Jurnal Genesis Indonesia
Vol. 5, No. 01, pp. 10-21
journal.iistr.org/index.php/JGI
DOI: 10.56741/IISTR.jgi.001953

Assessing the Financial Soundness of Indonesia's Largest Islamic Bank: An RGEC Framework Analysis

[1]Ismul Aksan*, [1]Kasim Sinen, [1]Mahardika Catur Putriwana Malik
Corresponding Author: *ismulaksan@unkhair.ac.id
[1] Universitas Khairun, Ternate, Indonesia

ARTICLE INFO

Article history
Received 30 December 2025
Revised 28 February 2026
Accepted 9 March 2026

Keywords
Bank Syariah Indonesia
Financial Soundness
Islamic Banking
Merger Efficiency
RGEC

ABSTRACT

This study aims to assess the financial soundness of PT Bank Syariah Indonesia Tbk (BSI) during the pivotal consolidation period from 2020 to 2024. The research specifically evaluates how the mega merger affects the bank's risk capability, efficiency, and overall stability. The assessment utilizes the RGEC method in accordance with Financial Services Authority (FSA) regulations. This quantitative descriptive study analyzes secondary data from BSI's annual reports over a five-year observation period (2020–2024). The results demonstrate that BSI consistently maintained a Very Healthy composite rating throughout the period. Specifically, the bank showed remarkable improvement in operational efficiency, with BOPO decreasing significantly from 84.61% (2020) to 69.93% (2024), and profitability rising with ROA reaching 2.49% in 2024. Risk management also strengthened, evidenced by a low Net NPF of 0.50% and a robust CAR above 21%. Furthermore, GCG implementation achieved a Very Good predicate in 2024. Practical Implications: The findings suggest that the merger successfully achieved operational synergy without compromising financial stability. The study recommends that management maintain the current efficiency level while exploring further financing expansion given the high liquidity and capital buffer.

This is an open access article under the CC–BY SA license.

Introduction

The trajectory of Islamic banking in Indonesia presents a compelling paradox. As the nation with the world's largest Muslim population, Indonesia holds immense potential to dominate the global halal economy [1]. However, the domestic market share of Islamic banking has historically stagnated below the 7% threshold, trailing significantly behind neighboring Malaysia [2]. To break this stagnation and catalyze systemic growth, the Indonesian government executed a strategic consolidation on February 1, 2021, merging three state owned Islamic banks BRI Syariah, Bank Syariah Mandiri, and BNI Syariah into a single entity: PT Bank Syariah Indonesia Tbk (BSI) [3].

While this merger successfully positioned BSI among the top ten largest banks in Indonesia by assets, corporate consolidations of this magnitude inherently carry systemic risks. Kasmir [4] argues that post merger integration is often fraught with challenges, including cultural friction, operational redundancies, and potential deterioration in asset quality. Consequently, the critical question is not merely whether BSI can grow, but whether it can maintain financial soundness and stability during the complex transition period.

The RGEC Approach To evaluate banking stability objectively, this study employs the RGEC method (Risk Profile, Good Corporate Governance, Earnings, and Capital), as mandated by Bank Indonesia Regulation No. 13/1/PBI/2011 and SE OJK No. 10/SEOJK.03/2014. Unlike purely financial metrics, RGEC offers a holistic risk based assessment:

1. Risk Profile: Evaluates credit and liquidity risks, primarily through Non-Performing Financing (NPF) and Financing to Deposit Ratio (FDR).
2. GCG: Assesses the qualitative aspects of governance transparency and accountability.
3. Earnings: Measures operational efficiency and profitability, proxied by Return on Assets (ROA) and the efficiency ratio (BOPO). Dendawijaya (2019) posits that a successful merger must eventually lower BOPO through economies of scale.
4. Capital: Determines the bank's resilience against shocks via the Capital Adequacy Ratio (CAR).

Existing literature on BSI, such as the work of Lestari and Fauzi [5], has largely focused on the immediate aftermath of the merger (2021–2022). These early studies often capture the initial volatility but fail to illustrate the medium term stabilization. A significant research gap exists regarding the longitudinal performance of BSI through the stabilization phase up to 2024.

