



Comparison of Indonesian Banking Performance Pre and Post Pandemic Covid-19

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Abstract:

This research aims to determine and analyze the performance of Indonesia's Banking Sub Sector before and during the pandemic. We apply the CAMEL method to assess the Bank's performance via CAR (Capital Adequacy Ratio), NPL (Non-Performing Loan), NPM (Net Profit Margin), ROA (Return on Assets), and LDR (Loan to Deposit Ratio) in both situations. The sample uses 42 banking companies listed on the Indonesia Stock Exchange from 2019 – 2020. The results show that the CAR, NPL, and NPM values during the pandemic have increased compared to before the pandemic. However, the ROA and LDR values decreased during the pandemic compared to before the pandemic. The other findings exhibit no significant differences in CAR, NPL, NPM, ROA, and LDR on bank performance before and during the pandemic. In conclusion, banks should be aware of changes during the pandemic and will change various financial transactions. The research results are also significant for policymakers to make policies that can facilitate the community and the banking world in the post-pandemic era by paying attention to changes.

Keywords: CAMEL, Banking Performance, Covid-19 Pandemic, Bank Health

JEL Classification: G21, M10

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Research Background

The world has experienced the Coronavirus Disease pandemic since 2019 and became a concern by the World Health Organization (WHO) on January 30, 2020, as a Public Health Emergency of International Concern. This Covid-19 pandemic has spread rapidly throughout the world, including Indonesia. As of April 1, 2022, the number of confirmed positive Covid-19 in Indonesia is 6,015,748 cases (Satuan Tugas Penanganan COVID-19, 2021). The policies set by the Government of Indonesia regarding the handling of Covid-19 have impacted people's activities. Economically, these policies create most business sectors to experience problems running their businesses. They cause disruption to the supply chain, reduce production activities, reduce people's purchasing power or consumption, increase unemployment, and reduce economic growth (Nicola et al., 2020).

The Covid-19 pandemic also impacted banking companies in terms of their net profit or loss. This statement is supported by data from Indonesian Banking Statistics, which shows that the growth in the average net profit or loss for banking companies decreased from 123.940 billion Rupiahs in the third-fourth quarter of 2019 to 42.048 billion Rupiahs in the first – second quarter of 2020 with a decrease in the number of net profit or loss on banks in Indonesia is -66.07 per cent. Furthermore, despite an increase in the third-fourth quarter of 2020 to 89.014 billion, in the first – second quarter of 2021, it decreased by -62.61% to 33.285 billion (OJK, 2021). These conditions signify that the Covid-19 pandemic has affected the existence of banking companies as institutions that have a strategic role in the national economy.

Therefore, banking companies are required to have good performance in all conditions, including during the Covid-19 pandemic, so that the function of banks as intermediary financial institutions can run well. In addition, if the bank can maintain its performance's stability properly, the public trust in the bank and the stability of national economic growth will also be maintained. Therefore, for company stability, the banking should maintain financial performance in good condition.

Related to banking performance, according to Bank Indonesia regulation Number 6/10/PBI/2004 dated April 12, 2004, concerning the Rating System for Commercial Bank Soundness Level, the assessment of bank soundness level includes an assessment of CAMEL factors. CAMEL stands for Capital (C), Asset Quality (A), Management (M), Earning (E), and Liability or Liquidity (L), where each of these factors is measured using several ratio indicators. Moreover, Bank soundness level can be analyzed through aspects carried out by Bank Indonesia as outlined in Bank Indonesia Regulation Number 9/1/PBI/2007 concerning Commercial Bank Soundness Rating System using the CAMEL approach, namely the analysis of capital factors, asset quality, management, earnings, and liquidity. The capital factor is capital that is based on the minimum capital requirement of the bank (OJK, 2007, 2019, 2021).

The assessment is based on the Capital Adequacy Ratio (CAR) set by Bank Indonesia, as shown in equation 1 with Table 1 as the parameter. According to Table 1, Banks that have a CAR of more than 12% are very healthy levels, while the value of 9% CAR < 12% is a healthy level, a value of 8% CAR < 9% is a healthy enough level, a value of 6% CAR < 8% is fairly healthy level, and CAR 6% is unhealthy level.

