

Post-Pandemi Covid-19 Government Relaxation Policies And Its Implications For Sharia Bank Performance

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Abstract: Banking as an intermediary institution based on the Sharia Banking Act No. 21 of 2008 mandates collect and distribute funds to the public in a proportionate manner. Proportion means is that the portion that is collected and that which is distributed should be balanced, so that the expected profit maximum. In the 2020 era there was the emergence of the Covid 19 pandemic which resulted in the collection and disproportionate distribution of funds. Funding cannot be channeled optimally, because it is work more focused on improving existing financing as a result of customer defaults due to repayment capacity changes. Conditions that cannot be predicted in advance. Government with authority issued a relaxation policy in the form of restructuring through the Financial Services Authority (OJK) provide solutions that are solutive for customers and banks. Over time customer financing saved and doing well. However, nearing the end of the policy there were many related internal audit findings the quality of the policy. Many customers are policy-justified in current collectibility, but in fact collectibility Non Performance Finance (NPF), namely in the collectibility category 3.4 and 5. Under these conditions, it is certain that the bank will incur a loss due to the provision of Reserves Impairment Losses (CKPN) formed. Cleansing data carried out on several customers shows that customers already have qualities that cannot be saved as a result of implementing policies government that does not have a time limit, so that within that unspecified period of time have a fatal impact on the quality of customers and have an impact on banking performance or the soundness level of the bank worsened.

Keywords : Restructuring relaxation, Covid 19 Pandemic Policy, Financial Services Authority, Collectability, Cleansing data.

Abstrak: Perbankan sebagai lembaga intermediasi berdasarkan Undang-Undang Perbankan Syariah No. 21 Tahun 2008 mengamanatkan menghimpun dan menyalurkan dana kepada masyarakat secara proporsional. Proporsi maksudnya adalah porsi yang dikumpulkan dan yang dibagikan harus seimbang, sehingga keuntungan yang diharapkan maksimal. Pada era tahun 2020 terjadi kemunculan pandemi Covid 19 yang mengakibatkan penghimpunan dan penyaluran dana tidak proporsional. Pendanaan tidak dapat disalurkan secara maksimal, karena pekerjaan lebih fokus pada perbaikan pembiayaan yang ada akibat nasabah gagal bayar akibat perubahan kapasitas pembayaran. Kondisi yang tidak dapat diprediksi sebelumnya. Pemerintah yang berwenang mengeluarkan kebijakan relaksasi berupa restrukturisasi melalui Otoritas Jasa Keuangan (OJK) memberikan solusi yang bersifat solutif bagi nasabah dan perbankan. Seiring waktu, pembiayaan pelanggan dapat disimpan dan berjalan dengan baik. Namun menjelang berakhirnya kebijakan tersebut banyak ditemukan temuan audit internal terkait kualitas kebijakan tersebut. Banyak nasabah yang kebijakannya dibenarkan dalam kolektibilitas saat ini, namun nyatanya kolektibilitas Non Performance Finance (NPF) yaitu pada kategori kolektibilitas 3,4 dan 5. Dengan kondisi tersebut maka dapat dipastikan bank akan mengalami kerugian akibat penyediaan Cadangan. Kerugian Penurunan Nilai (CKPN) terbentuk. Cleansing data yang

dilakukan terhadap beberapa pelanggan menunjukkan bahwa pelanggan telah mempunyai kualitas yang tidak dapat diselamatkan akibat penerapan kebijakan pemerintah yang tidak mempunyai batas waktu, sehingga dalam kurun waktu yang tidak ditentukan tersebut berdampak fatal terhadap kualitas pelanggan dan berdampak pada kinerja perbankan atau tingkat kesehatan bank menjadi memburuk.

Kata Kunci : Relaksasi Restrukturisasi, Kebijakan Pandemi Covid 19, Otoritas Jasa Keuangan, Kolektabilitas, Cleansing data.

Introduction

Islamic financial institutions, especially Islamic banking, are intermediary institutions which has the function of collecting public funds in the form of funding and channeling funds to the public also in the form of financing or financing which has been explicitly stated mandated in the Sharia Banking Act No. 21 of 2008. To reach the level national economic growth, the function of channeling or financing credit must be optimal. Therefore, the policy of the Government authorities in this case OJK (Services Authority Finance) determines the level of Loan Deposit Ratio (LDR) must reach 70% of the funds third parties (DPK), which means that the ratio of loan financing distribution must be up to 70% of third party funds (DPK).

