

Transmission of Sharia Monetary Policy in Improving Sharia Banking Performance (Literature Study)

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Abstract Indonesia's economic condition is currently experiencing a downturn, even though its current growth has increased by 5 percent from before. This will be the impact of Covid 19 that hit the country. This impact has had an impact on the decline of banking in the country, especially Islamic banking since 2020. When compared to the profits obtained since 2019. This study aims to see the performance of Islamic banking when viewed from the current monetary policy. This study uses a qualitative method. Documentation technique for analyzing documents related to Islamic Banking performance. The data used in the analysis includes Islamic Banking Accounting books, research articles, and so on. Based on the results of research conducted that the performance of Islamic banking in the country can survive and experience a very satisfying increase, it can be seen that the increase is happening every year. In semester I/2021, the profit earned was IDR 1.48 trillion, an increase of 34.29%. In 2022 the profit earned is IDR 3.21 trillion, an increase of 42%. From the results of these observations, the current monetary policy carried out by BSI can improve the financial performance of Islamic banking, even though our economic growth is currently experiencing an economic crisis.

Keywords: Transmission of Forensic Accounting, Islamic Monetary Policy, Performance of Islamic Banking

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Introduction

In the world of banking, what we know so far is conventional banking. In this era, sharia banking has emerged which the government hopes can change the economy for the better in the future. Basically the function of Islamic and conventional banking is the same inside the practice. financial intermediaries from the public who deposit funds and then provide loans to the wider community. The difference is conventionally giving interest to those who deposit funds and charging interest to consumers who owe the bank. Meanwhile, in sharia there is no element of usury in it, in sharia it only uses a profit-sharing system and profit margins.

Currently, the development of Sharia has experienced a significant increase, many customers have begun to switch to transacting at the bank. The application of banking activities does not have an element of usury in it, in accordance with Islamic teachings. however, since the outbreak of the corona virus or covid-19 that occurred, Islamic Banks have experienced a decline, not as expected.



This is according to what was reported by CNN Indonesia (2020) Minister of Finance Sri Mulyani Indrawati state industry sharia banking will grow negatively in this because stressed from the pandemic covid-19 . Not only that , value assets and liquidity also decreased. Islamic banking must start revised growth targets like banking other . Risk no only influence ability sharia institution for berries financing , but also how to encourage recovery water land . Meanwhile, according to Moch Anshori , et al (2021) said change Policy monetary will influence finance .

According to Asmaul Husna, et al (2021) " Mostly most researchers conclude that monetary policy (with monetary instruments as *proxies*) influential in a manner negative to performance banking sharia. Part researcher other conclude that Policy monetary no have influence to performance banking sharia "

Monetary policy is a process by which parties authority can control the finances in the community by controlling interest rates produce growth and stability economy in a country . Which is expected to improve banking performance in sharia.

banking is a financial institution whose application accepts savings nor give loans without interest flower savings and interest _ loan . regardless of the existence of usury in every transaction, in accordance with Islamic teachings.

From the phenomena that exist, researchers are interested in knowing the current performance of Islamic banking and how Islamic monetary policy can improve Islamic banking performance

Literature Review

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Method

Type study this is qualitative with use method descriptive . Data study data is used secondary . Study use technique documentation . Techniquedocumentation for analyze documents related to the field of Sharia Banking Performance . Data that used in analysis like books Islamic Banking Accounting , article study and other so

Results and Discussion

Understanding of Sharia Banking Performance

Islamic banking is a business entity in its application according to the concept maqashid sharia. The purpose of Islamic banking is apart from the goal of profit only, but for the benefit. Sharia is more concerned with the welfare and prosperity of society. This is the added value that is owned by the sharia.

In the Islamic banking distributes alms funds to people who are eligible for donations. In the sharia concept, doing business cannot be separated from the provision of infaq, alms and endowments distributed to people whose lives need a helping hand from donors . So that the gap in life in society is not too far away, there is a very big difference between the rich and the poor. So that there is no sense of social jealousy and feeling unfair in social life. Poverty can cause people to become ungrateful and far from their god.

Islamic teachings instruct us to be able to share, regardless of religious differences. Which is distributed from Zakat, Infak, Alms and Zakat issued to the poor or anyone in need.

Currently, our banking has two parts that are basically the same, looking for applications in practice . That is saving customer funds and then allocated to consumers who need them. However, in sharia with a system of profit sharing and profit margins.

