ISLAMIC BANKING PERFORMANCE BASED ON BANK HEALTH BEFORE AND DURING THE COVID-19 PANDEMIC

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Abstract: The research entitled "Sharia Banking Performance Based on Bank Health Before and During the Covid-19 Pandemic" based on the Covid-19 pandemic in Indonesia. This pandemic had an impact on the growth of Indonesian economy as well as the health of banks. Therefore, Indonesian government have been focused in dealing with economic problems and the banking industries, which is predicted to be affected by the pandemic. This research aims to analyze the impact of the Covid-19 pandemic on the performance of Sharia banking by using the health ratio variables of Sharia banks, namely: Non Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return on Assets (ROA), Operating Costs Operating Income (BOPO), and Capital Adequacy Ratio (CAR). This research uses secondary data, namely quarterly financial reports for the two years before (2018-2019) and the two years during the Covid-19 pandemic (2020-2021). The sample used in this research is Sharia Commercial Banks which are included in the second Categories of Commercial Bank Business Activities, namely banks with core capital of at least IDR 1,000,000,000,000 (one trillion rupiah) to less than IDR 5,000,000. 000,000 (five trillion rupiah), including Bank Muamalat Indonesia, Bank BCA Syariah, Bank Panin Dubai Syariah, Bank Mega Syariah, and Bank Aceh Syariah. Data testing methods use descriptive statistics, normality tests, and hypothesis tests. To test normality, use the Shapiro-Wilk test because the sample size is small. Hypothesis testing uses the Paired Sample T-Test for normally distributed data and the Wilcoxon Signed Rank Test for non-normally distributed data using the SPSS 25 program with a significance level of < 0.05, which means there is a significant difference. The results of the research show that there are no significant differences in all the Islamic bank health ratio variables studied, namely Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return on Assets (ROA), Operating Costs, Operating Income (BOPO), and Capital Adequacy Ratio (CAR). In other words, there is no significant difference between before and during the Covid-19 pandemic.

Keywords: *Islamic Bank Performance, NPF, FDR, ROA, BOPO, CAR, Covid-19 Pandemic*

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1. Introduction

In Indonesia and various countries in the world, there have been an outbreaked of Covid-19, which is an infectious disease caused by SARS-CoV-2. The first case of Covid-19 in Indonesia

was announced by the President on March 2, 2020. Over time it turned out that the Covid pandemic had lasted quite a long time, because, until the end of February 2022, the pandemic was still ongoing with the emergence of the new Omicron variant. This Covid-19 pandemic not only had an impact on health but also hinders the growth of the country's economy, especially Indonesia. Research results in Iswahyuni (2021) showed that the impact of the Covid-19 pandemic on the sector economy is 1) Growth in Indonesia's economy could be minus 0.4; 2) Decline in sector of export and import ; 3) Impact on decline activities in the MSME sector; 4) The Rupiah exchange rate weakens against the US Dollar. The Indonesian government needs to arrange various policies that can stabilize the Indonesian economy. One sector that is becoming the focus of government in handling the problem economy is banking. This is because the bank has a strategic position in supporting national development.

The impact of Covid-19 on banking can increase banking credit risk. To anticipate this condition, the Financial Services Authority (OJK) issued regulation number 48/POJK.03/2020 concerning amendments to Financial Services Authority regulation number 11/POJK.03/2020. These regulation regarding national economic stimulus as the countercyclical policy would decrease the impact of the spread of the 2019 coronavirus disease as anticipatory and follow-up steps to encourage optimization of banking performance, maintain financial system stability, and support economic growth. In this regulation, the relaxation policy for debtors affected by Covid-19 still applies with additional regulation to ensure the implementation of risk management and prudential principles for banks.

Muhamad (2017:113) stated that the performance, health, and quality of Islamic banks can be seen from financial performance. To maintain public trust, the level of bank health is important to maintain and improve, because a good level of bank health indicates that the bank is healthy and not easily liquidated so that people trust it and the bank's function as an intermediation institution can be carried out well (Andrianto & Firmansyah, 2019:365). For this reason, banks must be able to maintain public trust by maintaining the bank's soundness level.

