

## **ABSTRACT**

*The Covid-19 pandemic that began to hit Indonesia in March 2020 caused many industrial sectors in Indonesia to be affected. Including the Islamic banking industry in Indonesia. Judging from the financial ratios during the period September 2019-August 2020 the ROA value decreased by 0.3%; NPF improved by 0.02% and CAR decreased by 0.02%. When viewed from the financial ratios, it can be said that the performance of Islamic banks is stable, but it needs to be explored further, whether the bank is able to carry out its operational activities efficiently.*

*The purpose of this study is to measure the level of cost efficiency of Islamic Commercial Banks (BUS) for the first Quarter 2019 – Fourth Quarter 2020 and analyze the factors that affect the level of cost efficiency. This study uses saturation sampling with a total sample of 14 Islamic Commercial Banks (BUS). Calculation of the level of efficiency using the Stochastic Frontier Analysis (SFA) method. Furthermore, the results of the calculation of efficiency costs use the Frontier 4.1 test tool while, to see the factors that affect the efficiency of the use of E-views 9.*

*The results of this study indicate that the efficiency value of Bank Muamalat Indonesia has an efficiency value of 0.9284 and several banks that have an efficiency value of more than 0.5 are Aceh Syariah Bank, BNI Syariah Bank, Mega Syariah Bank. in this study only inflation variables that affect efficiency, while the variables of bank size, Return On Assets (ROA), Net Operating Margin (NOM), Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), Capital Adequacy Ratio (CAR), Gross Domestic Product (GDP), and the rupiah exchange rate have no effect on efficiency.*

*Keywords: Efficiency , Islamic Commercial Banks, Stochastic Frontier Analysis (SFA).*