ABSTRACT

This study aims to examine and analyze the soundness level of conventional banks and Islamic banks based on financial ratios using the RGEC method (Risk Profile, Good Corporate Governance, Earnings, Capital). The population in this study amounted to 147 consisting of the entire banking industry, both conventional banks and Islamic banks listed on the Indonesia Stock Exchange (IDX) in 2018-2020. The method of determining the sample used is purposive sampling consisting of 43 conventional banks and 6 Islamic banks. Hypothesis testing using the Mann Whitney Test with the SPSS 23 application.

The results of this study indicate that through the calculation of the composite value as a whole, both conventional banks and Islamic banks are at the PK-3 rating, namely "HEALTH ENOUGH" but with different percentage values, conventional banks have a higher percentage of 70% when compared to Islamic banks at 67.5%. Then there are differences between conventional banks and Islamic banks in the ratio of GCG and NIM financial performance. While the financial performance ratios of NPL/NPF, LDR/FDR, ROA, ROE, BOPO, and CAR there is no difference between conventional banks and Islamic banks.

Keywords : Bank Health Level, Conventional Banking, Islamic Banking, RGEC.