Funds lent to customers must be clear for what business. If used for businesses that are prohibited by Islam , these funds cannot be given loans to customers in need.

The conventional banking system stores funds and then allocates them to consumers who need these funds. From these transactions, consumers who owe are charged interest costs and consumers are given the interest profits generated. Funds provided by loans to consumers are free to use for anything, unlike sharia. Loaned funds must know for what business it is used.

Sharia Monetary Policy in Improving Sharia Banking Performance

The increase in Islamic banking began to grow a long time ago, this is in accordance with research by Haniffa , et al (2007) who said that initially Islamic banks were born or were known to the public in the 1970s . who are motivated by the awareness of the link between religion and the economy that the economy cannot be separated from the existence of religion as a way of life. Until now, it continues to grow. Andri Soemitra , et al (2021) said that aim banking and institutions Islamic finance must codify maqasid sharia as ideal destination with consider spiritual, social and financial goals .

Sharia banking is currently expected by the government to change our economy for the better, but the impact of the epidemic that hit Indonesia has resulted in a decline in the growth of Islamic banks themselves. This is in accordance with the opinion of the Minister of Finance Sri Mulyani that sharia banking has experienced a decline in growth due to the Covid 19 that hit, as well as its asset value and liquidity. This prediction is taken by looking at sharia growth in 2019 , the sharia banking industry has increased by 5 percent from community donations.

From lending funds from the residential sector of Rp. 83.t trillion, trading Rp. 37.3 trillion



Construction share Rp. 32.5 trillion and also from the industrial sector of Rp. 27.8 trillion.

The following year it turned out that BSI was able to overcome the crisis caused by the impact of Covid 19, this is in accordance with Hery Gunardi 's statement (Media News oct 2021) that even though Covid 19 is currently hitting, Indonesian Sharia banks can improve the economy even though the country is experiencing an economic crisis which is very worrying at the moment.

Bank _ The largest Indonesian Sharia in Indonesia has experienced a very significant increase at a time when our economic conditions were experiencing a downturn . In semester I/2021, the bank has a net profit of IDR 1.48 trillion, if or in percentage it has increased by 34.29 %.

The increase in profits was due to an increase in terms of financing and third party funds . Bank Syariah Indonesia obtained assets until the end of June 2021 of RP. 247.3 trillion . That number has increased by as much 15.16%

For financing funds, Bank Syariah Indonesia provides funds of IDR 161.5 trillion in a matter of percent of 11.73 % . In allocating these funds , Bank Syariah Indonesia is able to compete in the banking industry market in Indonesia.

Even at this time BSI's growth is increasing, the profit earned is reaching the target. President Director of BSI Hery Gunardi (media news Oct 2022) informed that performance Bank Syariah Indonesia until September 2022 experienced an increasingly satisfactory increase in profits at this time . We can see this from BSI's profit growth in the third quarter of 2022, reaching the target of 42%, which is IDR 3.21 trillion .

Bank Syariah Indonesia recorded from Third Party Funds (DPK) as much as IDR 245.18 trillion, or in percentage terms, an increase of 11.86% while same period. savings _ wadiah also experienced a very good increase and was liked by the wider community . This is done This sharia banking product is not subject to administration fees with e- banking facilities good that consumers like . Serta other products owned by sharia have resulted in satisfactory growth.

From the existing data, it turns out that the current Islamic monetary policy is able to improve the performance of Islamic banking . We can see from this that BSI's rapid growth occurs every year. Until quarter III in 2022 achieves a profit target of 42% or around Rp. 3.21 trillion.

Conclusion

1. Islamic Banking is a business entity in its application according to the concept maqashid sharia. The purpose of sharia banking apart from profit is also for the benefit of society. Sharia is more concerned with the welfare and prosperity of society. This is the added value that is owned by the sharia. In the sharia concept, doing business cannot be separated from the provision of infaq, alms and endowments distributed to people whose lives need a helping hand from donors . The advantages of Islamic banking are that there is no element of usury and the distribution of loan funds is not justified for businesses that are prohibited in Islam . Profits are obtained by profit sharing and profit margins.
2. Sharia monetary policy in the country can improve current banking performance, which can be seen from the profit earned in 2021 of 34.29% from the previous year . Whereas in 2022 BSI's profit growth in the third quarter of 2022 will reach the target of 42%. Bank Syariah Indonesia recorded Third Party Funds reaching 11.86% in that year

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