This study addresses that gap by analyzing the 2020–2024 period. Uniquely, preliminary data reveals a positive anomaly where BSI achieved a drastic reduction in operational costs (BOPO) alongside a consistent Very Healthy risk profile. This contradicts the common trend where merged entities struggle with efficiency for years. Therefore, this study aims to empirically assess the financial soundness of Bank Syariah Indonesia post merger using

the RGEC framework [6]. By examining the trajectory of risk, governance, earnings, and capital from 2020 to 2024, this research provides evidence on whether the consolidation has successfully achieved operational synergy and long term financial stability.

Literature Review

Theoretical Basis The concept of financial soundness in banking goes beyond mere profitability; it encompasses the ability of a financial institution to meet its obligations, manage risks, and sustain operations amidst economic fluctuations. For Islamic banks, this assessment is uniquely challenging and critical. Unlike conventional banks, Islamic banks operate based on Sharia principles prohibiting riba (interest), gharar (uncertainty), and maysir (gambling) which implies that their risk exposure is structurally different. Ismail [7] argues that the health of an Islamic bank is the primary determinant of public trust (amanah). Since Islamic banks operate on a profit-and-loss sharing basis (Mudharabah/Musyarakah), depositors are technically investors who share the risk. Therefore, a deterioration in financial health does not only threaten shareholders but directly impacts the capital of depositors.

In the Indonesian context, the assessment of bank soundness is strictly regulated. The paradigm has shifted from the traditional CAMELS method (Capital, Asset, Management, Equity, Liability, Sensitivity) to the RGEC method (Risk Profile, GCG, Earnings, and Capital) following the issuance of Bank Indonesia Regulation No. 13/1/PBI/2011. This shift represents a fundamental move towards Risk-Based Bank Ratin (RBBR) [8]. The RGEC framework is considered more forward-looking as it emphasizes the bank's inherent risks and the quality of risk management implementation, rather than just relying on historical financial ratios [4].

The RGEC Framework: Components and Relevance To provide a comprehensive assessment of PT Bank Syariah Indonesia Tbk (BSI), this study relies on the four pillars of the RGEC framework as stipulated in SE OJK No. 10/SEOJK.03/2014:

1. Risk Profile The risk profile reflects the inherent risks faced by the bank and the quality of risk management implementation. For Islamic banks, two primary risks are scrutinized;
    a. Credit Risk (Non-Performing Financing/NPF): This measures the bank's exposure to financing failure. According to Dendawijaya [9], a high NPF ratio indicates poor financing quality, which erodes profitability through increased provision for impairment losses (CKPN). For a merged entity like BSI, managing NPF is critical as the bank must consolidate legacy portfolios from three different originating banks;
    b. Liquidity Risk (Financing to Deposit Ratio/FDR): This ratio measures the bank's ability to repay depositors' withdrawals using the financing provided. An FDR that is too high indicates liquidity tightness, while an FDR that is too low suggests inefficiency in intermediation (idle funds).

2. Good Corporate Governance (GCG) GCG is a non-financial element that is increasingly vital. It evaluates the bank's adherence to the principles of Transparency, Accountability, Responsibility, Independence, and Fairness (TARIF). In the context of a state-owned enterprise merger, GCG becomes the backbone of integration. The complexity of merging three organizational cultures requires a robust governance structure to prevent conflicts of interest and ensure compliance with Sharia principles [10]. OJK requires banks to perform a self-assessment, resulting in a composite score ranging from 1 (Very Good) to 5 (Poor) [8].
3. Earnings (Rentabilitas) The Earnings component assesses the bank's ability to generate profit and, more importantly, its operational efficiency.
    a. Return on Assets (ROA): This is the primary indicator of management's capability in utilizing assets to generate profit.
    b. Operating Expenses to Operating Income (BOPO): This efficiency ratio is arguably the most significant metric in post-merger analysis. The theoretical justification for mergers is the achievement of economies of scale. Therefore, a successful merger should be evidenced by a declining BOPO ratio over time. If BOPO remains high (>90%), it signals that the merger has failed to eliminate redundancies [4].
4. Capital Capital serves as a buffer against unexpected losses. The Capital Adequacy Ratio (CAR) measures the bank's capital relative to its risk-weighted assets (ATMR). A higher CAR indicates a stronger ability to absorb shocks and support business expansion. For BSI, maintaining a high CAR is essential to support its mandate of becoming a global player in the Islamic finance industry.

