

CHAPTER V

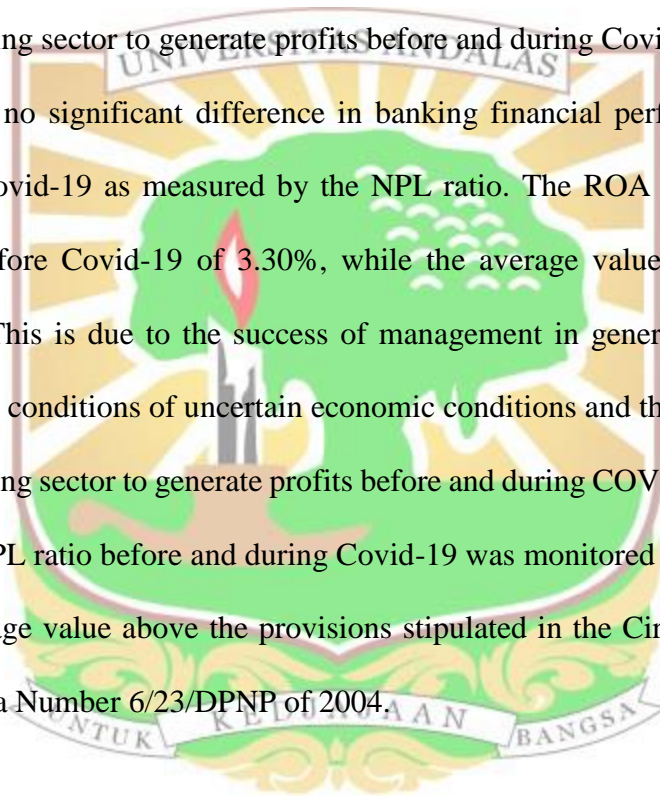
CONCLUSION

5.1 Conclusions

Based on the results of the paired sample test and the sign-Wilcoxon test shows that there are significant differences in banking financial performance as measured using the LDR ratio. And there are no differences in banking financial performance before and during Covid-19 measured using the CAR, ROA, and NPL ratios. From the test results can be seen:

- a. There are significant differences in the financial performance of banks in Indonesia before and during the covid-19 pandemic measured using the LDR ratio. The LDR ratio had an average value before Covid-19 of 87.88%, while the average value during Covid-19 was 81.47%. This was due to lower credit growth due to low demand as a result of lost income during the pandemic and unstable economic conditions.
- b. There is no significant difference in banking financial performance before and during covid-19 as measured by the CAR ratio. The CAR ratio had an average value before Covid-19 of 22.68%, while the average value during Covid-19 was 24.10%. This is due to excess liquidity in banks as well as a decline in profitability as a result of Covid-19 and TPF deposits that grew during Covid-19.

- c. There is no significant difference in banking financial performance before and during covid-19 as measured by the ROA ratio. The ROA ratio has an average value before Covid-19 of 1.35%, while the average value during Covid-19 is 1.32%. This is due to the success of management in generating and stabilizing profits in conditions of uncertain economic conditions and the ability of capital in the banking sector to generate profits before and during Covid-19.
- d. There is no significant difference in banking financial performance before and during covid-19 as measured by the NPL ratio. The ROA ratio has an average value before Covid-19 of 3.30%, while the average value during Covid-19 is 3.49%. This is due to the success of management in generating and stabilizing profits in conditions of uncertain economic conditions and the ability of capital in the banking sector to generate profits before and during COVID-19. The condition of the NPL ratio before and during Covid-19 was monitored to be safe, seen from the average value above the provisions stipulated in the Circular Letter of Bank Indonesia Number 6/23/DPNP of 2004.



5.2 Research Implications

Based on the research that has been done, the implications of the research are as follows:

a. For Banks in Indonesia

Although in general the Covid-19 pandemic has not had much of an impact on the performance of Banks in Indonesia, banking managers must remain cautious and anticipate fluctuations in banking performance. As a financial institution, banks need to maintain their performance in order to operate optimally in order to attract the attention of customers and investors in investing and distributing their funds. In addition, the financial performance of Banks in Indonesia is generally categorized as good, seen from all the average scores that meet the established regulations and the CAR ratio that is still maintained during Covid-19. On the other hand, banks must also make the right policies and policies to maintain the health of the bank and the value of the company.

b. For Investor

For investors who decide to invest, they must pay attention to several factors that can affect bank profitability during the Covid-19 pandemic, such as ROA by looking at their effect on deposits and asset quality, which are factors that affect bank profitability. This is so that investors do not experience losses in terms of investment. Therefore, investors can decide to keep investing in banking companies.

c. For the Government

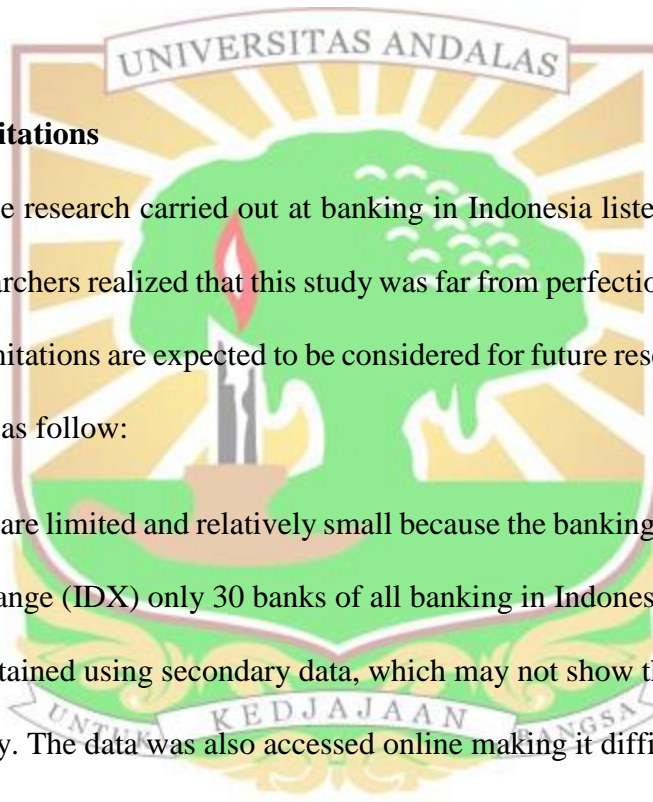
The government can issue the right policies so that there are no differences even though there are crises or things that are not expected.

d. For academics, as knowledge development, this research can be a reference for future researches.

5.3. Research Limitations

Based on the research carried out at banking in Indonesia listed on Indonesia Stock Exchange, the researchers realized that this study was far from perfection and has limitations. Therefore, these limitations are expected to be considered for future research. The limitations of this research are as follow:

1. The sample are limited and relatively small because the banking is listed on Indonesia Stock Exchange (IDX) only 30 banks of all banking in Indonesia.
2. The data obtained using secondary data, which may not show the actual condition of the company. The data was also accessed online making it difficult to collect.
3. There are other variables that affect financial performance that are not used in this research such as BOPO, NIM, NOM, etc.



5.4.Future Research Recommendation

1. Future research is expected to increase the number of samples for more accurate results.
2. The scope of area in the future research is expected to be expanded so that it can be applied broadly.
3. Future research can add other variables related to financial performance.
4. Further research can add samples in other financial institutions such as Rural Credit Banks (BPR) and Sharia Rural Banks (BPRS).