Following the POJK No. 8/POJK.03/2014 and Financial Services Authority Circular Letter No. 10/SEOJK.03/2014 concerning the Assessment of the Health Level of Sharia Commercial Banks and Sharia Business Units, explains that the Risk-Based Bank Rating (RBBR) method assesses four factors, namely Risk Profile, Good Corporate Governance, Earnings and Capital (RGEC). In this research, the risk factors used include financing risk, which is proxied by the Non-Performing Financing (NPF) ratio, and liquidity risk, which is proxied by the Financing to Deposit Ratio (FDR). The earnings factor is proxied by the ratio of Return on Assets (ROA) and Operating Costs Operational Income (BOPO). In contrast, the capital factor is proxied by the Capital Adequacy Ratio (CAR) (Annisa et al., 2022).

Research conducted by Veronica Stephanie Sullivan and Sawidji Widoatmodjo analyzed bank financial performance before and during the pandemic (Covid-19) for 43 public bank. The research results show that CAR, NPL, and BOPO have significant differences in bank performance before and during the pandemic. In contrast, ROE and LDR have insignificant differences in bank performance before and during the pandemic. Meanwhile, Ilhami and Husni Thamrin in research analyzing the impact of Covid-19 on the financial performance of Sharia Banking in Indonesia concluded that the CAR, ROA, NPF, and FDR ratios were not significant, indicating that there were differences in financing performance due to Covid-19.

Formulation of the Problem
Based on the background of the problem, the problems in this research are:
1. Is there a difference in Non Performing Financing (NPF) in Sharia Commercial Banks before and during the Covid-19 pandemic?

2. Is there a difference in the Financing to Deposit Ratio (FDR) at Sharia Commercial Banks before and during the Covid-19 pandemic?
3. Is there a difference in Return on Assets (ROA) in Sharia Commercial Banks before and during the Covid-19 pandemic?
4. Is there a difference in Operating Costs and Operating Income (BOPO) at Sharia Commercial Banks before and during the Covid-19 pandemic?
5. Is there a difference in the Capital Adequacy Ratio (CAR) in Sharia Commercial Banks before and during the Covid-19 pandemic?

2. Research Methods

Research Population and Sample

Population in research is all Sharia Commercial Banks in Indonesia up to 2021. Number of Sharia Commercial Banks in existence until 2020 there were 14 banks. Taking samples in this research is done using purposive sampling, namely a method by which selection samples according to the criteria that have been determined as follows:

1. Sharia Commercial Bank registered with the Financial Services Authority (OJK) since 2018-2021, excluding mergers/acquisitions/consolidations banks.
2. Sharia commercial banks are included in the second Categories of Commercial Bank Business Activities, which is the Bank with the lowest Core Capital amounting to IDR 1,000,000,000,000.00 (one trillion rupiah) up to less from IDR 5,000,000,000,000.00 (five trillion rupiah)).
3. Successive Sharia Commercial Banks publish report finance complete published within the period time study namely January 2018 to December 2021.
4. Sharia Commercial Banks give complete information regarding the data needed in the research, including: NPF, FDR, ROA, BOPO, and CAR from year of 2018-2021.

Sharia Commercial Banks that have become samples in research this can see in Table 1.

Table 1: Research Sample

No	Company Code	Name of Sharia Commercial Bank
1	BMI	Bank Muamalat Indonesia
2	BCAS	BCA Syariah Bank
3	BPDS	Bank Panin Dubai Syariah
4	BMS	Bank Mega Syariah
5	BASS	Aceh Sharia Bank

Method of Collecting Data

Data used in research is secondary data obtained from the Financial Services Authority (OJK). Additionally, studies References were carried out for secondary data collection through references nor journals and articles on the internet. This study is designed to analyze the difference in performance finance Islamic banking in two years before the Covid-19 pandemic and two years during the Covid-19 pandemic, by using quarterly data.

Data used in research is related to performance Islamic banking which is variable on the ratio evaluation of bank health, including variable Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return on Assets (ROA), Operational Costs to Income Operational

(BOPO) and Capital Adequacy Ratio (CAR). The definition of operational variable based on SEOJK No. 8/SEOJK.03/2018 can be seen in Table 2.

