

Conference Paper

The Role of Indonesian Islamic Banks in Improving Economic Growth in Indonesia (Analysis of Opportunities and Obstacles of Islamic Banks Post Merger)

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Abstract.

This study aims to determine the role of the Indonesian Islamic Bank (BSI) on economic growth in Indonesia after the merger analysis of opportunities and constraints. The research uses a qualitative approach with a field study research design. Data collection techniques were carried out by analyzing interviews and documentations. The results of the study state that the opportunities for Indonesian Islamic Banks in future are very high. Considering that many components support the creation of healthy and reliable Islamic banking. However, the opportunity to become established in Islamic banking cannot be separated from various challenges, both from within and from outside. All challenges need to be faced and solved, in order to sought the right solution for the advancement of Islamic Banking. The role of the economy is related to economic growth caused by the development of capital and funds from Bank Syariah Indonesia, which can increase financing in business and national development. Bank Syariah Indonesia has consolidated assets resulting from the merger of Rp239.56 trillion, making it the largest Islamic bank in Indonesia. The strength of the assets of Bank Syariah Indonesia, also includes intangible assets such as reputation, network, human capital, and management.

Keywords: Merger, Indonesian Islamic Bank, Opportunities, Barriers, Economic Growth

1. INTRODUCTION

As a country with the largest Muslim population, Indonesia should be a pioneer and a mecca for the development of Islamic finance in the world (Tho'in, 2019). This is not an 'impossible dream' because Indonesia's potential to become a global player in Islamic finance is very large, including (i) a large number of the Muslim population which is a potential customer for the Islamic finance industry; (ii) bright economic prospects, reflected in relatively high economic growth (range 6.0%-6.5%) supported by solid

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economic fundamentals; (iii) upgrading Indonesia's sovereign credit rating to investment grade which will increase investor interest in investing in the domestic financial sector, including the Islamic finance industry; and (iv) has abundant natural resources that can be used as the underlying transaction for the Islamic finance industry (Alamsyah, 2012).

The role of the sharia economy as one of the sources of Indonesia's new economic growth requires the integration of every element of the sharia economy, which is reflected in a strong sharia economic ecosystem. The development of the Islamic finance sector must be in line with the need for strengthening the real sector, especially the halal industry, sharia businesses, and infrastructure development to create sustainable synergies.

To become a new pillar of national economic strength and push Indonesia as the center of the global Islamic economy and finance, Minister of State-Owned Enterprises (BUMN), Erick Thohir stated the plan to merge or merge BUMN Islamic banks (Puspiningtyas, 2020). This is because the total assets of state-owned Islamic banks will increase and become the largest in Indonesia (Indonesia, 2020). Three state-owned Islamic banks have signed a Conditional Merger Agreement (CMA). The three state-owned Islamic banks that will be merged are BRI Syariah, BNI Syariah, and Bank Syariah Mandiri. CMA is the initial part of the merger process. For information, BRI Syariah assets in the second quarter of 2020 amounted to Rp49.6 trillion, BNI Syariah Rp50.78 trillion, and Bank Syariah Mandiri Rp114.4 trillion (Indonesia, 2020).

The government's breakthrough policy to merge three Islamic banks is expected to provide a choice of new financial institutions for the community as well as to be able to encourage the national economy. One of the visions carried out by BSI is to become a world-class Islamic bank, which is the target to be ranked in the top 10 world Islamic banks with a large capitalization value by 2025. Achieving this target is a big challenge because the Financial Services Authority (OJK) records the total assets of Islamic banking, including Islamic commercial banks (BUS) and sharia business units (UUS) as of November 2020, only 3.97% of the total assets of commercial banks. In addition, the value of Sharia financing for BUS and UUS is only 2.49% of the total financing for commercial banks. The level of Islamic financial inclusion in 2019 also fell 200 bps from 11.1% in 2016 to only 9.10%. On the other hand, the level of financial inclusion in conventional banking has increased from 65.6% in 2016 to 75.28% in 2019 (Alhusain, 2021) ("Ketiban Berkah Bank Syariah," 2021).