Table 1. CAR Assessment Criteria

CAR Ratio	Rank	Predicate
$CAR \geq 12\%$	1	Very Healthy
$9\% \leq CAR < 12\%$	2	Healthy
$8\% \leq CAR < 9\%$	3	Healthy Enough
$6\% \leq CAR < 8\%$	4	Fairly Healthy
$CAR \leq 6\%$	5	Unhealthy

Source: Bank Indonesia (2021)

Assets are placements of funds in the form of deposited funds or loans, securities, placements of funds in other banks and investments in order to obtain optimal development results. Asset quality can determine the robustness of a financial institution against the loss of value in the asset. A NPL is a loan that defaults because the borrower has not made a scheduled payment for a certain period. While the exact elements of non-performing status may vary depending on the terms of the particular loan, "no payments" is usually defined as zero payments of either principal or interest.

Table 2 explains the bank's soundness based on management with the ratio of Non-Performing Loans (NPL) at several levels. NPL value more than 2%, 2% NPL < 5%, 5% NPL < 8%, 8% NPL < 12% and NPL > 12% met the very healthy, healthy, healthy enough, fairly healthy and unhealthy level, respectively.

Table 2. NPL Assessment Criteria

NPL Ratio	Rank	Predicate
NPL < 2%	1	Very Healthy
2% ≤ NPL < 5%	2	Healthy
5% ≤ NPL < 8%	3	Healthy Enough
8% ≤ NPL < 12%	4	Fairly Healthy
NPL > 12%	5	Unhealthy

Source: Bank Indonesia (2021)

Things that need to be considered in assessing a bank's management are identifying, measuring, monitoring, and controlling the risks that arise through policies and business strategies to achieve the bank's targets. NPM is the net profit ratio to sales or revenue for a business or segment. It measures the net profit a company earns per dollar of revenue earned. An NPM value of more than 100% can be predicated as very healthy, 81% to 100% is healthy, and 60% to 81% can be called healthy enough. Furthermore, the NPM value of 51% -66% is Fairly enough, and lastly, the unhealthy predicate is the NPM value below 51%.

Table 3. NPM Assessment Criteria

NPM Ratio	Rank	Predicate
NPM ≥ 100%	1	Very Healthy
81% ≤ NPM < 100%	2	Healthy
66% ≤ NPM < 81%	3	Healthy Enough
51% ≤ NPM < 66%	4	Fairly Healthy
NPM ≤ 51%	5	Unhealthy

Source: Bank Indonesia (2021)

Earning is a tool to analyze or measure the level of profitability and efficiency of the bank's achievement. It is a component that can generate profits, support profit expansion and cover risks and the level of efficiency. ROA refers to a financial ratio that shows how profitable a company is in relation to its total assets. A higher ROA means the company is more efficient and productive in managing its balance sheet to generate profits, while a lower ROA indicates room for improvement.

Table 4 demonstrates the bank's soundness based on the management aspect with the ratio of Return on Assets (ROA) from a very healthy to an unhealthy level. ROA value of more than 1.5% means very healthy, and a value of 1.25% ≤ ROA 1.5% means healthy. While the value of 0.5% < ROA 1.25% means healthy enough and the value of 0% ≤ ROA 0.5% means fairly healthy. ROA value less than 0% means unhealthy.

Tabel 4. ROA Assessment Criteria

ROA Ratio	Rank	Predicate
ROA > 1,5%	1	Very Healthy
1,25% < ROA ≤ 1,5%	2	Healthy
0,5% < ROA ≤ 1,25%	3	Healthy Enough
0% < ROA ≤ 0,5%	4	Fairly Healthy
ROA ≤ 0%	5	Unhealthy

Source: Bank Indonesia (2021)

The liquidity aspect is based on the willingness of the bank to pay all its debts, especially savings deposits, current accounts and time deposits, when billed and can fulfil all approved financing applications. LDR measures banks' ability to pay all public funds and their capital by relying on financing that has been distributed to the public. Liquidity is a term used to indicate how easily a company can convert its assets into cash. In an emergency, liquidity is essential to enable a business to handle the emergency. Table 5 shows LDR Assessment Criteria from the Very Healthy (LDR ≤ 75%), Healthy (75% ≤ LDR < 85%), Healthy Enough (100% ≤ LDR < 120%) and Unhealthy (LDR ≥ 120%), respectively.

The CAMEL analysis in this study can provide an overview of the good and bad conditions of banking companies' financial performance in facing environmental changes, such as the Covid-19 pandemic. In addition, this study can provide scientific contributions to finance and banking. Firstly, to analyze the performance of the

banking sub-sector in Indonesia before and during the covid-19 pandemic. Secondly, to determine the differences in the performance of the banking sub-sector before and through the covid-19 pandemic in Indonesia.