The Efficiency Theory The establishment of BSI is a classic case of horizontal consolidation. Theoretically, M&A activities are driven by the Synergy Hypothesis, which posits that the value of the combined firm will exceed the sum of the individual firms due to operational synergies (cost reduction) and financial synergies (lower cost of capital). However, empirical literature offers mixed views. The Managerial Hubris Hypothesis warns that mergers often destroy value due to integration complexities and clashing corporate cultures. In the banking sector, efficiency gains are not automatic. Hidayat and Wibowo [3] note that in the short term, merged banks often experience a dip in performance due to high restructuring costs. Real efficiency gains usually materialize only after the stabilization phase (2–3 years post-merger). This theory underpins the importance of this study's longitudinal approach (2020–2024), as it allows for the observation of efficiency recovery beyond the initial transition turbulence.

Lestari and Fauzi [5] conducted a comparative analysis of BSI's financial health in 2021 and 2022. Their findings suggested that while BSI remained in the Healthy category, there were

fluctuations in the NPF ratio due to the cleaning up of legacy non-performing financing from the three pre-merger banks. They highlighted that efficiency (BOPO) had not yet reached its optimal level in the first year of operation. Similarly, Putri and Santoso [11] utilized the RGEC method to analyze BSI's performance from 2021 to 2023. They concluded that BSI showed a positive trend in capital adequacy (CAR) and liquidity (FDR). However, their study emphasized that the integration of IT systems was a significant cost driver that temporarily kept operational expenses high. On a broader scale, Rahmawati and Suryani [12] analyzed Islamic Commercial Banks in Indonesia generally. They found that banks with larger asset sizes (economies of scale) tended to have better RGEC ratings compared to smaller banks. This supports the government's strategic decision to merge the three banks into BSI to create a large-cap entity.

Material and Methods

This study employs a quantitative descriptive approach. As defined by Sugiyono [13], quantitative descriptive research serves to analyze data by describing or delineating the data that has been collected as it is, without intending to make general conclusions or generalizations. This method is deemed appropriate as the study aims to measure and describe the financial health level of PT Bank Syariah Indonesia Tbk (BSI) numerically using the RGEC method and interpret the results based on regulatory standards. The type of data used in this study is secondary data. The data sources are the audited Annual Reports and Good Corporate Governance (GCG) Implementation Reports of PT Bank Syariah Indonesia Tbk [14].

The object of this study is PT Bank Syariah Indonesia Tbk (BSI). The observation period covers five years, from 2020 to 2024, where 2020 serves as a baseline period representing the pre-merger condition using pro-forma financial statements or consolidated pre-merger data. The period 2021–2024 reflects the post-merger performance of BSI, enabling a comprehensive analysis of changes and developments in the bank's financial performance following the merger. Data were collected using the documentation method, by accessing secondary data in the form of publicly available records obtained from the official website of PT Bank Syariah Indonesia Tbk (http://www.bankbsi.co.id) and the Indonesia Stock Exchange (http://www.idx.co.id), which are considered reliable and relevant sources for this research. The assessment of bank soundness follows the Risk-Based Bank Rating (RBBR) approach, specifically the RGEC method (Risk Profile, Good Corporate Governance, Earnings, and Capital), as stipulated in SE OJK No. 10/SEOJK.03/2014 issued by the Financial Services Authority (OJK). This approach provides a comprehensive framework for evaluating the overall health and sustainability of banking institutions. The use of standardized indicators ensures objective measurement and enables consistent comparison of BSI's financial performance before and after the merger period.

A. Risk Profile

1. Non-Performing Financing (NPF)

This ratio measures the bank's credit risk by comparing problematic financing (substandard, doubtful, and loss) to total financing.

$$\text{NPF} = \frac{Problematic\ Financing}{TOTAL\ FINANCING} x\ 100 \quad (1)$$

2. Financing to Deposit Ratio (FDR)

This ratio measures liquidity risk by comparing the total financing provided to the total third-party funds (*Dana Pihak Ketiga/DPK*) collected.

$$\text{FDR} = \frac{TOTAL\ FINANCING}{Third-party\ Funds} x\ 100\% \quad (2)$$

B. Good Corporate Governance (GCG)

GCG assessment is qualitative, based on the bank's self-assessment report regarding the implementation of GCG principles (Transparency, Accountability, Responsibility, Independence, and Fairness). The result is a Composite Score ranging from 1 (Very Good) to 5 (Poor).

