

Comparison Analysis of The Performance of Financial Reports on Conventional Bank and Islamic Bank

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Abstract

The existence of many bank financial institutions in Indonesia makes the whole community and the government feel the impact of the existence of banks. From the past until now, all economic activities in Indonesia have depended on bank financial institutions. With the current dual banking system, it is difficult for the public to determine which bank is more effective as a financial institution that can be trusted to have good quality and financial performance. This study aims to find out how the performance of financial statements is compared between conventional banks (BRI) and Islamic banks (BSI) for 2021 – 2022. The method used in this research is a descriptive qualitative method. The results obtained from this study show that the financial performance of BRI banks in 2021 – 2022 is superior in evaluating the ratios of ROA, ROE, and LDR compared to BSI banks. However, BSI banks are superior to BRI banks in assessing the NPL ratio. Even so, there are advantages between the two banks, which have a good and effective soundness. The contribution that can be made from the results of this research is in the form of a comparison with similar research. The hope is that sharia banking can play a sharia economic role in Indonesia, which has the power of having the most immense Muslim majority in the world.

Keywords: Conventional bank, Islamic bank, performance, financial report

JEL Classification: F65, G21

A. INTRODUCTION

A bank is an agency or institution whose job is to collect funds from third parties or owners of funds and then channel them back to parties who need funds or the public. The bank also acts as an intermediary to channel the supply and demand for money at a specified time (Rozzani & Rahman, 2013). In Indonesia, the Bank is the prima donna of the many existing financial institutions. Banking in Indonesia plays a critical role in the country's economic development. With banking in

Indonesia, all economic activities are safe because the bank assists in borrowing and depositing funds. Based on Law No. 10 of 1998, which replaced Law No. 7 of 1992 concerning Banking, Indonesia adheres to the Dual Banking system, namely Conventional Banks and Sharia Banks (Hasan, 2023).

A huge difference between Conventional and Islamic Banks lies in the principles they prioritize. Conventional banks adhere to the principle of seeking maximum profit for both the owner of the funds, the user of the funds,

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and the bank itself as an intermediary (Duasa et al., 2014). Whereas in Islamic banking, the main principle is a fair profit-sharing system to avoid the element of *riba* in every transaction (Majeed & Zainab, 2021).

To meet public demand, the number of banks in Indonesia, both government and private, the banks must maintain and improve the quality of their work. Both Conventional Banks and Sharia Banks are currently competing with each other to get customers (Salma Sairally, 2013). Of course, apart from good operational management of the Bank, some things are more important for the Bank to pay attention to, namely its financial performance (Amir, 2020).

Financial performance is an analysis to see how far the Bank as a financial institution has followed the rules of exemplary and correct financial implementation. With sound financial performance in a bank, the operational management of the bank will also be good. This is because finance is the primary support for a bank in carrying out its operational activities (Rioja et al., 2014).

Banks need to pay attention to good financial performance to continue to exist and retain their customers amidst lots of competition. The main instrument that needs to be considered by a bank in assessing its financial ability is the presence of financial reports (Indriani et al., 2017). This financial report contains all the Bank's financial records for one period. Bank management can make good decisions by looking at the financial statements. Not only does bank management determine financial decisions, but bank externals such as investors, debtors and

customers can also assess and measure a bank's ability by looking at financial reports (Salendu, 2019).

Performance appraisal and measurement of the Bank's finances are very important for many parties. A bank with sound financial conditions is needed as an intermediary between the owners of funds and those who need funds. If the Bank's financial condition is healthy, then the role of the Bank as an intermediary will run smoothly. The business community, corporate institutions or agencies, debtors or investors will trust a bank with sound financial performance (Trabelsi & Trad, 2017).

Based on existing research, an assessment of the ratio of non-performing loans (NPL) and return on assets (ROA) is used to compare a bank's financial performance—Return On Equity (ROE) and Loan to Deposit Ratio (LDR). The four ratios determine the Bank's capability in finance (Khunaifi & Umam, 2019).