One indicator of banking performance is the distribution of financing. The higher it is distribution of financing will form a high turnover and directly impact on the profit of Islamic banking. Of course, credit is distributed as well must be prudent and healthy, meaning that the funds distributed do not create arrears which will result in non-performing or non-performing financing Financing/ NPF) As we all know that in February 2020 globally the world experienced during the covid 19 pandemic. Government policy to reduce activities the community, in this case PPKM greatly affects the community and actors MSMEs. What has a very direct impact is the MSME sector due to increase business turnover is the activity of transactions between sellers and buyers face to face advance. This resulted in decreased business turnover and some experienced bankruptcy and indirectly if they apply for financing to the Bank it

will default occurred. Likewise with employees, the company where he works implementing Work From Home (WFH) which will affect the company's performance and will have an impact on the welfare of employees. If the employee submits financing to Islamic banking, there will be problematic or failed financing pay. Under these conditions, the government, in this case the OJK, establishes a policy relaxation of credit to the community and MSME actors so that it helps and relieves in making installment payments to sharia banking. Credit relaxation is easing MSME actors to pay installments to banks so that business ventures can run again, relief can take the form of loan restructuring as well as the tenor or term of the loan. And this is valid until March 2023. OJK policy also determines the level of bank collectability during the pandemic covid 19, namely collectability level 1 for debtor customers, meaning debtor customers assumed to be current in credit financing. This applies to all existing debtors Islamic banking and will end in March 2023.

This policy is a constructive criticism from banks because it will affect the banking performance itself because the credit relaxation policy is not valid forever and ending March 2023. Besides that, the level of collectability of debtor customer credit financing does not have similarity at collectability level 1 entirely. There are several credit customers experiencing collectability level 2, 3, 4 and collectability 5, because this will have an impact on Allowance for Impairment Losses (CKPN). For example, for BJB Syariah credit customers, if the credit customers consist of: Collectability level 2, then CKPN is 20% of operating profit, Collectability level 3 means that the CKPN is 40% of operating profit Collectability level of 4 means that the CKPN is 75% of operating profit Collectability level of 5 means that the CKPN is 100% of operating profit.

OJK's policy regarding credit relaxation certainly has an expiration date and when it is valid ends, Islamic banking will face a level of collectability in accordance with reality and will indirectly have an impact on banking revenues and profits sharia.

Theoretical Basis. To carry out and support this research, the authors took data from OJK regulations regarding credit relaxation policies and allowance for impairment losses (CKPN) and other regulations. Executive summary of financial services authority regulation number 11/POJK.03/2020 concerning national economic stimulus as countercyclical policies impact of the spread of corona virus disease 2019 (POJK STIMULUS THE IMPACT OF COVID-19)

Developments in the spread of coronavirus disease 2019 (COVID-19) have had a significant impact directly or indirectly on the performance and capacity of debtors including debtors micro, small and medium enterprises (MSMEs), so that it has the potential to disrupt performance banking and financial system stability that can affect economic growth. Therefore, to encourage the optimization of the banking intermediation function, maintain financial system stability, and supporting economic growth policies are needed economic stimulus as a countercyclical impact of the spread of COVID-19.

The main provisions of the POJK Stimulus Impact of COVID-19 include: This POJK applies to BUK, BUS, UUS, BPR and BPRS. Banks can implement policies that support stimulus for economic growth debtors affected by the spread of COVID-19 including MSME debtors, permanently pay attention to the precautionary principle. Debtors affected by the spread of COVID-19 including MSME debtors are debtors who experience difficulties in fulfilling obligations to the Bank because of the debtor or the debtor's business is affected by the spread of COVID-19, either directly or indirectly directly in the economic sector

including tourism, transportation, hospitality, trade, processing, agriculture, and mining The stimulus policy in question consists of:

Assessment of the quality of credit/financing/other provision of funds is only based on accuracy payment of principal and/or interest for credit/financing/other provision of funds with ceiling up to IDR 10 billion; And Improving the quality of credit/financing to be smooth after being restructured during POJK validity period. The provisions of this restructuring can be applied by the Bank regardless limits on credit/financing ceilings or types of debtors.

