Islamic and Conventional Banking:  
A Comparison of Financial Performance During the Covid-19 Pandemic

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Abstract  
The research aims to compare the financial performance of Islamic banks with conventional banks during the covid-19 pandemic. The sampling method was a purposive sampling technique and obtained 3 Islamic banks and 3 conventional banks. The data analysis technique is descriptive statistical analysis and to answer the proposed hypothesis using the technique of independent sample t-test and Mann Whitney. Meanwhile, the CAR, NPF/NPL, and FDR/LDR ratios have no difference. Analysis showed that Islamic banks performed better in Capital Adequacy Ratio and Financing to Deposit Ratio. Conventional banks had a better performance from Return on Asset, Return on Equity, Non-Performing Loan, Operating Costs, and Operating Income.

Keywords: Covid-19, Financial Performances, Financial Ratios, Islamic Bank, Conventional Bank.

I. Introduction  
The Covid-19 virus case that hit Indonesia caused various negative impacts in various sectors, including health, the economy, education, tourism, and others. One of the negative impacts that quite affect the condition of Indonesian society is in the economic sector, especially in the banking world. Data from the Central Statistics Agency (BPS) shows that in August 2020, Indonesia's economic growth in the second quarter of 2020 decreased by minus 5.32% (Seto & Septianti, 2021).
The Covid-19 virus pandemic has made the banking sector not optimal in its credit distribution. This problem is caused by the higher risk of default from creditors, where the majority of Indonesian people, both individuals and companies, tend to experience a decrease in income. Data from the Financial Services Authority (OJK) said that in March 2020, wave 2 and 3 credit risk in the banking sector increased compared to the previous year (Wahyudi, 2020).

Banking is a financial institution that has an important role in Indonesia. This is because banks function as intermediary financial institutions between parties who are overfunded and parties who lack funds and also function in facilitating payment traffic (Nafik et al., 2018).

Indonesia has two types of banking systems: conventional banks and Islamic banks. Conventional banks carry out their operational activities in accordance with national and international agreements or based on the formal law of a country. Conventional banks set reference bank interest to earn profits or profits and charge bank interest in terms of the use of funds and loans. Meanwhile, Islamic banks, in carrying out operational activities based on Sharia principles, apply the principle of profit and loss sharing or profit sharing and do not set bank interest on the use of funds or financing (Rachman et al., 2023).

As one of the financial institutions, banks need to maintain their financial performance so that the bank operates optimally. Financial performance is one of the factors that need to be considered by management so that the bank continues to grow to survive. Bank financial performance is a series of analytical actions that must be carried out in order to see how far the bank has implemented financial implementation rules properly and correctly (Pratiwi & Kurniawan, 2017).

Especially in the current era of the Covid-19 pandemic, the banking industry, both conventional banks and Islamic banks, have considerable challenges in dealing with this Covid-19 pandemic (Azhari & Wahyudi, 2020). Conventional and Islamic banks, which in the implementation of their business operations have different principles during this pandemic, are tested for strength and resilience in handling conditions. Between the two banks whether there is a significant difference in their financial performance.

To determine the financial performance of a bank, the parameters used are by analyzing the factors that affect the financial performance of a bank. These factors include financial ratios consisting of Capital Adequacy Ratio (CAR), Return On Asset (ROA), Return On Equity (ROE), Non-Performing Loan (NPL)/Non-Performing Financing (NPF), Loan to Deposit Ratio (LDR)/Financing to Deposit Ratio (FDR), and Operating Costs and Operating Income (BOPO) (Wahyun &; Efizra, 2017). By analyzing these factors, both in conventional and Islamic banks, the final results will be obtained where the results can be known whether there is a significant difference in financial performance between Islamic banks and conventional banks in facing the global Covid-19 pandemic in 2020 in Indonesia.

