

## **ABSTRACT**

*This study aims to determine the effect of bank financial performance and macroeconomic variables before and after credit restructuring policies in the face of the Covid-19 pandemic as a national non-natural disaster. The dependent variable used in this study is the bank's financial performance as a proxy for return on assets. While the independent variables are non-performing loans, loan to deposit ratio, capital adequacy ratio, operating expenses of operating income, gross domestic product, interest rates and dummy variable.*

*This study uses panel data which is a combination of time series data and cross section data with secondary data obtained from reports published by each bank under study and the Central Bureau of Statistics. The analytical model used in this study is a multiple linear regression model which was completed with the help of the Eviews 10 program. To see the effect of the independent variable on the dependent variable, the best estimation model was chosen from the three types of models and the best estimation model was the random effect model (REM).*

*The results showed that non-performing loans, loan to deposit ratios, capital adequacy ratios, operating expenses for operating income, gross domestic product, interest rates, dummy variable simultaneously had a significant effect on bank financial performance before and after the credit restructuring policy. While partially shows that the non-performing loan variables, operating income operating expenses, interest rates and dummy variable have a negative and significant effect on the bank's financial performance. The loan to deposit ratio and gross domestic product variables have a positive and significant effect on financial performance, while the capital adequacy ratio variable has an insignificant but not significant effect on bank financial performance. The results of the dummy variable regression show that there are differences in the period before and after the credit restructuring policy in dealing with the Covid-19 pandemic as a national non-natural disaster*

*Keywords: Bank Financial Performance, Return On Assets, Non Performing Loans, Loan to Deposit Ratio, Capital Adequacy Ratio, Operating Expenses, Operating Income, Gross Domestic Product, Interest Rates, Dummy Variable.*