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Review Article

Comparison of Indonesian Banking Performance Before and During the Covid-19 Pandemic

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Abstract *– This study aims to analyze the differences in ROA, CAR, BOPO, NPL / NPF, LDR / FDR of conventional and syariah banking before and during the Covid-19 pandemic. The data used is secondary data consisting of 9 months of data before the Covid-19 pandemic, namely June 2019 - February 2020 and 9 months of data during the Covid-19 pandemic, namely March 2020 - November 2020. The analytical tool used is the Dependent Sample T difference test. -Test. Research result:1.) The Covid-19 era has reduced the performance of conventional banking in terms of the average ROA, CAR and LDR ratios, while the BOPO and NPL ratios did not differ in performance before and during Covid-19. However, in general the financial performance ratios of conventional banking during the Covid-19 were still in the good category according to Bank Indonesia standards; 2.) The Covid-19 era has increased the performance of syariah banking as seen from the average CAR, OEOI, FDR ratios. However, for the ROA and NPF ratios, there was no difference in performance before and during Covid-19. However, in general, the financial performance ratios of syariah banking during Covid-19 were still in the good category according to Bank Indonesia standards.*

Keywords *- Banking Performance, Conventional and Syariah Banking, Covid-19, Dependent Sample T-Test.*

I. INTRODUCTION

The Covid-19 pandemic in Indonesia, which has been taking place since the beginning of 2020, has had an impact on the structure of people's lives, both socially and economically. The large-scale Social Restriction Policy (PSBB) and New Habit Adaptation (AKB) were taken by the government as an effort to cut the spread of the corona virus. The policy encourages people to adjust their behavior according to health protocols established by the government.

The influence of Covid-19 has a global impact and has broad dimensions across all sectors. Economic growth in the second quarter of 2020 in Indonesia contracted by 5.32% (yoy), down from 2.97% (yoy) in the first quarter of 2020. Restrictions on the PSBB to prevent the spread of the COVID-19 pandemic have limited mobility of people and goods, which in turn reduces domestic demand as well as production and investment activities. Based on the components of the expenditure side, household consumption contracted by 5.51% (yoy), much lower than the performance in the first quarter of 2020 of 2.83% (yoy). Investment registered a contraction of 8.61% (yoy), down from 1.70% (yoy) in the previous quarter (BI, 2020). From the labor side until May 1, 2020, the number of formal sector workers who have been dismissed due to the Covid-19 pandemic was 1,032,960 people and 375,165 formal sector workers who were laid off, while the informal sector workers affected by Covid-19 were 314,833 people. The total number of formal and informal sector workers affected by Covid-19 was 1,722,958 people (Kemnaker, 2020).

As a follow-up to OJK's authority in implementing Perppu No. 1/2020 concerning state financial policies and financial system stability for the handling of the Coronavirus Disease 2019 (COVID-19) pandemic and / or in the context of facing threats that endanger the national economy and / or financial system stability. OJK issued POJK No.11 / POJK.03 / 2020 concerning National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019, and OJK Press Release No. SP37 / DHMS / OJK / V / 2020 concerning OJK to issue a policy package for the continued stimulus of Covid-19, as well as Regulation of the Coordinating Minister for Economic Affairs of the Republic of Indonesia No.6 of 2020 concerning special treatment for KUR recipients affected by the Covid-19 pandemic. This stimulus is to support efforts to maintain financial system stability and encourage the movement of the national economy.

The banking sector is one of the sectors that is affected by the current economic situation. Poor banking performance can be transmitted between banks and can lead to failure of the financial system as a whole or what is known as an

economic crisis. Predicting the financial failure of a bank affected by the pandemic is important at this time because it can be anticipated to prevent or reduce even greater negative effects.

According to its management, banks are divided into two, namely conventional banking and syariah banking. Conventional banking is a bank that runs its operations with an interest system, while syariah banking is a bank that carries out its operational activities with a profit sharing system where the products offered to its customers must be free from the elements of usury (usury, gharar (uncertainty), and maysyir (speculative).