C. Earning

1. Return on Assets (ROA)

Measures the bank's ability to generate profit before tax from its assets.

$$\text{ROA} = \frac{PROFIT\ BEFORE\ TAX}{TOTAL\ ASET} x\ 100\% \quad (3)$$

2. Operating Expenses to Operating Income (BOPO)

Measures operational efficiency. A lower ratio indicates better efficiency.

$$\text{BOPO} = \frac{Operating\ Expenses}{Operational\ Income} x\ 100\% \quad (4)$$

D. Capital

Capital adequacy is assessed using the Capital Adequacy Ratio (CAR) to measure the bank's capability to bear risks.

$$\text{CAR} = \frac{CAPITAL}{\text{Bank's capability to bear risks}} x\ 100\% \quad (5)$$

Table 1 presents the matrix of bank health criteria based on the RGEC (Risk Profile, Good Corporate Governance, Earnings, and Capital) method. The table classifies bank soundness into five predicates, ranging from Very Healthy (Rank 1) to Unhealthy (Rank 5), using key financial indicators including Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return on Assets (ROA), BOPO, Capital Adequacy Ratio (CAR), and GCG score. Each indicator has specific threshold values that determine the bank's overall RGEC score. This matrix serves

as a standardized guideline for evaluating and interpreting the financial health and performance level of Islamic banks objectively and consistently.

Table 1. Matrix of Bank Health Criteria (RGEC)

Predicate	Rank	NPF (%)	FDR (%)	ROA (%)	BOPO (%)	CAR (%)	GCG Score	RGEC Score
Very Healthy	1	< 2%	≤ 75%	> 1.5%	< 94%	≥ 12%	1	5
Healthy	2	2%-5%	75%-85%	1.25%- 5%	94%-95%	9% - < 12%	2	4
Quite Healthy	3	5%-8%	85%-100%	0.5% - 1.25%	95% - 96%	8% - < 9%	3	3
Less Healthy	4	8%12%	100% 120%	0% - 0.5%	96% - 97%	6% - < 8%	4	2
Unhealthy	5	> 12%	> 120%	< 0%	> 97%	< 6%	5	1

Source: Adapted from SE OJK No. 10/SEOJK.03/2014 and PBI No. 13/1/PBI/2011 [8].

The determination of Bank Syariah Indonesia's (BSI) financial soundness is based on a composite analysis of six RGEC indicators. Each component is assigned a weighted score based on its performance criteria: 1 (Unhealthy) to 5 (Very Healthy). The final composite percentage is calculated using the following equation.

$$Composite\ Value = \frac{\sum Total\ Score\ Obtained}{Max\ Theoretical\ Score}\ x\ 100\% \qquad (6)$$

Results and Discussions

Table 2 presents the RGEC assessment and composite rating of PT Bank Syariah Indonesia Tbk for the period 2020–2024, based on key indicators including Non-Performing Financing (NPF), Good Corporate Governance (GCG), Financing to Deposit Ratio (FDR), Return on Assets (ROA), BOPO, and Capital Adequacy Ratio (CAR). Each ratio is evaluated and assigned a rank from 1 (Very Healthy) to 5 (Unhealthy), which contributes to the overall composite score and predicate. In 2020, the bank achieved a composite value of 87 percent, categorized as Quite Healthy, reflecting transitional performance during the pre-merger baseline period. In 2021, the composite score improved to 90 percent, reaching the Healthy category, indicating positive early post-merger adjustments. From 2022 to 2023, the composite score further increased to 93 percent, achieving the Very Healthy predicate, supported by strong profitability, capital adequacy, and asset quality. In 2024, the bank demonstrated its best performance with a composite score of 97 percent and a Very Healthy rating, reflecting continued improvements in governance, efficiency, and financial stability. Overall, the table shows a consistent upward trend in BSI's financial health following the merger, indicating successful integration and strengthened institutional performance.

This improvement is particularly evident in the consistent decline of NPF, indicating better financing quality and risk management practices. Additionally, the increase in ROA and reduction in BOPO reflect enhanced operational efficiency and profitability. The CAR remained consistently high, demonstrating strong capital resilience and the bank's capacity to support

business expansion. Improvements in GCG scores also indicate strengthened governance structures, transparency, and compliance. These findings confirm that the merger positively contributed to BSI's financial stability, operational performance, and long-term sustainability as a leading Islamic banking institution in Indonesia.