The purpose of the merger of Islamic banks is to encourage larger Islamic banks so that they can enter the global market and become a catalyst for Islamic economic growth in Indonesia. In addition, Islamic bank mergers are considered more efficient

in fundraising, operations, and spending. Through the merger of Islamic banks, it is hoped that Islamic banking will continue to grow and become a new energy for the national economy and will become a state-owned bank that is parallel to other state-owned banks so that it is useful in terms of policy and bank transformation (Nursyamsi & Puspaningtyas, 2020).

As of December 2020, BSI's assets have reached Rp239.56 trillion (see Table 1). Assets of that size place BSI as the 7th largest bank in Indonesia in terms of assets. The bank's assets coded as BRIS stock are below PT Bank CIMB Niaga Tbk (Rp281.7 trillion) and above PT Bank Panin Tbk (Rp216.59 trillion) as of September 2020 (Alhusain, 2021) ("Ketiban Berkah Bank Syariah," 2021). These enormous assets can leverage a greater ability to support economic financing. In addition, it is expected to be an accelerator for the development of the Islamic economy in Indonesia.

TABLE 1: Performance of 3 BUMN Islamic Banks and BSI Merger Results (Rp Trillion) ("Paparannya PT Bank Syariah Indonesia, Tbk," 2021).

	BNI Syariah		BRI Syariah		Mandiri Syariah		Bank Syariah
	2019	2020	2019	2020	2019	2020	Per December
Total Assets	44,98	55,01	43,12	57,70	112,29	126,85	239,56
Financing	43,77	47,97	34,12	49,34	99,81	112,58	209,98
Third-party funds	32,58	33,05	27,38	40,00	75,54	83,43	156,51
Profit	0,6	0,5	0,074	0,25	1,28	1,43	2,19

Source : ("Paparannya PT Bank Syariah Indonesia, Tbk," 2021)

After BSI's operations were inaugurated by President Joko Widodo, BRIS's share price in yesterday's trading session closed up 14.8% to the level of Rp2,800 per unit and formed the bank's market capitalization of Rp27.4 trillion. BRIS's capitalization is the highest in the Islamic bank group. Since the opening of stock trading this year, BRIS shares have recorded an increase of 24.4% (Alhusain, 2021) ("Ketiban Berkah Bank Syariah," 2021) (Bisnis Indonesia, 2 February 2021).¹⁰ This shows that the presence of BSI as a result of the merger of 3 BUMN Syariah Banks has received a good response from the public, both business actors and investors, as recorded by the stock exchange.

Entrepreneurs also gave positive comments to BSI. Director of PT Anugerah Mega Investama Hans Kwee is optimistic that the existence of the new Islamic bank will contribute positively to the process of strengthening the Indonesian economy, which is being hit by the pandemic.

It was emphasized that BSI will get a very large size, both in terms of assets, branch offices, and highly qualified human resources. There are many things that BSI can do

for the recovery of the national economy. The potential for fundraising from BSI will be better with a qualified global channel to raise low-cost non-conventional funds to finance various strategic projects (Alhusain, 2021) (“Amunisi Baru Pemulihan Ekonomi,” 2021).

Executive Director of the National Committee for Sharia Economics and Finance (KNEKS), Ventje Rahardjo hopes that BSI can become the main driver of literacy in the development of Indonesia’s sharia economic and financial ecosystem. BSI can play a major role in enhancing the development of the halal ecosystem, which was initiated by the three Islamic banks before the merger. Ventje also believes that BSI can strengthen the capability and reach of wholesale financing, both at home and abroad (Republika, 2021).

Meanwhile, President Director of Bank Syariah Indonesia Hery Gunardi ensures that the pillars that support BSI in providing competitive products are supported by excellent services: innovative products, extensive networks, competent human resources, reliable IT systems, and strong capital (Republika, 2021). Based on the initial achievements and optimism from various parties, the presence of BSI is a hope that can make a major contribution to supporting economic development and improving people’s welfare.

