ABSTRACT

The study in this research is to analyze the differences and effects of credit reorganization policies on the financial performance of Conventional Commercial Banks in Indonesia during normal times and the Covid-19 pandemic. Financial performance in this study uses the capital ratio (CAR), credit quality (NPL), liquidity (LDR), and profitability (ROA) as dependent variables, while the independent variables are a mixture of fixed factors and covariates. The fixed factor in this case is credit restructuring carried out in two different periods, namely normal times (2017-2019) and pandemic (2020-2022). While the covariate in this study is credit. The sample of this study uses data from all Conventional Commercial Banks in Indonesia that implemented credit restructuring policies during the Covid-19 pandemic as many as 56 banks in the period 2017-2022. Data analysis uses a difference test between the average values of different groups using a sample t-test and MANCOVA test to analyze the influence and relationship between two or more variables studied.

The research findings show that there are significant differences in CAR, LDR and ROA, but there is no significant difference in NPL in Conventional Commercial Banks that implement credit restructuring policies during normal and pandemic periods. In addition, the implementation of credit restructuring policies and the amount of credit together have a significant effect on the financial performance (CAR, NPL, LDR and ROA) of Conventional Commercial Banks during normal and pandemic periods.

Keywords: Capital, Credit Risk, Liquidity, Financial Performance, Credit Restructuring, Commercial Banks, Covid-19