Based on the background above, a case study was carried out to assess the financial performance of sound banks in Indonesia, both conventional and Islamic banks. In this case, the researchers decided to assess the financial performance of Bank BRI and Bank BSI for the 2021-2022 period by using the ratios of NPL/NPF, ROA, ROE, and LDR/FDR as a measure of how far bank management is in managing finances (Hasan, 2021). The following presents data on the financial ratios of Bank BRI and Bank BSI for 2021-2022.

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Table 1. Report on NPL/NPF, ROA, ROE, and LDR/FDR for 2021-2022

No	Bank	NPL/NPF		ROA		ROE		LDR/FDR	
		2021	2022	2021	2022	2021	2022	2021	2022
1	Bank BRI	3,29 %	3,14 %	2,52 %	3,97 %	15,28 %	22,00 %	83,05 %	88,92 %
2	Bank BSI	3,05 %	2,67 %	1,70 %	2,08 %	13,82 %	17,44 %	74,45 %	81,45 %

From the table above, it can be seen that Bank BRI during 2021 and 2022 has a healthy NPL. In addition, it can be seen that Bank BRI's financial performance has a ROA value of 2.52% in 2021 and 3.97% in 2022. Bank BRI also has an ROE value in 2021 of 15.28% and 2022 22.00%. Bank BRI's latest financial performance data is the LDR value, which in 2021 is 83.05% and in 2022 it is 88.92 per cent.

This analysis seeks to respond to the following research questions: How can the financial performance reports of Bank BRI and Bank BSI be compared?

Apart from Bank BRI data, there is also Bank BSI financial performance data for 2021-2022. Bank BSI's NPF for 2021 and 2022 has a healthy weight because it is below 5%. Furthermore, ROA data at Bank BSI in 2021 was recorded at 1.70%, and in 2022, it was 2.08%. Likewise, the ROE data owned by Bank BSI in 2021 was recorded at 13.82% and in 2022, it was recorded at 17.44%. In 2021, financial performance data shows that BSI has an NPF rate of 74.45%, and in 2022, it has an NPF rate of 81.45%.

B. LITERATURE REVIEW

According to the Financial Accounting Standards, a bank is an entity whose activities in the financial sector are to collect and

distribute funds to the public, especially for company investments. Banks have many functions, including the Bank as an Agent of trust (Ma'ruf, 2017). The point is that the Bank is the only financial institution that is, most importantly, highly trusted by the public in managing funds, collecting and channeling funds from the community and for the community (Majeed & Zainab, 2021).

The difference between the two types of banks can be seen in raising and distributing funds. Regarding raising funds, the two banks aim to mobilize public funds. Nevertheless, the Sharia system is intended to mobilize public funds that are not touched by conventional banking because of the problem of interest (Hasan, 2020).

Performance in the Big Indonesian Dictionary is defined as achieved, the achievements shown, and workability. From this understanding, it can be interpreted that the achievements achieved are management achievements, especially for financial management that has succeeded in maintaining the value of company or bank profits (Hasan et al., 2021).

According to Sucipto (2003), financial performance is an analysis of the level of achievement of the Bank's success in obtaining profits, as assessed through specific assessment measures. Standard financial ratios must be considered when determining

financial performance using financial ratio analysis so that the company can determine whether its financial performance is good or not (Rioja et al., 2014).

From the results of previous research, there are differences in financial performance as assessed by the ratios of ROA, ROE, and NPL, where the previous research discussed the comparison of financial performance in Islamic Banks and Conventional Banks. The results stated that Islamic Banks perform better than Conventional Banks (Wijayanti et al., 2017). This is also in line with research on the financial performance of Islamic banking and conventional banking, which states that the financial performance of the two banks is in the ideal category. However, the performance of Islamic banks is still superior to conventional banks (Ali, 2020).

According to Kasmir, the definition of financial statements is the result of the accounting process starting from recording to financial reporting, which is used as a means of exchanging financial data information or other activities related to the Bank needed by parties with an interest in the Bank (Ma'ruf, 2017). According to Kariyoto, good financial reports consist of several types: statements of financial position (balance sheet), income statements, cash flow reports, changes in capital reports, and notes to financial statements (F., 2020).

1. Balance sheet

The balance sheet is a type of financial report that shows a company's financial position at a particular time. A balance sheet report shows the balance at the end of the period, which includes the account assets, liabilities, and

capital owned by an entity (Abdalla Ahmed, 2008).