Several previous studies have analyzed which financial performance is better between Islamic banks and conventional banks. Putri & Iradianty (2020) examined the comparison...
of the financial performance of Islamic banks and conventional banks using the Independent Sample t-test and using LDR, ROA, CAR, NPL, DER, and BOPO financial ratios. Consequently, there was a difference in the DER ratio, while in other ratios, there was no significant difference between the two banks. Purnamasari & Ariyanto (2016) examined the comparison of the financial performance of conventional banks and Islamic banks using the analysis technique used, namely multiple linear regression. The results of the different test studies show a significant difference between the financial performance of conventional and Islamic banks.

Wahyudi (2020) examined the effect of CAR, FDR, BOPO, NPF, and Inflation financial ratios on the profitability of Islamic banking in Indonesia during the Covid-19 pandemic. The results showed that CAR, FDR, NPF, BOPO, and Inflation had an impact on ROA despite the Covid-19 pandemic. Furthermore, Stephanie & Widoatmodjo (2021) conducted a study to analyze financial performance before and during the covid-19 pandemic. The results of this study show that the ratio of CAR, BPL, and BOPO has a significant difference in bank performance before and during the pandemic, while ROE and LDR have an insignificant difference in bank performance before and during the pandemic.

Surya & Asiyah (2020) examined the comparative analysis of the financial performance of BNI Syariah and Bank Syariah Mandiri during the COVID-19 pandemic. In this study, it was found that there was a difference between the financial performance of BNI Syariah banks and Bank Syariah Mandiri from the aspects of ROA, NPF, and BOPO, while from the aspects of CAR and ROE, there was significantly no difference between the performance of the two banks.

Most of the research that has been conducted in comparing the financial performance of Islamic banking with conventional banking is carried out in normal times. No one has specifically researched comparing financial performance between Islamic and conventional banks during the Covid-19 pandemic. In addition, as far as our findings are concerned, this study has no comprehensive financial performance indicator.

Based on previous research gaps, the purpose of this study is a comparative study of financial performance between Islamic banks and conventional banks during the Covid-19 pandemic in Indonesia by analyzing factors, including Capital Adequacy Ratio (CAR), Return On Asset (ROA), Return on equity (ROE), Non-Performing Loan (NPL) /Non-Performing Financing (NPF), Loan to Deposits Ratio (LDR)/Financing to Deposit Ratio (FDR), and Operating expenses and operating income (BOPO). The findings of this study will contribute greatly to the banking industry and government in formulating new policies in the future. So this research must be carried out considering that the banking system in Indonesia adheres to a dual banking system, which during the Covid-19 pandemic, both Islamic banking and conventional banking are tested for strength and resilience in facing this Covid-19 global pandemic.
II. Literature Review

2.1. Islamic and Conventional Banking
Sharia banks are Islamic financial institutions that carry out their business based on Sharia principles, namely the Qur'an and Hadith. In other words, Islamic banks are banks whose operational activities provide financing and other services in payment traffic and money circulation and whose operations are adjusted to Islamic Sharia principles (Nafik et al., 2018).

Conventional banks are commercial banks that operate using conventional principles. The conventional principle is to use the method of charging interest added to the selling price. In determining prices and earning profits, banks use interest as prices for savings products such as savings, current accounts, or time deposits. Likewise, loan products (credit) are determined based on certain interest rates (Nafik et al., 2018).

2.2. Financial Performance
In a company that is never separated from financial problems, it is necessary to have professionals who handle the company's finances in every operational activity to anticipate any shortage or excess funds that may cause bankruptcy. To anticipate this, companies need to measure performance from year to year and conduct evaluations in order to find out the progress and improvement of the company (Winarno, 2019).

Financial performance is a description of a bank's financial condition in a particular year related to the collection and distribution of funds, usually measured using indicators of capital adequacy, liquidity, and profitability (Alinda and Kusuma, 2018). Financial performance is used to assess the level of success of the company in obtaining profits so that it is experienced in seeing the prospects, development, and capabilities of the company by mobilizing all its resources (Rizqi and Syahfitri, 2020).