Syariah banks with a profit and loss sharing system prioritize stability over profitability, while conventional banks compared to profit-sharing systems have a weakness in funds that tend to be discriminatory (Sood, 2005). The syariah banking profit sharing system that is applied maintains its performance relatively well and is not swept away by soaring deposit interest rates so that the operating expenses are lower than conventional banks, whereas for conventional banking there is a difference between the amount of interest charged to fund borrowers and the interest rate paid to them. depositors are the biggest source of profit, so that income can affect the financial performance of conventional banking (Sabir, 2012).

Bank performance can be seen from its ability to generate profits or profitability for the company. Profitability can be measured using Return on Assets (ROA). ROA is more focused on the company's ability to obtain earnings in company operations, can be used to measure how well a bank's ability to manage its assets as a whole and can be used to compare performance between banks from one period to another (Kuncoro, 2002). The development of the ROA financial performance ratios of conventional banking and syariah banking is as follows:

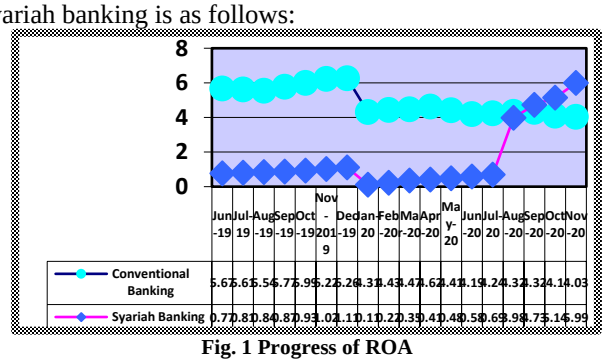

Fig. 1 Progress of ROA

The average ROA of conventional banking and sharia banking decreased from June 2019 to July 2019, but there was an increase in the ROA value from August 2019 to December 2019. The ROA value of conventional banking decreased by 1.95% in January 2020 and decreased by 1.95% 0.21% in May 2020, while syariah banking decreased by 1% in January 2020 and until November 2020 increased. The greater the ROA of a bank, the greater the level of profit achieved by the bank and the better the position of the bank in terms of asset use.

One way to test capital adequacy is by looking at the ratio of capital to various assets of the bank concerned. Where, the bank's capital adequacy ratio is the ratio used to measure the ability of a bank to find sources of funds to finance its activities. One of the banking capital assessments is by analyzing the capital ratio which is described by the CAR (Capital Adequacy Ratio). The assessment can be measured in two ways, namely comparing capital with third party funds and comparing capital with risky assets. The development of the CAR financial performance ratios for conventional banking and Syariah banking are as follows:

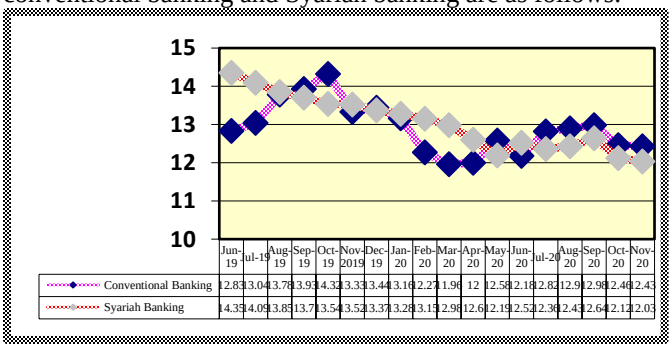

Fig. 2 Progress of CAR

The average CAR for conventional banking has fluctuated every month and Syariah banking tends to decline from August 2019 to May 2020. Looking at the average CAR ratio in Figure 2 shows that the average CAR ratio is above 8%, so it can be said that the condition of the capital in conventional banking and Syariah banking in Indonesia from June 2019 to November 2020 in a healthy condition.