Table 2: Definitions Operational Variable

No	Variable	Definition Operational	Scale	Measuring Method
1	*Non-Performing Financing* (NPF)	Comparison of problematic financing with the total financial disbursed by Sharia banks	Ratio	$\text{NPF} = \dfrac{\text{Problematic Financing}}{\text{Total Financing}} \ x\ 100\ \%$
2	*Financing to Deposit Ratio* (FDR)	Comparison between the total financing provided by the bank and third-party funds which was successfully collected by the bank	Ratio	$\text{FDR} = \dfrac{\text{Total Financing}}{\text{Third Party Funds}} \ x\ 100\ \%$
3	*Return On Assets* (ROA)	Comparison between profit before tax with Average total assets	Ratio	$\text{ROA} = \dfrac{\text{Profit before tax}}{\text{Average total assets}}$
4	Operating costs to Income Operational (BOPO)	Comparison of operational costs to operational income	Ratio	$\text{BOPO} = \dfrac{\text{Operational Expenses}}{\text{Operating Income}} \ x\ 100\ \%$
5	*Capital Adequacy Ratio (CAR)*	Comparison of Capital to ATMR	Ratio	$\text{CAR} = \dfrac{\text{Capital}}{\text{ATMR}}$

Data analysis method

   Analysis methods used in this research are statistics descriptive, data normality test, and hypothesis test.

1. Statistics Descriptive
   To describe the research data by using:
   1.1. Determine average level (mean), standard deviation, and variance indicator performance finance from ratio financial of two years before the Covid-19 pandemic and two years during the Covid-19 pandemic
   1.2. Determine the mean difference (up/down) of financial indicators company before and during the Covid-19 pandemic.
2. Normality test
   In carrying out data hypothesis testing on an object study, a normality test was carried out to determine test equipment suitable for use in hypothesis testing. According to Ghozali (2018), the normality test is a test carried out to test whether, in the regression model, the dependent variable, and independent of them have normal distribution or not. If the spread of data shows a normal distribution then can use parametric analysis, whereas if the data shows no normal distribution then use non-parametric analysis (Lupiyoadi & Ikhsan, 2015:134).
   Normality test in this research using Shapiro Wilk by comparing mark probability (Asymp Sig 2 Tailed) with alpha = 0.05. The data said Normally distributed is data that has a value probability > 0.05 and vice versa. After the normality test is carried out, then can be known

if the data is normally distributed using a parametric test (paired sample t-test) whereas if the data is not normal, use a non-parametric test (Wilcoxon signed ranks test).

3. Hypothesis testing

The purpose of hypothesis testing is to determine if something hypothesis can accepted or rejected. So that hypothesis is a conclusion that is not final and still needs testing for the truth. The hypothesis in this reseach is: There are significant differences of variabel using in this research including ratio Islamic banking health namely Non Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return on Assets (ROA), Operational Costs to Income Operational (BOPO) and Capital Adequacy Ratio (CAR), before and during Covid 19 pandemic. In this research, the hypothesis test use the paired sample t-test and the Wilcoxon signed rank test.

a. Paired Sample T-test

Paired sample t-test is used to test two samples in pairs, whether have different averages in a way real or not (Lupiyoadi & Ikhsan, 2015:128). The paired sample t-test was used if the data was normally distributed. Researchers' reasons for using the paired sample t-test are to find out the different performances of finance companies before the Covid-19 pandemic and during the Covid-19 pandemic. Criteria testing paired sample t-test using level significance $\alpha = 5\%$ then: a) If the sig. > 0.05 then H_0 is accepted and H_1 is rejected means the second average population is same so there is no a significant difference. b) If the sig value < 0.05 then H_1 is accepted and H_0 is rejected means the second average population is not same so that there is a significant difference.

b. Wilcoxon Signed Rank Test

The Wilcoxon test is something test used to find out if there is or no difference between two samples in pairs and as an alternative to the paired sample t-test if the data is distributed abnormally (Purnomo, 2017:199). For basics taking a decision is as follows: a) If the sig value > 0.05 then H_0 is accepted, meaning there is no a significant difference in performance finance before the Covid-19 pandemic and during the Covid-19 pandemic. b) If the sig value < 0.05 then H_0 is rejected, meaning there is a significant difference in performance finance before and during the Covid-19 pandemic.