Understanding and reviewing financial data needs to be done each period to get a clear picture of the company's financial position. Financial statements contain all financial data contained in the company. To determine the company's financial condition, it is necessary to measure using financial analysis tools, namely financial ratio indicators (Tiono and Syahril, 2021).

Financial ratios are numbers obtained from comparing financial statement items with an interconnected and substantial relationship (Herawati, 2019). Financial ratios are the results of the calculation process between two types of bank financial data used to describe the continuity between the two financial data and can be used as criteria for the level of bank health (Amelia & Aprilianti, 2018).

Solvency Ratio
The solvency ratio is a ratio that measures the bank's ability to pay long-term obligations, and the long-term is when the company is liquidated or closed by its owner. This ratio can also compare the number of funds collected from debt and other sources except capital owned by the bank with the total deposit of funds on all types of assets owned by the bank.
In this study, the solvency ratio used is the Capital Adequacy Ratio (CAR). The CAR ratio shows how much of the total amount of bank assets that have risk is also financed by the bank's own capital in addition to obtaining funds from outside bank sources. The minimum CAR shown for commercial banks in Indonesia is 8%.

**Profitability Ratio**

The profitability ratio is the ability of banks to produce capital, assets, and financing to generate profits. This ratio is a ratio that affects investor interest. In this study, the profitability ratios used are Return On Asset (ROA), Return on equity (ROE), and Operating Costs and Operating Income (BOPO).

a. Return On Asset (ROA)
   This ratio is a ratio that shows the ability of the bank as a whole to generate profit before tax and interest with the total amount of assets contained in the bank in a given period. According to the decree issued by Bank Indonesia, a good and healthy ROA is above 1.22%.

b. Return On Equity (ROE)
   It is a description of how far banks manage their capital effectively and estimate the profit level from investments made by capital owners or company shareholders (Sawir, 2001). Based on the provisions issued by Bank Indonesia, a good and healthy ROE is above 12%.

c. Operating expenses and operating income (BOPO)
   This financial ratio measures the level of efficiency and ability of banks to carry out their operational activities. This ratio is also said to be a comparison of operating expenses with operating income. The efficiency of BOPO can be said to be good and healthy if it is below 93.52%.

**Asset Quality Ratio**

All investment funds in the form of rupiah and foreign currencies owned by banks aim at obtaining income in accordance with their duties. Fund management in productive assets is a source of bank acquisition used to cover all operational expenses such as interest, energy, and other operational costs.

In this study, the ratio used is Non-Performing Loan (NPL)/Non-Performing Financing (NPF). OJK sets the maximum limit of NPL/NPF at 5%.

**Liquidity Ratio**

The liquidity ratio describes a bank's ability to pay off its short-term obligations or debts or obligations that have been billed or due. This study, used the Loan to Deposits Ratio (LDR) / Financing to Deposit Ratio (FDR).

Loan to Deposit Ratio (LDR)/Financing to Deposite Ratio (FDR) is used to measure the composition of the amount of credit at conventional banks or the amount of financing at Islamic banks provided compared to the number of public funds and own capital used. According to the provisions issued by Bank Indonesia, a good and healthy LDR/FDR has a figure above 80%-100%.
2.3. Previous Studies

We dig up information from previous studies as a comparison material, either about the existing disadvantages or advantages. Some previous studies have similar reviews from various perspectives. Most studies have been conducted that reflect the differences between conventional banks and Islamic banks (Azhari & Wahyudi, 2020; Ajeng et al., 2021; Iis Alisa, 2023).

Another study by Soko & Harjanti (2022) tested and provided empirical evidence related to differences in financial and market performance before and during the Covid-19 pandemic in banking sector companies listed on the Indonesia Stock Exchange (IDX) in 2019 and 2020. The findings show differences in ROA and PER before and during the Covid-19 pandemic. This research can provide an overview of financial and banking market performance before and during the Covid-19 pandemic. The financial performance proxied by ROA decreased, but the market still responded well, as shown by the average PER that increased.

