

**THE PROFITABILITY OF SHARIA BANKING BEFORE AND DURING COVID-19 PANDEMIC
(EVIDENCE FROM PT. BANK MUAMALAT INDONESIA TBK.)****Atif Windawati^{1)✉}, Andi Nursyamsi Amin²⁾, Alvianita Gunawan Putri³⁾, Iwan Budiyo⁴⁾**^{1,3,4}Department of Accounting, Politeknik Negeri Semarang²Department of Accounting, Politeknik Negeri Ujung Pandang**Article Information Abstract**Received September 2022
Accepted September 2022
Published Oktober 2022Keywords:
Financial Performance,
Profitability, Covid-19,
Sharia Banking

The Covid-19 pandemic has impacted many sectors including the Islamic Banking sector. This study aims to analyze the profitability of Islamic banking before and during the Covid-19 pandemic, a case study at Bank Muamalat Indonesia (BMI). The research indicators used are banking financial ratios in the form of ROA (Return on Assets), ROE (Return on Equity), BOPO (Operating Agency to Operating Income), NOM (Net Operating Margin), and EPS (Earning Per Share). The research method used is a comparative study with a quantitative approach using data from Quarter I to IV financial statements for 2019 - 2020. Statistical difference test using Paired Sample t-test exhibits that there is no significant difference in the profitability of BMI before and during the Covid-19 pandemic seen from BOPO, NOM, and EPS. On the other hand, statistical difference test using Wilcoxon Signed Rank Test reveals that ROA and ROE of BMI are not significantly different both before and during the Covid-19 Pandemic.

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ISSN 2548-9909

✉Correspondence Address:

Prodi Perbankan Syariah Jurusan Akuntansi
Politeknik Negeri Negeri Semarang
E-mail: atifwinda@polines.ac.id

1. Introduction

Covid-19 pandemic was discovered in November 2019 in China and had an impact on almost all of the countries, including Indonesia. The government has implemented Large-Scale Social Restrictions (PSBB) and the Enforcement of Restrictions on Community Activities (PPKM) in almost all cities in Indonesia. This policy causes economic instability, such as declining economic growth, many companies closing, and increasing unemployment. UNICEF (2021) stated that the impact of Covid-19 caused Indonesia's gross domestic product (GDP) to contract by 2.1 percent in 2020. In addition, the number of Open Unemployment Rate (TPT) in Central Java by Regency/City increased during Covid-19 pandemic i.e. 4.44 in 2019 to 6.48 in 2020. This can be seen in Table 1.

Table 1. Data on the Open Unemployment Rate (TPT) of Central Java by Regency/City 2010 – 2021

	2010	2011	2012	2013	2014	2015	2017	2018	2019	2020	2021
Central Java	6.21	7.07	5.61	6.01	5.68	4.99	4.57	4.47	4.44	6.48	5.95

Source: jateng.bps.go.id

Covid-19 has significant impact on the development of the world economy, especially for the business world and the banking services industry. Islamic banks as intermedia14ry institutions or financial intermediaries carry out their functions to bring together people who have excess funds with people who lack funds. However, the Covid-19 pandemic becomes a limitation when they cannot interact directly. Based on Ningsih & Mahfudz (2020), from December to March 2020 all banks experienced turmoil in their intermediation function which tended to decline both in terms of financing and raising funds. Meanwhile, in terms of Strategic Management, Islamic Banks implement various policies including limiting services through face-to-face meetings, providing restructuring policies to affected customers and utilizing digital applications. Sumadi (2020) investigated the impact of the Covid-19 pandemic on the banking intermediation function, the results of a study at Bank Syariah Mandiri namely Financing and the collection of funds (DPK) showed fluctuations, where all banks implemented economic stimulus related to financing restructuring for customers

affected by the Covid-19 pandemic and developed digital mobile banking application to serve customers.

The Covid-19 pandemic poses a challenge for Islamic banks including Bank Muamalat Indonesia to maintain their financial performance because many customers have been affected by the pandemic. Tahliani (2020) stated that among the challenges of Islamic Banking in dealing with the Covid-19 pandemic in Indonesia, including adjusting business patterns with digitizing bank services, both digitalization in raising funds and financing as well as suppressing/minimizing Non-Performing Financing (NPF) payments so that they can remain survive the Covid-19 pandemic. In addition, looking for new market alternatives, at least markets that are not significantly affected by the Covid-19 pandemic, such as the business sector related to the health industry, so that the Islamic banking industry can still survive during the Covid-19 pandemic.

