

ABSTRACT

The banking sector has a very important role in improving the economy of a country, especially in the transfer of capital from one country to another. In its development, the performance of state-owned banks and foreign private banks can already be said to be good during the COVID-19 pandemic. However, this condition cannot be separated from the bank's performance must be maintained properly, this is related to the bank as a financial intermediary institution which is also vulnerable to financial risk. Therefore, it is necessary to assess the health of the bank as an effort to control these risks.

This study aims to determine the condition of the soundness of banks and to find out the difference in the soundness of state-owned banks and foreign private banks seen from the ratio of Risk Profile (NPL and LDR), Earning (BOPO, NIM, and ROA), and Capital (CAR) during the pandemic. COVID-19 during the period from March 2020 to September 2021. The object of this research is 12 banks, which consist of 4 state-owned banks and 8 foreign private banks. The variables used in this research are Non-Performing Loans (NPL), Loan Deposit Ratio (LDR), Return on Assets (ROA), Net Interest Margin (NIM), Operating Expenses to Operating Income (BOPO), Capital Adequacy Ratio (CAR). and analysis using non-parametric statistical method (Mann-Whitney Test).

The results showed that the health level of state-owned banks is higher for LDR ratio and the health level of Foreign Private Banks is higher for NPL, ROA, NIM, BOPO, and CAR ratios. And the results of hypothesis testing showed differences in health levels for NPL and CAR ratios, while there was no difference in health levels for LDR, ROA, NIM, and BOPO ratios between state-owned and foreign private banks.

Keyword: State-owned banks, foreign private bank, bank health level, Mann-Whitney test.