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Analysis of Financial Performance Comparison Between Islamic Banking and Conventional Banking During Covid-19 and Post-Covid-19 Periods

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A B S T R A C T

The purpose of this study is to compare the financial performance between Islamic banks and conventional banks. This research falls under the category of comparative research with a quantitative approach. The research population includes banks registered with the Financial Services Authority (OJK) during the period 2020-2022. The sample selection method used purposive sampling technique. The data collected in this study will be analyzed using ratios CAR, NPL/NPF, ROA, and BOPO. This research involves two stages of testing, namely descriptive statistical testing and hypothesis testing. The results of the research show that there is no significant difference in the financial performance between Islamic banks and conventional banks.

INTRODUCTION

The COVID-19 pandemic that struck Indonesia during the years 2020-2021 has brought a year filled with sorrow for this country. As a result of this situation, the Indonesian government has taken steps to focus on several sectors, including the banking sector. The COVID-19 pandemic has become a significant issue for the banking sector because banking plays a crucial role in providing investment funds for businesses and as a tool that supports government policies. Indonesia has two main types of banking, namely Islamic banking and conventional banking. There are differences between the two in terms of the products offered and the performance of the companies, especially concerning returns and profit distribution (OJK, 2019).

In 2018, the Vice President of Indonesia, Jusuf Kalla, once stated that during the monetary crisis in 1998, one of the banks that remained strong was Bank Muamalat. This was because, according to him, "Islamic banks sell products in accordance with the actual conditions, so there is no crisis triggered by Islamic banks" (source: cnnindonesia.com). However, a different view emerged in the context of the COVID-19 pandemic. Adiwarman Karim, an Islamic economics observer, argued that in this situation, the Islamic banking industry would face pressure earlier than the conventional banking industry. The reason is that Islamic banking is at risk of facing several potential problems, such as non-performing loan risk, market risk, and liquidity risk (source: banksyariahmetromadani.co.id). This condition is expected to impact the performance and profitability of Islamic banking (Wahyudi, 2020).

After the pandemic ended in 2022, there are predictions that the global economy will experience a recession in 2023. President Joko Widodo responded to this by stating that the current global uncertainty is a source of concern for many countries, including Indonesia. There are five countries experiencing inflation spikes above 80%. Meanwhile, inflation in Indonesia in November 2022 reached 5.42%, and it is expected to reach 6% by the end of 2022. Finance Minister Sri Mulyani Indrawati revealed that the threat of recession and global economic slowdown in 2023 is a challenging situation (source: kpbu.kemenkeu.go.id).

With the emergence of the COVID-19 pandemic and the global economic crisis, banking institutions have increasingly needed to prepare themselves to face this situation. Essentially, a healthy bank is one that can continuously improve its performance and remain resilient in any situation or condition. Performance is a key aspect of concern for all parties involved in banking. Research by Bitar et al. (2020) indicates that the financial performance of a bank is considered efficient when it has high levels of liquidity and capital.

Research conducted by Fakhri and Darmawan (2021) concludes that the COVID-19 pandemic has the potential to impact the financial performance of banking in Indonesia, including both Islamic and conventional banks. This is because banking performance can be observed through financial reports, which are subsequently analyzed using methods suitable for banking needs to evaluate financial performance, and the results of this analysis will be made public.

This research chooses to focus on Islamic and conventional banking institutions registered with the Financial Services Authority (OJK), with the aim of comparing the financial performance of these two types of banking during the COVID-19 pandemic and beyond. This study differs from previous research because it not only examines the financial performance of Islamic and conventional banking during the pandemic but also after the pandemic has ended. In contrast, previous research was more focused on the performance of Islamic and conventional banking before and during the pandemic. This research is based on the belief that the Islamic banking system may be more resilient than conventional banking. Some previous studies, such as those conducted by Fatmawati, Syamsul, et al. (2022), Ilhami and Husni (2021), and Muhammad Lutfi (2022), indicate that Islamic banking in Indonesia remained stable during the pandemic. However, research on banking financial performance during the pandemic and in the context of predicting a global economic crisis is still limited. For example, research conducted by Laili (2021) has limitations in the research timeframe, covering only the years 2019-2020. Therefore, this research is important to complement the existing literature. The results of this research are expected to serve as a reference for banking institutions to improve their financial performance