2. Income statement

The income statement (income statement) is a financial report that describes the results of a company's operations in a certain period. The income statement contains the amount of income and the sources of income earned. Then, the expenses and types incurred during a specific period are also listed (Nurwahyudi & Rimawan, 2021).

3. Report on changes in capital

The report on changes in capital contains the amount and balance of capital currently owned. This report also contains changes to the capital account. However, this report is rarely made; if there is no change in capital, then this report is not made (Mohammad, 2021).

4. Statement of cash flows

The cash flow statement covers all aspects related to the process of company activities, both involving cash directly and indirectly. Preparing a statement of cash flows must comply with the concept of cash in general, which includes cash in and cash out (Rizvi et al., 2021).

5. Notes to the financial statements

The notes to the financial statements usually explain the previously made financial statements, which are not explained in detail (Akram Laldin, 2008).

Analysis of financial statements is the most effective way to clarify information about financial reports with weaknesses and strengths. Separate analysis is decomposing a subject into several parts and studying the

parts and their relationships to form a complete understanding (Abdulle & Kassim, 2015).

A financial report needs to be analyzed again to make its contents accessible because users of financial reports do not only come from internal companies. Most users of financial statements are from outside, such as investors, the government, and the general public. Of course, it is necessary to analyze the financial statements. The purpose of doing this financial statement analysis is to find out the current financial position (Majeed & Zainab, 2021).

Financial ratios are ratio calculations that use financial reports as a measure of financial performance. Financial ratios usually contain comparisons between accounts that are related to one another. It can be concluded that financial ratio analysis is one of the methods used to analyze financial statements by comparing interrelated and related items to show the company's condition and assess the company's performance (Rioja et al., 2014).

1. Non-Performing Loans

The NPL ratio is the ratio between the amount of credit extended and the collectability level, which is a non-performing loan compared to the total credit extended by the bank. This NPL ratio is one measure of the Bank's ability. The index set by BI for all banks, if they have an NPL ratio above 5%, then the bank is said to be unhealthy. Because NPL determines the Bank's ability to extend credit. (Firnanda, 2022).

$$\text{NPL} = \frac{\text{Problematic credit}}{\text{Total credits}} \times 100\%$$

2. Return On Assets

ROA measures the return on total assets after interest from taxes; the return on total assets shows management's performance in using company assets to generate profits. The assessment is that the greater the ROA value, the better a bank's performance. The profit will increase if the ROA ratio grows (Indriani et al., 2017). With that, the performance of a bank will be better. ROA calculations usually use the formula:

$$\text{ROA} = \frac{\text{Gross profit}}{\text{Total Assets}} \times 100\%$$

3. Return On Equity

ROE shows the extent to which a company manages its capital effectively, measuring the level of profit from investments that the owners have made of their capital or the company's shareholders. The greater this ratio, the better the financial performance of a bank. Sugiono (2009:81) suggests that this ratio measures the rate of return from the business on all existing capital. ROE is one of the indicators shareholders use to measure the success of the business being undertaken. ROE also describes the Bank's net profit on its capital (Kurniawati et al., 2021). The following is the ROE calculation formula:

$$\text{ROE} = \frac{\text{Net profit}}{\text{Total Equity}} \times 100\%$$

4. Loan to Deposit Ratio

LDR illustrates the ratio between the amount of credit extended by banks to customers and funds collected from the public. If the credit given to the community gets bigger, the unused funds will decrease, and profitability will increase. So, the higher the LDR ratio, the higher the ROA value. The Loan To Deposit Ratio (LDR) is the ratio used to assess a bank's ability to pay its short-term obligations by relying on credit as the primary source of liquidity (Ghozi & Hermansyah, 2018).

$$\text{LDR} = \frac{\text{credit distributed}}{\text{Funds received}} \times 100\%$$

C. RESEARCH METHODOLOGY

In this study, the method used is descriptive qualitative, which analyzes financial performance (Lane, 2011). The selected object of study is Bank Syariah Indonesia (BSI) as a Sharia Bank and Bank Rakyat Indonesia (BRI) as a Conventional Bank. The data taken comes from secondary data, namely, looking at the Financial Services Authority (OJK) website page.