Table 5. LDR Assessment Criteria

LDR Ratio	Rank	Predicate
$LDR \leq 75\%$	1	Very Healthy
$75\% \leq LDR < 85\%$	2	Healthy
$85\% \leq LDR < 100\%$	3	Healthy Enough
$100\% \leq LDR < 120\%$	4	Fairly Healthy
$LDR \geq 120\%$	5	Unhealthy

Source: Bank Indonesia (2021)

This study is beneficial to see the changes in the banking world before and during the crisis. These changes can become information for bank stakeholders from all sides. In addition, to our knowledge, there has been no study examining the banking world in two contexts during the pandemic in Indonesia.

Research Method

The type of study is quantitative research with a comparative approach to compare the differences in the objects of study. The analytical technique uses a descriptive test and paired sample t-test. The sample is the banking companies listed on the Indonesia Stock Exchange in 2019 – 2020, consisting of 42 companies. This study's assessment of bank soundness uses the CAMEL method, which consists of capital, assets, management, earnings, and liquidity according to Bank Indonesia Regulation Number 9/1/PBI/2007. Capital is measured by the Current Adequacy Ratio (CAR), assets are measured by Non Performing Loans (NPL), management is measured by Net Profit Margin (NPM), Earning is measured by Return on Assets (ROA), and Liquidity is measured by Loan to Deposit Ratio (LDR). This study is conducted in various stages. The initial stage is literature study and empirical study. The next stage is the secondary data collection and the data processing stage. Then, an analysis of the data processing results is carried out. The last stage is to discuss and draw conclusions on the research results.

Results

CAR (Capital Adequacy Ratio) is one of the indicators of the bank's health assessment for the Capital component of the bank's ability to cover the decline in its assets due to bank losses caused by risky assets with adequate capital. The results of the calculation of the overall CAR ratio can be seen in Table 6 below.

Table 6. Descriptive Statistical Results for CAR Ratio

		CAR 2019	CAR 2020
N	Valid	42	42
	Missing	0	0
Mean		26.39	28.22
Minimum		9.01	11.59
Maximum		147.44	91.38

Source: Data Processed (2021)

Based on the data in table 6 above, the average CAR ratio of companies in the banking sub-sector before the COVID-19 pandemic (in 2019) was 26.3979%, which means that they are ranked 1st with a very healthy predicate. In 2020 or during the covid-19 pandemic, the average CAR ratio of the banking sub-sector companies showed an increase of 1.8307% to 28.2286% and was still ranked 1 with a very healthy predicate. The minimum value of the CAR ratio shows 9.01% in 2019 and 11.59% in 2020. The maximum value of the CAR ratio shows 147.44% in 2019 and 91.38% in 2020. These figures indicate that the company is in rank 1 with a very healthy predicate.

NPL (Non-Performing Loan) is one of the indicators for assessing the Bank's health for the Asset Quality component. Therefore, this study is to determine the asset quality of a bank using the ratio of Non-Performing Loans (NPL). The results of the calculation of the overall NPL ratio can be seen in Table 7. Based on the data in table 7 above, the average NPL ratio of companies in the banking sub-sector before the COVID-19 pandemic (in 2019) was 3.7048%, which means they were ranked 2nd with a healthy predicate. In 2020 (during the COVID-19 pandemic), the average NPL ratio of companies in the banking sub-sector showed an increase of 1.8307% to 8.2919% and was still ranked 4th with a reasonably healthy predicate. The minimum value of the NPL ratio is

0.80% in 2019 and 0% in 2020. This figure shows that the company is ranked 1 with a very healthy predicate. The maximum value of the NPL ratio is 11.68% in 2019, which indicates that the company is ranked 4th with a reasonably healthy predicate. In 2020 the NPL ratio showed 182.40%, which indicates that the company is ranked 4th with a reasonably healthy predicate.

Table 7. Descriptive Statistical Results for CAR Ratio

		NPL 2019	NPL 2020
N	Valid	42	42
	Missing	0	0
Mean		3.70	8.29
Minimum		.80	.00
Maximum		11.68	182.40

Source: Data Processed (2021)

NPM (Net Profit Margin) is one of the indicators for assessing the Bank's health for the Management component. The NPM ratio reflects the ability of bank management to manage the company's operations so that the higher the NPM ratio, the better, as indicated by the increase in bank profits. The overall NPM ratio calculation results can be seen in Table 8 below.