Bank Muamalat Indonesia as an intermediary institution is very likely to be affected by the Covid-19 pandemic especially related to financial performance. Even though Bank Muamalat Indonesia can strongly survive during 1997-1998 crisis but the BMI's financial performance must be considered during Covid-19. Somehow, based on the monthly report per October 2019, PT Bank Muamalat Tbk experienced a 92% decrease in net profit from the same period in 2018. In addition, Bank Muamalat Indonesia's total assets as of October 2019 were recorded at Rp 52.95 trillion, which also decreased from October 2018 which reached Rp 54.82 trillion.

Assessment of financial performance at the bank can be seen based on the financial statements made by the bank. Performance appraisal can be done by assessing financial performance to determine the soundness of the bank through calculating its financial ratios. Financial ratios function to show the actual performance of Islamic banking, including intermediation performance in the form of collecting savings funds, current accounts, deposits, and channeling funds to financing (Handayani & Tubastuvi, 2020). One of the risks faced by Islamic banks is related to the risk of

bankruptcy, especially during the Covid-19 pandemic. Oktarina (2017) explained that the risk of bankruptcy is the failure experienced by the company in carrying out the company's operating activities to generate profits. Based on Thamrin (2021), during the current Covid-19 pandemic, Islamic banking will face several possible risks, such as the risk of non-performing financing (NPF), market risk and liquidity risk which will ultimately have an impact on the performance and profitability of Islamic banking. This study aims to analyze the profitability of Islamic banking before and during the Covid-19 pandemic, a case study at Bank Muamalat Indonesia. The research indicators used are banking financial ratios in the form of ROA (Return on Assets), ROE (Return on Equity), BOPO (Operating Agency to Operating Income), NOM (Net Operating Margin), and EPS (Earning Per Share).

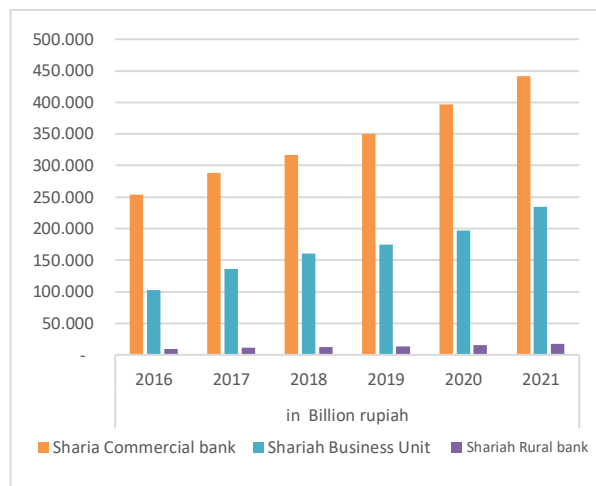
2. Literature Review

2.1 Sharia Banking

According to Law number 8 of 2008 concerning Islamic Banking, Sharia Banks are banks that carry out business activities based on sharia principles, or Islamic legal principles regulated in the fatwa of the Indonesian Ulema Council (MUI) such as the principles of justice and balance ('adl wa tawazun), benefit (maslahah), universalism (naturalism), and does not contain gharar, maysir, usury, injustice and unlawful objects. In addition, the Sharia Banking Law also mandates Islamic banks to carry out social functions by carrying out functions such as baitul mal institutions, namely receiving funds from zakat, infaq, alms, grants, or other social funds and channeling them to waqf managers (nazhir) as desired. waqf (wakif).

The development of Islamic banks in Indonesia started 20 years ago and has experienced very rapid development. It is reflected in the number of Islamic banking assets that increase over time. The following table shows the development of Islamic Banking assets for 2016-2021.

