ABSTRACT

This research aims to determine the differences of financial performance between syariah (Islamic) and conventional banks over the period 2011-2013 in Indoneia.

This study uses 12 financial ratios as indicators to measure the performance of each bank. The 12 financial ratios are as follows: ROA, ROE, CTA, CTD, LLR, NPL, LTA, LTD, DA, ETA, DTA, and DTE. Samples of this research consist of 9 syariah (Islamic) and 9 conventinal banks from the same parent companies. Samples were selected by using purposive ramdom sampling method with certain criteria and consideration. The data used in this research is secondary data obtained from financial and annual reports published by each bank. The data collected were analyzed using 2 analysis methods which are Independent Sample T-test, Two Independent Sample Test: Mann-Whitney U.

The result showed that syariah (Islamic) banks are, on average, more profitable, more liquid, better capitalized, and have lower credit risk than conventional banks. Linear

Keywords: ROA, ROE, CTA, CTD, LLR, NPL, LTA, LTD, DA, ETA, DTA, DTE, Independent Sample T-test, Two Independent Sample Test: Mann-Whitney U, profitability, liquidity, credit and insolvensy risks