

ABSTRACT

Changing economic conditions can affect the activities and performance of the company, both in small companies and large companies. SOE Company is a company that part or all of its capital is state ownership. Therefore, SOE companies are encouraged to continue to improve their financial performance, this study aims to compare the financial performance of state-owned enterprises in the banking sector in China and Indonesia.

The financial performance of an enterprise can generally be assessed using financial ratios. The variables used in the research are Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), Return on Assets (ROA), Return on Equity (ROE) and Loan to Deposit Ratio (LDR). And analyzed using non-parametric statistic method (Wilcoxon Test).

The research method used is descriptive comparative. Sources of secondary data in the form of financial statements for the period 2014-2016 obtained from the official website of each company. The sample selection is based on the characteristics of the SOE companies that are listed in the stock price index of each country and have the financial statements of the period 2014-2016 in international languages.

The result of this research is that there are significant differences in CAR, NPL, LDR, and ROA Ratio between SOEs banking sector in Indonesia and China. And there is no significant difference in ROE Ratio between SOEs in the banking sector in Indonesia and China.

Keywords: Financial performance, Financial ratios, Wilcoxon test