Operating costs with operating income (BOPO) are used to measure the level of efficiency and the ability of a bank to carry out its operational activities. According to Bank Indonesia, BOPO is considered good if it is around 92% (Dendawijaya, 2005). The greater the BOPO value, the more inefficient the operational costs incurred by the bank, so that the possibility of a bank in a problematic condition is getting bigger, and vice versa, the smaller the BOPO value, the more efficient the bank is in carrying out its business activities. The development of the BOPO financial performance ratios for conventional banking and syariah banking is as follows:

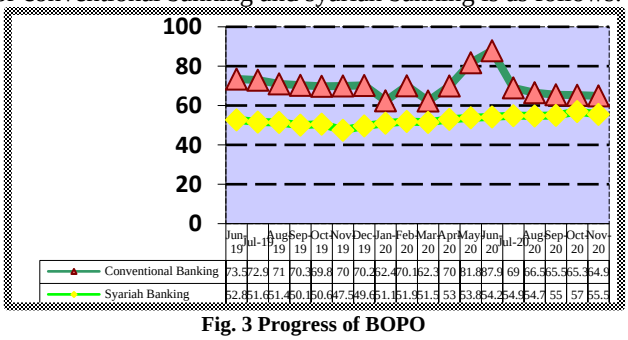

Fig. 3 Progress of BOPO

BOPO for conventional banking and sharia banking from June 2019 to August 2020 tended to fluctuate, but the highest BOPO position for conventional banking occurred in June 2020, amounting to 87.9%, but referring to BI regulations which state that the best BOPO standard is a maximum of 92 %, then conventional banking and syariah banking are still in ideal conditions.

Earning Asset Quality Ratio (KAP) is represented by non-performing earning assets (NPL), which are earning assets with substandard, doubtful and loss-making asset quality. The amount of the NPL ratio or in syariah banking uses the term NPF (non performing financing) which is allowed by Bank Indonesia is a maximum of 5%. The development of the NPL / NPF financial performance ratios for conventional banking and syariah banking is as follows:

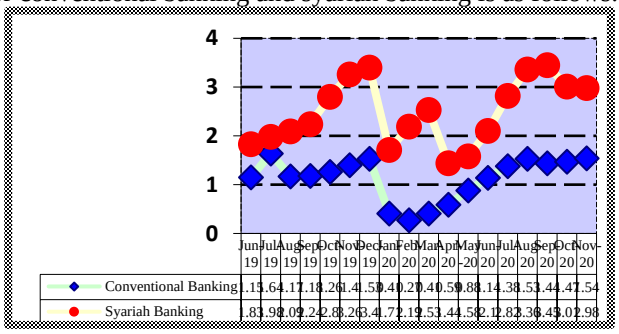

Fig. 4 Progress of NPL and NPF

Conventional banking NPL from August 2019 to December 2019 tended to increase, in January 2020 it decreased by 1.12% and in February 2020 to August 2020 it tended to fluctuate. Meanwhile, the NPF of syariah banking from June 2019 to December 2019 has increased, in January 2020 it decreased by 1.69% and the NPF increased again in May 2020 until August 2020 the NPF value reached the position of 3.36%. This shows that the average NPL / NPF in June 2019 to November 2020 was below 5%, so it can be said that the NPL / NPF condition in conventional banking and syariah banking in Indonesia is in quite good condition, because if it exceeds 5% then the assessment of the health level the bank concerned will be affected, that is, it will reduce the score it gets.

The liquidity of a bank can be explained by the Loan to Deposit Ratio (LDR) / Financing to Deposit Ratio (FDR), which is the ratio between the total amount of financing provided and the funds received by the bank (Dendawijaya, 2005). The development of the financial performance ratio of LDR / FDR in conventional banking and syariah banking is as follows:

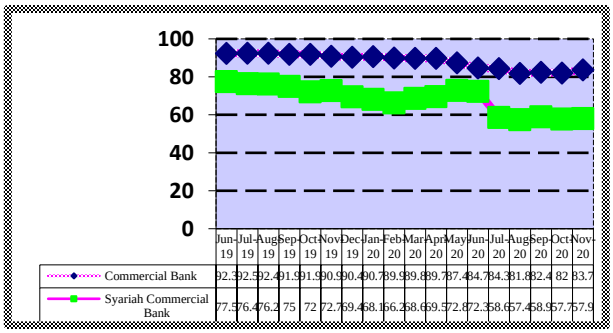

Fig. 5 Progress of LDR and FDR

The average LDR of conventional banks tended to decline during August 2019 to August 2020, only slightly increased by 0.03% in October 2019 and the FDR of syariah banking in Indonesia from August 2019 to August 2020 tended to fluctuate in value, but in June 2020 decreased slightly and in July 2020 experienced a sharp decline of 13.77%. This situation can be caused by unstable macroeconomic conditions, so that banks limit the disbursement of financing. However, based on a Bank Indonesia circular letter in accordance with regulation No. 13/24 / DPN / 2011 namely 78% - 92%, this shows that the average LDR / FDR in June 2019 to November 2020 in conventional banking and syariah banking in Indonesia is in quite good condition.

