



**FINANCIAL PERFORMANCE OF ISLAMIC COMMERCIAL BANKS  
BEFORE AND DURING THE COVID-19 PANDEMIC  
IN INDONESIA**

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**Abstract**

The covid-19 pandemic has dropped the economy of the world. Islamic banks as part of the economy are also affected by this pandemic. The study aims to provide an overview of the performance of Islamic Commercial Banks (BUS) in Indonesia before and during the Covid-19 pandemic. The measurement of financial performance will use several financial ratios, namely ROA, CAR, NPF, FDR, BOPO, and NOM. The research sample is all BUS in Indonesia. The years 2018 and 2019 will be used as the period before the Covid-19 pandemic, while 2020 and 2021 will be used as the period during the Covid-19 pandemic. It uses a quantitative method with measurement tools: independent sample t-test and multiple linear regression. The results of the independent sample t-test are the CAR, FDR, and BOPO variables have differences in the period before the pandemic and during the pandemic. While the ROA, NPF, and NOM variables have no difference in the period before and during the pandemic. From the partial multiple linear regression test (t-test), financial ratios in the form of BOPO and NOM influence ROA. While the variables CAR, FDR, and NPF do not affect ROA. On the other hand, simultaneously the variables CAR, NPF, FDR, BOPO, and NOM affect ROA. The research results from this article can be used as a source of information by stakeholders in making policies for a better BUS future.

**Keywords:** Islamic Commercial Banks, Financial Performance, Financial Ratios, Covid-19

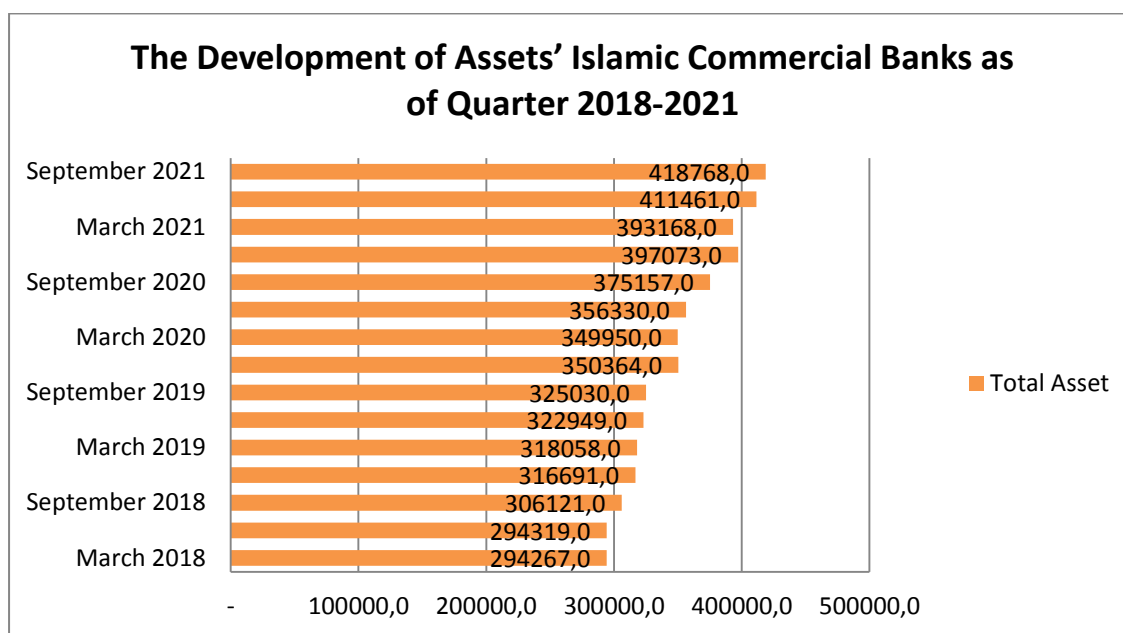
**INTRODUCTION**

The bank is an important institution in the economy. The bank becomes an institution that acts as a bridge to distribute funds from parties who have excess funds to those who lack funds. In today’s economic system there are two types of banks, namely Islamic banks and conventional banks. The two entities continue to grow and compete with each other.

It is said that Islamic banking sectors have seen no disruption to their growth over the past decade (Islamic Development Bank Group, 2020). Based on data from ISBD, total Islamic banking assets reached 1.754 billion dollars. The statement was supported by the State of the Global Islamic Economy Report 2019/2020 by the Thomson Reuters Dinar Standard published by Salaam Gateway which stated that the amount of Islamic financial assets of \$ 2.52 trillion is 70% or \$ 1.76 trillion is an asset in Islamic banks. The remaining 30% consists of 19% sukuk, 4% Islamic funds and 7% are others. By 2020, Islamic financial assets will rise to 12.9% to \$2.88 trillion. 70% of these financial assets are Islamic banking assets globally (Dinar Standard, 2019).

The development of Islamic banks in the country is also experiencing a good trend. Diagram 1 presents data on the development of total assets from 2018-2021.

**Figure 1**  
**The Development of Assets’ BUS as of Quarter 2018-2021**



Source: OJK, data processed by the researcher

In the figure 1, it can be seen that the total development of BUS assets is experiencing an increase from year to year. Only in the first quarter of 2020, total assets of BUS decreased although not very significant by 414 million or 0.12%. From 350,364 million in the fourth quarter of 2019 to 349,950 million in the second quarter of 2020, then continued to increase so that in the third quarter of 2021 the total value of BUS assets reached 418,768 billion rupiahs.