THEORETICAL REVIEW

Islamic Banking

Bank is an institution that functions to accept various types of deposits from the public and then lends them back to the public in the form of loans (Mochammad, 2022). According to G.M. Verryn Stuart, a bank is a business entity that exists to meet the needs of others by providing loans in the form of money obtained from others, even by creating new money in the form of paper or metal currency. In simpler terms, a bank engages in two types of activities, which are collecting funds from individuals or entities with surplus funds (Surplus Spending Unit-SSU) and subsequently channeling these funds to individuals or entities in need of funds (Deficit Spending Unit-DSU) (Malayu S.P. Hasibuan, 2001).

According to Ismail (2013), Islamic banking is a financial institution that adopts Islamic principles in its system. In accordance with Law No. 21 of 2008 on Islamic banking, Islamic banking is a banking institution that conducts its business activities following Islamic principles. Finance Minister Sri Mulyani Indrawati has stated that the Islamic financial sector has been able to withstand the crisis caused by the COVID-19 pandemic. This is evident from the relatively stable level of capital adequacy ratio (CAR) ranging between 20-21% and a decrease in the level of non-performing financing (NPF) from 3.46% in January 2020 to 3.13% in December 2020 (Asmirawati, 2021).

Research conducted by Fatmawati, Syamsul, and colleagues (2022), as well as research conducted by Ashraf and colleagues in 2022, along with Hasan's research in 2020, indicate that Islamic banks have shown improved performance during the COVID-19 pandemic. Other research conducted by Ilhami and Husni in 2021, and research conducted by Muhammad Lutfi in 2022, show differences in financial performance between Islamic banking and conventional banks. The conclusion is that Islamic banking has managed to survive during the COVID-19 pandemic.

A study by Muhammad and Abida (2021) comparing Islamic banks with conventional banks in Pakistan shows that Islamic banks have higher liquidity levels, stronger capitalization, and lower risk compared to conventional banks, due to efficient risk management. The higher liquidity levels are related to consistent financial performance. However, Islamic banks have lower profitability than conventional banks, due to non-performing loan issues and lower assets."

Conventional Banking

A Conventional banks are banks that determine their charges using interest as a form of compensation for their services. These banks receive interest as compensation for providing loans to the public and also pay interest to the public on the funds they collect. In addition, conventional banks generate profits from the services they offer to customers and often impose additional fees on their customers (M. Sulhan and Elly Siswanto, 2008).

In 2021, the Financial Services Authority (Otoritas Jasa Keuangan) stated that the condition of the national banking sector remained stable, although there was a contraction in banking credit distribution. This was primarily due to the shift towards digitization in banking operations. In facing the pandemic, many banks have sought alternative solutions to keep their businesses running. The pandemic has also accelerated the digitization process and the transition to the era of digital banking, where almost all services can be accessed through applications (Jonathan and Agustina, 2022)."

Financial Performance

Financial performance reflects the extent to which a company succeeds in carrying out its various activities (Fahmi, 2012:2, as quoted in Anton 2017:2). Research conducted by Muhammad and Husni (2021) found differences in the performance of Islamic and conventional banks based on four ratios. First, the Loan-to-Deposit Ratio (FDR) indicates that post-pandemic financing distribution is higher in Islamic banks compared to conventional banks. Second, the post-pandemic solvency ratio shows that Islamic banks and conventional banks have relatively similar results. Third, profitability ratios (ROA) decreased in both after the pandemic. Fourth, the BOPO ratio shows that both experienced an increase in their BOPO values. Studies by Tarawneh (2006) and Raza et al. (2011) found that a higher level of efficiency in a company does not always mean better effectiveness.