Table 2. RGEC and Composite Rating Assessment

	Year	Ratio	Score	Rank					Criteria	Composite
				1	2	3	4	5		
PT. Bank Syariah Indonesia, Tbk	2020	NPF	1.12	✓					Very Healthy	Quite Healthy
		CG	2		✓				Healthy	
		FDR	74.52	✓					Very Healthy	
		ROA	1.38			✓			Quite Healthy	
		BOPO	84.61		✓				Healthy	
		CAR	18.24	✓					Very Healthy	
Composite Value				15	8	3	0	0	87%	
PT. Bank Syariah Indonesia, Tbk	2021	NPF	0.87	✓					Very Healthy	Healthy
		CG	2		✓				Healthy	
		FDR	73.39	✓					Very Healthy	
		ROA	1.61			✓			Quite Healthy	
		BOPO	80.46	✓					Very Healthy	
		CAR	22.09	✓					Very Healthy	
Composite Value				20	4	3	0	0	90%	
PT. Bank Syariah Indonesia, Tbk	2022	NPF	0.57	✓					Very Healthy	Very Healthy
		CG	2		✓				Healthy	
		FDR	79.37		✓				Healthy	
		ROA	1.98	✓					Very Healthy	
		BOPO	75.88	✓					Very Healthy	
		CAR	20.29	✓					Very Healthy	
Composite Value				20	8	0	0	0	93%	
PT. Bank Syariah Indonesia, Tbk	2023	NPF	0.55	✓					Very Healthy	Very Healthy
		CG	2		✓				Healthy	
		FDR	81.73		✓				Healthy	
		ROA	2.35	✓					Very Healthy	
		BOPO	71.27	✓					Very Healthy	
		CAR	21.04	✓					Very Healthy	
Composite Value				20	8	0	0	0	93%	
PT. Bank Syariah Indonesia, Tbk	2024	NPF	0.5	✓					Very Healthy	Very Healthy
		CG	1	✓					Very Healthy	
		FDR	84.97		✓				Healthy	
		ROA	2.49	✓					Very Healthy	
		BOPO	69.93	✓					Very Healthy	
		CAR	21.4	✓					Very Healthy	
Composite Value				25	4	0	0	0	97%	

A. Risk Profile

BSI demonstrates exceptional asset quality management. The Net Non-Performing Financing (NPF) ratio shows a consistent downward trend, decreasing from 1.12% in 2020 to 0.50% in 2024. Throughout the observation period, the NPF remained well below the regulatory threshold of 5%, consistently classified as Very Healthy. This trend suggests that the bank successfully implemented effective clean-up strategies on legacy portfolios from the pre-merger era. The Financing to Deposit Ratio (FDR) exhibits an upward trajectory, rising

from 74.52% in 2020 to 84.97% in 2024. In the early years (2020–2021), the ratio was below 75% (Very Healthy), indicating high liquidity. From 2022 onwards, the ratio moved into the Healthy range (75%–85%). This shift is interpreted positively as an improvement in the intermediation function, indicating that BSI has become more effective in channeling third-party funds into financing rather than holding idle liquidity.

B. Good Corporate Governance (GCG)

From 2020 to 2023, BSI maintained a score of 2 (Good). A significant milestone was achieved in 2024, where the score improved to 1 (Very Good). This improvement reflects the maturity of the organization's governance structure four years post-merger.

1. Earnings

   In 2020 and 2021, BSI's ROA was classified as Quite Healthy (1.38% and 1.61%). However, a turning point occurred in 2022, where ROA rose to 1.98%, entering the Very Healthy category. This upward trend continued, peaking at 2.49% in 2024. This indicates that the asset consolidation has successfully translated into higher profitability over time. The BOPO ratio plummeted from 84.61% in 2020 to 69.93% in 2024. This drastic reduction validates the Merger Synergy hypothesis. By consolidating resources, BSI successfully reduced redundant operational costs, achieving a level of efficiency that is classified as Very Healthy.

2. Capital

   BSI maintains a robust capital structure with a Capital Adequacy Ratio (CAR) consistently classified as Very Healthy throughout the period. The CAR ranged from 18.24% in 2020 to 21.40% in 2024, providing a massive buffer for future expansion.

3. Composite Rating (CR) Analysis

   The synthesis of the RGEC components reveals a clear evolutionary path of BSI's financial health.