Based on data reported from the Financial Services Authority (OJK), the number of Islamic Commercial Banks (BUS) stagnated from 12 BUS in 2014 and remained 12 BUS in 2021. BUS' stagnation occurred because the merger carried out by Bank BNI Syariah, Bank BRI Syariah and Bank Mandiri Syariah became Bank Syariah Indonesia on February 1<sup>st</sup>, 2021, making BUS which had numbered 14 entities in 2020 down to 12 entities in 2021. Meanwhile, the Sharia Business Unit (UUS) itself decreased from a total of 22 UUS in 2014 to 20 UUS in 2020. The development of the number of Sharia Commercial Banks (BUS) and Sharia Business Units (UUS) is shown in Table 1.

**Table 1**  
**Development of the Number of Islamic Commercial Banks (BUS) and Sharia Business Units 2014 -2021**

<b>Year</b>	<b>Islamic Commercial Banks</b>	<b>Sharia Business Unit</b>
2014	12	22
2015	12	22
2016	13	21
2017	13	21
2018	14	20
2019	14	20
2020	14	20
2021	12	20

Source: OJK, data processed by the researcher

On the other hand, the world economy is currently experiencing very serious challenges, caused by the spread of Corona Virus Disease 19 which has infected almost all countries in the world, including Indonesia. So, the spread of this virus is called a pandemic because of its widespread. Corona Virus Disease 19 or often called as Covid-19 is a new virus that emerged at the end of 2019 with the first case in Wuhan, Hubei Province, China.

The spread of this virus is classified as so fast that it becomes a very serious threat and paralyzes the world economy. Based on data reported from covid19.go.id, Covid-19 cases in Indonesia as of February 2022 have reached 4.9 million positive cases since the findings of the first case in March 2020. The death case of this pandemic reached 145,455 people (Satuan Tugas Penanganan Covid-19, 2021).

(Candera et al., 2020) In his research, do not deny that due to the Covid-19 pandemic, various business sectors also feel the negative impact. Almost all sectors, such as tourism, manufacturing, automotive, property, hotels and restaurants, finance, even MSMEs, experienced a decrease in revenue. The company's financial performance has become unstable. The impact of the Covid-19 pandemic in Indonesia began to be seen in early March 2020 (Afkar & Fauziyah, 2021). This of course causes every financial and non-profit institution continue to try to survive in the current economic conditions. When viewed from bank financial institutions whose main activities mostly distribute funds through credit or financing, of course, it poses a danger of losses due to the customer's inability to pay his obligations to pay off his loan. Meanwhile, profit-oriented business entities must maintain their continuity through profits earned.

The same thing was also expressed by (Sutrisno et al., 2020) that the Covid-19 outbreak is increasingly impacting banks because the more companies are affected, production is reduced and even in bankruptcy, which makes the distribution of banking financing more difficult. The decrease in the financing, it will further reduce the profitability of Islamic banks, including a decrease in the overall performance of banks. (Ichsan et al., 2021) said that the Islamic bank's policy applies delays in financing payments for some customers who experience a decrease in revenue for their business. The policy can certainly have an impact on the financial performance of Islamic banking. The studies about Covid-19 has also been revealed in various past studies such as (Desky & Mukhtasar, 2021), (Iskandar et al., 2021), (Rabbani et al., 2021) and (Daru et al., 2021).

Some researchers have previously taken the performance measurements research. (Majeed & Zainab, 2021) said that the growth of Islamic banking has stirred debate among policymakers and economists about the sustainability and performance of Islamic banks. (Yusuf & Ichsan, 2020) researched to measure the performance of Islamic banking using financial ratio variables namely ROA as dependent variables while NPF, FDR, BOPO, and

CAR as independent variables whose results simultaneously affect ROA. While partially CAR, NPF has an insignificant and positive effect on ROA, BOPO has a significant and negative effect on ROA and FDR has an insignificant and positive effect on ROA.

(Fitriyah et al., 2021) conducted research to measure the performance of Islamic banking during the Covid-19 pandemic using CAMEL measurements reflected by financial ratios in the form of CAR, NPF, NOM, ROA and FDR. In the study, the financial performance of Islamic banks was still considered stable. It can be seen from the increase in financial ratios such as CAR and ROA. (Pradesyah & Putri, 2021), (Sugiharto et al., 2021), (Afandi, 2021) and (Fakhri & Darmawan, 2021) also use financial ratios in measuring the performance of Islamic banks.

Based on the background that has been disclosed, the study will also conduct research to measure the performance of Islamic Commercial Banks in Indonesia. It became new and different because of the data update used as a sample. Besides that, the study also providing the impact of Covid-19 through comparative study between the performance of Islamic Commercial Banks before and during the pandemic. At first, the study tried to compare the value of chosen financial ratio quarter by quarter. After that, the analysis continued by using regression and comparative test to obtain the deeper result. The results of this study will enrich previously conducted research. So, the research will be able to be a consideration for stakeholders especially for management of BUS to take the best policy for facing the Covid-19 pandemic.

## **REVIEW OF LITERATURE**

The research conducted by (Grassa et al., 2022) found the main findings of their research show that Islamic banks in the Gulf Cooperation Council (GCC) are not as resilient in the Covid-19 pandemic as in the Global Financial Crisis (2008-2009). It means that Islamic banks in GCC could survive in the Covid-19 pandemic. However, Islamic banks in GCC countries gain experience and become more efficient and stable over time.

(Almonifi et al., 2021) found that Al Rajhi Bank as the largest Islamic bank in Saudi Arabia has performed better during 2020 compared to 2019. This indicates that Al Rajhi Bank delivered better in efficiency and key ratios, also the changes in financial statements indicate to positive percentage during 2020. The findings show that the Covid-19 crisis had only a minor impact on Saudi Arabia's Islamic banking system.