Framework Thinking

Based on the conclusion of the results study, and the objectives of research that have been mentioned above, then framework thinking built like the following picture:

Figure 1: Research Model
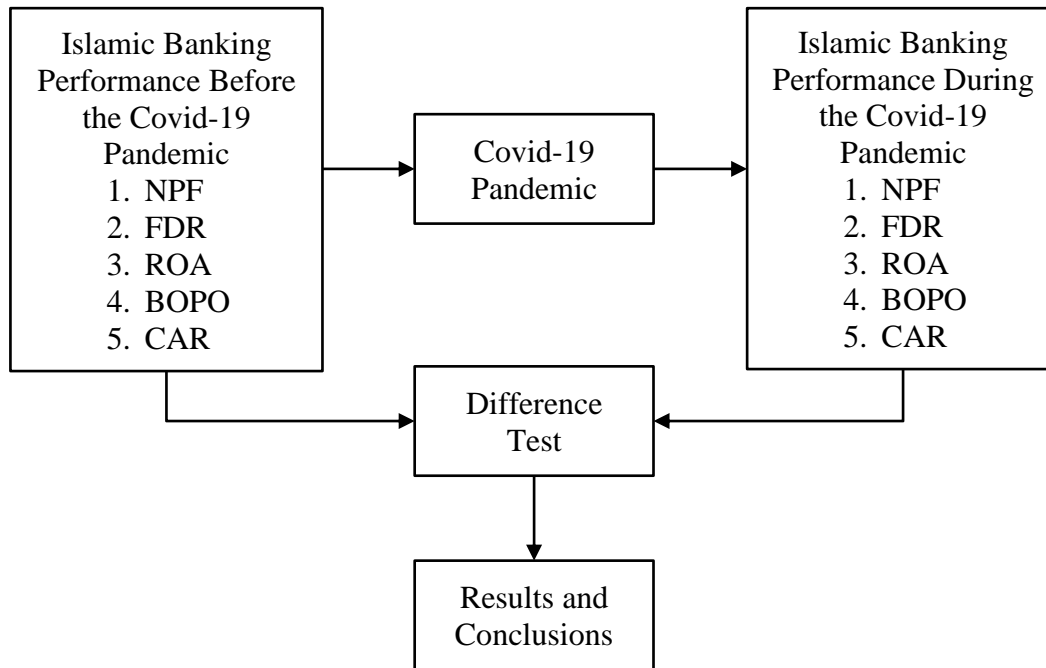
3. Results and Discussion

Sharia Commercial Banks that comply with purposive sampling criteria in research are 5 Sharia Commercial Banks including PT Bank Muamalat Indonesia, PT BCA Syariah, PT Bank Panin Dubai Syariah, PT Bank Mega Syariah, and PT Bank Aceh Syariah.

Statistics Descriptive

The performance of Sharia Banking studied before Covid-19 pandemic in 2018-2019 and during Covid-19 pandemic in 2020-2021 with ratio Islamic banking health including: Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return on Assets (ROA), Operational Costs to Income Operational (BOPO) and Capital Adequacy Ratio (CAR) as follows:

Table 3: Statistics Descriptive

	N	Minimum (%)	Maximum (%)	Mean (%)	Std. Deviation
NPF BEFORE THE PANDEMIC	8	2.44	4.18	2.8940	0.56161
NPF DURING THE PANDEMIC	8	1.10	3.19	2.5643	0.63220
FDR BEFORE THE PANDEMIC	8	80.84	85.88	83.8535	1.58242
FDR DURING THE PANDEMIC	8	71.63	87.88	80.3815	4.99832
ROA BEFORE THE PANDEMIC	8	0.72	1.05	0.9220	0.11285
ROA DURING THE PANDEMIC	8	0.07	1.30	0.8709	0.39647
BOPO BEFORE THE PANDEMIC	8	89.79	94.15	91.7123	1.54057