Graph 1. Sharia Banking Asset Development



Source: Sharia Banking Statistics as of December 2021

The object of this research is Bank Muamalat Indonesia. Bank Muamalat Indonesia is the first Islamic bank in Indonesia, established in 1991 by the idea of the Indonesian Ulema Council (MUI), the Indonesian Muslim Intellectuals Association (ICMI), and Muslim entrepreneurs in Indonesia. As of 2021 Bank Muamalat Indonesia has 1 head office, 83 branch offices, 150 sub-branches, and the total asset value reaches IDR 51.6 billion.

2.1 Financial Ratio

In the banking sector, the financial ratio is used to measure bank health. The rules regarding the bank health were first stated in Bank Indonesia Regulation No.6/10/PBI/2004 concerning Commercial Bank Health Rating System. The regulation explains that the assessment of the Bank's health level includes an assessment of factors, namely Capital, Asset Quality, Management, Earnings, and Sensitivity to Market Risk (CAMELS). Furthermore, particular rules regarding the health of Sharia Banks are regulated in Bank Indonesia Regulation No.9/1/PBI/2007 concerning the Rating System for the Health of Commercial Banks Based on Sharia Principles. The Sharia Commercial Bank Health Level Indicator used the same method as Commercial Banks, namely CAMELS indicators. Then the rules were updated in the Financial Services Authority Regulation No.8/POJK.03/2014 and 10/SEOJK.03/2014 concerning the Assessment of the Health of Sharia Commercial Banks and Sharia Business Units. Indicators of the Health of Islamic banks changed using the RGENC (Risk

Profile, Good Corporate Governance, Earnings, and Capital) method.

2.3 Profitability

One of indicators that can determine banking health is the level of profit obtained by the bank or using the Profitability Ratio. According to Mukhlis (2010), the profitability ratio is a measure of a bank's ability to manage its finances. Kasmir (2018), stated that the profitability ratio can be calculated using the ratio of Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Gross Profit Margin (GPM), and Earning Per Share (EPS). Riftisasari and Sugiarti (2020), used the ROA and Operating Efficiency Ratio (BOPO) to assess the level of bank profitability. Surya and Asiyah (2020), measured the profitability of the Bank by using the ratio of ROA, ROE, and Operating Efficiency Ratio. Firdaus et al. (2021), measured the level of profitability of the Bank using the ratio of ROA, ROE, NPM, and GPM. To measure the level of bank profitability, this study uses indicators of ROA, ROE, Operational Efficiency Ratio, NOM (Net Operating Margin), and EPS (Earning Per Share).

2.4 Return On Asset (ROA)

According to 10/SEOJK.03/2020, states that ROA is a ratio that shows the return on the number of assets used in the company. The smaller this ratio indicates the smaller the company's ability to generate profits from the use of assets owned by the company. ROA is measured by the following equation:

$$ROA = \frac{\text{Earnings Before Tax}}{\text{Average Total Assets}}$$

Tabel 2. Assessment Criteria Matrix of ROA

No.	D1	Score
1	Very Good	ROA > 1,5%
2	Good	1,25% < ROA ≤ 1,5%
3	Good Enough	0,5% < ROA ≤ 1,25%
4	Less Good	0 < ROA ≤ 0,5%
5	Not Good	ROA ≤ 0%

Source: SE BI No. 6/23/DPNP/2004

2.5 Return On Equity (ROE)

According to 10/SEOJK.03/2020, ROE describes the company's ability to generate profits

with the company's own capital. The higher the level of ROE produced by the company, it shows a good level of profit. Earnings that are calculated are Earnings after tax. To measure ROE, the following formula is used:

$$ROE = \frac{\text{Earnings After Tax}}{\text{Average Equity}}$$

Tabel 3. Assessment Criteria Matrix of ROE

No	Criteria	Score
1	Very Good	>23%
2	Good	18% < ROE ≤ 23%
3	Good Enough	13% < ROE ≤ 18%
4	Less Good	8% < ROE ≤ 13%
5	Not Good	≤ 8%

Source: SE BI No. 13/24/DPNP/2011

2.6 Operational Efficiency Ratio (BOPO)

BOPO is a ratio to measure management performance in controlling banking operational activities (Marwansyah, 2018). The lower of BOPO score indicates the more efficient the bank is in managing its operational activities. According to 10/SEOJK.03/2020 the BOPO formula is as follows:

$$BOPO = \frac{\text{Operating Costs}}{\text{Operating Income}}$$

Tabel 4. Assessment Criteria Matrix of BOPO

No	Criteria	Score
1	Very Good	BOPO ≤ 83%
2	Good	83% < BOPO ≤ 85%
3	Good Enough	85% < BOPO ≤ 87%
4	Less Good	87% < BOPO ≤ 89%
5	Not Good	> 89%