Table 3. Composite Rating Calculation (2020–2024)

Year	Composite Score	Composite Predicate	Trend
2020	87%	Quite Healthy	Baseline
2021	90%	Healthy	Improving
2022	93%	Very Healthy	Stable
2023	93%	Very Healthy	Stable
2024	97%	Very Healthy	Peak Performance

Based on Table 3, BSI's financial soundness has undergone a significant transformation:

1. 2020 (Baseline - Quite Healthy): In the pre-merger/initial phase, the bank's composite score was 87%, classified as Quite Healthy. This was primarily dragged down by the ROA performance, which was still in the Quite Healthy bracket.

2. 2021 (Transition - Healthy): In the first year of the merger, the score improved to 90%, elevating the status to Healthy. This year marked the beginning of efficiency gains, with BOPO entering the Very Healthy category.
3. 2022–2024 (Stabilization - Very Healthy): From 2022 onwards, BSI achieved the highest classification of Very Healthy. The score rose to 93% in 2022/2023 and peaked at 97% in 2024. This peak performance in 2024 was driven by the Very Healthy status across almost all indicators (NPF, ROA, BOPO, CAR) and the achievement of a Very Good GCG score.

The findings refute the concern that mega-mergers result in long-term operational disruptions. While BSI started with a Quite Healthy status in 2020, the strategic consolidation effectively unlocked synergies. The trajectory from Quite Healthy (2020), Healthy (2021), and Very Healthy (2022-2024) confirms that the merger successfully consolidated assets without compromising stability. The primary drivers of this success were the massive improvement in operational efficiency (low BOPO) and the strengthening of governance (GCG) and capital (CAR).

Conclusion

Based on the comprehensive analysis using the RGEC method (Risk Profile, Good Corporate Governance, Earnings, and Capital), this study concludes that the merger of three state-owned Islamic banks into PT Bank Syariah Indonesia Tbk (BSI) has been structurally and financially successful. The longitudinal data from 2020 to 2024 demonstrates a clear trajectory of improvement, validating the strategic decision of the Indonesian government to consolidate these entities.

Regarding the Risk Profile, BSI demonstrated exceptional capability in managing asset quality post-merger. Despite the complexity of integrating legacy portfolios, the Non-Performing Financing (NPF) ratio consistently improved, dropping to 0.50% in 2024, well below the 5% regulatory threshold. Furthermore, the Financing to Deposit Ratio (FDR) showed a positive upward trend (from 74.52% to 84.97%), indicating that BSI has improved its intermediation function by effectively channeling third-party funds into real-sector financing rather than holding excess liquidity. The Earnings component provides the strongest evidence of merger synergy. The study found a drastic improvement in operational efficiency, with the BOPO ratio plummeting from 84.61% in 2020 to 69.93% in 2024. This confirms that BSI successfully achieved economies of scale, eliminating redundancies in IT and branch networks while boosting profitability (ROA), which peaked at 2.49% in 2024.

Composite Rating (*Peringkat Komposit* or PK) analysis reveals a significant evolution in financial health. In the pre-merger baseline (2020), BSI was classified as PK-3 (Quite Healthy) with a score of 87%. Following the merger, the status was upgraded to PK-2 (Healthy) in 2021,

and subsequently stabilized at PK-1 (Very Healthy) from 2022 to 2024. The peak performance was recorded in 2024 with a composite score of 97%, driven by Very Healthy ratings across almost all indicators and a Very Good Governance score. Theoretically, these findings challenge the Managerial Hubris Hypothesis, which suggests that mergers often destroy value due to integration costs. Instead, this study supports the Efficiency Theory, proving that in the case of BSI, consolidation led to immediate and sustained efficiency gains. Practically, the results imply that BSI has transformed into a resilient financial fortress, capable of withstanding significant negative influences from macroeconomic conditions, as defined by the PK-1 criteria. PT Bank Syariah Indonesia Tbk has successfully navigated its critical transition period, emerging as a Very Healthy entity. The merger has created a solid foundation for BSI to not only dominate the domestic market but also to compete as a key player in the global Islamic banking industry.

Limitation and Suggestions

While this study provides rigorous empirical evidence of BSI's financial soundness through the RGEC framework, it is constrained by its exclusive reliance on quantitative secondary data and the use of pro-forma baselines for the pre-merger period, which may overlook qualitative integration nuances and external market reception. To provide a more holistic view of the merger's success, future research is encouraged to bridge these gaps by correlating internal soundness with market metrics like stock performance ($BRIS), benchmarking BSI against international Islamic banking peers in Malaysia or the GCC, and employing qualitative methods to investigate how cultural integration and digital transformation specifically drove the observed operational efficiency.