The method of credit/financing restructuring is carried out as stipulated in OJK regulations regarding asset quality assessment, among others by: lower interest rates extension of time period; reduction of principal arrears; reduction of interest arrears; additional credit/financing facilities; and/or conversion of credit/financing to Temporary Equity Participation. Banks can provide credit/financing/other provision of new funds to debtors who have received special treatment in accordance with this POJK with quality determination credit/financing/other provision of funds is carried out separately with quality previous credit/financing/provision of funds. The Bank submits periodic reports on the implementation of this POJK for supervisory monitoring since the position of data at the end of April 2020. This provision is valid since promulgation until March 31, 2021.

From the POJK above it is stated that at point 2 that the stimulus is for debtor customers credit into the current category after restructuring by the bank regardless credit ceiling limits and the type of business of the debtor. In point e it is also stated that the technical restructuring can be in the form of: Lower interest rates Term extension Reduction of principal arrears Reduction of interest arrears. Additional credit facilities Conversion of credit financing into equity participation

Method

This study aims to analyze the impact of implementing financing restructuring on Islamic bank liquidity in the context of the COVID-19 pandemic. Research methods that used in this study is to use a qualitative descriptive analysis. With describes the phenomena that occur as a result of the impact of the corona virus (COVID-19) on global economy, Indonesian government policies and the banking industry. Technique data collection in this research is through literature study and interview activities from several heads of Islamic bank branches in the West Java region by asking for criticism towards the OJK policy. The results of the interview technique will be analyzed in detail qualitative descriptive based on the theoretical basis and sources of data obtained.

Result and Discussion

Banking as an intermediary institution based on the Islamic Banking Act No. 21 of the year 2008 mandated collecting and distributing funds to the public on an ongoing basis proportional. The proportion in question is the portion that is collected with the amount distributed should be balanced, so that the expected benefits are maximized. Condition the normative, will produce profits that are positively correlated to the wheel a country's economy. Any country in the world will really need the Institute banking to support its national development through financing to projects productive so that the projects can directly operate which the implications will be create jobs and for the company will get profit after paying obligations to banks. As we all know, in the early period In 2020, conditions throughout the world have experienced unexpected conditions, namely the emergence of the covid 19 pandemic, where the whole world has to do a lock down due to the Corona Covid 19 virus attack. Lock down conditions will obviously reduce any business activities that were originally running

normally, even experiencing total stagnation, so that it has a very significant effect on banking performance in general.

In this lock down condition , the business sectors whose capital comes from banking, will experience disruption so that the payment of obligations to banks also will experience interference. Because of this, government intervention is necessary, because This condition is systemic. Because of these conditions, the government of the Republic Indonesia through the Financial services Authority has issued several policies, with the noble goal of saving customers from congestion and banking from losses big. Among these policies include the following: POJK Number 2/POJK.03/2021 concerning Amendments to Service Authority Regulations Finance Number 34/POJK.03/2020 concerning Policies for Rural Credit Banks and Islamic People's Financing Banks as a Impact of the Spread of the Coronavirus Diseases 2019. POJK Number 58/POJK.05/2020 concerning Amendments to Service Authority Regulations Finance Number 14/POJK.05/2020 concerning Countercyclical Impact Policy Spread of Coronavirus Disease 2019 for Non-Bank Financial Services Institutions. POJK Number 48/POJK.03/2020 concerning Amendments to Service Authority Regulations Finance Number 11/POJK.03/2020 concerning National Economic Stimulus As a Countercyclical Policy Impact of the Spread of Coronavirus Disease 2019. In the policies mentioned above, it explicitly regulates that the government providing relaxation to banking and non-banking financial institutions in form of restructuring over a period of time. The policy is given in order for businesses customers are still running well as well as customer collectibility conditions are still running well good collectibility category. Vice versa Financial institutions in this case helped because his credit position remained in good condition.