Source: SE BI No. 6/23/DPNP/2004

2.7 Net Operating Margin (NOM)

According to No.10/SEOJK.03/2020, Net Operating margin (NOM) is a ratio used to determine the ability of productive assets to generate profits. The higher the NOM value, the better the Bank's ability to generate profits from its productive assets. Here is the formula for the NOM ratio.

$NOM = \frac{\text{Funding Revenue After Profit Sharing} - \text{Operating Costs}}{\text{Average Productive Assets}}$

Table 5. Assessment Criteria Matrix of NOM

No	Criteria	Score
1	Very Good	$NOM > 3\%$
2	Good	$2\% < NOM \leq 3\%$
3	Good Enough	$1,5\% < NOM \leq 2\%$
4	Less Good	$1\% < NOM \leq 1,5\%$
5	Not Good	$NOM \leq 1\%$

Source: SE BI No. 6/23/DPNP/2004

2.8 Earning Per Share (EPS)

Earning Per Share according to Sutrisno (2009), is a measure of the company's ability to generate profits per share owner. EPS is used to measure a bank's ability to increase the participation of existing shareholders, as well as to attract new investors. The higher the EPS, the better the company's performance which results in an increase in the attractiveness of new investors. The EPS formula is as follows:

$$EPS = \frac{\text{Earnings After Tax}}{\text{Number of Shares}}$$

3. Methods

This research is a comparative study with a quantitative approach. This study compares the profitability of BMI before the pandemic with its during the pandemic. The data used is secondary data and data collection technique is carried out by the documentation method. The research data are obtained from the financial statements of BMI in the first, second, third and fourth quarters of 2019 and 2020. The ratios used to measure profitability are ROA, ROE, BOPO, NOM, and EPS.

The data analysis technique begins with descriptive statistics. The results of descriptive analysis in this study are the minimum, maximum, mean, and standard deviation values. Next is the normality test to test whether the research data is normally distributed or not. The normality test in this study used the Shapiro-Wilk test.

According to Sarjono and Julianto (2011), in the Shapiro-Wilk test the data is normally distributed if the significance value is > 0.05 . On the other hand, if the significance value is < 0.05 , then the data is not normally

distributed. If the data is normally distributed, the difference test is carried out using the Paired Sample t-test. However, if the data is not normally distributed, a non-parametric statistical test is carried out, namely the Wilcoxon Signed-Rank Test.

Paired Sample t-test is used to determine whether there is a difference in the BMI profitability ratio before and during the pandemic. According to Santoso (2014), on the Paired Sample t-test, if the significance value is < 0.05 then the data is different. On the other hand, if the significance value is > 0.05 , the data is not different. If the research data is not normally distributed, then it is continued with the Wilcoxon Signed Rank Test. This test has the same function as the Paired Sample t-test, which compare the BMI profitability ratios before and during the pandemic. According to Cooper and Schindler (2014), in the Wilcoxon Signed-Rank Test, if the value of Asymp Sig.(2-tailed) < 0.05 , then there is a difference. However, if the value of Asymp Sig.(2-tailed) > 0.05 , then there is no difference.

4. Result and Discussion

4.1 Result of Descriptive Statistics

Table 6 shows that ROA before the pandemic had a minimum value of 0.02%, a maximum value of 0.05%, a mean of 0.0275%, and a standard deviation of 0.01500%. On the other hand the minimum, maximum and mean values of BMI's ROA during the pandemic were the same with the value of 0.03%. The mean value indicates that ROA has slightly increased during the pandemic. However, based on the provisions of Bank Indonesia, both ROA values before and during pandemic are classified as less good (rank 4) because the values are $0\% < ROA \leq 0,5\%$.