BOPO DURING THE PANDEMIC	8	87.55	105.96	92.2045	5.91218
CARS BEFORE THE PANDEMIC	8	18.73	22.58	20.8210	1.34406
CARS DURING THE PANDEMIC	8	21.02	27.41	24.7242	2.89083
Valid N (listwise)	8				

Based on Table 3, illustrates description variables in a way statistics. Minimum shows the mark smallest from the observation, maximum shows the mark biggest from the observations, and the mean indicates the results summation mark all data is divided by the number of data, while standard deviation shows root from amount square difference the data value is divided by the average value lots of data. Statistical results show that the average NPF, FDR, and ROA before the pandemic were bigger compared to during the Covid-19 pandemic. Meanwhile, the average BOPO and CAR before the pandemic were lower compared to the average during the Covid-19 pandemic.

Normality test

Normality test aims to find out what is research data normally distributed or abnormal. If results show a mark probability > 0.05 then parametric tests were carried out if the mark probability < 0.05 then nonparametric tests were carried out. The results of the normality test using the Shapiro-Wilk method for the period before the Covid-19 pandemic and during the Covid-19 pandemic can be seen in Table 4 as follows:

Table 4: Normality Test Test Results

	Shapiro-Wilk			Conclusion
	Statistics	df	Sig.	
NPF BEFORE COVID-19	0,756	8	0,010	Abnormal
NPF DURING COVID-19	0,737	8	0,006	Abnormal
FDR BEFORE COVID-19	0,947	8	0,682	Normal
FDR DURING COVID-19	0,952	8	0,729	Normal
ROA BEFORE COVID-19	0,943	8	0,643	Normal
ROA DURING COVID-19	0,893	8	0,247	Normal
BOPO BEFORE COVID-19	0,949	8	0,698	Normal
BOPO DURING COVID-19	0,726	8	0,004	Abnormal
CAR BEFORE COVID-19	0,952	8	0,728	Normal
CARS DURING COVID-19	0,773	8	0,015	Abnormal

Source: Secondary data, processed with SPSS 25.00

Based on the results of the normality test with Shapiro-Wilk, it can be concluded that the NPF, BOPO, and CAR variables show abnormal data because the significance value is less than 0.05 so that a non-parametric hypothesis test (Wilcoxon Signed Ranks Test) is used. While the ROA and FDR variables show a significance of more than 0.05 so that the data is said to be normally distributed, then testing is carried out with a parametric hypothesis test (Paired Sample T-Test).

Hypothesis testing
Hypothesis Test Results can be seen in Table 5 below:

Table 5: Hypothesis Test Results

Hypothesis	Test Type	Ratio	Average before the Covid-19 pandemic (%)	Average during the Covid-19 pandemic (%)	Significance Value	Conclusion
H2	*Paired Sample T-Test*	FDR	83.854	80.382	0.075	Not significant
H3		ROA	0.922	0.871	0.768	Not significant
H1	*Wilcoxon Signed Rank Test*	NPF	2.894	2.564	0.093	Not significant
H4		BOPO	91.712	92.205	0.889	Not significant
H5		CAR	20.821	24.724	0.069	Not significant

Based on the results of the Paired Sample T-Test for the Financing to Deposit Ratio (FDR) at a calculated t value of 2,090 with a significance level of 0.075. The resulting significance value is greater than the specified significance of $0.075 > 0.05$. This shows that H_0 is accepted and H2 is rejected so that it can be stated that there is no significant difference in the FDR ratio two years before the Covid-19 pandemic and two years during the Covid-19 pandemic at Islamic Commercial Banks.

Paired Sample T-Test for Return on Assets (ROA) at a calculated t value of 0.306 with a significance level of 0.768. The resulting significance value is greater than the specified significance of $0.768 > 0.05$. This indicates that H_0 is accepted and H_3 is rejected so that it can be stated that there is no significant difference in ROA two years before the Covid-19 pandemic and two years during the Covid-19 pandemic at Islamic Commercial Banks.