The comparative study conducted by (Fakhri & Darmawan, 2021) proved that in Indonesia, Islamic banking is more vulnerable than conventional banking in facing financial crises such as Covid-19 crises. That result in line with research of Hasan 2020, compared to conventional banks, Islamic banking is more flexible in meeting the economic crisis caused by the Covid-19 pandemic. (Candera et al., 2021) found that there was no difference in the financial performance of Islamic banking on risk profile, earning, and capital indicators before and during the Covid-19 pandemic. This analysis shows that the performance of Islamic finance is still able to deal with the impact of the Covid-19 pandemic in Indonesia.

(Masood & Ashraf, 2012) with the subject research of the Islamic banks around the world, found that that assets size has positive and significant impact on the profitability of Islamic banks. The positive impact report that banks of larger assets obtain the higher profitability. The capital adequacy, loans to assets and assets management results leads to positive and significant relationship with profitability of Islamic banks proxied by return on assets (ROA).

(Alharbi, 2008) conducted research on countries of the members of the Organization of Islamic Cooperation (OIC). This study indicates that equity, other operating income, GDP per capita, bank size, concentration, and oil prices affected Islamic banks' profitability positively. Insurance schemes, foreign ownership, and real GDP growth affected Islamic banks' profitability negatively.

(Majeed & Zainab, 2021) said that the growth of Islamic banking has stirred debate among policymakers and economists about the sustainability and performance of Islamic banks. (Yusuf & Ichsan, 2020) researched to measure the performance of Islamic banking using financial ratio variables namely ROA as dependent variables while NPF, FDR, BOPO, and CAR as independent variables whose results simultaneously affect ROA. While partially CAR, NPF has an insignificant and positive effect on ROA, BOPO has a significant and negative effect on ROA and FDR has an insignificant and positive effect on ROA.

## **RESEARCH METHOD**

The study used quantitative descriptive methods by testing differences to obtain a comparison of results. In addition, this study also conducted causal testing. To obtain

comparative results, an unpaired sample test is used in the form of an independent sample t-test. For due-to-effect testing will use multiple linear regression. The test tool used is SPSS 22. The period of data used in this study is 2018-2021. Data was collected from the second quarter of 2018 to the third quarter of 2021. The data collection show in Appendix 1 at the end of this article. In the study, it was assumed that the second quarter of 2018 to the fourth quarter of 2019 was considered as data before the Covid-19 pandemic. The first quarter of 2020 to the third quarter of 2021 is data during the Covid-19 pandemic.

The sample in this study is all Islamic Commercial Banks (BUS) registered with the Financial Services Authority (OJK) until October 2021. There are 12 BUS registered namely Bank Aceh Syariah, Bank BCA Syariah, Bank Jabar Banten Syariah, Bank Muamalat Indonesia, Bank Mega Syariah, Bank NTB Syariah, Bank Net (Aladin) Syariah, Bank Panin Dubai Syariah, Bank Syariah Commercial Bank Bukopin, Bank Syariah Indonesia, Bank Tunjangan Pensiun Syariah, and Bank Victoria Syariah. To measure financial performance using ratios in the form of Capital Adequacy Ratio (CAR), Return on Assets (ROA), Non-Performing Financing (NPF), Finance Deposit to Ratio (FDR), Operating Expenses to Operating Income (BOPO) and Net Operating Margin (NOM). The financial ratio data is taken from the publication of OJK reports published every month in the form of Islamic Banking Statistics (SPS). (Otoritas Jasa Keuangan, n.d.)

**Table 2**  
**Research data**

Month	Year	ROA	CAR	NPF	FDR	BOPO	NOM	
January	2018	0,42	18,05	5,21	77,93	97,01	0,45	Before Covid-19
February	2018	0,74	18,62	5,21	78,35	93,81	0,83	
March	2018	1,23	18,47	4,56	77,63	89,90	1,40	
April	2018	1,23	17,93	4,84	78,05	89,75	1,40	
May	2018	1,31	19,04	4,86	79,65	88,90	1,48	
June	2018	1,37	20,59	3,83	78,68	88,75	1,57	
July	2018	1,35	20,41	3,92	79,45	88,69	1,54	
August	2018	1,35	20,46	3,95	80,45	88,64	1,53	
September	2018	1,41	21,25	3,82	78,95	88,08	1,59	
October	2018	1,26	21,22	3,95	79,17	89,36	1,41	
November	2018	1,26	21,39	3,93	79,69	89,17	1,42	
December	2018	1,28	20,39	3,26	78,53	89,18	1,42	
January	2019	1,51	20,25	3,39	77,92	87,69	1,75	