The results of the research conducted by Indah and Nurhayati (2022) show that there is no significant difference in the resilience of Islamic and conventional public banks owned by state-owned enterprises (BUMN), which means both remained stable and resilient amid the COVID-19 pandemic."

Financial Ratio Analysis

Financial ratio analysis is a commonly used and easily accessible analytical tool because it provides quick information about a company's financial performance (Ramadaniar et al., 2012). This analysis helps assess the financial position of a company, in this case, in the banking sector, and compare it with other banks (Lin et al., 2005). According to Haque (2013), financial ratios in banks can be calculated using ratios such as liquidity, solvency or leverage, profitability, and efficiency.

Bank Indonesia Regulation No. 9/PBI/2007 regarding the assessment of bank financial performance uses the CAMELS approach (Capital adequacy, Asset Quality, Management Risk, Earning Ability Liquidity Sufficiency, and Sensitivity of Market Risk) (Rosna, 2014). In the research conducted by Indah and Nurhayati (2022), analysis using six ratios was used as benchmarks. Among these ratios, four (CAR, ROA, BOPO, NPF/NPL) indicated that the average percentage of state-owned conventional banks was better than the average percentage of state-owned Islamic banks.

Financial ratio analysis can also be used to assess the level of a bank's profitability. According to Rodrigues & Rodrigues (2018), profitability is a bank's ability to generate profit, measured as a percentage of profit (in Rupiah) to total earnings:

1. Capital Adequacy Ratio, according to Lutfi et al. (2021), is a ratio that depicts the extent to which a bank's risky assets (loans, investments, securities, and claims on other banks) are funded from the bank's own

capital rather than borrowed funds. Non-bank sources of funds, such as public deposits, loans, and so on.

2. Non-Performing Loan is the ratio of total loans with less than satisfactory, doubtful, and delayed quality to total loans. (Bank Indonesia Regulation No. 17/11/PBI/2015). Certain steps need to be taken to determine the quality of credit (Bhattarai, 2020).
3. Return on Asset is intended to demonstrate the efficiency level of the respective bank in managing its assets. ROA is a measure of the bank's ability to generate returns from its various assets (Almira & Wiagustini, 2020). The larger the bank's ROA, the higher the level of profit realized by the bank, and the more efficient the bank is in using its assets to create profits."
4. Operational Cost to Operating Income is the total interest income plus total other operational income equals operational income. Banks with a high BOPO ratio are not running efficiently because this ratio increases the amount of operational costs the bank has to incur to generate operational income (Novita et al., 2021).

METHODOLOGY

This research is a study that uses secondary data, which is data processed by Islamic and conventional banks and then officially published to the public. Data collection is done by obtaining information through the Indonesia Stock Exchange (BEI) website, Financial Services Authority (OJK) website, and websites of institutions that provide data according to the researcher's needs, which can be accessed at https://ojk.go.id/id/kanal/perbankan/data-dan-statistik/Pages/Daftar-Alamat-Kantor-Pusat-Bank-Umum-Dan-Syariah.aspx. The research period started in April 2023 and continued as needed by the researcher.

Sampling technique: Based on the sampling method, sample determination in this study is based on purposive sampling, where samples are selected by setting specific limitations and criteria according to the research needs (judgment sampling). The specific limitations and criteria are derived from observational data for further examination. The sampling technique uses purposive sampling with the following criteria: First, selecting conventional banks that match the number of Islamic banks. Second, selecting banks that publish their financial reports. Third, selecting banks that are generally known to the public, especially in terms of their company size.

Data collection is carried out through the BEI, OJK, and other websites that provide data according to the researcher's needs. This research tests the data quality using classical assumption tests. a) Descriptive statistics are

conducted to provide an overview of the characteristics of a set of data without drawing general conclusions. b) Hypothesis testing is performed to examine the difference in the financial performance of Islamic banks and conventional banks based on the CAR, ROA, NPL/NPF, and BOPO ratios**.**

RESEARCH RESULT

Descriptive Statistical Test

The data in this study consists of annual financial reports of Islamic and conventional banks obtained from the financial statistics reports of Islamic and conventional banks on the official website of the Financial Services Authority (OJK) and the respective websites of each bank. The data to be processed consists of a total of 26 reports, comprising 13 Islamic banks and 13 conventional banks.