Based on the results of the Wilcoxon Signed Ranks Test on the Non-Performing Financing (NPF) variable, it shows that the significance value of the test results is greater than the specified significance value, which is $0.093 > 0.05$. These results indicate that H_0 is accepted and H_1 is rejected, which states that there is no significant difference in Non-Performing Financing (NPF) two years before the Covid-19 pandemic and two years during the Covid-19 pandemic at Islamic Commercial Banks.

The results of the Wilcoxon Signed Ranks Test on the variable Operating Costs to Operating Income (BOPO) show a significance value greater than the set significance value, which is $0.889 > 0.05$. These results indicate that H_0 is accepted and H_4 is rejected so that it can be stated that there is no significant difference in Operating Costs to Operating Income (BOPO) two years before the Covid-19 pandemic and two years during the Covid-19 pandemic at Islamic Commercial Banks.

The Wilcoxon Signed Ranks test on the Capital Adequacy Ratio (CAR) variable shows that the significance value of the test results is greater than the specified significance value, which is $0.069 > 0.05$. These results indicate that H_0 is accepted and H_5 is rejected, so it can be stated that there is no significant difference in the Capital Adequacy Ratio (CAR) two years before the Covid-19 pandemic and two years during the Covid-19 pandemic at Islamic Commercial Banks.

Difference in Non-Performing Financing (NPF) Before and During Covid-19 Pandemic

Based on the results of Wilcoxon Signed Rank Test testing, there is no difference significant in Non-Performing Financing before and after the Covid-19 pandemic. This is due to the average NPF before the Covid-19 pandemic of 2.894% and during the Covid-19

pandemic amounted to 2.564%. Decline Non-Performing Financing at Sharia Commercial Banks during the Covid-19 pandemic indicates that the level of risk that happens financing problems borne by banks is increasingly low, however not yet seen a significant difference during moment Covid-19 pandemic. A lower NPF can affect the level of profit generated and the formation of capital owned because the financing distributed has minimal risk of problematic financing. Based on an NPF value that is below 5%, the health of Sharia banks is classified as good.

This research result following research previously carried out by Sullivan & Widoatmodjo (2021), Seto & Septianti (2021), and Amitarwati (2021) in the first and second Categories of Commercial Bank Business Activities, Ilhami & Thamrin (2021) and Windawati et al. (2022), show that there are no exist significant differences in Non Performing Financing before and during Covid-19 pandemic. However contrary to the results of research conducted by Amitarwati (2021), results study shows significant differences in Non Performing Financing before and during Covid-19 pandemic.

Differences in Financing to Deposit Ratio (FDR) Before and During the Covid-19 Pandemic

Based on the results Paired Sample T-Test testing does not show a difference significant in Financing to Deposit Ratio before and during the Covid-19 pandemic. This is because the average FDR before the Covid pandemic was 83.854% and during the pandemic, it was 80.382%. The decline in Financing to Deposit Ratio at Sharia Commercial Banks during the Covid pandemic indicates that there is a decline in bank management function the intermediation that is function collects funds from the community and distributes return the funds to society in the form of financing so that matter. It shows that banks are increasingly liquid though the decline of FDR, however there are no different in a way significant. Sharia Commercial Bank is still classified as capable of maintaining and managing the stability of the FDR value. The decline can be influenced by external conditions because circumstances macro our country's economy due to the Covid-19 pandemic factor. However, FDR value during the Covid pandemic based on criteria level Islamic banking is still healthy and classified as Good.

The research result under research previously carried out by Sullivan & Widoatmodjo (2021), Seto & Septianti (2021), Ilhami & Thamrin (2021), Windawati et al. (2022), show that there are no exists significant differences in FDR before and during the Covid-19 pandemic. However contrary to the results of research conducted by Amitarwati (2021), shows that there is a significant difference in the Financing to Deposit Ratio before and during the Covid-19 pandemic in the first and third Categories of Commercial Bank Business Activities.

Differences in Return on Assets (ROA) Before and During Covid-19 Pandemic

Based on the results Paired Sample T-Test testing does not show a difference significant in Return on Assets before and during the Covid-19 pandemic. This was caused by the average ROA before the Covid-19 pandemic of 0.922% and during the Covid-19 pandemic amounted to 0.871%. The decline in Return on Assets in Sharia Commercial Banks during the Covid-19 pandemic indicates the decline in profits clean from every rupiah in total assets owned. During the Covid-19 pandemic, Sharia Commercial Banks are not yet capable and efficient in managing assets to produce a profit. Based on ROA value during the Covid-19 pandemic at the criteria level, the health of Sharia banks is determined as still classified Enough adequate.

