ABSTRACT

Research entitled "**Impact of Government Policy in Financing Restructuring Due to Covid-19 on Profitability (ROA) of Islamic Banks in Indonesia**", compiled by **Miftahul Hadila Fauzana, NIM. 3317.172**, Research S1 students of Islamic Banking Faculty of Economics and Islamic Business (FEBI) State Islamic Institute (IAIN) Bukittinggi.

The Covid-19 pandemic has had various impacts on all aspects of human life, such as in the health, education, social, economic and banking sectors. The impact caused by COVID-19 has resulted in the government issuing various policies. In the economic and banking sectors, the government through the Financial Services Authority issued Regulation of the Financial Services Authority of the Republic of Indonesia Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of the 2019 Coronavirus Disease. One of these regulations explains the implementation of credit/financing restructuring for debtors affected by the Covid-19 pandemic. The enactment of this credit/financing restructuring regulation raises concerns about bank profitability, especially Return on Assets (ROA). This research aims to analyze the impact of government policies in financing restructuring due to Covid-19 on the profitability (ROA) of Islamic banks in Indonesia.

The sampling method in this study was carried out by purposive sampling, which means the selection of samples based on information obtained with certain considerations. This study uses a qualitative descriptive analysis method by describing the phenomena that occur due to the impact of covid-19 and government policies on Islamic banking in Indonesia by analyzing the quarterly financial statements of each of the eight Islamic banks in Indonesia.

The results of the analysis show that during the restructuring period, namely March 2020 to March 2021, the Return on Assets (ROA) ratio of four Islamic banks increased every quarter and four other Islamic banks experienced a not drastic increase or decrease. The highest ratio is found in Bank BTPN Syariah for the period January-March 2021 with a ratio of 11.36% and the lowest ratio is in Bank Bukopin Syariah for the period January-March 2021 with a ratio of 0.01%. During the restructuring period, the average Return on Assets (ROA) ratio of Eight Islamic Commercial Banks in the quarterly financial statements showed a value of 1.60%. Thus, in general, the predicate of the Return on Assets (ROA) ratio of Islamic commercial banks is categorized as healthy.

Keywords: Government Policy due to Covid-19, Restructuring, Return on Assets (ROA)