February	2019	1,32	20,30	3,44	77,52	89,09	1,52	During Covid-19
March	2019	1,46	19,85	3,44	78,38	87,82	1,66	
April	2019	1,52	19,61	3,58	79,57	86,95	1,71	
May	2019	1,56	19,62	3,49	82,01	86,29	1,76	
June	2019	1,61	19,56	3,36	79,74	85,72	1,82	
July	2019	1,62	19,72	3,36	79,90	85,58	1,83	
August	2019	1,64	20,36	3,44	80,85	85,59	1,83	
September	2019	1,66	20,39	3,32	81,56	85,14	1,84	
October	2019	1,65	20,54	3,49	79,10	85,55	1,83	
November	2019	1,67	20,48	3,47	80,06	85,32	1,86	
December	2019	1,73	20,59	3,23	77,91	84,45	1,92	
January	2020	1,88	20,29	3,46	77,90	83,62	1,85	
February	2020	1,85	20,47	3,38	77,02	82,78	1,78	
March	2020	1,86	20,36	3,43	78,93	83,04	1,72	
April	2020	1,55	20,47	3,41	78,69	84,60	1,49	
May	2020	1,44	20,62	3,35	80,50	85,72	1,34	
June	2020	1,40	21,20	3,34	79,37	86,11	1,34	
July	2020	1,38	20,93	3,31	81,03	86,25	1,34	
August	2020	1,36	20,37	3,30	79,56	86,22	1,36	
September	2020	1,36	20,41	3,28	77,06	86,12	1,37	
October	2020	1,35	20,41	3,18	77,05	86,08	1,38	
November	2020	1,35	21,16	3,22	77,61	86,10	1,39	
December	2020	1,40	21,64	3,13	76,36	85,55	1,46	
January	2021	1,79	21,80	3,20	76,59	85,44	1,93	
February	2021	2,15	24,31	3,18	76,51	82,98	2,31	
March	2021	2,06	24,45	3,23	77,81	82,10	2,24	
April	2021	1,97	24,41	3,29	76,83	81,86	2,17	
May	2021	1,92	24,44	3,30	76,07	82,33	2,12	
June	2021	1,94	24,26	3,25	74,97	83,15	2,11	
July	2021	1,91	24,31	3,23	74,11	83,48	2,08	
August	2021	1,88	24,66	3,25	74,25	83,86	2,01	
September	2021	1,87	24,96	3,19	75,26	81,69	1,99	
October	2021	1,59	23,56	3,04	74,50	83,79	1,72	

Source: OJK, Data processed by the author

## RESULTS AND DISCUSSIONS

### Analysis Value Diagram of Financial Ratio

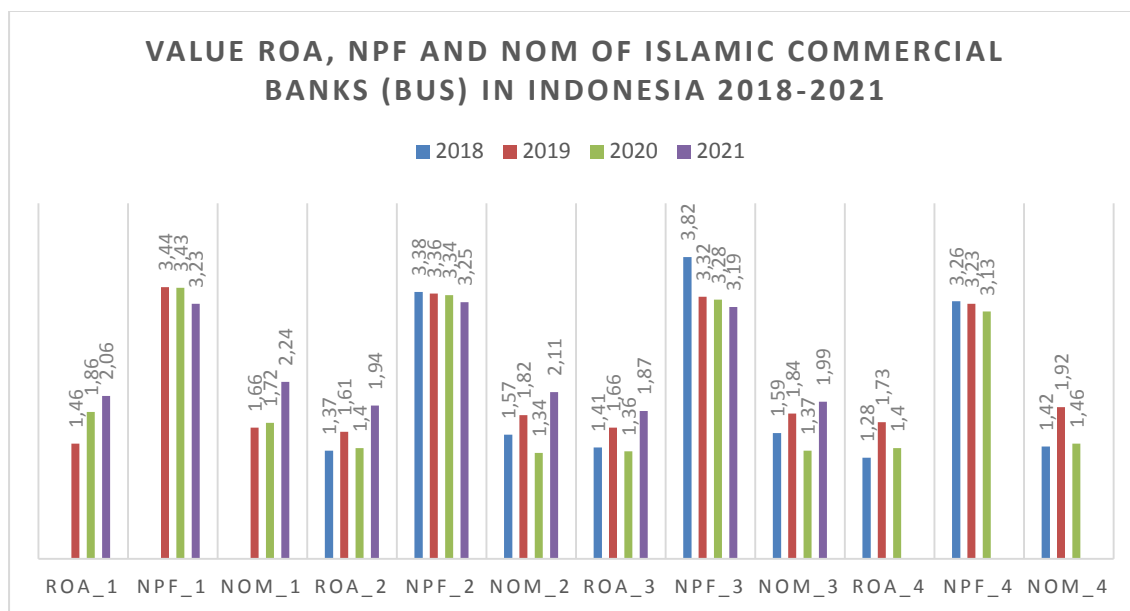
The discussion of this research begins by showing the development of financial ratios used as research variables. Diagram 2 shows the development of ROA, NPF and

NOM BUS values in Indonesia from 2018-2021. Diagrams are displayed in periods of each quarter so that the annual comparison is a comparison between quarters.

Return on Assets (ROA) is the part of the ratio that measures a company's level of profitability. This ratio is used to measure how much net income will be generated from each rupiah of funds embedded in total assets. The greater the ROA, the greater the level of profit achieved by the company and the better the position of the company in terms of the use of assets (Wijaya, 2019). From the diagram, it can be seen that the development of Return on Assets (ROA) values have increased every year from 2019 to 2021 in the first quarter. However, in the second, third and fourth quarters the trend is volatile and always decreases every year in 2020.

In the second quarter of 2019, the ROA value was 1.61% down to 1.4% in 2020. The third quarter fell to 1.36% in 2020 from 1.66% in 2019. In the fourth quarter, it fell from 1.73% in 2019 to 1.4% in 2020. ROA conditions that experienced a downward trend in the second, third and fourth quarters of 2019 to 2020 showed that BUS profitability in Indonesia decreased in 2020. This can be caused by the Covid-19 pandemic that is rampant in that year and the BUS sector is conducting adjustments in response to the ongoing pandemic. However, this condition is different 180 degrees in 2021 where the trend always increases in the first, second and third quarters. This proves that BUS has begun to adjust to the pandemic that is still ongoing.