Table 1. Data Financial Reports of Islamic Banks and Conventional Banks

Nama Bank	Tahun											
	2020				2021				2022			
	CAR	NPL/NPF	ROA	BOPO	CAR	NPL/NPF	ROA	BOPO	CAR	NPL/NPF	ROA	BOPO
Bank Aceh Syariah	18.60	0.04	1.73	81.50	20.02	0.03	1.87	78.37	23.52	0.04	2.00	76.66
Bank Net Syariah	329.09	0.00	6.19	56.16	390.50	0.00	(8.81)	428.4	189.28	0.0	(10.85)	354.75
BCA Syariah	45.3	0.01	1.1	86.3	41.4	0.01	1.1	84.8	36.7	0.01	1.3	81.6
BTPN Syariah	49.44	0.02	7.16	72.42	58.27	0.18	10.72	59.97	53.66	0.34	11.43	58.12
BUKOPIN Syariah	22.22	4.95	0.04	97.73	23.74	4.66	(5.48)	180.25	19.49	3.81	(1.27)	115.76
Bank BJB Syariah	24.14	5.28	0.41	95.41	23.47	3.42	0.96	88.73	22.11	2.91	1.14	84.9
Bank Mega Syariah	24.15	1.38	1.74	85.52	25.59	0.97	4.08	64.64	26.99	0.89	2.59	67.33
Bank Muamalat Syariah	15.21	3.95	0.03	99.45	23.76	0.08	0,02	99.29	32.7	0.86	0.09	96.62
Bank NTB Syariah	31.6	0.77	1.74	81.39	29.13	0.79	1.56	82.89	25.615	0.48	1.98	79.88

Panin Dubai Syariah	31,43	2.45	0.06	99.42	25.81	0.94	(6.72)	202.74	22.71	1.91	1.79	76.99
Bank Riau Kepri	20.77	1.01	2.54	73.54	21.07	0.88	1.93	77.23	22.00	0.33	2.31	70.63
Bank Victoria Syariah	24.6	2.9	0.16	97.8	33.21	3.72	0.71	91.35	149.68	1.36	0.45	95.05
Bank Aladin Syariah	329.09	0	6.19	56.16	390.5	0.0	(8.81)	428.4	189.28	0.0	(10.85)	354.75
BCA	25.8	0.7	2.7	63.5	25.7	0.8	2.8	54.2	25.8	0.6	3.2	46.5
BNI	16.8	0.9	0.5	28.3	19.7	0.7	1.4	29.9	19.3	0.5	2.5	31.3
BRI	20.61	0.80	1.98	81.22	25.28	0.70	2.72	74.30	23.30	0.73	3.76	64.20
BTN	19.34	2.06	0.69	91.61	19.14	1.20	0.81	89.28	20.17	1.32	1.02	86.00
BTPN	25.6	0.50	1.40	85.50	26.2	0.40	2.20	76.00	27.3	0.40	2.40	75.10
BUKOPIN	13.42	4.95	(4.61)	168.1	22.11	4.91	(4.93)	171.2	20.13	4.84	(6.27)	226.22
MANDIRI	19.90	0.43	1.64	80.03	19.60	0.41	2.53	67.26	19.46	0.26	3.30	57.35
Bank Mega	31.04	1.39	3.64	65.94	27.3	1.12	4.22	56.06	25.41	1.23	4.00	56.76
Bank Sinarmas	17.29	1.39	0.3	111.7	29.12	1.18	0.34	97.12	2949.00	2.49	0.54	93.27
Bank Victoria	17.39	4.91	(1.26)	112.09	17.92	4.08	(0.71)	104.94	22.59	3.42	1.47	79.44
Bank Bukopin	13.43	4.95	(4.61)	168.1	22.11	4.91	(4.93)	171.2	20.13	4.84	(6.27)	226.22
Maybank Indonesia	24.31	2.49	1.04	87.83	27.10	2.56	1.34	82.69	26.65	2.54	1.25	83.10
CIMB Niaga	21.92	1.40	1.06	89.38	22.68	1.17	1.88	78.37	22.19	0.75	2.16	74.10