Based on the experience of the previous crisis, namely the 1997 and 2008 economic crises, it is suspected that syariah banking is more resilient in facing crises than commercial banks (Faiz, 2010), so researchers are interested in examining whether the crisis due to the Covid-19 pandemic has differences in the financial performance of banks before and during the Covid-19 19 if measured by the ratio of ROA (representing profitability ratio), CAR (capital), BOPO (efficiency), NPL or NPF (quality of earning assets), and LDR or FDR (liquidity).

II. EMPIRICAL AND THEORETICAL STUDIES

A. Conventional Banking

Based on article 1 of the Republic of Indonesia Law No. 10 of 1998 dated 10 November 1998 concerning amendments to law No.7 of 1992 concerning banking, namely: "Business entities that collect funds from the public in the form of savings and distribute them to the public in the form of credit and other forms in order to improve the standard of living of the people at large".

The bank as an entity functions as a financial intermediary (financial intermediary) for two parties, namely the party with excess funds (surplus unit) and the party lacking funds (deficit unit). This function also makes the bank an institution of trust, meaning that the funds entrusted to the bank by parties with excess funds are to be managed and channeled to parties who lack funds in the form of credit. This form of trust is by not interfering with the surplus party

in determining to which deficit party the funds will be channeled to parties who are trustworthy (Kasmir, 2008).

Conventional banking is a commercial bank that operates on a conventional principle by setting interest as the selling price. Conventional Bank is a bank that carries out business activities and services conventionally, based on its type, which consists of Conventional Banks and Rural Banks (Putranto, 2009).

B. Risk Theory

Risk is the potential loss due to the occurrence of a certain event. Several types of risk that often occur in banking, namely (POJK, 2016):

1. Credit risk is the risk due to failure of other parties to fulfill obligations to the bank, including credit risk due to debtor failure, credit concentration risk, counterparty credit risk, and settlement risk.
2. Market risk is Risk in the balance sheet position and off-balance sheet, including derivative transactions, due to changes in overall market conditions, including the risk of changes in option prices.
3. Liquidity risk is the risk due to the inability of the bank to meet its maturing obligations from cash flow funding sources and / or from high quality collateralized liquid assets without disturbing the activities and financial condition of the Bank.
4. Operational risk is the risk due to inadequacy and / or malfunction of internal processes, human error, system failure, and / or external events that affect the Bank's operations.
5. Compliance risk is the risk that a bank does not comply with and / or does not implement laws and regulations.
6. Legal risk is the risk due to legal claims and / or weaknesses in juridical aspects.
7. Reputation risk is the risk due to a decrease in the level of stakeholder trust that results from negative perceptions of the bank.
8. Strategic risk is the risk due to inaccuracy in making and / or implementing a strategic decision as well as failure to anticipate changes in the business environment.
9. Risk management is a series of methodologies and procedures used to identify, measure, monitor and control risks arising from all bank business activities.

C. Syariah Banking

Syariah banking is a bank that does not rely on interest but uses profit sharing. syariah banks have a system that is very different from conventional banks, the operating system at syariah banks is carried out by customers saving funds in the bank not with a motive for earning interest, but to get profit sharing from the funds which will then be distributed to those who need for example for business capital but with the profit sharing agreement is in accordance with the agreement between the customer and the bank (Rindawati, 2007).

D. Financial Performance

Financial performance is the company's ability to manage and control its resources. Financial performance can be seen from the income statement of the related company. Where the income statement, part of the Comprehensive Income Statement, reports income and expenses during the current period (Harrison, 2012).

Performance is something that is related to the strengths and weaknesses of the company. Where these strengths are expected to be used and utilized, while the weaknesses are used as benchmarks so that corrective steps can be taken. By making comparisons of company performance against the standards set or with previous periods it will be known whether a company has made progress or vice versa, which is experiencing a setback.