This merger is also expected to increase the market share of the Islamic economy in Indonesia, which currently only reaches 9.68%, and the contribution of Islamic banking is only around 6.81%. This is very ironic considering that the Muslim population reaches around 229 million people out of a total of 270 million Indonesians, so it is time for the economic potential and Islamic finance to continue to be increased to grow and develop into a big one.

The spread of COVID-19 in Indonesia has had a wide impact in various sectors, not only affecting the health sector. One of the significant impacts is in terms of the economy as found in the corporate sector, MSMEs, households, and the financial sector (Fadhli & Rohmah, 2021). Bank Indonesia (BI) as the central bank in Indonesia seeks to maintain exchange rate stability so that the rupiah does not experience excessive pressure. Some of the steps start from using foreign exchange reserves to invite investors to enter Indonesia by reducing the Statutory Reserves (GWM) for public banking from 8% to 4% (Widagdo & Sa’diyah, 2022). The BI policy has had a significant impact on the banking sector as an important player in the Indonesian economy (Bhegawati & Utama, 2020) since the decrease in the Statutory Reserves, banks can increase the distribution of financing, one of which occurs in Islamic banking.

Regarding the banking industry, in terms of assets, the amount of financing disbursement, as well as Third Party Funds (DPK), the Islamic banking sector in Indonesia has

grown and developed well (Susanti, 2021). From the data taken from the website of the Financial Services Authority (OJK), in June 2020, the wealth of Islamic banking in Indonesia grew by 9.22% (around Rp. 545.39 trillion). Meanwhile, the number of financing disbursements in Islamic banking increased to Rp. 377.53 trillion (growing by 10.13%), while the growth of Islamic banking in Indonesia is positive, the penetration of the Islamic banking market is still small when compared to the penetration of the conventional banking market. The penetration rate of Indonesian Islamic banking in 2020 is only 6.18%, while the rest is owned by conventional banks. Departing from this problem, the government then agreed to a merger plan for state-owned Islamic banking in Indonesia namely, Bank Negara Indonesia Syariah (BNIS), Bank Syariah Mandiri (BSM), and Bank Rakyat Indonesia Syariah (BRIS) which bears the name as Bank Syariah Indonesia (BSI). With this merger, it is hoped that it will produce even greater assets so that it can increase the level of market penetration throughout Indonesia. If these three Islamic banks have officially merged, the Islamic banking resulting from the merger is estimated to have assets of Rp. 220-Rp 225 trillion (Susanti, 2021).

Meanwhile, the merger of these companies will also pose many challenges considering that the merger was carried out amid the ongoing COVID-19 pandemic, such as financing risks and operational risks (Susanti, 2021). To provide additional literacy related to this new merger phenomenon, the author conducts a critical analysis of the opportunities and challenges of the establishment of BSI. In more detail, the results of this study are expected to provide information related to the problems that arise from the merger policy so that stakeholders can minimize risks and take advantage of existing opportunities to maximize the growth of Islamic banking in Indonesia.

Amalia Nasuha also conducted another research regarding the merger/merger of state-owned Islamic banks, entitled Impact of Spin-Off Policy on the Performance of Islamic Banks. The results of his research stated that there were differences in the financial performance of five Islamic banks in Indonesia, BNI Syariah, BRI Syariah, BJB Syariah, Bukopin Syariah Bank, and Victoria Syariah Bank one year before the spin-off activity and one year after the spin-off (Nasuha, 2012).

Researcher Anis Fataniah also conducted a study entitled Financial Performance Analysis, Impact of Merger 3 State-Owned Sharia Banks and Strategy of Indonesian Islamic Bank (BSI) in National Economic Development. The study concluded that with the merger of Islamic banks, the problem of capital in Islamic banks has been resolved and Islamic banks will be able to expand more widely to meet and facilitate the needs of the community. The existence of large capital will also encourage Islamic banks to provide greater financing to the community (Fatinah et al., 2021).

Not only that, but Ika Atikah also researched Strengthening State- Owned Sharia Bank Mergers and Their Impact on State Economic Stability. The purpose of the research is to determine the legal arrangements for strengthening the merger of Islamic banks into BSI and their impact on state financial stability during the COVID-19 pandemic (Atikah et al., 2021) (Atikah et al., 2021).