**Figure 2**  
**Value ROA, NPF and NOM of BUS Indonesia 2018-2021**



Source: OJK, data processed by the author

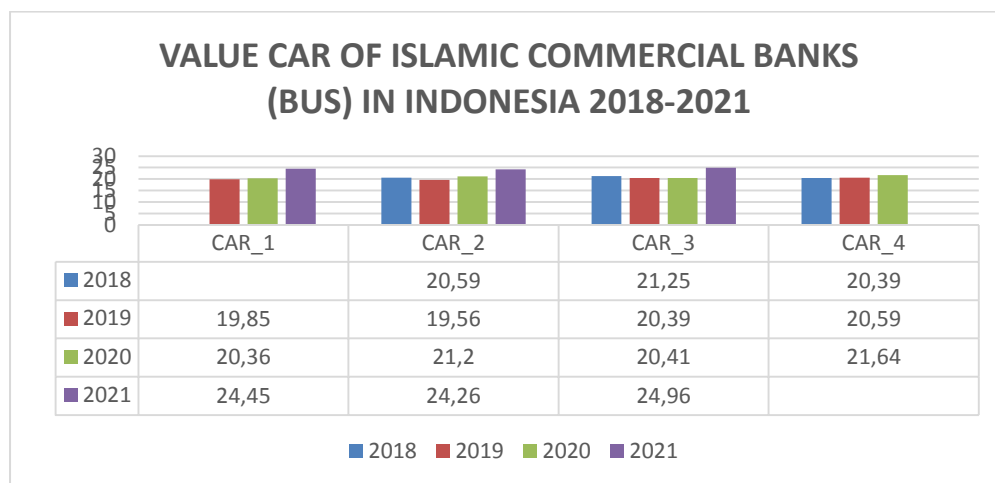
The next ratio shown in diagram 2 is Non-Performing Financing (NPF). The NPF ratio relates to the credit risk faced by banks. The smaller the NPF ratio value means the smaller the risk of financing that is not collected by the bank (Fitriyah et al, 2021). NPF trends for the four quarters from 2018 to 2021 have consistently decreased. In the first quarter, the lowest NPF value was at 3.23% in 2021. The second and third quarters were also the lowest values in 2021, which were 3.25% and 3.19%. NPF value of 3.13% is the lowest NPF value that fell in the fourth quarter of 2020. This shows that BUS management is experiencing good development because the NPF climate has decreased, meaning the value of uncollected financing is consistently decreases every year.

Net Operating Margin (NOM) demonstrates BUS's ability to generate profits. If the value of the NOM ratio is low then the bank's rentability rate is also low which means that the profits generated by the bank are low (Suryanto & Susanti, 2020). On the diagram, it appears that the behavior of NOM is similar to ROA. In the first quarter, NOM experienced an increasing trend while in the other quarter period experienced fluctuating conditions. NOM also experienced a downward trend in the quarterly periods 2, 3 and 4 from 2019 to 2020. And again, the value of NOM always increases in 2021 for the second, third and fourth quarters.

Behavioral similarities between ROA and NOM can occur because these two ratios are equally closely related to BUS's ability to be profitable entities. After all, profitable

behavior cannot be separated from the BUS. This is because BUS is a commercial institution that must be able to survive in market competition. BUS is not a mosque or philanthropic institution that is entirely social. There are employees who must be paid and there are investors who must be satisfied. Therefore, attention to profitability is also an important thing for BUS of course without ruling out sharia values that must also be upheld.

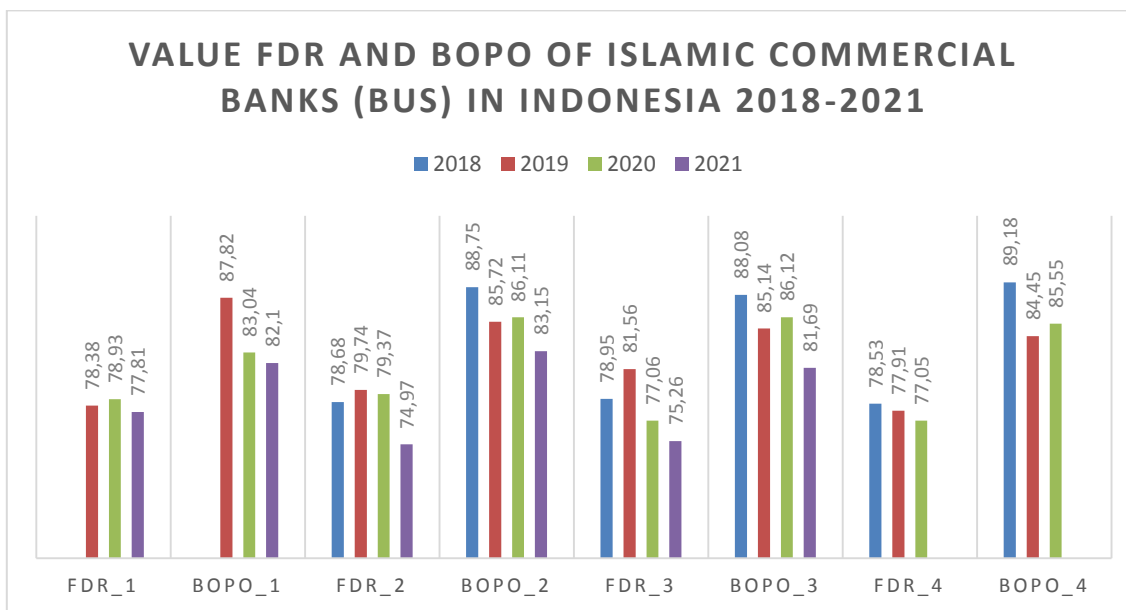
**Figure 3**  
**Value CAR of BUS in Indonesia 2018-2021**



Source: OJK, data processed by the author

Figure 3 provides information on the development of the Capital Adequacy Ratio (CAR) BUS in Indonesia. The value of CAR indicates the adequacy of the capital held by the entity concerned. The behavior of this one financial ratio is also fluctuating and differs between quarterly periods. In the first quarter and fourth quarter, the value of CAR tends to increase consistently every year. While in the second and third quarters CAR values more fluctuated. CAR value decreased in the second quarter of 2018 when compared to the same quarter in 2019. However, it continues to be an upward trend in 2020 and 2021. In contrast to the second quarter, the third quarter of CAR value experienced a downward trend in 2018, 2019 and 2020. The value of CAR has just increased in 2021. CAR value in 2021 amount 24.96% was also the highest CAR value during the research period.