Tabel 2. Descriptive Statistical Test

Indikator	N	Min.		Max.		Mean		Std. Deviatio	
		B.S	B.K	B.S	B.K	B.S	B.K	B.S	B.K
CAR Covid 2020	13	15.21	13.42	3143.00	31.04	313.6315	20.5269	857.56809	5.14142
CAR Covid 2021	13	20.02	17.92	390.50	29.12	85.1131	23.3815	135.92613	3.63356
CAR Pasca Covid 2022	13	19.49	19.30	189.28	2949.00	62.5954	247.8023	65.96946	811.61383
NPL/NPF Covid 2020	13	.00	.43	5.28	4.95	1.7508	2.0669	1.95933	1.73728
NPL/NPF Covid 2021	13	.00	.40	4.66	4.91	1.2062	1.8569	1.62277	1.68310
NPL/NPF Pasca Covid 2022	13	.00	.26	3.81	4.84	.9954	1.8400	1.21071	1.64253
ROA Covid 2020	13	.03	.00	7.16	3.64	2.2377	1.1500	2.57735	1.11574
ROA Covid 2021	13	.00	.00	10.72	4.22	1.9177	1.5569	2.88744	1.31774
ROA Pasca Covid 2022	13	.00	.00	11.43	4.00	1.9292	1.9692	3.00872	1.37193
BOPO Covid	13	56.16	28.30	99.45	168.10	83.2923	94.8692	15.25727	38.88263

2020									
BOPO Covid 2021	13	59.97	29.90	428.40	171.20	151.3123	88.6554	130.07225	41.46450
BOPO Pasca Covid 2022	13	58.12	31.30	354.75	226.22	124.0800	92.2738	103.38878	61.83291

Source: SPSS Version 21 Output Results (processed data)

Based on the results of the descriptive statistics table for Islamic and conventional banks above, the following findings can be observed:

1. CAR (Capital Adequacy Ratio): The mean CAR for the early COVID-19 period in 2020 was high, at 313.63%. The CAR for Islamic banks during COVID-19 in 2021 decreased to a mean of 85.11%, and post-COVID in 2022, it further decreased to a mean of 62.59%. In contrast, the CAR for conventional banks in the early COVID-19 period in 2020 was high, at 20.52%. In 2021, it increased to a mean of 23.38%, and post-COVID in 2022, it further increased to a mean of 247.80%.
2. NPL/NPF (Non-Performing Loan/Non-Performing Financing): The mean NPL/NPF for the early COVID-19 period in 2020 was 1.75%. In 2021, it decreased to a mean of 1.20%, and post-COVID in 2022, it further decreased to a mean of 0.99%. For conventional banks, the mean NPL/NPF in the early COVID-19 period in 2020 was 2.06%. In 2021, it decreased to a mean of 1.85%, and post-COVID in 2022, it remained almost the same at a mean of 1.84%.
3. ROA (Return on Asset): For Islamic banks, during the early COVID-19 period in 2020, the mean ROA was 2.23%, and it decreased in 2021 to a mean of 1.91%. In the post-COVID year 2022, it increased again to a mean of 1.92%. For conventional banks, during the early COVID-19 period in 2020, the mean ROA was 1.15%. In 2021, it increased to a mean of 1.55%, and in the post-COVID year 2022, it further increased to a mean of 1.96%.
4. BOPO (Biaya Operasional Pendapatan Operasional): The mean BOPO for Islamic banks in the early COVID-19 period in 2020 was 83.29%. In 2021, it increased to a mean of 151.31%, and post-COVID in 2022, it decreased to a mean of 124.08%. For conventional banks, the mean BOPO in the early COVID-19 period in 2020 was 94.86%. In 2021, it decreased to a mean of 88.65%, and in the post-COVID year 2022, it increased to a mean of 92.27%."

a. Hypothesis Testing

1. Comparison of CAR between Islamic banks and conventional banks during COVID-19

Table 3. Group Statistics

CAR Bank Syariah dan Bank Konvensional Saat Covid 2020-2021	Sig. (2-tailed)
Equal variances assumed	.146
Equal variances not assumed	.152

Source: SPSS Version 21 Output Results (processed data)

From the test results above, it can be seen that the CAR variable has an Asymp. Sig. (2-tailed) value of 0.146 > 0.05.

