

ABSTRACT

Efficiency rate of Conventional Commercial Bank (CCB) in Indonesia less than efficiency rate of Islamic Commercial Bank (ICB) during the 2006-2010 periods. It can be looked at BOPO score of CCB in 5 periods, it was higher than BOPO score of ICB, it was 86,71% and 81,88%. This research have purpose to analyze CCB and ICB efficiency rate, analyze the influence of input variable (total deposit, total asset, and total labour expense) and output variable (total credit/financing and operational profit) to CCB and ICB's efficiency rate, and analyze the different of CCB dan ICB efficiency rate during 2006-2010 periods.

There are 21 commercial banks in Indonesia consist of 10 CCB and 11 ICB that be samples in this research chosen by purposive sampling during 2006-2010 observation period. This research used Data Envelopment Analysis (DEA) method with CCR models(Charnes-Cooper-Rhodes) that assumed Constant Return to Scale (CRS) with output maximizing. An EAU (Economic Activity Unit) become in a relatif efficient if the dual score are same with 1 (efficiency score 100%), but in the opposite, if the dual score less than 1 so that EAU assumed is not in relatif efficiency (inefficient). In this research,the input and output variable chosen using intermediary approach, because this approach is the most suitable with the function of bank that is as financial intermediation institution. In order to analyze the efficiency score difference of each bank, this research use independent sample t- test.

The result of analysis using DEA method showing that during 2006-2010 period, the efficiency of CCB and ICB always increase although fluctuating with the average efficiency 83,29 percent for CCB and 89,3 percent for ICB. This is showing that ICB in Indonesia better than CCB in efficiency. Finding of independent sample t-test analysis showing that there is no difference in efficiency score between CCB and ICB during the 2006-2010 period.

Keywords: *Efficiency, DEA, Conventional Commercial Bank (CCB), Islamic Commercial Bank (ICB)*