**Figure 4**  
**Value FDR and BOPO of BUS in Indonesia 2018-2021**



Source: OJK, data processed by the author

The development of Financing to Deposit Ratio (FDR) and Operational Expenses to Operational Revenues (BOPO) values are illustrated in Figure 4. FDR is a ratio that compares the financing provided by banks with Third Party Funds (DPK) that are successfully utilized by banks. The higher this ratio means the lower the bank's liquidity level or the lower the bank's bankruptcy rate (Somantri & Sukmana, 2019). The lowest FDR value fell in the second quarter of 2021 at 74.97% and the highest FDR value of 81.56% fell in the third quarter of 2019. FDR exhibits different behaviors each quarter. With the average trend experiencing a decrease in value, FDR value increased in 2018 compared to 2019 in the second and third quarters.

Banks are said to be inefficient if the BOPO value exceeds the maximum limit value. The higher the operating costs, the lower the profit obtained. In the first quarter, BOPO had a consistent downward trend. BOPO value continues to fall when compared in 2019, 2020 and 2021. BOPO values also consistently fell in the comparison of 2018 and 2019 in the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarters. In all three quarters, BOPO also showed a consistent upward trend in 2019 compared to 2020. Then again down in 2021 in the 2<sup>nd</sup> and 3<sup>rd</sup> quarters. The lowest BOPO value of 81.69% was achieved by the third quarter of 2021.

### Shapiro-Wilk Normality Test

Shapiro-Wilk normality test is a normality test with a small sample. This test can be used on  $< 50$  samples. In this test, sample data was said to be normal distribution when Sig. values  $> 0,05$  (Raharjo, 2021b). Table 3 shows the results of the data sample normality test scores in this study. In the Sig. column, it can be seen that the entire value  $< 0,05$  then the data used as a sample in this study is a normal distribution.

**Table 3**  
**Shapiro-Wilk Normality Test**

Financial Ratio	Period	Shapiro-Wilk	
		Df	Sig.
ROA	Before Covid-19	7	0.73
	During Covid-19	7	0.07
CAR	Before Covid-19	7	0.71
	During Covid-19	7	0.10
NPF	Before Covid-19	6	0.91
	During Covid-19	7	0.97
FDR	Before Covid-19	7	0,11
	During Covid-19	7	0.56
BOPO	Before Covid-19	7	0.33
	During Covid-19	7	0.14
NOM	Before Covid-19	7	0.75
	During Covid-19	7	0.31

Source: Data processed by the author

### Independent Sample t-Test

This test is a statistical analysis that aims to compare two unpaired samples. (Raharjo, 2021). Data has an average difference if the Sig. value (2-tailed)  $< 0,05$  in the t-test column for Equality of Means. Based on Table 1, Sig. Levene's Test for Equality of Variances value for ROA variables is  $0,007 < 0,05$  which means that the variance of data between data before the Covid-19 pandemic and during the Covid-19 pandemic is neither homogeneous nor unequal. Therefore, the interpretation of the Independent Samples Test output table for ROA variables is guided by the values contained in "Equal variances not assumed". On the line "Equal variances not assumed" for ROA Sig value. (2-tailed)  $0,163 > 0,05$ , it can be known there is no significant difference between the average ROA before the Covid-19 pandemic and during the Covid-19 pandemic. (Bustami et al., 2021) said that Islamic Commercial Bank has no difficulty in terms of profit because Islamic Commercial

Bank shows that management's success in generating and stabilizing profits in good condition before and during the Covid-19 pandemic. Of course, there is hard work from all stakeholders of Islamic banks amid in the pandemic is still planning excellent growth and committed to continue to improve literacy in the community.

**Table 4**  
**Average Difference Test (*Independent Sample Test*)**

Financial Ratio		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	Df	Sig. (2- tailed)
<b>ROA</b>	Equal variances assumed	10,491	0,007	-1,513	12	0,156
	Equal variances not assumed			-1,513	9,377	0,163
<b>CAR</b>	Equal variances assumed	31,121	0,000	-2,656	12	0,021
	Equal variances not assumed			-2,656	6,882	0,033
<b>NPF</b>	Equal variances assumed	0,175	0,684	1,348	11	0,205
	Equal variances not assumed			1,374	10,954	0,197
<b>FDR</b>	Equal variances assumed	0,765	0,399	2,426	12	0,032
	Equal variances not assumed			2,426	10,961	0,034
<b>BOPO</b>	Equal variances assumed	0,013	0,910	3,012	12	0,011
	Equal variances not assumed			3,012	11,997	0,011
<b>NOM</b>	Equal variances assumed	6,709	0,024	-,377	12	0,713
	Equal variances not assumed			-,377	8,631	0,715

Source: Data processed by the author

Then the second variable is CAR which has a Sig. Levene's Test for Equality of Variances value of  $0,000 < 0,05$  means that the variance of data between data before the Covid-19 pandemic and during the Covid-19 pandemic is neither homogeneous nor unequal. Therefore, the interpretation of the Independent Samples Test output table for CAR variables is also guided by the values contained in "Equal variances not assumed". On the line "Equal variances not assumed" for CAR Sig. (2-tailed) value by  $0,033 < 0,05$ , it can be known that there is a significant difference between the average CAR before the Covid-

19 pandemic and during the Covid-19 pandemic. The average CAR of Islamic banking increased by 1.85%. This is due to the capital owned by many Islamic banks which are unemployed or not distributed for financing. Islamic banks are still very careful in responding to unstable economic conditions to prevent the risk of problematic financing (Azmi et al., 2021).