One of the forms of restructuring provided by OJK through banking is of course various shape. As we know that the form of restructuring can be divided into 3, namely as follows: Restructuring with Tenor extension with low margins Installment Discount Credit discount in one payment Of the restructuring categories above, of course each customer has different characteristics, so that the treatment of one customer with another customer is also different will also be different. But most things are often done by extending the tenor so that installments during the pandemic can be adjusted to the capabilities at that time.

This relaxation policy through restructuring certainly brings fresh air to customers. However, not many actually misunderstood. Many people think that the government makes it free for a year without any compensation, or allowed repay according to ability at that time without installments. In fact is the treatment as the amount of receivables owned, so actually only just a matter of time. In terms of the treatment of this policy, based on the POJK mentioned above, that customers during the covid 19 pandemic policy, get quality treatment collectibility is smooth, even though the factual conditions are in conditions of col 2, 3, 4 and 5. This certainly gives joy to customers because there is no such treatment customers under normal conditions, such as auctions, subpoenas and so on. It is too profitable for the banking sector, because in terms of on balanced financial statements it is not reserve CKPN which will erode the profits formed.

This factual condition certainly gives a sense of comfort and joy, because everything is guaranteed by government on the basis of OJK regulations above. But behind it all, as a critic for this policy is the post-Covid 19 policy condition for level implications Bank health. Is it a positive impact, is it a negative impact. Observation initial to the government's policy on the condition of Covid 19 is of course very positive, because benefit all. However, it should be called a policy, if

the impact is positive forever so it says successful. Nearing the end of the Covid 19 policy in March 2023, most banks are starting to get restless. This is due to the condition of the customer which justified collectability smoothly at first, all of a sudden everything will change with the value of the CKPN is so large. Of course this will be a nightmare, because profits will drastically reduced in front of our eyes, because the collectibility positions 2,3,4, and 5 must be very large and of course this will affect the soundness level of the bank. This condition makes it seem that government policies are only policies that are arbitrary in nature PHP. Initially, banking expectations were good but in the end they really didn't want them. Based on some of the author's observations, many banks are currently competing perform data cleansing on this issue. Previously developed data there seems to be no problem, but after being audited by the OJK, a lot of data was found customers who have a problematic financing category with no assessment results survive based on the 2022 POJK regulations. The customer category does not last actually the customer cannot be restructured again due to, for example the customer concerned is no longer working and unable to make payments. This condition certainly seems as if the government's policy of relaxation is being used by the banking system to save the moment without thinking in the long run.

This problem is of course systemic, because all existing data must be corrected based on conditions actually in the field, so that the banking in this case must be reluctant to accept bitter reality, because there may be some customers who cannot do it qualitatively saved again. When it can't be saved, then automatically the customer It will become waste which will negatively affect the company's profit because the CKPN reserves are formed. From some of the findings above, the authors criticize that the policy is related to mass the Covid 19 pandemic as mentioned above, seems immature, as it were think for a moment without thinking about the long term impact. Payment delay during within a

year and/or so on should be accompanied by detailed rules customer criteria in terms of customer repayment capacity , so that sustainability is ensured customers after the Covid 19 policy are still in good condition. Related policy packages quality of customers as has been regulated, should have a certain time limit on a regular basis periodically, so that customers who have poor abilities will be detected earlier so that it can be handled properly. These are the things that should be included in the policy of handling Covid 19 by the government so that the impact it has will not be a real mirage which will have fatal consequences for banking performance in general.

Conclusion

The policy for handling the Covid 19 pandemic is a noble initiative by the government for save the quality of customer financing by using a deep relaxation scheme form of financing restructuring. In its journey, the policy runs smoothly good and felt the benefits, but towards the end of the end of the policy, there were many findings by internal audit regarding the quality of the policy will turn into a disaster, because most of the customers who are policy justified in current collectibility but it turns out that many actually have NPF collectibility, namely in categories collectibility 3,4 and 5. With these conditions, it is certain that the bank will experience losses due to the provision of CKPN that is formed. Cleansing data is done above some customers indicate that customers already have qualities that cannot saved as a result of the implementation of government policies that have no time limit, so that in an unspecified period of time it will be fatal to quality customers and have an impact on banking performance or the bank's soundness level.

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