Furthermore, Muhammad & Nawawi (2022) analyzed the financial performance of Islamic Banks in Indonesia both before and during the Covid-19 pandemic. The bank health analysis tool used is the CAMEL method, with NPF, FDR, ROA, BOPO, and CAR ratios. This finding shows a significant difference in the NPF, ROA, and BOPO ratios of Islamic Banks before and during the Covid-19 pandemic. Meanwhile, there was no significant difference before or during the Covid-19 pandemic for FDR and ROA of Islamic Banks.

Adelline Pungqy (2022) discussed the difference in banking financial performance before and during the Covid-19 pandemic as measured by bank ratios, namely NPL, BOPO, and ROA. The test results show a significant difference on average between financial performance measured using NPL, BOPO, and ROA ratios before the covid-19 pandemic and financial performance measured using NPL, BOPO, and ROA ratios during the covid-19 pandemic.

While Kartika & Shinta Riadi (2022), examined the difference in the financial performance of banks in Indonesia before and after the Covid-19 pandemic, the source of data in this study is the annual financial statements of banks in Indonesia obtained from the Indonesia Stock Exchange (IDX), which are measured based on the CAMEL approach. The results of this study show differences in financial performance measured using the Capital, Management, Earnings, and Liquidity methods while using the Assets method does not show any difference in the financial performance of banks in Indonesia before and after the Covid-19 pandemic.

Research conducted by Pratomo and Fajar (2021) analyzes the impact of the Covid-19 pandemic on the growth of Islamic and conventional banking financial performance in Indonesia. The results prove that Covid-19 has a negative impact on the performance of Islamic and conventional banking. Furthermore, this finding also confirms that the stability of the sustainability of Islamic and conventional banking performance is measured through its ability to create income through productive assets.
Faizah & Amrina (2021) conducted an analysis of differences in the financial performance of conventional banks in Indonesia before and during the Covid-19 pandemic. The test results showed a difference in financial performance with several ratio approaches such as ROA, LDR, and NIM. While the test results differ, the CAR ratio has no difference before and during the Covid-19 pandemic.

Putri Diesy (2020) compared and saw the difference between the financial performance of Bank BRI Syariah and Bank BNI Syariah with several ratios to operating income and fund distribution. The results of this study stated that there was a significant difference in the financial performance of BRI Syariah with BNI Syariah. In contrast, Wangsit & Ida (2020) research analyzed changes in credit performance on profitability. The research applied a qualitative descriptive method, and the object of study was rural banks nationally. The findings showed an increase in the quality of productive assets that has an impact on decreasing the profitability of BPRS nationally.

### 2.4 Conceptual Framework

The framework of thinking related to the comparison of the financial performance of Islamic banks with conventional banks can be described as follows:

![Figure 1. Frame of Mind](image)

### III. Methodology

This research applied a comparative approach to see if there are differences in financial performance indicators that will be analyzed in each bank, including CAR, ROA, ROE,
NPL/NPF, LDR/FDR, and BOPO. This study took data from 12 Islamic banks and 12 conventional banks. Our data sources are obtained from the financial statements of each bank for the sample period covering February-March 2022. To our knowledge, there is no research on this period. Banks have gone through the first two years of dealing with the COVID-19 pandemic during this period. Next, conduct a difference test to answer the main purpose of this study with the Mann-Whitney test.

IV. Results and Analysis

Table 1 Mann-Whitney CAR Test showed that the results of asymp. Sig. (2-tailed) is 0.564. Because 0.564 is greater than 0.05, H1 is rejected, and there is no significant difference between the CAR ratio in Islamic and conventional banks. When viewed from the mean number rank, Islamic banks are at 13.33%, slightly greater than conventional banks at 11.67%.