Sig. Levene's Test for Equality of Variances value for NPF variables of  $0,684 > 0,05$  means that the variance of data between data before the Covid-19 pandemic and during the Covid-19 pandemic is homogeneous or equal. Therefore, for the interpretation of the Independent Samples Test output table for NPF variables based on the values contained in "Equal variances assumed".  $0,205 > 0,05$  is an "Equal variances assumed" value that means that the average NPF value before the Covid-19 pandemic and during the Covid-19 pandemic did not have a significant difference.  $0,399$  is a Sig. Levene's Test for Equality of Variances value for variable NPF. The results of this study are in line with research conducted by (Ilhami & Thamrin, 2021) which states that significant NPF ratios show differences in financial performance. This means that Islamic banking in Indonesia is still able to survive amid during a pandemic.

Value of Sig. Levene's Test for Equality of Variances for FDR  $> 0.05$  then the variance data of FDR is homogeneous between before the Covid-19 pandemic and during the Covid-19 pandemic. The line "Equal variances assumed" will be used for the interpretation of the Independent Samples Test output table. On the line "Equal variances assumed" for FDR sig value. (2-tailed) By  $0,032 < 0,05$ , it can be known that there is a significant difference between the average NPF before the Covid-19 pandemic and during the Covid-19 pandemic. Research conducted (Yuni et al., 2021) also presented the same results in research where the Covid-19 pandemic has had an effect on FDR BUS in Indonesia.

Sig. Levene's Test for Equality of Variances value for BOPO variables of  $0,910 > 0,05$  means that the variance of data between data before the Covid-19 pandemic and during the Covid-19 pandemic is homogeneous or equal. Therefore, for the interpretation of the Independent Samples Test output table for BOPO variables based on the values contained in "Equal variances assumed".  $0,011 < 0,05$  is the value of "Equal variances assumed" which means that the average value of BOPO before the Covid-19 pandemic and

during the Covid-19 pandemic has a significant difference.

The last variable is NOM which has a Sig. Levene's Test for Equality of Variances value of  $0,024 < 0,05$  means that the variance of data between data before the Covid-19 pandemic and during the Covid-19 pandemic is neither homogeneous nor unequal. Therefore, the interpretation of the Independent Samples Test output table for NOM variables is also guided by the values contained in "Equal variances not assumed". On the line "Equal variances not assumed" for NOM Sig. (2-tailed) value by  $0,715 > 0,05$ , it can be known that there is no significant difference between the average NOM before the Covid-19 pandemic and during the Covid-19 pandemic.

### Multiple Linear Regression Test

This multiple linear regression test is performed after the sample data successfully passes the classical assumption test consisting of a normality test, heteroskedastic test, autocorrelation test and multicollinearity test. The normality test has been done with the Shapiro-wilk test whose results can be seen in Table 3. Then, heteroskedastic tests have also been conducted with the Glejser test. Glejser test results are displayed in Table 5. Based on the test result in the table, it can be known that all free variables have a sig. value  $>$  of 0.05 to the Abs\_RES ROA. This shows that the data used as a sample is free from heteroskedastic problems.

**Table 5**  
**Glejser Test**

Type		T	Sig.
1	<b>(Constant)</b>	1,777	,119
	<b>CAR</b>	-1,053	,327
	<b>NPF</b>	1,165	,282
	<b>FDR</b>	-,994	,353
	<b>BOPO</b>	-2,224	,062
	<b>NOM</b>	-,664	,528

Source: Data processed by the the author

The autocorrelation test takes into account the durbin-watson and Run test. The Run test was conducted because the durbin-watson values produced by the study were unable to give a decision on whether or not the sample data has an autocorrelation problem. The resulting the durbin-watson value is 2,370 which is  $> 4 - dU$  and  $< 4 - dL$  so that its position

becomes  $4 - dU < d < - dL$  ( $2,2272 < 2,370 < 2,4817$ ). The next test is the Run Test the value produced by Asymp. Sig. (2-tailed) is 1,000 where the value is  $> 0,05$  it can be interpreted that the sample data used is free from autocorrelation problems. The last classic assumption test is the multicollinearity test. Table 6 shows the results of the multicollinearity test of sample data. In the table, it can be seen that the VIF column produces a value of  $< 10.00$  and the value in the tolerance column  $> 0.10$ . So based on these results it can be interpreted that the sample data is free from multicollinearity problems.

**Table 6**  
**Multicollinearity Test**

Type	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
CAR	,326	3,071
NPF	,631	1,584
FDR	,594	1,683
BOPO	,384	2,604
NOM	,337	2,970

Source: Data processed by the author

Table 6 shows the results of t-test (partial test) multiple linear regression. From the five variables, only two significant variables are BOPO and NOM amounts 0,001 and 0,002 respectively. Based on Sig. value CAR, NPF and FDR variables showed insignificant results. The CAR coefficient value is 0,063 which shows its effect on ROA is positive. But Sig. value is  $0,577 > 0,05$  which means insignificant. This following research (Dewi & Sudarso, 2021) which states that in the short term CAR does not affect ROA. CAR will affect ROA if measured over a long period time. The increasing value of CAR Islamic banks means the better the capital position owned by the bank. This capital adequacy ratio can be used by Islamic banks to deal with the risk of losses that may occur.