III. RESEARCH METHODOLOGY

This research uses quantitative and qualitative analysis. The data used in this study is secondary data using data 9 months before the Covid-19 pandemic, namely June 2019 - February 2020 and 9 months of data during the Covid-19 pandemic, namely March 2020 - November 2020.

A. Different Test

The t-test difference test or two difference test means is used to determine whether two unrelated samples have different mean values. The t-test difference test is done by comparing the difference between the two mean values with the standard error of the difference in the mean of the two samples. So the purpose of the t-test difference test is to compare the means of two groups that are not related to one another. Do the two groups have the same average value or are they not significantly the same. (Ghozali, 2011) The t test to compare the average of two groups begins by testing whether the data variations in the two groups are the same (Equal variance assumed) or different (Equal variances not assumed). The test used by SPSS is the Levene's Test.

B. Paired Sample T-Test

This method is used to test two paired samples, whether they have significantly different means or not (Santoso, 2010). The steps in this test are as follows:

1) Determining Hypotheses

If H0: $\mu 1 = \mu 2$ (there is no significant difference between the financial performance of conventional banks before and during the Covid-19 pandemic)

If Ha: $\mu 1 \neq \mu 2$ (there is a significant difference between the financial performance of conventional banks before and during the Covid-19 pandemic)

2) Finding the t table value using the significance level $\alpha = 0.5$ with a 2-way test, and db = n-1

3) Decision criteria

If sig. <0.05, then H0 is rejected and Ha is accepted
If sig. > 0.05, then H0 is accepted and Ha is rejected.

C. Hypothesis Testing

Hypothesis testing is done by using Dependent Sample T-test analysis in the SPSS program, the decision making is done by comparing the t-count value with the t-table with the following provisions (Triton, 2006):

a) If the value of t-count <t-table, then Ho is accepted and Ha is rejected
b) If the value of t-count> t-table, then Ho is rejected and Ha is accepted
c) If the significance value of t> 0.05, then Ho is accepted and Ha is rejected
d) If the significance value of t <0.05, then Ho is rejected and Ha is accepted Information:

1. H0 (1): There is no difference in the financial performance of conventional banks before and during the Covid-19 pandemic.
   Ha (1): There are differences in the financial performance of conventional banks before and during the Covid-19 pandemic.
2. H0 (2): There is no difference in the financial performance of syariah banking before and during the Covid-19 pandemic.
   Ha (2): There are differences in the financial performance of syariah banking before and during the Covid-19 pandemic.

IV. RESULT

Table 1. **Average Financial Performance of Conventional Banking and Syariah Banking Before and During COVID-19**

N = 9	Conventional Banking		Syariah Banking	
	Mean		*Mean*	
	Before	**During**	**Before**	**During**
ROA	5,5380	4,3047	0,7463	2,4900
CAR	13,3500	12,4835	13,6547	12,4357
BOPO	70,0328	70,3618	50,7317	54,4081
NPL/NPF	1,1179	1,1583	2,3928	2,5903
LDR/FDR	91,4273	85,0921	72,6086	63,7503

Table 1 shows that the average ROA in conventional banking during Covid-19 decreased from 5.5380 to 4.3047. The decrease in ROA was due to the many restructuring carried out by conventional banking matters, the hampered performance of the quality of loans or loans so that the income from loan interest fell, and a decrease in the potential for new borrowers to increase credit. In contrast to conventional banking, the average ROA in syariah banking has increased during Covid-19 from 0.7463 to 2.4900. This shows that even though the ability of syariah banking to produce profitability is still lower than conventional banking, because it has to bear higher costs of funds or cost of funds accompanied by an increase in operational costs.

The average CAR ratio in conventional banking during Covid-19 also decreased from 13.3500 to 12.4835. The decrease in the CAR ratio was due to the fact that banks had to bear larger operating expenses during Covid-19 and had a tendency to increase the ratio of bad loans from March 2020 of 0.41% to 1.54% in November 2020 so that it affected the performance of the ratio. CAR. Meanwhile, the average CAR ratio in syariah banking during Covid-19 decreased from 13.6547 to 12.4357. This decrease in the CAR ratio shows that syariah banking during the Covid-19 has to bear greater operational costs.