<table>
<thead>
<tr>
<th>RATIO</th>
<th>BANK</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>Sharia</td>
<td>12</td>
<td>13.33</td>
<td>164.00</td>
</tr>
<tr>
<td></td>
<td>Conventional</td>
<td>12</td>
<td>11.67</td>
<td>140.00</td>
</tr>
</tbody>
</table>

Test Statistics

- Mann-Whitney U: 62.000
- Wilcoxon W: 140.000
- Z: -0.577
- Asymp. Sig. (2-tailed): 0.564
- Exact Sig. [2*(1-tailed Sig.)]: .590

Source: Data Processed by Researchers (2023)

The results of this study mean that the COVID-19 pandemic has no impact on the value of CAR in international and conventional banks. Both are in a healthy CAR position, which exceeds the minimum CAR limit, where the minimum CAR limit is 8%. Thus, both Islamic and conventional banks can overcome the risk of loss that banks may face from any credit/financing activities or risky productive assets.

When viewed from the minimum and maximum values in descriptive statistical tables, Islamic banks are higher than conventional banks. Thus, it can be concluded that the CAR rate of Islamic banks is healthier compared to conventional banks. Studies have found no significant difference between the CAR ratio in Islamic banks and conventional banks as the results of the study (Eka et al., 2023; Muhammad & Nawawi, 2022; Pransiska & Scientific, 2022; Mahendra et al., 2021).

Table 2 of the Mann-Whitney ROA test shows that the asymp. Sig. (2-tailed) is 0.007. Since 0.007 is less than 0.05, H2 is accepted, and it can be concluded that there is a significant
difference between the ROA ratio in Islamic and conventional banks. When viewed from the
*mean rank*, Islamic banks are at 8.58%, smaller than conventional banks at 16.42%.

<table>
<thead>
<tr>
<th>Table 2. Mann-Whitney ROA Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>RATIO BANK N Mean Rank Sum of Ranks</td>
</tr>
<tr>
<td>ROA Sharia 12 8.58 103.00</td>
</tr>
<tr>
<td>Conventional 12 16.42 197.00</td>
</tr>
<tr>
<td>Total 24</td>
</tr>
</tbody>
</table>

**Test Statistics**

<table>
<thead>
<tr>
<th>ROA Mann-Whitney U Wilson W Z Asymp. Sig. (2-tailed) Exact Sig. [2*(1-tailed Sig.)]</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.000 103.000 -2.714 0.007 .006b</td>
</tr>
</tbody>
</table>

*Source: Data Processed by Researchers (2023)*

The results of this study mean that the COVID-19 pandemic has an impact on the average
ROA value of Islamic and conventional banks, where the average value of both banks has
decreased. When viewed from the minimum value ever obtained, both have been below the
minimum ROA limit set, Islamic banks are 0.81%, and conventional banks are 0.54%. Islamic banks have an average value that is below the average value of conventional banks and is also in a position that is not ideal because it is below the provisions set by Bank Indonesia, which is 1.22%. Therefore, Islamic banks are expected to improve their ability to
utilize existing assets as much as possible to obtain maximum profits. This finding aligns
with research that has been conducted (Ilham & Thamrin, 2021; Princess Diesy, 2020).

Table 3 of *mann* whitney ROE test results, obtained asymp number. Sig. (2-tailed) is 0.008.
Because 0.008 is less than 0.05, H3 is accepted, and it can be concluded that there is a
significant difference between the ROE ratio in Islamic and conventional banks. When viewed from the *mean rank*, Islamic banks are at 8.67%, smaller than conventional banks at
16.33%.