The NPF variable has a coefficient value of 0,101 which shows a positive influence also on ROA. Sig. value shows insignificant  $0,231 > 0,05$ . The same thing happened to the FDR variable which has a coefficient value of 0,037 which shows a positive influence. Sig. value is  $0,657 > 0,5$  which means the result is insignificant. The results of this study are in line with research conducted (Wahyudi, 2020) which states that partial test findings show

that FDR does not affect ROA. This illustrates that Islamic banks are holding back the pace of financing expansion amid during a pandemic to reduce the risk of default that ultimately affects ROA. (Salsabilla et al., 2021) also conducted a study that said that NPF does not influence ROA.

BOPO variables have different influences than other variables. Based on a coefficient value of -0,569 which shows a negative influence on ROA. Sig. value also showed significant results of  $0,001 < 0,005$ . The results of this study are in accordance with the results of research conducted by (Wahyudi et al., 2021). In the study, BOPO's regression test results also showed negative and significant influences on ROA. The higher the cost of the bank's income means that its operational activities are increasingly inefficient, so the revenue is also small. Therefore, the smaller the BOPO ratio, the better the performance of the bank.

The last variable – NOM, has a positive influence on ROA. The Sig. value  $0,002 < 0,05$  which shows significant results. The effect of Net Operating Margin (NOM) on Return on Assets (ROA) due to the higher value of NOM, the higher value of ROA, which means it will increase revenue sharing on productive assets managed by Islamic commercial banks so that financial performance is increasing. And if the value of NOM is getting bigger, the bank will achieve a greater operational income of managed assets. It causes banks' problems will be smaller (Gibran, 2022).

**Table 7**  
**T-test Multiple Linear Regression**

Type	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
<b>1 (Constant)</b>	4,732	1,614		2,933	0,022
<b>CAR</b>	0,010	0,018	0,063	0,585	0,577
<b>NPF</b>	0,273	0,208	0,101	1,312	0,231
<b>FDR</b>	0,006	0,013	0,037	0,464	0,657
<b>BOPO</b>	-0,064	0,011	-0,569	-5,763	0,001
<b>NOM</b>	0,435	0,094	0,487	4,617	0,002

Source: Data processed by the author

The F test shows a value of  $0,000 < 0,05$  which means that independent variables in the form of CAR, NPF, FDR, BOPO and NOM together and simultaneously offer a

significant effect on ROA. The results of this study are the same as previous research conducted by (Yusuf & Ichsan, 2020) which states that NPF, FDR, BOPO and CAR together influence ROA. Table 8 shows the result of F test in this study.

**Table 8**  
**F test Multiple Linear Regression**

Type	F	Sig.
1 Regression	52,107	.000 <sup>b</sup>

Source: Data processed by the author

The value of coefficient determination in this study is 0,974 which indicates that 97.4% of ROA is affected by independent variables consisting of CAR, NPF, FDR, BOPO and NOM. Meanwhile, the remaining 2.6% is affected by other variables.

### **Research Implications**

Based on the results of the research above, the analysis of the financial ratio values of each quarter can be used to read the situation at Islamic Commercial Banks. The ability to read the condition of Islamic Commercial Banks can be used as a basis for formulating strategies in dealing with the *Covid-19* pandemic. Then, the ROA, NPF and NOM variables have differences between before and after the pandemic. Therefore, Islamic Commercial Banks need to pay more attention to the three financial ratios. How does the difference occur, whether it goes in a good or bad condition. ROA and NOM certainly need to be maintained so that they continue to increase, but NPF must be maintained in low percentage. In addition, the results of the regression indicate that Islamic Commercial Banks must be able to maintain the efficiency of bank operational activities. BUS is expected to be able to reduce the percentage of the BOPO ratio but continue to increase the percentage of the NOM ratio. Therefore, the funds that provide benefits to the BUS must continue to be distributed. For example, Islamic Commercial Banks can distribute the financing to innovative micro and small businesses during a pandemic. Businesses that are able to keep up with the needs of the pandemic are like businessman who can take advantage of technology. It is hoped that through these efforts a win-win solution can arise for both parties. BUS get benefits from the distribution of financing and businessman get additional capital.

## CONCLUSION

Based on the above research, it can be concluded that the financial performance of Islamic Commercial Bank (BUS) in Indonesia during the Covid-19 pandemic is still fairly good. If you look at the quarterly analysis on financial ratios in the form of ROA, CAR, NPF, FDR, BOPO and NOM trends that occur tend to be positive such as ROA, CAR and NOM that experience an increasing trend while NPF, FDR and BOPO show a downward trend. Through the Independent sample t-test, it can also be seen that the financial ratios affected by the Covid-19 pandemic are CAR, FDR and BOPO while other financial ratios namely ROA, NPF and NOM are not affected by the Covid-19 pandemic. Financial ratios in the form of ROA itself are only affected by BOPO and NOM while other financial ratios do not give effect when partially tested. However, all financial ratios affect ROA when tested simultaneously.

Through the results of this research, it can be proven that The Islamic Commercial Bank (BUS) in Indonesia is a fairly strong institution. This institution can also be used as a source of information for various stakeholders. The government can make this research as one of the data to formulate appropriate policies to improve BUS defense to be stronger in the future. These policies are certainly needed considering that the Covid-19 pandemic has not shown signs of ending. People who act as investors and partners of Sharia Commercial Bank (BUS) can use this research as a reference to remain a true partner of BUS and improve Investment in Islamic commercial banks.

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