Table 8. Descriptive Statistical Results for NPM Ratio

		NPM 2019	NPM 2020
N	Valid	42	42
	Missing	0	0
Mean		82.42	86.61
Minimum		.11	-88.45
Maximum		428.23	640.24

Source: Data Processed (2021)

Based on the data in table 8 above, the average NPM ratio of companies in the banking sub-sector before the COVID-19 pandemic (in 2019) was 82,4257%, which means they were ranked 2 with a healthy predicate. However, in 2020 or during the covid-19 pandemic, the average NPL ratio of the banking sub-sector companies showed an increase to 86.6143% and was still ranked 1 with a very healthy predicate. The minimum value of the NPM ratio shows 0.11% in 2019 and -88.45% in 2020. These numbers indicate that the company is ranked 5th with an unhealthy predicate. On the other hand, the maximum NPM ratio was 428.23% in 2019 and 640.24% in 2020. Those maximum NPM means the company is ranked 1 with a very healthy predicate.

ROA (Return on Assets) is one of the indicators for assessing the Bank's health for the Profitability (Earnings) component. ROA can be used to measure the company's effectiveness in generating profits by utilizing its assets. Its function is to see how effectively banks use their assets to generate income. The results of the calculation of the overall ROA ratio can be seen in Table 9 below.

Table 9. Descriptive Statistical Results for ROA Ratio

		ROA 2019	ROA 2020
N	Valid	42	42
	Missing	0	0
Mean		.91	.45
Minimum		-15.89	-11.27
Maximum		13.60	7.16

Source: Data Processed (2021)

Based on the data in table 9 above, the average ROA ratio of companies in the banking sub-sector before the covid-19 pandemic (in 2019) was 0.9112%, which means that they were ranked 3rd with healthy enough predicate. During the COVID-19 pandemic, the average ROA ratio of companies in the banking sub-sector declined to 0.4569% and was ranked 4th with a reasonably healthy predicate. The minimum ROA ratio shows a value of 15.89% in 2019 and -11.27% in 2020. These numbers indicate that the company is ranked 5th with an

unhealthy predicate. The maximum value of the ROA ratio shows a value of 13.60% in 2019 and 7.16% in 2020. These numbers indicate that the company is ranked 1 with a very healthy predicate.

LDR (Loan to Deposit Ratio) is one indicator for assessing the Bank's health for the Liquidity component. LDR is a measure of liquidity that measures the number of funds placed in the form of loans originating from funds collected by banks (especially the public). Liquidity calculation is used to determine whether a bank can meet obligations that are immediately billed (short term). The overall LDR ratio calculation results can be seen in Table 10 below.

Table 10. Descriptive Statistical Results for LDR Ratio

		LDR 2019	LDR 2020
N	Valid	42	42
	Missing	0	0
Mean		90.44	86.40
Minimum		47.54	39.33
Maximum		163.10	162.29

Source: Data Processed (2021)

Table 10 presents the average LDR ratio of the banking sub-sector companies before the COVID-19 pandemic (in 2019) was 90.4476% and showed a decline to 86.4031% in 2020 or during the COVID-19 pandemic. This figure shows that the company is ranked 3 with a healthy enough predicate. The minimum value of the LDR ratio shows 47.54% in 2019 and 39.33% in 2020. These figures indicate that the company is ranked 1 with a very healthy predicate. On the other hand, the maximum value of the LDR ratio shows 163.10% in 2019 and 162.29% in 2020. These numbers indicate that the company is ranked 5th with an unhealthy predicate.

Inferential analysis in this study is a comparison test. Through the comparison, we can take advantage to answer the second research objective, which is to find out and analyze the differences in the performance of the banking sub-sector in Indonesia between before and during the covid-19 pandemic. The difference test in this study was carried out using a paired t-test as shown Table 11.