2. Comparison of NPL/NPF between Islamic banks and conventional banks during COVID-19

Table. 4 Group Statistics

NPL/NPF Bank Syariah dan Bank Konvensional Saat Covid 2020-2021	Sig. (2-tailed)
Equal variances assumed	.319
Equal variances not assumed	.319

Source: SPSS Version 21 Output Results (processed data)

From the test results above, it can be seen that the variable NPL/NPF has an Asymp. Sig. (2-tailed) value of 0.319 > 0.05.

3. Comparison of Islamic banks' ROA with conventional banks during COVID-19.

Table. 5 Group Statistics

ROA Bank Syariah dan Bank Konvensional Saat Covid 2020-2021	Sig. (2-tailed)
Equal variances assumed	.216
Equal variances not assumed	.219

Source: SPSS Version 21 Output Results (processed data)

From the test results above, it can be seen that the variable ROA has an Asymp. Sig. (2-tailed) value of 0.216 > 0.05.

4. Comparison of BOPO (Biaya Operasional Pendapatan Operasional) between Islamic banks and conventional banks during COVID-19.

Table 6. Group Statistics

BOPO Bank Syariah dan Bank Konvensional Saat Covid 2020-2021	Sig. (2-tailed)
Equal variances assumed	.220
Equal variances not assumed	.223

Source: SPSS Version 21 Output Results (processed data)

From the test results above, it can be seen that the variable BOPO has an Asymp. Sig. (2-tailed) value of 0.220 > 0.05.

5. Comparison of CAR (Capital Adequacy Ratio) between Islamic banks and conventional banks post-COVID-19.

Table 7. Group Statistics

CAR Bank Syariah dan Bank Konvensional Pasca Covid 2022	Sig. (2-tailed)
Equal variances assumed	.420
Equal variances not assumed	.428

Source: SPSS Version 21 Output Results (processed data)

From the test results above, it can be seen that the variable CAR has an Asymp. Sig. (2-tailed) value of 0.420 > 0.05.

6. Comparison of NPL/NPF (Non-Performing Loans/Non-Performing Financing) between Islamic banks and conventional banks post-COVID-19.

Table 8.Group Statistics

NPL/NPF Bank Syariah dan Bank Konvensional Pasca Covid 2022	Sig. (2-tailed)
Equal variances assumed	.149
Equal variances not assumed	.150

Source: SPSS Version 21 Output Results (processed data)

From the test results above, it can be seen that the variable NPL/NPF has an Asymp. Sig. (2-tailed) value of 0.149 > 0.05.

7. Comparison of ROA (Return on Assets) between Islamic banks and conventional banks post-COVID-19.
8.

Table 9. Group Statistics

ROA Bank Syariah dan Bank Konvensional Pasca Covid 2022	Sig. (2-tailed)
Equal variances assumed	.966
Equal variances not assumed	.966

Source: SPSS Version 21 Output Results (processed data)

From the test results above, it can be seen that the variable ROA (Return on Assets) has an Asymp. Sig. (2-tailed) value of 0.966 > 0.05.

9. Comparison of BOPO (Biaya Operasional Pendapatan Operasional) between Islamic banks and conventional banks post-COVID-19.

Table 10. Group Statistics

BOPO Bank Syariah dan Bank Konvensional Pasca Covid 2022	Sig. (2-tailed)
Equal variances assumed	.351
Equal variances not assumed	.353

Source: SPSS Version 21 Output Results (processed data)

From the test results above, it can be seen that the variable BOPO (Operational Costs to Operational Income Ratio) has an Asymp. Sig. (2-tailed) value of 0.351 > 0.05.