The data use financial report data in the form of balance sheets and income statements for 2021 and 2022. The financial report data is quarterly data from the two

banks. In particular, data for the last quarter were taken for September 2021 and September 2022.

The variable in this study is financial performance, which is a single variable. The analysis technique used is an analysis of several types of financial ratios. The point is to measure the extent of a bank's ability to manage its finances (Arif et al., 2021). The financial ratios used include the NPL ratio to see the extent of a Bank's ability to provide credit and manage credit, the ROA ratio to measure the effectiveness of the use of assets in obtaining profits, the ROE ratio to measure the effectiveness of using the equity in generating profits, and the LDR ratio. To measure the Bank's ability to repay short-term debt obtained from third parties as owners of capital.

D. RESULT AND DISCUSSION

In this section, data has been obtained and processed in such a way as to be more understandable and more accessible to analyze regarding financial ratios that show the level of performance between Bank BRI and Bank BSI in 2021 and 2022.

The following are all financial ratio data for the two banks taken from the OJK website and processed using Microsoft Excel.

Table 2. Bank BRI and BSI Financial Ratio Data for 2021-2022

No	Bank	NPL/NPF		ROA		ROE		LDR/FDR	
		2021	2022	2021	2022	2021	2022	2021	2022
1	Bank BRI	3,29 %	3,14 %	2,52 %	3,97 %	15,28 %	22,00 %	83,05 %	88,92 %
2	Bank BSI	3,05 %	2,67 %	1,70 %	2,08 %	13,82 %	17,44 %	74,45 %	81,45 %

Source: www.ojk.co.id, processed

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Furthermore, the table above is processed again into several parts according to the ratios used by the author in measuring the financial performance between Bank BRI and Bank BSI, as needed to compare the performance between the two banks.

Non-Performing Loan Ratio (NPL) / Non-Performing Financing (NPF)

The NPL/NPF ratio is a comparative ratio used to measure the level of non-performing loans or financing with the total loans that the Bank has disbursed. According to the rules set by Bank Indonesia (BI), the NPL/NPF ratio, which indicates the soundness level of a bank, is if the number of comparisons between non-performing loans and total loans or financing is in a small number equal to 5%. That means if a bank has an NPL/NPF ratio above 5%, it can be said that the bank's condition is not in good health. In addition, it can also be said that a bank's financial performance is also not reasonable and is not as superior as expected.

The following presents a table of data on the ratio level of Bank BRI and Bank BSI for 2021-2022.

Table 3. NPL/NPF Ratio Data for Bank BRI and Bank BSI for 2021-2022

No	Bank	NPL/NPF	
		2021	2022
1	Bank BRI	3,29 %	3,14 %
2	Bank BSI	3,05 %	2,67 %

Source : Data processed

From Table 3 of the NPL/NPF ratio data above, it can be seen that the difference in the gratuity rate at Bank BRI in 2022 has

decreased the NPL rate by 0.15% from the previous year. In 2021, the NPL ratio owned by Bank BRI was 3.29%, and the NPL ratio for Bank BRI in 2022 was 3.14%. From this value, it can be seen that the development of Bank BRI's soundness level and financial performance in 2022 shows an increase in performance. However, in those two years, Bank BRI was recorded as having a good soundness level following BI regulations, below 5%.

In addition, the NPF financial ratio data for Bank BSI shows a decrease in percentage in 2022 of 0.38% from the previous year. This percentage reduction figure is considered very high for a bank directly related to granting credit or loans. In 2021, it is known that the NPF ratio at Bank BSI is 3.05% higher than in 2022, which is 2.67%. This means that Bank BSI, from 2021 to 2022, experienced an increase in financial performance, especially in handling problem loans. Suppose it is measured by the determination indicators made by BI as the center for all banks. In that case, the soundness of financial performance at Bank BSI is in the excellent and healthy category because these two years were below 5%.