ROE before the pandemic had a minimum value of 0.25%, a maximum value of 0.45%, a mean of 0.3075%, and a standard deviation of 0.09535%. Meanwhile, during the pandemic, ROE had a minimum value of 0.29%, a maximum value of 0.3%, a mean of 0.295%, and a standard deviation of 0.00577%. Based on the mean value, it can be said that the ROE before the pandemic is better than the ROE during the pandemic because the ROE value decreased slightly during the pandemic. However, according to BI regulations, both ROE values are

categorized as not good (rank 5) because the values are under 8%.

BOPO before the pandemic had a minimum value of 98.83%, a maximum value of 99.5%, a mean of 99.125%, and a standard deviation of 0.27982%. Meanwhile, during the pandemic, the minimum value of BOPO was 97.94%, the maximum value was 99.45%, the mean was 98.49%, and the standard deviation was 0.66488%. The mean value c indicates that BOPO during the pandemic slightly decreased, so it can be said that the BOPO during the pandemic is a little bit better than the BOPO before the pandemic. However, both BOPO values are classified as not good (rank 5) according to Bank Indonesia because it has a value of more than 89%.

NOM before the pandemic had a minimum value of 0.04%, a maximum value of 0.1%, a mean of 0.0750%, and a standard deviation of 0.02517%. Meanwhile, during the

pandemic NOM had a minimum value of 0.04%, a maximum value of 0.15%, a mean of 0.11%, and a standard deviation of 0.04830%. The mean value during the pandemic experienced a slight increase from the mean value before the pandemic. It shows that NOM during the pandemic is slightly better than NOM before the pandemic. However, according to the criteria of Bank Indonesia, the two NOM values are classified as not good (rank 5).

EPS before the pandemic had a minimum value of 0.24, a maximum value of 1.6, a mean of 0.7650, and a standard deviation of 0.59023. Meanwhile, the EPS during the pandemic had a minimum value of 0.25, a maximum value of 0.98, a mean of 0.6075, and a standard deviation of 0.31383. The mean value shows a drop during the pandemic. This indicates that the EPS before the pandemic is better than the EPS during the pandemic.

Table 6. Result of Descriptive Statistics

	Descriptive Statistics				
	N	Min	Max	Mean	Std. Deviation
ROA_b	4	.02	.05	.0275	.01500
ROA_d	4	.03	.03	.0300	.00000
ROE_b	4	.25	.45	.3075	.09535
ROE_d	4	.29	.30	.2950	.00577
BOPO_b	4	98.83	99.50	99.1250	.27982
BOPO_d	4	97.94	99.45	98.4900	.66488
NOM_b	4	.04	.10	.0750	.02517
NOM_d	4	.04	.15	.1100	.04830
EPS_b	4	.24	1.60	.7650	.59023
EPS_d	4	.25	.98	.6075	.31383
Valid N (listwise)	4				

Source: The Processed Secondary Data, 2022

4.2 Result of Normality Test

The results of the normality test using the Shapiro-Wilk test in table 7 reveals ROA before the pandemic has a significance of 0.01 (<0.05), while the significance during the pandemic is 0.00 (<0.05). Likewise, the ROE before the pandemic has a significance of 0.15 (<0.05), and the significance during the pandemic is 0.024 (<0.05). These results indicate that the ROA and ROE data before and during the pandemic are not normally distributed. Because the data are not normally distributed, it does not meet the requirements for a different test with the Paired Sample t-test. Therefore, the different test of ROA and ROE will be conducted with the Wilcoxon Signed-Rank Test.

Different result of Shapiro-Wilk test reveals that BOPO before the pandemic has a significance of 0.793 (>0.05), meanwhile the significance during the pandemic is 0.268 (>0.05). Besides, NOM before the pandemic has a significance of 0.406 (> 0.05), while the significance during the pandemic is 0.235 (> 0.05). In addition, EPS before the pandemic has a significance of 0.444 (>0.05), and the significance during the pandemic is 0.971 (>0.05). These results exhibit that the data of BOPO, NOM, and EPS before and during Pandemic Covid-19 are normally distributed so the data are suitable for a different test to be carried out with the Paired Sample t-test.

