

ABSTRACT

Coronavirus Disease (COVID-19) has become a formidable challenge for the current development of the world economy, including the banking sector. This study aims to analyze the factors that affect the financial performance of Islamic banking in Indonesia during the COVID-19 pandemic in 2020, by conducting a study on Islamic Commercial Banks in 2018 – 2020. The financial performance of Islamic banking is measured using the Return on Assets (ROA) ratio which is used as the dependent variable. Meanwhile, the independent variables used are Capital Adequacy Ratio (CAR), Non Performing Finance (NPF), Financing to Deposit Ratio (FDR), Operational Income to Operational Revenue (BOPO), and COVID as a dummy variable.

The population in this study consisted of Islamic banking in Indonesia registered on the Financial Services Authority in 2018 – 2020. The research sample of 93 was obtained from quarterly reports published by the Financial Services Authority and the websites of each Islamic Commercial Bank. Data were taken using purposive sampling method and analyzed using multiple linear regression method OLS (Ordinary Least Square) and SPSS 21 analysis tool.

The results of this study partially show that CAR hasn't positive effect and insignificant on ROA. Meanwhile, the independent variables are NPF, FDR, and COVID together have a significant negative effect on ROA. BOPO was excluded from the multiple linear regression test, because it has high correlation data on ROA.

Keywords: Financial Performance, Islamic Commercial Banks, ROA, CAR, NPF, FDR, BOPO, COVID-19.