Furthermore, we found a comparison of the financial performance between Bank BRI as a conventional bank and Bank BSI as an Islamic bank by looking at the decrease in the value of the NPL/NPF ratio as well as the increase in the performance and soundness of the bank. The increase in performance and health at Bank BRI from 2022 compared to the previous year was only 0.15%. Compared to the increase in bank performance and

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health at Bank BSI from 2022 to the previous year, it was 0.38%. The value of the increase in the financial performance and soundness of the bank shows that Bank BSI, as an Islamic bank, is faster in dealing with credit or non-performing financing problems compared to Bank BRI as a conventional bank.

In addition, the value of the NPF ratio owned by Bank BSI is somewhat lower than the NPL ratio owned by Bank BRI. From the data table above, it can be seen that Bank BRI cannot reach a value below 3% compared to Bank BSI, which, in 2022, reached a value of 2.67%. This also shows that Bank BSI, as an Islamic bank, has a better bank health score, and the bank's financial performance is better and more reliable.

This result is supported by previous research conducted in his research on comparing the financial performance of conventional banks and Islamic banks in 2012, which found that the performance of Islamic banks in handling non-performing loans was better than that of conventional banks. Several reasons make Islamic banks' performance better than conventional banks' performance. One of the causes is the absence of an exciting system in Islamic banks and the convenience and relief they provide when their customers have problems in terms of financing.

Return On Assets Ratio (ROA)

The following assessment and measurement of financial performance measure the ROA ratio owned by a company or bank. The ROA ratio is a ratio that measures the ratio between the gross profit

earned by a bank and the total assets it owns. The aim is to assess the extent to which the effectiveness of using all the assets or property owned by a company or bank is to gain profit or profit. With this ROA ratio, it will be seen how a bank uses its assets in one year or one period. Whether the asset is used effectively or not to increase its profit.

As was the case with the previous NPL/NPF ratio, which had indicators so that a bank could be said to have good performance, the ROA ratio also had indicators so that a bank could be said to be healthy and performing well during one period. As for this ROA ratio indicator, if the value of the ROA ratio is above 1.5%, it is classified as a bank that is very effective in using its assets. In addition, the higher and more significant the ROA ratio, the better and healthier the bank's condition. The following table presents the ROA ratio data owned by Bank BRI and Bank BSI in 2021 – 2022.

Regarding ROA ratio data on table 4 above, the ROA ratio is assessed in the form of a percentage. At Bank BRI as a conventional bank from 2021 to 2022, there has been an increase in the ROA ratio of 1.45%. In the data for 2021, the ROA ratio at Bank BRI shows a value of 2.52%, while in 2022, the ROA ratio has increased to 3.97%. This shows that Bank BRI, from 2021 to 2022, has increased the effectiveness of using its assets to obtain profit. Apart from that, from the data, it was also found that at Bank BRI, for the past two years, it has continued to be above the set indicator standard, which is above 1.5%. That means Bank BRI has good financial

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performance in managing and managing the use of its assets.

Furthermore, from the table above, it can also be seen that Bank BSI, as an Islamic bank from 2021 to 2022, experienced an increase in its ROA ratio. Previously, in 2021, the ROA ratio owned by Bank BSI was 1.70% and increased to 2.08%. The increase in the ROA ratio that occurred at Bank BSI was 0.38%. Even though the increase was relatively low compared to BRI bank, there was still an increase in performance in the ROA ratio. The value of the ROA ratio owned by Bank BSI is also categorized as a bank with good performance. However, in 2021, it can be seen that Bank BSI has only a slight effectiveness in using its assets compared to 2022.

After seeing how the soundness of each of these banks is measured through the ROA ratio, the financial performance and soundness level between conventional banks and Sharia banks, represented by Bank BRI and Bank BSI, can be compared. From the analysis above, it can be seen that the level of effectiveness in using assets at Bank BRI is far better in quality than Bank BSI. As of 2021, the ROA ratio owned by Bank BRI is 2.52%, and the ROA ratio owned by Bank BSI is only 1.70%. The difference between the two banks is 0.82%. This can also be seen from the data for 2022, which shows that the effectiveness of Bank BRI is far above Bank BSI, namely at a value of 3.97% for BRI and 2.08% for BSI. The difference in the ROA ratio value for the two banks in 2022 is 1.89%. From the comparison of the difference between the two years, it can be seen clearly that over the years, the

financial performance of Bank BRI as a conventional bank has been far better than that of Bank BSI as a Sharia bank.