Tabel 11. Paired Samples t-Test

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	CAR2019	26.39	42	21.52	3.32
	CAR2020	28.22	42	14.61	2.25
Pair 2	NPL2019	3.70	42	2.37	.36
	NPL2020	8.29	42	27.76	4.28
Pair 3	NPM2019	82.42	42	63.29	9.76
	NPM2020	86.61	42	99.00	15.27
Pair 4	ROA2019	.91	42	3.62	.55
	ROA2020	.45	42	2.63	.40
Pair 5	LDR2019	90.44	42	20.69	3.19
	LDR2020	86.40	42	25.77	3.97

Source: Data Processed (2021)

Tabel 12. Paired Samples t-Test

		Mean	Upper	t	df	Sig. (2-tailed)
Pair 1	CAR2019 - CAR2020	-1,83071	1,67419	-1,055	41	,298
Pair 2	NPL2019 - NPL2020	-4,58714	4,11939	-1,064	41	,294
Pair 3	NPM2019 - NPM2020	-4,18857	32,48552	-,231	41	,819
Pair 4	ROA2019 - ROA2020	,45429	1,05047	1,539	41	,132
Pair 5	LDR2019 - LDR2020	4,04452	10,76559	1,215	41	,231

Source: Data Processed (2021)

Based on table 11 above, it can be concluded that there are no significant (significant) differences in the performance of the banking sub-sector in general between before and during the covid-19 pandemic. In this study, the performance of the banking sub-sector was measured by CAMEL analysis (CAR, NPL, ROA, NPM, and LDR). These indicators can be seen in the sig column, where the value of sig. (2-tailed) for the paired t-test results is above the alpha value of 0.05. Performance assessment with CAR, NPL, and ROA ratios increased during the covid-19 pandemic, but the difference was not significant between before and during the covid-19

pandemic. In addition, performance with the NPM and LDR ratios decreased during the covid-19 pandemic. Their values are the insignificant difference between before and during the covid-19 pandemic.

Discussion

Based on the research results, it is known that there is no significant difference between the performance of the banking sub-sector before the covid-19 pandemic and during the covid-19 pandemic. These results follow the description that the researcher has explained in the background, which states that apart from being intermediary financial institutions, banking companies are also a type of business that relies heavily on public trust, especially users of banking services. Therefore, banking companies try to perform well in all conditions, including during the COVID-19 pandemic, so that the bank's function as an intermediary financial institution can run well. In addition, if the bank can maintain its performance stability well, the public's trust in the bank and the stability of national economic growth will also be maintained (Krugman, Baldwin, & Weder in Mauro, 2020).

The increase in the value of the Capital Adequacy Ratio (CAR) during the covid-19 pandemic showed that the capital or capital owned by banking companies showed good bank capabilities amid the covid-19 pandemic. The abilities of banks to maintain their capital during the pandemic can provide a positive or good signal for interested parties. Moreover, the abilities indicate that the higher the source of funding or capital that can be used to meet its operational needs and the higher the ability of bank management to identify, measure, supervise, and control the risks that can affect the amount of bank capital. Following the composite value determination matrix, the CAR value before and during the COVID-19 pandemic was ranked 1st with a very healthy predicate. The existence of an insignificant difference between the value of the CAR ratio before and during covid shows that the banking sub-sector is able to maintain its good performance. This result is in line with Barua and Barua (2021), which shows an increase in the CAR ratio before and during the covid-19 pandemic.

However, this study shows an insignificant difference between the CAR ratio before and during the covid-19 pandemic. These results support Karim et al. (2021), which show CAR increased before and during the covid-19 pandemic. Interestingly, this study found a significant difference in bank performance as measured by CAR before and during the pandemic. The increase in the value of the Capital Adequacy Ratio (CAR) during the covid-19 pandemic shows that the capital or capital owned by banking companies shows the ability of banks to be good amid the covid-19 pandemic. The ability of banks to maintain their capital during the covid-19 pandemic can give a signal which is positive or good for the interested parties. This signal indicates that the higher the source of funding or capital that can be used to meet its operational needs and the higher the ability of bank management to identify, measure, monitor, and control risks that may affect the amount of bank capital. By the composite value determination matrix, the CAR value before and during the COVID-19 pandemic was ranked 1st with a very healthy predicate.

The same increase also occurred in the value of the Net Performing Loan (NPL) ratio during the covid-19 pandemic. In contrast to the increase in CAR, the increase in NPL during the covid-19 pandemic shows that banking companies are less able to overcome their problem financing problems, so the rating obtained the NPL ratio in 2020 is not healthy. The increase in NPLs during the COVID-19 pandemic resulted from the decreased business expansion of industry and trade players, as well as the bankruptcy of many types of businesses. As a result, the performance of the financial industry, especially banking, was affected (Demirgüç-Kunt, Pedraza, & Ruiz-Ortega, 2021). One of the efforts made by the government to save the operational conditions of banking companies is by issuing policies in the form of credit restructuring. The insignificant difference between the value of the NPL ratio before and during Covid shows that the banking sub-sector can maintain its good performance even though there is an increase in the NPL ratio. However, according to research from Shen, Fu, Pan, Yu, and Chen (2020), there was an increase in NPL before and during the pandemic. The same study also shows significant differences in bank performance as measured by the NPL ratio before and during the COVID-19 pandemic.