The research result previously carried out by Ilhami & Thamrin (2021), Windawati et al. (2022), and Hartadinata & Farihah (2021), where show that there are no exist a significant

difference in Return On Assets before and during Covid-19 pandemic. However contrary to the results of research conducted by Sullivan & Widoatmodjo (2021), the study results shows that there is a significant difference in Return On Assets before and during the Covid-19 pandemic.

Differences in Operational Costs to Income Operational Before and During Covid-19 Pandemic

Based on the research results using Wilcoxon Signed Rank Test testing does not have difference significant impact on operational costs to Income Operational (BOPO) before and during Covid-19 pandemic. This was caused by the average BOPO before Covid-19 pandemic amounted to 91.712% and during Covid-19 pandemic amounted to 92.205%. Increased Operational Costs to Income Operations at Sharia Commercial Banks during the Covid-19 pandemic indicate that happen decline in cost efficiency during the Covid-19 pandemic. However, based on BOPO value during the Covid-19 pandemic at the criteria level, the health of Sharia banks is determined Still classified Enough efficient.

The Research result from following research previously carried out by Windawati et al. (2022) shows that there are no significant difference in Operational Costs to Income Operational (BOPO) before and during Covid-19 pandemic. However contrary to the results of research conducted by Sullivan & Widoatmodjo (2021), the study results shows that there is a significant difference in Operational Costs to Income Operational (BOPO) before and during Covid-19 pandemic.

Difference between Capital Adequacy Ratio (CAR) Before and During Covid-19 pandemic

Based on the research results using Wilcoxon Signed Rank Test testing does not show a difference significant in the Capital Adequacy Ratio before and during Covid-19 pandemic. This caused by the average CAR before the Covid-19 pandemic was 20.821% and during the Covid-19 pandemic, it was 24.724%. The increase in the Capital Adequacy Ratio in Sharia Commercial Banks during the Covid-19 pandemic indicates that the companies have sufficient capital to close or face the possibility of loss in distribution financing although these are not yet been seen a difference in a way significant. This matter means the bank is capable face risk loss well before the Covid-19 pandemic or during Covid-19 pandemic. Based on the CAR value during the Covid-19 pandemic was classified as very healthy.

The research result following research previously carried out by Ilhami & Thamrin (2021), Windawati et al. (2022) and Seto & Septianti (2021), show that there are no exists a significant difference in the Capital Adequacy Ratio before and during the Covid-19 pandemic. However contrary to the results of research conducted by Sullivan & Widoatmodjo (2021), the study result shows that there is a significant difference in the Capital Adequacy Ratio before and during the Covid-19 pandemic.

4. Conclusion
The research was conducted to find out Sharia Banking Performance Based on Bank Health Before and During the Covid-19 Pandemic in Sharia Commercial Banks (BUS) which are included in the second Categories of Commercial Bank Business Activities with core capital of between 1-5 trillion Rupiah. The research uses quantitative data and research models to test five hypotheses. The hypothesis tests used in this research are the Paired Sample T-Test and the Wilcoxon Signed Rank Test via SPSS 25. Based on these tests, it can be concluded that the

financial performance before and during the Covid-19 Pandemic in Sharia Commercial Banks is as follows:

1. The performance of Sharia Commercial Banks (BUS) based on the Non Performing Financing (NPF) ratio in the two years during the Covid-19 Pandemic (2018-2019) showed a decline compared to the two years before the Covid-19 pandemic. The average NPF before the Covid-19 pandemic was 2.894% and during the Covid-19 pandemic, it was 2.564%. This means that the financing risk faced by BUS is getting smaller.

   Based on the results of the NPF ratio hypothesis test, the significance value is greater than the specified significance value, namely $0.093 > 0.05$. These results show that H_0 is accepted and H_1 is rejected so it can be stated that there is no significant difference in Non-Performing Financing (NPF) before the Covid-19 pandemic and during the Covid-19 pandemic in Sharia Commercial Banks.