DISCUSSION

From the financial performance data above, when adjusted to the criteria for financial ratio health and based on descriptive statistical tests, the following findings are discovered:

The Capital Adequacy Ratio (CAR) of both Islamic and conventional banks is in a healthy condition based on the obtained minimum and maximum CAR values. For Islamic banks during COVID-19 in 2020, the minimum CAR is 15.21%, and the maximum is 3143.00%. In 2021, the minimum is 20.02%, and the maximum is 390.50%. Post-COVID-19 in 2022, the minimum CAR for Islamic banks is 19.49%, and the maximum is 189.28%. For conventional banks, the minimum CAR during COVID-19 in 2020 is 13.42%, and the maximum is 31.04%. In 2021, the minimum is 17.92%, and the maximum is 29.12%. Post-COVID-19 in 2022, the minimum CAR is 19.30%, and the maximum is 2949.00%. These CAR values are above the criteria for healthy financial ratios, which state that CAR is considered healthy when it falls between 8.00% and 9.99%. This indicates that both Islamic and conventional banks are in a healthy condition. These findings align with the research conducted by Devi and

Achmad (2023), which shows that the average CAR for the period 2020-2022 for both Islamic and conventional banks falls into the "very good" category. Muhammad and Husni (2021) found that, based on the analysis of solvency ratios, both Islamic and conventional banks' CAR post-COVID-19 remained relatively consistent compared to pre-COVID-19 levels, but conventional banks had higher values both before and after COVID-19. In contrast, the study by Rama, Suripto, et al. (2022) showed a significant difference between conventional and Islamic banks' performance using CAR during the COVID-19 pandemic. This suggests that Islamic banks outperformed conventional banks.

The Non-Performing Loan/Non-Performing Financing (NPL/NPF) ratio for both Islamic and conventional banks falls within the "reasonably healthy" category, with values ranging from 2% to less than 5%. For Islamic banks during COVID-19 in 2020, the minimum NPL/NPF is 0.00%, and the maximum is 5.28%. In 2021, the minimum is 0.00%, and the maximum is 4.66%. Post-COVID-19 in 2022, the minimum NPL/NPF for Islamic banks is 0.00%, and the maximum is 3.81%. For conventional banks, the minimum NPL/NPF during COVID-19 in 2020 is 0.43%, and the maximum is 4.95%. In 2021, the minimum is 0.40%, and the maximum is 4.91%. Post-COVID-19 in 2022, the minimum NPL/NPF is 0.26%, and the maximum is 4.84%. These findings do not align with the research by Dede and Maghfirah (2022), which showed no significant difference between NPL/NPF ratios in Islamic and conventional banks. However, Devi and Achmad (2023) found that the average NPL/NPF ratios for both Islamic and conventional banks were categorized as "good" and "very good" during the period 2020-2022. Rama, Suripto, et al. (2022) found that there was no significant difference in the financial performance of conventional banks compared to Islamic banks based on the NPL/NPF ratio.

The Return on Assets (ROA) for both Islamic and conventional banks indicates their ability to generate profits from their assets. ROA values are deemed unhealthy when they are below 0.77%, while healthy ROA falls between 1.22% and 1.5%. For Islamic banks during COVID-19 in 2020, the minimum ROA is 0.03%, and the maximum is 7.16%. In 2021, the minimum is 0.00%, and the maximum is 10.72%. Post-COVID-19 in 2022, the minimum ROA for Islamic banks is 0.00%, and the maximum is 11.43%. For conventional banks, the ROA values from 2020 to 2022 range from 0.00% to a maximum of 3.64% (in 2020), 4.22% (during COVID-19 in 2021), and 4.00% (post-COVID-19 in 2022). These ROA values suggest that the ability of both Islamic and conventional banks to use their capital to generate profits is in a reasonably healthy condition. These findings align with the research by Dede and Maghfirah (2022), which found no significant difference between the Return on Asset ratios of Islamic and conventional banks. Devi and Achmad (2023) revealed that

the ROA for PT Bank Rakyat Indonesia Tbk, PT Bank Central Asia, PT Bank Syariah Indonesia Tbk, and PT Bank BTPN Syariah Tbk was "very good" during the period 2020-2022, indicating their ability to withstand adverse changes in business conditions. In contrast, the study by Rada and Kiky (2022) showed a significant difference in ROA ratios between Islamic and conventional banks.