The increase that occurred in the value of the Net Profit Margin (NPM) ratio during the covid-19 pandemic showed that management was able to manage resources and use or allocate funds efficiently. Therefore, banking companies, in general, can survive amid the covid-19 pandemic. Per the composite value determination matrix, the NPM value before and during the COVID-19 pandemic was ranked 2 with a healthy predicate. The existence of an insignificant difference between the value of the NPM ratio before and during covid-19 shows that the banking sub-sector can maintain its good performance. These results support Broadstock, Chan, Cheng, and

Wang (2021) which showed an increase in NPM during the COVID-19 pandemic compared to before the pandemic.

The Return On Assets (ROA) ratio of the banking sub-sector decreased during the COVID-19 pandemic when compared to the ROA ratio before the pandemic. The decrease in the ROA ratio indicates that the company's ability to generate profits or profits is not good. The ROA value before the covid-19 pandemic was at level 3 with a fairly healthy predicate, while during the covid-19 pandemic, it was ranked 4 with an unhealthy predicate. This proves that the COVID-19 pandemic impacts the company's ability to earn profits as a result of hampering credit quality performance. The banking sub-sector's profitability level is determined by the operating income earned in each period. The decline in interest income receipts due to the COVID-19 pandemic resulted in a decrease in profit before tax. This makes the company inefficient in its operations, while the number of productive assets does not experience a proportional decline as in normal conditions due to credit restructuring policies and delays in payment of instalments and interest. In addition, credit growth that is disproportionate to the increase in the NPL ratio during the COVID-19 pandemic affects reducing the level of income or profitability of banking companies. However, even though there was a difference between the ROA ratio values before and during the covid-19 pandemic, the difference was insignificant. This indicates that the banking sub-sector is still trying to maintain its performance. This is in accordance with research from Shen et al. (2020) which showed a decrease in the ROA ratio before and during the covid-19 pandemic. This study also showed an insignificant difference between the ROA ratio before the covid-19 pandemic and the ROA ratio during the covid-19 pandemic.

A decrease also occurred in the value of the Loan to Deposit Ratio (LDR) during the covid-19 pandemic. These results indicate that the company's liquidity or liquidity ability to repay withdrawals made by depositors by relying on financing provided as a source of liquidity has increased. By the composite value determination matrix, the LDR value before and during the COVID-19 pandemic was ranked 3, with the predicate relatively healthy. The existence of an insignificant difference between the value of the LDR ratio before and during covid-19 shows that the banking sub-sector can maintain its good performance. This is in accordance with research from (Ho & Zhu, 2004), which stated that the LDR ratio during the pandemic decreased when compared to before the pandemic. This study also shows an insignificant difference in bank performance as measured by LDR between before and during the pandemic.

Conclusion

Based on the results of research that has been done, it can be concluded that the Capital, Asset, and Management ratio during the pandemic has increased compared to the period before the covid-19 pandemic. The capital ratio assessed by CAR before and during the covid-19 pandemic is ranked 1 with a very healthy predicate. The asset ratio assessed by NPL before the pandemic was ranked 2 with a healthy predicate, while it was ranked 4 with an unhealthy predicate during the pandemic. The management ratio assessed by NPM before and during the COVID-19 pandemic was ranked 2 with a healthy predicate. The Earning and Liquidity ratio during the pandemic has decreased compared to before the COVID-19 pandemic. The earnings ratio assessed by ROA before the covid-19 pandemic was at level 3 with a fairly healthy predicate, while during the covid-19 pandemic, it was ranked 4 with an unhealthy predicate. The liquidity ratio assessed by LDR before and during the covid-19 pandemic was ranked 3 with a fairly healthy predicate. The results of this study also show that there are no significant differences regarding the performance of the banking sub-sector in Indonesia before and during the COVID-19 pandemic. However, policymakers should always be aware of any changes, especially in dealing with a pandemic. The so-called new normal life will certainly change people's lifestyles in daily financial transactions even though the results show no significant differences before and during the pandemic. Future research to enrich similar research can take a longer time, namely after the pandemic. In addition, it can add socio-economic variables due to the banking sector during the pandemic.

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