2018-2022 began to increase by 0.646%; (2) Non Performing Financing (NPF) gives results that there is a significant difference. NPF is used to measure the level of financing problems faced by banks; the smaller the NPF value, the smaller the financing risk borne by the bank. Based on the results that have been tested, it shows that NPF experienced a difference in 2018-2021, namely an average decrease during the pandemic of0.0038. With the decrease in this ratio, the quality of bank financing is improving and increasing profitability in Islamic commercial banks; (3) Return On Assets (ROA) provides results that, based on the Friedman testresults, there was a significant decline after the merger, namely -6.72 at Panin Dubai Syariah Bank in the 4th quarter of 2021. So, it can be concluded that there is a significant difference in ROA before and after the merger;

(4)Return On Equity (ROE) is a measurement of how much a company is able to earn profit for its capital. Based on the test results on the ROE variable, there is a significant difference between before and after the merger. This is indicated by the highest ratio value before the merger being greater than after the merger, which is 196.73 by KB Bukopin Syariah, and the highest value after the merger is also at KB Bukopin Syariah Bank in the 4th quarter of 2022. Still, after that, it continued to decline. It can be concluded that at the beginning of the merger, Islamic commercial banks in Indonesia did not affect the ratio value. Still, in the following years, all Islamic commercial banks experienced a decrease in the FDR ratio from 2021 to 2022. Then, in 2023, the FDR ratio at Islamic commercial banks stabilized again. The smaller the amount of funds distributed to customers in the form of credit, the amount of idle funds increases and the income earned will decrease; (5) BOPO is a ratio used to measure the performance of a bank when generating profit. The smaller the BOPO value, the more efficient the bank is in carrying out its activities. This ratio is used to compare operating expenses with operating income. Based on the results of the Friedman test, it is known that the BOPO results in 2018-2023 produced a significant difference. This difference shows an increase from before the merger and after the merger. When viewed based on the maximum value data in the table above, the BOPO ratio has increased from 100.20 to 202.74. This means that in controlling operating costs, Islamic commercial banks experienced a decline in performance after the merger; (6) Financing to Deposit Ratio (FDR) is a ratio used to measure the amount of funds distributed after being compared with the amount of public savings (savings). The higher the FDR ratio, the lower the liquidity of a bank. Based on the results of the Friedman test, it is known that the FDR results in 2018-2023 produced a difference and showed a decline from before and after the merger. The highest ratio value before the merger was greater than after the merger, which was 196.73 by KB Bukopin Syariah, and the highest value after the merger was also at KB Bukopin Syariah Bank in the 4th quarter of 2022, but after that, it continued to decline; (7) NI is income calculated according to the amount of compensation received by the community as owners of production factors. Based on the test results on the NI variable, there was no significant difference in Islamic commercial banks before and after the merger. So, it can be concluded that BUS did not experience a decrease in the ability of productive assets to generate profits, so the merger did not have a major effect on the NI ratio, and the hypothesis cannot be accepted; (8) NOM is a bank profitability ratio that must be maintained stable, so if NOM is low, the profitability level will also be low, which means the profit obtained will be small. The Friedman test results obtained a significance of 0.001, so it has a conclusion that there is a difference between before and after the merger.

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