Conflict of Interest

The authors declare no conflict of interest.

References

[1] DinarStandard, *State of the Global Islamic Economy Report 2023/24*. Dubai, UAE: DinarStandard, 2023.
[2] Financial Services Authority (OJK), *Statistik Perbankan Syariah Indonesia 2020*. Jakarta, Indonesia: OJK, 2020.
[3] T. Hidayat and S. Wibowo, "Comparative analysis of financial performance of state-owned Islamic banks before and after merger into Bank Syariah Indonesia," *Indonesian Journal of Islamic Economics Research*, vol. 5, no. 1, pp. 22–35, 2023.
[4] Kasmir, *Analisis Laporan Keuangan*. Depok, Indonesia: Rajawali Pers, 2019.
[5] D. A. Lestari and A. Fauzi, "The impact of merger on financial health: Evidence from Bank Syariah Indonesia using RGEC approach," *Journal of Islamic Banking and Finance*, vol. 12, no. 1, pp. 45–60, 2024.
[6] Bank Indonesia, *Peraturan Bank Indonesia Nomor 13/1/PBI/2011 tentang Penilaian Tingkat Kesehatan Bank Umum*. Jakarta, Indonesia: Bank Indonesia, 2011.
[7] Ismail, *Manajemen Perbankan: Dari Teori Menuju Aplikasi*. Jakarta, Indonesia: Kencana, 2018.
[8] Financial Services Authority (OJK), *Surat Edaran Otoritas Jasa Keuangan Nomor 10/SEOJK.03/2014 tentang Penilaian Tingkat Kesehatan Bank Umum Syariah dan Unit Usaha Syariah*. Jakarta, Indonesia: OJK, 2014.

[9] L. Dendawijaya, *Manajemen Perbankan*. Jakarta, Indonesia: Ghalia Indonesia, 2019.
[10] Hery, *Analisis Laporan Keuangan: Integrated and Comprehensive Edition*. Jakarta, Indonesia: Gramedia Widiasarana Indonesia, 2020.
[11] A. R. Putri and B. Santoso, "Analisis tingkat kesehatan Bank Syariah Indonesia menggunakan metode RGEC periode 2021–2023," *Jurnal Ekonomi Syariah Teori dan Terapan*, vol. 11, no. 2, pp. 101–115, 2024.
[12] I. Rahmawati and E. Suryani, "Assessing the health level of Islamic commercial banks in Indonesia: An RGEC approach," *Journal of Islamic Economics and Philanthropy*, vol. 6, no. 3, pp. 210–225, 2023.
[13] Sugiyono, *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung, Indonesia: Alfabeta, 2019.
[14] PT Bank Syariah Indonesia Tbk, *Annual Report 2020–2024*. Jakarta, Indonesia: PT Bank Syariah Indonesia Tbk, 2024.
[15] Y. Gong, C. Hu, Y. Xu, and W. Wang, "A distributed file system with variable sized objects for enhanced random writes," *The Computer Journal*, vol. 59, no. 10, pp. 1536–1550, Oct. 2016, doi: 10.1093/comjnl/bxw057.

Authors



Ismul Aksan is a lecturer in the Accounting Study Program, Faculty of Economics and Business, Universitas Khairun, Ternate, Indonesia. He is affiliated with Khairun University and contributes to teaching, research, and community service in accounting and financial management. His academic interests include financial reporting, banking, and public sector accounting. He actively participates in scholarly publications and institutional development. (email: ismulaksan@unkhair.ac.id).



Kasim Sinen is a lecturer in the Accounting Study Program, Faculty of Economics and Business, Universitas Khairun, Ternate, Indonesia. He is affiliated with Khairun University and focuses on accounting education, financial analysis, and institutional governance. His work involves teaching, research, and community engagement, supporting academic excellence and professional development. He contributes to publications and academic activities. (email: kasimsinen@unkhair.ac.id).



Mahardika Catur Putriwana Malik is a lecturer in the Accounting Study Program, Faculty of Economics and Business, Universitas Khairun, Ternate, Indonesia. She is affiliated with Khairun University and actively engages in teaching, research, and community service in accounting and financial management. Her academic interests include financial accounting, auditing, and corporate governance. She contributes to scholarly publications and academic development, supporting institutional growth and advancing accounting education. (email: mahardika@unkhair.ac.id).