<table>
<thead>
<tr>
<th>Table 3. Mann-Whitney ROE Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>RATIO BANK N Mean Rank Sum of Ranks</td>
</tr>
<tr>
<td>ROE Sharia 12 8.67 104.00</td>
</tr>
<tr>
<td>Conventional 12 16.33 196.00</td>
</tr>
<tr>
<td>Total 24</td>
</tr>
</tbody>
</table>

**Test Statistics**

<table>
<thead>
<tr>
<th>ROE Mann-Whitney U Wilson W</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.000 104.000</td>
</tr>
</tbody>
</table>
The results of this study mean that during the Covid-19 pandemic, it has an impact on decreasing the average value of ROE in both Islamic and conventional banks. In Islamic banks, the average ROE value is below the ideal limit, namely the minimum ROE value of 12%, and is below the average value of conventional banks, so conventional banks are superior to Islamic banks. However, when viewed from the descriptive statistics table’s minimum value, both have been below the minimum value of ROE. Therefore, Islamic and conventional banks need to improve the more effective and efficient management of all equity so that the profits generated are even greater. This study is in line with the findings (Kartika, Shinta Riadi, 2022).

Table 4 of mann whitney NPL/NPF test results, obtained asymp number. Sig. (2-tailed) which is 0.453. Because 0.453 is more than 0.05, H4 is rejected, and it can be concluded that there is no significant difference between the NPF/NPL ratio in Islamic and conventional banks. When viewed from the mean rank figure, Islamic banks are at 13.58%, slightly greater than conventional banks at 11.42%.

<table>
<thead>
<tr>
<th>RATIO</th>
<th>BANK</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPF/NPL</td>
<td>Sharia</td>
<td>12</td>
<td>13.58</td>
<td>163.00</td>
</tr>
<tr>
<td></td>
<td>Conventional</td>
<td>12</td>
<td>11.42</td>
<td>137.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>24</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Test Statistics**

<table>
<thead>
<tr>
<th>NPF/NPL</th>
<th>Mann-Whitney U</th>
<th>Wilcoxon W</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPF/NPL</td>
<td>59.000</td>
<td>137.000</td>
</tr>
<tr>
<td>Z</td>
<td>-.751</td>
<td></td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>0.453</td>
<td></td>
</tr>
<tr>
<td>Exact Sig. [2*(1-tailed Sig.)]</td>
<td>.478⁹</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed by researchers (2023)

The results of this study mean that during the COVID-19 pandemic, it has an impact on the management of non-performing loans and/or financing. When viewed from the distribution of bank financial ratios, the value of NPL / NPF fluctuates. The average of the two NPF/NPL ratios in the two banks is still below the ideal limit of healthy banks, which is below 5%, but when viewed from the maximum value of the descriptive stasdot table, Islamic banks were at the maximum NPF / NPL limit that has been set, which is at 5%. This means that conventional banks can manage non-performing loans slightly better than the management of non-performing financing at Islamic banks. This study is in line with the findings (Pransiska &; Scientific, 2022).
Table 5 of Mann-Whitney BOPO test results obtained asymp. Numbers. Sig. (2-tailed) which is 0.004. Since 0.004 is more than 0.05, H6 is accepted, and there is a significant difference between the BOPO ratio in Islamic banks and conventional banks. When viewed from the mean rank, Islamic banks are at 16.67%, greater than conventional banks, which is 8.33%. This finding is in line with (Azhari & Wahyudi, 2020).

<table>
<thead>
<tr>
<th>RATIO</th>
<th>BANK</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOPO</td>
<td>Sharia</td>
<td>12</td>
<td>16.67</td>
<td>200.00</td>
</tr>
<tr>
<td></td>
<td>Conventional</td>
<td>12</td>
<td>8.33</td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>24</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Test Statistics**

- BOPO
- Mann-Whitney U: 22.000
- Wilcoxon W: 100.000
- Z: -2.887
- Asymp. Sig. (2-tailed): 0.004
- Exact Sig. [2*(1-tailed Sig.)]: .003

Source: Data Processed by Researchers (2023)