The average BOPO ratio for conventional banking during covid-19 experienced a slight increase from 70.0328 to 70.3618. The increase in the BOPO value is thought to be due to pressure on interest income due to the company's massive credit restructuring since the end of March 2020 in order to save MSMEs affected by Covid-19. Meanwhile, the average BOPO ratio of Syariah banking during Covid-19 experienced a higher increase compared to conventional banking from 50.7317 to 54.4081. The increase in the BOPO ratio indicates that syariah banking is less efficient in managing its profit sharing margins.

The average NPL ratio of conventional banks during Covid-19 increased from 1.1179 to 1.1583. The increase in the average NPL ratio was due to default problems from customers who made loans, customers delayed payments or applied for credit restructuring because their activities were hampered by the existence of Covid-19. The average NPF ratio of syariah banking during Covid-19 increased from 2.3928 to 2.5903. The increase in the NPF ratio was due to the economic downturn due to the pandemic causing an increase in problematic financing in syariah banking.

The average LDR ratio for conventional banking shows a decline during Covid-19 from 91.4273 to 85.0921. The decrease in the LDR ratio shows that conventional banks as intermediary institutions tend to hold back lending to customers due to the sluggish economy. Banks are careful in providing loans and choosing customers who have good credibility. On the average, the FDR ratio of Syariah banking shows a decline during Covid-19 from 72.6086 to 63.7503. The decline in the FDR ratio shows that the ratio of lending by syariah banks is lower than before Covid-19. This is due to lower total outstanding financing and yields as a result of the ongoing loan restructuring process for customers affected by the pandemic.

A. Differences in Financial Performance of Conventional Banks Before and During Covid-19

Analysis of differences in the financial performance of conventional banking was carried out using the paired sample mean difference test analysis. The calculation results are shown in Table 9 which consists of the results of the paired sample test.

Table 2. Differences in Financial Performance of Conventional Banks Before and During Covid-19 (Test of difference in the average paired sample)

N = 9	*Paired Samples Test*		
	Mean Differences	**t**	***Sig (2-tailed)***
ROA (Before-During)	1,23331	5,889	,000
CAR (Before-During)	,86651	4,431	,002
BOPO(Before-During)	-,32891	-,112	,914
NPL (Before-During)	-,04039	-,162	,875
LDR (Before-During)	6,33519	7,881	,000

Based on Table 2, the results of the paired sample test, mean differences indicate the mean difference between financial ratios before and during Covid-19. The t and sig tests (2-tailed) show the significance level of differences in financial ratios before and during Covid-19.

Based on Table 2, overall there are average and significant differences between the ROA, CAR and LDR ratios of conventional banks before and during Covid-19, while the BOPO and NPL ratios of conventional banks before and during Covid-19 have no differences in performance.

The results of the paired sample test ROA, obtained a t-count value of 5.889> 2.3060 t-table at degrees of freedom of 8 (n-1), which means that there is a difference in the average ROA ratio between before covid-19 and during covid-19. In addition, the significance value of t is 0.000 <probability 0.05. So it can be concluded that there is a significant difference between the average ROA ratio before Covid-19 and during Covid-19. Furthermore, the mean differences showed a positive difference between ROA before Covid-19 and during Covid-19, which was 1.23331, which means that the ROA value before Covid-19 was greater than during Covid-19. This shows that there has been a decrease in the ROA ratio during covid-19 by 1.23331.

In the paired sample test CAR results, the t-count value of the CAR variable is 4.431> t-table 2.3060 at degrees of freedom of 8 (n-1), which means that there is a difference between the average CAR ratio before and during the Covid-19 period. 19. In addition, the significance value of t is 0.002 <0.05 probability, so it can be concluded that there is a significant difference between the average CAR ratio before Covid-19 and during Covid-19. The mean differences value shows a positive number of 0.86651, which means that the CAR ratio before Covid-19 is greater than during Covid-19.