Previous research that supports this finding is the comparison of the financial performance of conventional and Islamic banks for the ROA ratio. Indeed, Islamic banks are consistently below the standard or only at the limit of a predetermined index standard. Conventional banks always show effectiveness in using their assets because they have a ratio value above the regulatory standard.

Table 4. ROA Ratio Data for Bank BRI and Bank BSI for 2021 – 2022

No	Bank	ROA	
		2021	2022
1	Bank BRI	2,52 %	3,97 %
2	Bank BSI	1,70 %	2,08 %

Source : Data processed

Ratio's Return On Equity (ROE)

Return On Equity (ROE) is the ratio used to compare the net profit earned by a bank with all of its capital. More precisely, ROE analysis is used to assess the extent to which a bank is reliable in using all types of capital, be it personal capital or capital obtained from investors in the form of shares and so on, to be used as best as possible in earning profits. So that the profit will be distributed as dividends on investment shares that investors have invested. This ROE ratio is usually the most critical benchmark for capital owners who want to invest and invest their capital in the Bank. Of course, as a fund owner, his

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biggest wish when investing is to get lots of dividends and be profitable for him. From this ROE ratio, it can be seen clearly which bank has the best performance and is the most appropriate for investing.

As for indicators, for a bank to have the best performance and be reliable in returning capital, the bank must achieve a minimum ROE ratio index of 8.32%. The higher the value of a bank's ROE ratio exceeds the index, the better its performance. The following is data on the ROE ratio found at BRI and BSI banks in 2021 – 2022.

Table 5. ROE Ratio Data for Bank BRI and Bank BSI for 2021 – 2022.

No	Bank	ROE	
		2021	2022
1	Bank BRI	15,28 %	22,00 %
2	Bank BSI	13,82 %	17,44 %

Source : Data processed

Table 5 illustrates how the condition of the two banks used the available capital to create net profit. At Bank BRI for 2022, there has been a significant increase in the financial performance of 6.72% from the previous year. In 2021, Bank BRI had an ROE ratio of 15.28%, which increased in 2022 to 22.00%. If we look at the previous index standards, Bank BRI, as a conventional bank, has shown brilliant financial performance and bank health. This is because the ROE ratio is far above the established provisions, coupled with an increase from 2021 to 2022, which is quite large. That means that every year, BRI Bank continues to implement better performance

in using capital and investments that have been invested.

Furthermore, looking at the data table, it can also be seen that at Bank BSI in 2022, there will also be an increase in financial performance of 3.62%. From 2021, Bank BSI will have an ROE ratio of 13.82%, increasing to 17.44% in 2022. This proves that Bank BSI also has excellent performance in managing capital and investment funds to get higher profits, then distributing them as dividends. Over the two years, the ROE ratio owned by this BSI bank was above the standard index set.

When comparing the two banks, it can be seen clearly that the financial performance of the Conventional Bank, namely Bank BRI, is much better than Bank BSI as a Sharia Bank. Starting from the value of the ROE ratio owned by Bank BRI in 2021 and 2022 is far above the ROE ratio owned by Bank BSI. In addition, if we look at the significant increase in the ROE ratio from 2021 to 2022, Bank BRI is 6.72%, while Bank BSI is only 3.62%.

From the results above, it can be concluded that conventional banks, namely Bank BRI, have far better performance than Bank BSI in terms of capital management and return on capital to profit. However, the two banks demonstrated the reliability and effectiveness of their capital management. These results are supported by previous research that has compared the financial performance of Islamic banks with that of conventional banks. In his research, it was stated that the ratio of ROE owned by conventional banks is far better than that of Islamic banks. However, that does not mean

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that the financial performance of Islamic banks is not good. Both are equally good, but with their respective versions.

Loan to Deposit Ratio (LDR) / Financing to Deposit Ratio (FDR)

In measuring a bank's financial performance, one of the ratios often used is the LDR / FDR ratio. LDR and FDR are ratios used to compare credit or loans distributed with the overall savings of the community in a bank. This LDR / FDR ratio analysis is used to see how much a bank can manage savings or deposits owned by banks from the public, which are channeled back as lending to other communities. This LDR / FDR ratio can show the quality of the bank in getting and retaining customers. If many customers save money in a bank, there will also be a lot of loans or credit.