2. LITERATURE REVIEW

2.1. Islamic Bank

There were precursors to the 1993 introduction of Islamic banking in Malaysia. It was in 1963 that the Muslim Pilgrims Savings Company, Malaysia's first Islamic financial institution, was established to assist Muslims in saving money for the Hajj journey (pilgrimage to Mecca and Medina). This group morphed into the Pilgrims Management and Fund Board, or Tabung Haji, in the year 1969. From its inception, Tabung Haji has served as a nonbank financial institution that invests the money saved by would-be pilgrims in line with Shariah law. Tabung Haji, however, served as the primary incentive for the creation of Bank Islam Malaysia Berhad (BIMB), Malaysia's first fully functional Islamic commercial bank. With BIMB's original M\$80 million capitalization, Tabung Haji also contributed 12.5%. There are currently fourteen BIMB locations around the United States (Ariff, 1988).

In the 1930s, work began on what would become Indonesia's first Islamic bank. The idea that an Islamic bank should function outside of the benefit/interest system was originally conceived by K. H. Mas Mansur, the leader of the Muhammadiyah movement, and an ulama (Muslim scholar). It wasn't until the 1960s that ulama and other Muslim thinkers began to seriously consider the concept of an Islamic bank. The notion of establishing Islamic banks in Indonesia was revisited in the 1980s by Indonesia's Muslim intellectuals and ulama. Motivated by the achievements of Malaysia and other Muslim countries in establishing Islamic banks, they ultimately failed because of the political climate that followed. Indonesian Islamic banking industry was active from 1990 to 2000. Just the BMI, the world's first Islamic bank, existed at the time. (Dwi Sari, 2016).

2.2. Indonesia Islamic Banks Development

The 1990s saw the launch of the first Islamic banks in Indonesia. Islamic banks in other Muslim nations, like Malaysia, had already begun developing their Islamic banking

products at that point. How Islamic banks grew and changed in Indonesia from 2003 to 2015. The data showed that the assets and shares of Islamic banks in Indonesia were below the goals. This means that the growth of Islamic banks in Indonesia hasn't yet reached its goals. In 2009, the total assets of Islamic banks were worth Rp 66 trillion. This was less than the Bank of Indonesia's goal of Rp 87 trillion. In 2013, Islamic bank assets were worth Rp 242.3 trillion, which was also less than the Bank of Indonesia's goal of Rp 255 trillion. Based on their total assets, Islamic banks had 4.8% of the national bank's market share in 2013. The market share of Islamic banks was also less than the goal set by the Bank of Indonesia, which was 5% of the national bank market as a whole. Bank of Indonesia set a goal for Islamic banks to have 5.25% of the banking market in 2014. However, in 2014, Islamic banks' market share stayed below 5%. Even in 2015, there were no big changes in the market share of Islamic banks in Indonesia. It stayed at 5%. Indonesia's Islamic banks had a total of Rp. 272 trillion in assets, which was much less than the total assets set by the national bank, which was Rp. 5,615 trillion (Bank Indonesia, 2014).

According to (Dwi Sari, 2016), Indonesia has a low ranking in the world Islamic market because there aren't many Islamic banks there. Out of the nine Muslim-majority countries that were looked at in 2011-2012, Islamic banks in Indonesia were ranked eighth. First place went to Saudi Arabia, and then Malaysia came in second. Pakistan was ranked last after Indonesia. The share of the market that Islamic banks have in Indonesia is 20% less than the share of the market that Islamic banks have in Malaysia. The aforementioned factors are consistent with findings from research by (Nugroho et al., 2019) which conclude that the parent bank's board of directors has a negative and significant impact on profitability. Profitability is severely impacted by non-performing financing. As with the ratio of fixed to variable expenses, the impact of operational costs on profitability is negative and considerable. Due to their limited impact, Islamic banks must have their parent banks' management taken into account if they are to enhance their performance. Profit growth for Islamic banks is hampered, in part, by the high quality of their funding and their poor use of operational costs.