Table 7. Result of Normality Test

	Tests of Normality					
	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
ROA_b	.441	4	.	.630	4	.001
ROA_d	.	4	.	.	4	.
ROE_b	.403	4	.	.710	4	.015
ROE_d	.307	4	.	.729	4	.024
BOPO_b	.243	4	.	.962	4	.793
BOPO_d	.316	4	.	.862	4	.268
NOM_b	.329	4	.	.895	4	.406
NOM_d	.332	4	.	.853	4	.235
EPS_b	.280	4	.	.903	4	.444
EPS_d	.158	4	.	.993	4	.971

a. Lilliefors Significance Correction

Source: The Processed Secondary Data, 2022

4.3 Result of Paired Sample t-Test

The result of Paired Sample test in table 8 reveals that the t-count value of BOPO before and during the pandemic is 2.573, the degree of freedom is 3, and the significance value is 0.082 (> 0.05). Subsequently, NOM variable exhibits that the t-count before and during the pandemic is -2.251, the degree of freedom is 3, and the significance value is 0.110 (> 0.05). Besides, EPS variable reveals that the t-count before and

during the pandemic is 1.021, the degree of freedom is 3, and the significance value is 0.382 (>0.05). Based on those significance values, it can be concluded that there is no significant difference between profitability of Bank Muamalat Indonesia seen from BOPO, NOM, and EPS before the pandemic and EPS during the pandemic.

Table 8. Result of Paired Sample Test

	Paired Differences	Paired Samples Test					T	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	BOPO_b - BOPO_d	.63500	.49352	.24676	-.15031	1.42031	2.573	3	.082
Pair 2	NOM_b - NOM_d	-.03500	.03109	.01555	-.08447	.01447	-2.251	3	.110
Pair 3	EPS_b - EPS_d	.15750	.30859	.15429	-.33353	.64853	1.021	3	.382

Source: The Processed Secondary Data, 2022

4.4 Result of Wilcoxon Signed Rank Test

Based on the Wilcoxon Signed Rank Test in table 9, it is known that difference (negative) between the ROA before the pandemic and the ROA during the pandemic is 1. This indicates that there is one ROA value before the pandemic which decreases during the pandemic.

While the difference (positive) between the ROA before the pandemic and the ROA during the pandemic is 3. This means that there are 3 ROA values before the pandemic that increased during the pandemic.

Table 9. Ranks of ROA

ROA_d - ROA_b	Ranks	Ranks		
		N	Mean Rank	Sum of Ranks
ROA_d - ROA_b	Negative Ranks	1 ^a	4.00	4.00
	Positive Ranks	3 ^b	2.00	6.00
	Ties	0 ^c		
	Total	4		

a. ROA_d < ROA_b

- b. ROA_d > ROA_b
- c. ROA_d = ROA_b

Source: The Processed Secondary Data, 2022

The results of the Wilcoxon Signed Rank Test in table 10, states that variable ROA before and during the pandemic has the Asymp value. Sig.(2-tailed) of 0.705 (<0.05). Because the significance value is more than 0.05, it can be concluded that there is no significant difference between ROA before the pandemic and ROA during the pandemic.

Tabel 10. Test Statistics of ROA

Test Statistics^a

	ROA_d - ROA_b
Z	-.378 ^b
Asymp. Sig. (2-tailed)	.0705

- a. Wilcoxon Signed Ranks Test
- b. Based on negative ranks.

Source: The Processed Secondary Data, 2022

Based on the Wilcoxon Signed Rank Test in table 11, it is known that difference (negative) between the ROE before the pandemic and the ROE during the pandemic is 1. This shows that there is one ROE value before the pandemic which decreases during the pandemic. While the difference (positive) between the ROE before the pandemic and the ROE during the pandemic is 3. This means that there are 3 ROA values before the pandemic that increased during the pandemic.

Tabel 11. Ranks of ROE

		Ranks		
		N	Mean Rank	Sum of Ranks
ROE_d - ROE_b	Negative Ranks	1 ^a	4.00	4.00
	Positive Ranks	3 ^b	2.00	6.00
	Ties	0 ^c		
	Total	4		

- a. ROE_d < ROE_b
- b. ROE_d > ROE_b
- c. ROE_d = ROE_b

Source: The Processed Secondary Data, 2022

The results of the Wilcoxon Signed Rank Test in table 11, reveals that ROE before and during the pandemic has the Asymp value. Sig.(2-tailed) of 0.713 (>0.05). Because the significance value is more than 0.05, it can be concluded that there is no significant difference between ROE before the pandemic and ROE during the pandemic.

