

ABSTRACT

The American-Chinese trade war had a positive impact on Indonesia, including a reduction in interest rates by the federation followed by a reduction in interest rates by Bank Indonesia, which had a direct impact on conventional banking. Whereas Islamic Banking uses the principle of profit sharing so that the reduction in the Bank Indonesia benchmark interest rate does not have a direct impact on Islamic Banking. This is an example of the difference between Conventional Banking and Islamic Banking. This phenomenon will affect the performance of each bank in the 2015-2019 period.

This study aims to find out better financial performance between Islamic Banking and Conventional Banking that is listed on the Indonesia Stock Exchange in 2015-2019 by comparing financial performance using the CAR, NPL, ROA, BOPO, LDR, and DER variables. The type of data used is secondary data with quantitative research methods. Data analysis techniques used were descriptive statistical analysis, Kolmogorov Smirnov normality test, and independent sample t-test.

The results of this study indicate that overall, the financial performance of Islamic Banking and Conventional Banking for the 2015-2019 period was in a healthy condition in accordance with Bank Indonesia regulations. The results of the financial performance test using the independent sample t-test show that there is only a difference in the DER ratio, so it can be concluded overall there is no significant difference between the financial performance of Islamic Banking and Conventional Banking in the 2015-2019 period. Islamic Banking has better financial performance compared to Conventional Banking in terms of CAR, NPL, LDR, and DER variables. Whereas Conventional Banking has better ROA and BOPO compared to Islamic Banking.

Keywords: CAR, NPL, ROA, BOPO, LDR, DER