From the research done by (Fajri et al., 2022), it was found that the COVID-19 pandemic is one of the things that has hurt the profits of Sharia banks in Indonesia. Long term, both of these things hurt the ability of Islamic banks to make money. Morefer financing for the transportation, storage, and communications industries is linked to higher short-term profits. On the other hand, giving money to wholesale and retail trade hurts Islamic banks' ability to make money. Based on these results, it is suggested that the government take several steps to keep the performance of Islamic banks stable

during the COVID-19 pandemic. In addition Islamic Banks are expected to make changes to the ratio of financing to the right business sectors so that Islamic Banks can keep making money.

2.3. Indonesia Islamic Banks Prospects

In Indonesia, the possibility of Islamic banking is essentially inextricable from the socio-economic issues that exist within Indonesian culture. In six Indonesian provinces, research has been done on 506 present and potential customers of Islamic banks, along with in-depth interviews with 10 Islamic banking authorities, including regulators, practitioners, Sharia scholars, and academics. The findings support earlier research on the subject, which found that 6.92% of respondents thought Islamic banks in Indonesia were reactive (doing less than was required), and 42.89% thought they were socially defensive (performing the least amount of socially beneficial activities). The remaining respondents view social behavior in two ways: 34.78% see it as accommodating (do whatever is required), and 15.42% see it as proactive (do more than necessary). The majority of respondents (52.96%) recommended merging corporate social responsibility with the ZIS (Zakat, Infaq, sadaqah)-Waqf system to improve things. Only a small percentage (7.11%) advocated for the establishment of Islamic social banking, which focuses on creating collateral alternatives to make it easier for low- and middle-income consumers to acquire bank credit (Hamidi et al., 2019).

Bank Syariah Indonesia, should create a type of Islamic banking that helps the poor who are on the margins as well as the social community. According to the 2014 Global Financial Development Report, less than 20% of adults in 25 of the 48 Organization of Islamic Cooperation (OIC) member countries surveyed have bank accounts. Part of the reason is that Muslims choose not to use services that charge interest. In OIC countries, about 28% of adults have bank accounts at banks or other formal financial institutions. On the other hand, only 7.7% of the 40% of OIC countries that are the poorest get loans from financial institutions. Additionally, microfinance outreach doesn't help even 1% of the poor in OIC countries like Guinea-Bissau, Gabon, Chad, Sudan, Syria, Mozambique, Gambia, and Iraq. We found that microfinance doesn't reach even 10% of the poor in 26 of the 36 OIC countries where we had enough data to do so. So, this is both a challenge and an opportunity for Islamic banks to do more to help OIC countries, like Indonesia, become more financially inclusive (Shaikh et al., 2017).

Aside from that, Bank Syari'ah Indonesia's development could also try to move into Islamic sharia-based electronic finance. In Indonesia, the LinkAja Syari'ah application is

the only one of its kind. LinkAja Syariah's prospects are quite good in Indonesia because Indonesia is a country that has the largest Muslim population in the world. More users need to be brought in with discounts and promotions. By 2020, the number of LinkAja Syariah users will have reached 185 thousand, and the goal is to have 1 million LinkAja Syariah users in addition to 50 regular LinkAja users. LinkAja Sharia Services is the first and only sharia electronic money in Indonesia to get DSN MUI certification and a development server-based electronic money creation license from Bank Indonesia. This was done after DSN MUI Fatwa No.116/DSN-MUI/IX/2017 was released about sharia electronic money. LinkAja Syariah will put out several plans to compete with similar apps like GoPay, OVO, and so on to meet the goals set by management (Hasan et al., 2022).

3. RESEARCH QUESTION

The formulation of the problem in this study is:

1. What are the opportunities and challenges faced by Indonesian Islamic Banks (BSI) after the Merger?
2. What is the role of Indonesian Islamic Banks (BSI) after the Merger in Improving Economic Growth in Indonesia?