Based on the paired sample BOPO test, the t-count value is -0.112 <t-table -2.3060 at degrees of freedom of 8 (n-1), which means that there is no difference in the average BOPO ratio between before covid-19 and during covid. -19. In addition, the significance value of t is 0.914> 0.05 probability. So it can be concluded that there is no significant difference between the average BOPO ratio before Covid-19 and during Covid-19. Furthermore, the mean differences shows the negative difference between BOPO before Covid-19 and during Covid-19, which is -0.32891, which means that the BOPO value before Covid-19 is smaller than during Covid-19. This shows that there has been an increase in the BOPO ratio during covid-19 of -0.32891.

In the paired sample NPL test results, the t-count value of the NPL variable is -0.162 <t-table -2.3060 at degrees of freedom of 8 (n-1), which means that there is no difference between the average NPL ratio before and during covid-19. In addition, the significance value of t is 0.875> 0.05 probability, so it can be concluded that there is no significant difference between the average NPL ratio before Covid-19 and during Covid-19. The mean differences value shows a negative number of -0.04039, which means that the NPL ratio before Covid-19 is smaller than during Covid-19. This shows that there was an increase in the NPL ratio during covid-19 of 0.04039.

Based on the paired sample LDR test, the t-count value is 7,881> t-table 2.3060 at degrees of freedom of 8 (n-1), which means that there is a difference in the average LDR ratio between before covid-19 and during covid-19. In addition, the significance value of t is 0.000 < probability 0.05. So it can be concluded that there is a significant difference between the average LDR ratio before Covid-19 and during Covid-19. Furthermore, the mean differences showed a positive difference between the LDR before Covid-19 and during Covid-19, which was 6.33519, which means that the LDR value before Covid-19 was greater than during Covid-19. This shows that there has been a decrease in the LDR ratio during covid-19 by 1.23331.

B. Differences in Syariah Banking Financial Performance Before and During Covid-19

The analysis of the differences in the financial performance of syariah banking was carried out using the paired sample mean difference test analysis. The results of the calculations are shown in Table 2 which consists of the results of the paired sample test.

Table 3. Differences in Syariah Banking Financial Performance before and during Covid-19 (Test of difference in the average paired sample)

N = 9	*Paired Samples Test*		
	Mean Differences	**t**	***Sig (2-tailed)***
ROA (Before-During)	-1,74366	-2,019	,070
CAR (Before-During)	1,21901	13,874	,000
BOPO (Before-During)	-3,67642	-4,287	,003
NPF (Before-During)	-,19754	-,961	,365
FDR (Before-During)	8,85834	6,303	,000

Based on Table 3, there is a significant difference between the CAR, BOPO and FDR ratios of Syariah banking before and during Covid-19, while there is no significant

difference between the ROA and NPF ratios of syariah banking before and during Covid-19.

Based on the results of the paired sample test, the t-count value of the ROA variable is -2.019 <t-table -2.3060 at degrees of freedom of 8 (n-1), which means that there is no difference between the average ROA ratio before and during covid-19. In addition, the significance value of t is 0.070> 0.05 probability, so it can be concluded that there is no significant difference between the average ROA ratio before Covid-19 and during Covid-19. The mean differences value shows a negative number of -1.74366, which means that the ROA ratio before Covid-19 is smaller than during Covid-19. This shows that there is an increase in the ROA ratio during covid-19 of 1.74366.

Based on the paired sample test, the CAR t-count value is 13.874> 2.3060 t-table at degrees of freedom of 8 (n-1), which means that there is a difference in the average CAR ratio between before Covid-19 and during Covid-19. In addition, the significance value of t is 0.000 <probability 0.05. So it can be concluded that there is a significant difference between the average CAR ratio before Covid-19 and during Covid-19. Furthermore, the mean differences showed a positive difference between the CAR before Covid-19 and during Covid-19, namely 1.21901, which means that the CAR value before Covid-19 was greater than during Covid-19. This shows that there has been a decrease in the CAR ratio during covid-19 by 1.21901.

In the paired sample test results, the t-count value of the BOPO variable is -4,287> t-table -2,3060 at the degree of freedom of 8 (n-1) which means that there is a difference between the average BOPO ratio in the period before and during Covid. -19. In addition, the significance value of t is 0.003 <0.05 probability, so it can be concluded that there is a significant difference between the average OEOI ratio before Covid-19 and during Covid-19. The mean differences value shows a negative number of -3.67642, which means that the BOPO ratio before Covid-19 is smaller than during Covid-19. This shows that there is an increase in the BOPO ratio during covid-19 of -3.67642.