Moreover, with this ratio, investors can see whether the bank can operate for a long time. Because with the receipt of large amounts of public funds or savings, they can be disbursed in the form of credit. Nevertheless, if the people's savings in the bank are small, no more funds can be channeled and circulated back to the community.

Suppose the LDR / FDR ratio owned by a bank shows a high number. In that case, it means that the bank has maximized the management of money received from the community through savings or deposits and other savings into credit or financing for the community. A good indicator or index of a bank's value of the LDR / FDR ratio is if the bank has a ratio value above 80%. The

following table shows data on the LDR / FDR ratio owned by Bank BRI and Bank BSI in 2021 – 2022.

Table 6. LDR / FDR Ratio Data for Bank BRI and Bank BSI for 2021 – 2022

No	Bank	LDR/FDR	
		2021	2022
1	Bank BRI	83,05 %	88,92 %
2	Bank BSI	74,45 %	81,45 %

The LDR / FDR ratio data above shows that the ratio values owned by Bank BRI and Bank BSI in 2021 – 2022 have increased. At Bank BRI in 2021, it is known that the value of the LDR ratio is 83.05%. Which value, when viewed from the standard or index of provisions for a bank's financial performance, then in 2021 Bank BRI will be above the minimum limit.

This means that BRI bank has properly channeled deposits from the public in the form of credit. Furthermore, for 2022, Bank BRI has an LDR ratio of 88.92%, which is quite a high increase compared to the previous year. The increase in the LDR ratio at the BRI bank was 5.87%. This means that Bank BRI has seen an increase in the quality of its financial performance every year.

Furthermore, from the data table above, it can be seen that the FDR ratio owned by Bank BSI as a conventional bank in 2021 is 74.45%. If this value is adjusted to the standard provisions for financial performance, in 2021, Bank BSI is said to be below the soundness standard of a bank. However, in 2022, an increase jumped from the previous year to 81.45%. In 2022, Bank BSI's financial

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performance can be said to be healthy and good. Moreover, from this increase, the difference is very high. This shows that in 2022, Bank BSI changed how it got customers and used savings funds from customers to finance the distribution to the public.

From the data analysis above, it can be concluded that the financial performance of Bank BRI as a conventional bank is of better quality than that of Bank BSI as a conventional bank because BRI Bank continues to show good quality, which is never below standard. However, at Bank BSI in 2021, the number was below the regulatory standard. However, the results of previous studies showed resistance. Previously, Jahja stated that the best performance of banks as intermediaries in managing and circulating funds from the public is the performance of Islamic banks compared to conventional banks.

E. CONCLUSION

From the results and discussion described above, it can be concluded that both Conventional Banks and Islamic Banks have their respective capacity or performance measures. Some excel in the assessment of non-performing risk management (NPL/NPF), some excel in terms of maximizing the use of assets or assets in increasing profits (ROA), and some excel in the utilization and management of their capital and investments in obtaining profits (ROE). Some excel in managing savings into credit or the bank intermediation function (LDR/FDR).

However, from the results of this study, Bank BRI, as a conventional bank, has shown its superiority over Bank BSI, which is a Sharia

Bank. In this study, Bank BRI is superior to 3 ratios, namely the ROA, ROE, and LDR/FDR ratios. Even though Bank BRI is superior, Bank BSI is not classified as harmful because each bank has a good assessment standard. Even though there was a performance appraisal that was below good standards at Bank BSI, the following year, it was still able to improve its financial performance. In addition, Bank BSI also outperformed the NPL ratio of Bank BRI during these two years. In addition, these advantages are also very high compared to Bank BRI. That means that Islamic banks show more ability in handling credit or financing problems that have been distributed to the community.

The results of this study's final review indicate very significant differences in financial performance between conventional and Islamic banks. Most of these significant differences indicate that Bank BRI is very good. Suggestions that can be given to continue writing on the same theme are to add several large banks in Indonesia and to compare the performance of Islamic and conventional banking abroad.

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