The Biaya Operasional Pendapatan Operasional (BOPO) ratio for both Islamic and conventional banks indicates the efficiency of these banks in managing their operational costs in relation to their operational income. Based on the minimum values, both Islamic and conventional banks are in a healthy condition with BOPO ratios ranging from 92% to 93.52%. However, when looking at the maximum values, both banks exhibit unhealthy BOPO ratios, ranging from 95.92% to 100%. These findings do not align with the research by Dede and Maghfirah (2022), which indicated that the BOPO values for conventional banks were better than those for Islamic banks. In contrast, the study by Rada and Kiky (2022) showed a significant difference in BOPO ratios between Islamic and conventional banks both before and during the pandemic. Muhammad and Husni (2021) found that both Islamic and conventional banks had higher BOPO ratios both before and after COVID, indicating that conventional banks consistently had higher operational costs compared to Islamic banks.

CONCLUSIONS AND RECOMMENDATIONS

From the analysis of data using an independent sample t-test conducted in SPSS version 21, the following results were found:

There is no significant difference in the financial performance between Islamic Banks and Conventional Banks based on the CAR (Capital Adequacy Ratio) ratio during the COVID-19 period from 2020-2021 and post-COVID-19 in 2022. This is evidenced by hypothesis testing, which shows that the significance value (Sig. 2-tailed) for both Islamic Banks and Conventional Banks' CAR is > 0.05. It can be concluded that the null hypothesis (H0) is accepted, and the alternative hypothesis (Ha) is rejected.

There is no significant difference in the financial performance between Islamic Banks and Conventional Banks based on the NPL/NPF (Non-Performing Loan/Non-Performing Financing) ratio during the COVID-19 period from 2020-2021 and post-COVID-19 in 2022. This is evidenced by hypothesis testing, which shows that the significance value (Sig. 2-tailed) for both Islamic Banks and Conventional Banks' NPL/NPF is > 0.05. It can be concluded that the null hypothesis (H0) is accepted, and the alternative hypothesis (Ha) is rejected.

There is no significant difference in the financial performance between Islamic Banks and Conventional Banks based on the ROA (Return on Assets) ratio during the COVID-19 period from 2020-2021 and post-COVID-19 in 2022. This is evidenced by hypothesis testing, which shows that the significance value (Sig. 2-tailed) for both Islamic Banks and Conventional Banks' ROA is > 0.05. It can be concluded that the null hypothesis (H0) is accepted, and the alternative hypothesis (Ha) is rejected.

There is no significant difference in the financial performance between Islamic Banks and Conventional Banks based on the BOPO (Biaya Operasional Pendapatan Operasional) ratio during the COVID-19 period from 2020-2021 and post-COVID-19 in 2022. This is evidenced by hypothesis testing, which shows that the significance value (Sig. 2-tailed) for both Islamic Banks and Conventional Banks' BOPO is > 0.05. It can be concluded that the null hypothesis (H0) is accepted, and the alternative hypothesis (Ha) is rejected.

For both Islamic and conventional financial institutions, it is essential to consistently publish their financial reports so that they can be easily accessed by all stakeholders. For future researchers, it is recommended to conduct broader and more detailed studies.

ADVANCED RESEARCH

For future researchers, it is advisable to expand the scope of this research because this study is limited to comparing the financial performance between Islamic and conventional banks during the COVID-19 pandemic and afterward, specifically within the timeframe of 2020-2022. For further research, it is hoped that financial performance analysis for the year 2023 can be included, considering the potential upcoming economic crisis issues.

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