The results of this study mean that the Covid-19 pandemic had an impact on the average value of BOPO, in Islamic banks the average value of BOPO decreased compared to the average value of BOPO in the previous year, meaning that the BOPO of Islamic banks in this study was better than the previous year. While in conventional banks, the BOPO value in this study slightly increased compared to the previous year, meaning that the BOPO of conventional banks in this study was slightly less good than the previous year. When viewed from the mean results of the descriptive statistical table, the average value of conventional bank BOPO is superior to Islamic banks. However, both are still below the predetermined BOPO regulatory limit of 93.52%. When viewed from the results of the minimum and maximum values of the descriptive statistics table, Islamic banks excel at the minimum value, and conventional banks excel at the maximum value. This study does not align with the findings (Mahendra et al., 2021; Faizah & Amrina, 2021).

The results of Table 6 of the Independent Sample T-test FDR/LDR test can be seen as the results of asymp. Sig. (2-tailed) of 0.780. Because 0.780 is greater than 0.05, H5 is rejected, and it can be concluded that there is no significant difference between FDR/LDR in Islamic and conventional banks. When viewed from the mean, Islamic banks are 82.6608%, slightly greater than conventional banks, which are 81.5908%.
Table 6. Independent Sample Test T-TEST FDR/LDR

<table>
<thead>
<tr>
<th>Ratio</th>
<th>BANK</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sharia</td>
<td>12</td>
<td>82.6608</td>
<td>10.08046</td>
<td>2.90998</td>
</tr>
<tr>
<td></td>
<td>Conventional</td>
<td>12</td>
<td>81.5908</td>
<td>8.35099</td>
<td>2.41072</td>
</tr>
</tbody>
</table>

Independent Samples Test

Levene's Test for Equality of Variances

<table>
<thead>
<tr>
<th>FDR/LDR</th>
<th>Equal variances assumed</th>
<th>Equal variances are not assumed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>0.825</td>
<td>0.283</td>
</tr>
<tr>
<td>Sig.</td>
<td>0.374</td>
<td>21.264</td>
</tr>
<tr>
<td>T</td>
<td>0.283</td>
<td>0.283</td>
</tr>
<tr>
<td>Df</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.780</td>
<td>0.780</td>
</tr>
</tbody>
</table>

Source: Data Processed by Researchers (2023)

The different tests show that Islamic banks are higher in fulfilling financial obligations that must be met. The distribution data shows that the FDR/LDR ratio fluctuates and is below the predetermined FDR/LDR value limit. However, when viewed from the average value of Islamic banks of 82.66% and conventional banks of 81.59%, both are still at the level of FDR/LDR ratio is quite good because it has a value above 80%.

The results of this study mean that the Covid-19 pandemic has an impact on the FDR/LDR value of both Islamic and conventional banks, where the maximum and minimum values of both banks were lower than the healthy limit of 80%-100%. In addition, both Islamic and conventional banks have decreased when viewed from the average value of FDR/LDR before and after the Covid-19 pandemic. However, both are still above the healthy FDR/LDR numbers limit. The challenge for Islamic and conventional banks during the Covid-19 pandemic is to increase the amount of credit/financing disbursed by taking into account the quality of debtors so that with the increase in the LDR ratio, the level of profit that will be achieved is even greater. In line with these findings, research conducted by (Adelline Pungqy, 2022; Dimas, Pratomo & Rahmat Fajar, 2021; Kartika, Shinta Riadi, 2022).

V. Conclusion and Recommendation

The results of different tests on financial performance indicators of Islamic banks and conventional banks conclude two broad lines, namely that there are no significant differences that include CAR, FDR/LDR, and NPL/NPF, and there are substantial differences in ROA, ROE, and BOPO. We suggest future research adding external indicators covering inflation, the rupiah exchange rate, and GDP to get a broader picture of financial performance. Based on these findings, regulators can provide alternative policies to anticipate the possibility of future external financial turmoil such as pandemics.
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