4. RESEARCH METHODS

This study uses a qualitative research approach and this study describes the Role of Indonesian Islamic Banks in Improving Economic Growth in Indonesia (Analysis of Opportunities and Obstacles of Post-Merger Islamic Banks). The type of data used in this study is primary data from interviews with Indonesian Sharia Bank Resource Persons in Aceh, Manado, and West Java Branch Offices and secondary data in the form of documentation of the financial statements of Bank Syariah Indonesia (BSI). The population in this study is the Indonesian Islamic Bank Branch Offices in Aceh, Manado, and West Java. The sample in this study was a resource person for the Indonesian Sharia Bank Branch Offices in Aceh, Manado, and West Java.

The data collection method used in this research is the interview and documentation method. The interview was addressed to a resource person at Bank Syariah Indonesia Branch Offices in Aceh, Manado, and West Java. The documentation used in this study is in the form of interviews with Indonesian Sharia Bank Resource Persons at the Aceh, Manado, and West Java Branch Offices. The data analysis technique in this study

will describe the main problems: describing the role of Indonesian Islamic Banks in Improving Economic Growth in Indonesia (Analysis of opportunities and obstacles of Post-Merger Islamic Banks).

5. RESULTS AND DISCUSSION

5.1. Potential of Indonesian Islamic Bank (BSI) in Indonesia

As one of the leading sectors in the Islamic finance industry, Bank Syariah Indonesia, has several opportunities and challenges in practice in the field. These opportunities and challenges are identified from the point of view of human resources, regulation and governance, research and development, literacy, data and technology, funding, process management, and financing.

6. Human Resources :

1. Population and growth of the Indonesian Muslim community.
2. Islamic economics study programs have sprung up in state universities or private universities that can supply the needs of Islamic banks with qualified human resources.

7. Regulation & Governance

1. There is regulatory support/master plan from regulators such as OJK, Bank Indonesia, Bappenas, Ministry of Finance, Ministry of Religion, etc.
2. The government and regulatory elements have their respective visions for developing the sharia economy.
3. Regulations related to the halal and social Islamic finance industry are an opportunity for Islamic banks to increase funding aspects and expand financing segments/allocations.

8. Research and Development

1. Increasing number of study programs related to Islamic banking at the university level.

2. Various research/training institutions focus on sharia economic development.
3. The emergence of research results from PTS/PTN opened sharia study programs.

9. Literacy

1. Regulatory support to increase the inclusion of Islamic finance, especially banking, for example, with the smart behavior program.
2. Financial literacy is carried out by various segments of society.
3. Literacy can be used as a tool to further increase public understanding of Islamic banking to enlarge the market size of Islamic banking.

10. Data & Technology

1. Sharia business units can take advantage of the technology owned by the central bank.
2. The development of financial technology (fintech) as a means of developing the Islamic banking industry.

11. Funding

1. The development of the halal industry.
2. Development of MSMEs.
3. The potential for people who do not have a sharia bank account is still high
4. The market share is still low, so there is a large potential for funding that has not been realized.
5. Government support for the development of the sharia economy has begun to be seen with the policy on BPKH funds.
6. Development of ZISWAF fund management and sukuk instruments.

12. Process

1. Several liquidity instruments can be used by Islamic banks to regulate their liquidity, but still generate profits, such as short-term securities with sharia principles.

2. Process automation can be utilized by Islamic banks in facilitating their operations/business processes.
3. Digital banking can be used by Islamic banks in facilitating services to customers/communities.

13. Financing

1. The development of the halal industry.
2. Development of MSMEs.
- b. Challenges of Indonesian Islamic Bank (BSI) in Indonesia.

1. Human Resources

- a. The lack of a specific workforce dominates the Islamic banking industry.

Regulation & Governance

1. Various policies/master plans of the government and related authorities have not been integrated and synergized properly.
2. There is no alignment of the vision and mission of the regulations contained in each master plan/blueprint made between departments or regulators.