Based on the paired sample test, the NPF t-count value is -0.19754 <t-table -2.3060 at 8 degrees of freedom (n-1), which means that there is no difference in the average NPF ratio between before covid-19 and during covid-19. In addition, the significance value of t is 0.365> 0.05 probability. So it can be concluded that there is no significant difference between the average NPF ratio before Covid-19 and during Covid-19. Furthermore, the mean differences shows the negative difference between the NPF before Covid-19 and during Covid-19, which is equal to -0.19754, which means that the NPF value before Covid-19 is smaller than during Covid-19. This shows that there has been an increase in the NPF ratio during covid-19 of 0.19754.

In the paired sample test results, the t-count value of the FDR variable is 6.303> t-table 2.3060 at degrees of freedom of 8 (n-1), which means that there is a difference between the average FDR ratio before and during Covid-19. . In addition, the significance value of t is 0.000 <0.05 probability, so it can be concluded that there is a significant difference between the average FDR ratio before Covid-19 and during Covid-19. The mean differences value shows a positive number of 8.88534, which means that the FDR ratio before Covid-19 is greater than during Covid-19. This shows that there has been a decrease in the FDR ratio during covid-19 of 8.88534.

V. CONCLUSION

1. The Covid-19 era has reduced the performance of conventional banking in terms of the average ROA, CAR and LDR ratios, while the BOPO and NPL ratios did not differ in performance before and during Covid-19. However, in general the financial performance ratios of conventional banking during the Covid-19 were still in the good category according to Bank Indonesia standards.
2. The Covid-19 era has increased the performance of syariah banking as seen from the average CAR, OEOI, FDR ratio. However, for the ROA and NPF ratios, there was no difference in performance before and during Covid-19. However, in general, the financial performance ratios of syariah banking during the Covid-19 were still in a good category according to Bank Indonesia standards.

VI. SUGGESTIONS

During the Covid-19 pandemic conventional banking can improve financial performance through bank profitability ROA. Bank management must be more courageous in channeling financing to economic sectors that are not affected by Covid-19, so that profits will increase, but still carry out good control and supervision so as to avoid increasing the ratio of bad loans. Overcoming non-performing loans is not only through collection to customers, but can also participate by restructuring the types of loans according to the latest business developments and financial performance. Banks conduct an early review of customers who are indicated to experience NPLs, so that the NPL figures recorded in the bank's books are not too high and will affect the risk. Banks can reduce operational costs which need not be expected to be more efficient in managing their main activities to provide credit because the smaller BOPO shows the level of efficiency of banks in extending credit. In addition, when banks can manage their operational costs to maintain capital and generate profits, it can increase the LDR ratio, because the higher the LDR, the higher the bank's profit, assuming the bank is able to channel its credit effectively so that the funds owned by banks are not idle and can rotate.

During the Covid-19 pandemic, syariah banking can improve performance by more aggressively in marketing products by conducting socialization which is the advantage of products in competition. syariah banking can expand gradually in order to improve quality, be more careful in channeling loans. This was done to avoid increasing problem financing and to maintain the improving ROA performance. The earning asset ratio and the efficiency ratio of syariah banking can be increased by reducing non-performing financing or NPF by restructuring credit based on policies from the OJK, collecting collections from customers, and banks can conduct an earlier review of customers who are indicated to experience NPF, so that the NPF figure which is recorded in the bank's books is not too high and will affect the risk obtained and can reduce operating costs to be more efficient in managing its main activities in providing financing because the smaller the value of BOPO shows the level of efficiency of banks in providing financing, and can increase operating income. This can be done by paying more attention to each financing expansion. The FDR ratio can be a sign of whether a loan can still expand or is otherwise limited because the FDR states how far the banking capacity is in repaying depositors' withdrawals. The higher the FDR, the higher the bank's profit, with the assumption that it can channel credit effectively so that the funds owned by the bank are not idle and can rotate.

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