Tabel 12. Test Statistics of ROE

Test Statistics^a

	ROE_d - ROE_b
Z	-.368 ^b
Asymp. Sig. (2-tailed)	.713

- a. Wilcoxon Signed Ranks Test
- b. Based on negative ranks.

Source: The Processed Secondary Data, 2022

5. Discussion

The result of Wilcoxon Signed Rank Test exhibits that Covid-19 pandemic does not significantly effect on ROA of BMI. Somehow, the mean of ROA of Bank Muamalat Indonesia during the Covid-19 is slightly better than its ROA before the Covid-19 pandemic. The better ROA mean of Bank Muamalat Indonesia during the pandemic can be affected by some factors. The first is the implementation of OJK Regulation No.11/ POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of Covid 19. This policy provides flexibility for banks to restructure loans to customers affected by Covid-19; secondly, non-performing financing is managed properly by management. However, according to Bank Indonesia's criteria, both ROA of BMI before and during the pandemic are ranked 4th with a predicate "less good".

ROE of Bank Muamalat Indonesia before the pandemic is slightly lower than that during the pandemic although the decrease is not statistically significant. The reduction of ROE during the pandemi can be caused by the decrease in the amount of new financing and an increase in temporary syirkah funds. Likewise, the Result of Paired Samples Statistics states that BOPO value during the pandemic is not significantly different with that before the Pandemic. Even though the mean of BOPO during the pandemic is a little bit better than BOPO before the pandemic. It can happen due to the reduction of operational expenses such as general and administrative expenses, employees, and wadiah current account bonuses. Somehow, according to Bank Indonesia's criteria, ROE and BOPO of Bank Muamalat Indonesia both before and during pandemic are ranked 5th with a predicate "not good". Firdaus et.al (2021), revealed that ROA, ROE, and BOPO of BMI were considered less good.

Otherwise, NOM of Bank Muamalat Indonesia is not significantly affected by Covid-19 even though the NOM during pandemic is slightly increase than that before the pandemic. It makes sense because of a slight decrease in operational costs during the pandemic. However, according to the criteria of Bank Indonesia, the two NOM values are classified as not good (rank

5). It happened due to the realization of both Operating Cost and Average Earning Assets that were higher than the target. On the on the hand, the EPS during the pandemic down a little although it is not statistically significant. This is reasonable because of the decline in ROE during the pandemic.

All in all, Profitability of Bank Muamalat Indonesia seen from ROA, ROE, BOPO, NOM, and EPS, is not significantly effected by Covid-19. This is contradict with the study done by Amrina et. al (2021) which found that Covid-19 pandemic gave significant effect on profitability of Commercial Banks in Indonesia. However, this result is in line with the research conducted by Pribanggayu et. al (2021), which found that that Covid-19 pandemic did not give significant effect on BMI's financial performance. In addition, Ilhami and Thamrin (2021), stated that Covid-19 pandemic did not impact significantly on financial performance of Sharia Commercial Bank in Indonesia.

Conclusion

Based on the results of the Wilcoxon Signed Rank Test, it can be concluded that there is no significant difference between profitability of BMI before and during Covid-19 pandemic seen from ROA and ROE. Likewise, the Paired Sample t-test exhibits that profitability of BMI seen from BOPO, NOM, and EPS is not statistically different both before and during the Covid-19 pandemic. In summary, Covid-19 pandemic has no significant impact on profitability of BMI.

This research is expected to provide input for BMI to improve financial performance, especially profitability. The results of this study discover that the profitability of BMI still needs to be improved. In these conditions, BMI should increase efficiency in asset management to improve ROA, use capital efficiently to improve ROE, and control operational costs to reduce BOPO and increase NOM. In addition, an increase in net profit can increase EPS.

The future research is expected to concern not only about the impact of Covid-19 pandemic on the profitability of BMI but also its impact on

other BMI's financial performance more comprehensively.

Acknowledgements

The author would like to thanks to Politeknik Negeri Semarang, Politeknik Negeri Ujung Pandang, and Politeknik Negeri Batam.

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