14. Research and Development

1. Lack of academic staff related to the Islamic banking industry.

15. Literacy

1. (a) Penetration of the Islamic banking sector is still low.
(b) Public awareness to use Islamic bank products is still low

16. Data & Technology

1. (a) BUS has a technology quality that is still below conventional bank technology.
(b) The development of financial technology (fintech), if it cannot be utilized properly, will threaten the development of the Islamic banking industry

17. Funding

1. (a) The strong existence of conventional banks attracts large-scale consumers.
(b) The quality and quantity of human resources who understand sharia are still low.
(c) Difficult capital increases.
(d) The economy of scale is still low.

18. Process

1. (a) There is still a shortage of SDIS who understand both sharia and economics at the same time.
(b) The information technology system owned is still not as sophisticated as conventional banks.
(c) Islamic banking education and literacy are still low.

19. Financing

1. (a) The strong existence of conventional banks attracts large-scale consumers.
(b) The digital economy can be a threat to Islamic banks to increase the retail financing segment.

19.1. The Role of Indonesian Islamic Banks (BSI) in Indonesia's Economic Growth

According to Ilham Syahputra and Irawan, in their research entitled "The Role of Islamic Banking in Encouraging the rate of economic growth," it has been explained that Islamic banking plays an essential role in encouraging Indonesia's economic growth rate, this can be done by growing the investment sector through third party funds (DPK) and growing financing through financing provided (PYD) to the public.

In Indonesia, the development of Islamic banking is very good and is experiencing very rapid growth from year to year. The very rapid growth of Islamic banking can be seen from the development of Sharia Commercial Banks (BUS), Sharia Business Units (UUS), and Sharia People's Financing Banks (BPRS) which have experienced very rapid growth from year to year.

The role of the economy is related to economic growth caused by the development of capital and funds from Bank Syariah Indonesia which can increase financing in business and national development. Bank Syariah Indonesia has consolidated assets resulting from the merger of Rp239.56 trillion, making it the largest Islamic bank in Indonesia. The strength of Bank Syariah Indonesia's assets also includes intangible assets such as reputation, network, human capital, and management. With great capabilities, Bank Syariah Indonesia has access to stronger financing and resilience in bank operations.

According to Dr. Irfan Sauqi Beik in www.wartaekonomi.co.id, accessed on 20 February, Bank Syariah Indonesia in the Islamic economy will be the market penetration leader. Penetration that has the potential to be carried out by Bank Syariah Indonesia will move the Islamic banking industry to penetrate deeper and wider markets so that the Islamic banking market share can grow to double digits. Bank Syariah Indonesia will also become a transmitter of Islamic finance, which will not only strengthen the Islamic financial sector but also the sharia-based real sector, as well as all sectors in the national economy which will indirectly have an impact on economic growth in Indonesia.

Bank Syariah Indonesia will give affected Islamic values on national economic activities as a whole. The existence of Bank Syariah Indonesia also has a role as a center for Islamic financial innovation (innovation center). The large resources of Bank Syariah Indonesia enable the transformation of Islamic economic values that are universal and inclusive into innovative financial products and services that solve basic problems in the economy such as poverty and inequality. The existence of Bank Syariah Indonesia can improve the quality of national Islamic banking and does not rule out increasing the competitiveness of Islamic banks at the global level.

20. CONCLUSION

The opportunity for Bank Syariah Indonesia in the future is very large considering that many components support the creation of healthy and reliable Islamic banking. The various supporting components need to be utilized as well as possible. The opportunities that exist, no matter how small, will contribute to the development of Islamic banking. However, the opportunity to become established in Islamic banking cannot be separated from various challenges both from within and from outside. All challenges need to be faced and solved, and then the right solution is sought for the advancement of Islamic banking. There will come a time when Bank Syariah Indonesia becomes the 'primary', which plays an important role in national and even international development.

The role of the economy related to economic growth caused by the development of capital and funds from Bank Syariah Indonesia can increase financing in business and national development. Bank Syariah Indonesia has consolidated assets resulting from the merger of Rp239.56 trillion, making it the largest Islamic bank in Indonesia. The strength of the assets of Bank Syariah Indonesia also includes intangible assets such as reputation, network, human capital, and management.

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