2. The performance of Sharia Commercial Banks (BUS) based on the Financing to Deposit Ratio (FDR) ratio in the two years during the Covid-19 Pandemic (2018-2019) showed a decline compared to the two years before the Covid-19 pandemic. The average FDR before the Covid-19 pandemic was 83.853% and during the Covid-19 pandemic, it was 80.582%. This indicates a decline in banks managing their intermediation function but reducing their liquidity risk.

   Based on the results of the FDR ratio hypothesis test, the significance value is greater than the specified significance value, namely $0.075 > 0.05$. These results show that H_0 is accepted and H_2 is rejected so it can be stated that there is no significant difference in the Financing to Deposit Ratio (FDR) before the Covid-19 pandemic and during the Covid-19 pandemic in Sharia Commercial Banks.

3. The performance of Sharia Commercial Banks (BUS) based on the Return on Assets (ROA) ratio in the two years during the Covid-19 Pandemic (2018-2019) showed a decline compared to the two years before the Covid-19 pandemic. The average ROA before the Covid-19 pandemic was 0.922% and during the Covid-19 pandemic, it was 0.871%. This indicates a decline in banks managing to generate profits from the assets they own.

   Based on the results of the ROA ratio hypothesis test, the significance value is greater than the specified significance value, namely $0.768 > 0.05$. These results show that H_0 is accepted and H_3 is rejected so it can be stated that there is no significant difference in Return on Assets (ROA) before the Covid-19 pandemic and during the Covid-19 pandemic in Sharia Commercial Banks.

4. The performance of Sharia Commercial Banks (BUS) based on the Operating Costs and Operating Income (BOPO) ratio in the two years during the Covid-19 Pandemic (2018-2019) showed an increase compared to the two years before the Covid-19 pandemic. The average BOPO before the Covid-19 pandemic was 91.712% and during the Covid-19 pandemic, it was 92.205%. This indicates an increase in operational costs resulting in a decrease in efficiency at Sharia Commercial Banks.

   Based on the results of the BOPO ratio hypothesis test, the significance value is greater than the specified significance value, namely $0.889 > 0.05$. These results indicate that H_0 is accepted and H_4 is rejected so that it can be stated that there is no significant difference in Operating Costs and operating Income (BOPO) before the Covid-19 pandemic and during the Covid-19 pandemic at Sharia Commercial Banks.

5. The performance of Sharia Commercial Banks (BUS) based on the Capital Adequacy Ratio (CAR) ratio in the two years during the Covid-19 Pandemic (2018-2019) showed an increase compared to the two years before the Covid-19 pandemic. The average CAR before the

Covid-19 pandemic was 20.821% and during the Covid-19 pandemic, it was 24.724%. This indicates an increase in capital to cover risks in Sharia Commercial Banks.

Based on the results of the CAR ratio hypothesis test, the significance value is greater than the specified significance value, namely $0.069 > 0.05$. These results show that H_0 is accepted and H_5 is rejected so it can be stated that there is no significant difference in the Capital Adequacy Ratio (CAR) before the Covid-19 pandemic and during the Covid-19 pandemic in Sharia Commercial Banks.

Research Limitations
Limitations in conducting this research are as follows:
1. This research uses quarterly data over a short period, namely two years before and two years during the Covid-19 pandemic in the second Categories of Commercial Bank Business Activities of Sharia Commercial Bank.
2. This research only uses five financial ratio variables, namely Non Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return On Assets (ROA), Operating Costs Operating Income (BOPO), and Capital Adequacy Ratio (CAR). Meanwhile, there are other variables besides the five ratios that can be used to compare bank financial performance before and during the Covid-19 pandemic.

Suggested Future Research Agenda
Based on the limitations of this research, suggestions for future research are as follows:
1. In future research, it is hoped that it will be able to take a sample of banks with more Categories of Commercial Bank Business Activities. criteria.
2. Future research is expected to increase the number of variables used to make them more complete and accurate in assessing the financial performance of Sharia Commercial Banks.

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