

COMPARISON ANALYSIS OF SHARIA BANKS AND CONVENTIONAL BANKS IN VIEW FROM THE HEALTH LEVEL OF BANKS LISTED ON THE INDONESIA STOCK EXCHANGE**Chrisansen Wanadi¹, Syukri Hadi^{2*}, Anigrah Okto Nainggolan³, Aarih Dwi Prihastomo S⁴, Muhammad Pringgo Prayetno⁵**^{1,2,3,4,&5}Institut Bisnis dan Teknologi Pelita IndonesiaEmail: chrisansenw96@gmail.com, syukri.hadi@lecturer.pelitaindonesia.ac.id*

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ABSTRACT

The banking sector plays a crucial role in the growth and development of an economy. Indonesia is a country with a majority Muslim population, which has led to the development and implementation of Islamic banking in Indonesia. In 1998, the Government and the People's Representative Council made amendments to the Republic of Indonesia Law No. 7 of 1992 concerning banking, resulting in the Republic of Indonesia Law No. 10 of 1998, which explicitly stated the existence of two systems in the country's banking sector, known as the Dual Banking System. These systems are conventional banking and Islamic banking. This research aims to explore the differences between conventional banking and Islamic banking using the RGEC method. The RGEC method assesses various aspects that influence the condition or performance of a bank through the evaluation of Risk profile, Good Corporate Governance (GCG), Earnings, and Capital aspects. The population for this study consists of 47 banking companies listed on the Indonesia Stock Exchange. Purposive sampling was employed as the sampling technique, resulting in a sample size of 38 companies. The research analysis technique used in this study is the Independent Sample t-Test.

Keywords : RGEC Method; Non-Performing Loan (NPL); Loan to Deposit Ratio (LDR); Good Corporate Governance (GCG); Return on Assets (ROA); Capital Adequacy Ratio (CAR)

INTRODUCTION

The banking sector plays a very important role in the growth and development of a country's economy. Based on Law of the Republic of Indonesia Number 7 of 1992 concerning banking, banking has a primary function as a collector and distributor of public funds, has a strategic role in supporting the implementation of national development, in order to increase the distribution of development and its results, economic growth, and national stability, towards improving the standard of living of the people. Based on the function of the bank, the nature of the bank's business is also different from manufacturing companies and other service companies. The banking business is a business that relies heavily on trust, namely the trust of the public as users of banking services (Rachman et al., 2020). Trust is the main foundation for all banking business activities, because when trust is lost in the banking sector, there will be no regulation and financial turnover, so that the banking business will collapse.

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Indonesia is a country with a majority Muslim population, so this encourages the development and realization of sharia economy in Indonesia. So in 1998, the Government and the House of Representatives made improvements to the Republic of Indonesia Law Number 7 of 1992 concerning banking into the Republic of Indonesia Law Number 10 of 1998, which explicitly explains that there are two systems in domestic banking or what is commonly called the Dual Banking System, namely the conventional banking system and the sharia banking system. The development of sharia banking is in line with the objectives of sharia banking, namely to encourage and accelerate the pace of the community's economy through banking, financial, commercial, investment activities so that it can increase the economy and employment opportunities in accordance with Islamic law. (FD Daniswara, 2016). Islamic banking in Indonesia in a relatively short period of time, has shown quite significant progress and increasingly shows its existence in the national economic system. Banking based on sharia principles or Islamic banking as in conventional banking also has a function as an intermediary institution (Vivin & Wahono, 2017a).

Islamic banking also has several basic characteristics that differentiate it from conventional banks, including Islamic banking prohibiting transactions based on speculative motives. Islamic banking also has a profit-sharing principle that is one of the differences between Islamic banking and conventional banking. This profit-sharing principle allows customers to directly supervise the performance of Islamic banks by monitoring the amount of profit sharing obtained. In addition to the differences between Islamic banking and conventional banking, Islamic banking and conventional banking also have several similarities, namely from the general requirements for obtaining fees, technical receipt of money, transfer mechanisms, and several other similarities.

Non-Performing Loans (NPL) / Non Performing Financing (NPF) is one of several factors that indicate the health of a bank. Bank Indonesia also explains that the definition of NPL is credit with a quality that is not smooth or bad. This indicator can be in the form of a basic financial ratio that can provide information for assessing capital, credit risk, market risk, liquidity to profitability. From NPL information, an evaluation of the condition of profitability, credit risk, capital conditions, liquidity, and market risk can be known. Non Performing Financing (NPF) is used in Islamic banking, to replace the concept of loans. Non Performing Financing (NPF) can be interpreted as loans that have difficulty in payment. Just like NPL, Non Performing Financing (NPF) is a problematic credit (Arnetta Beby, 2019). High Non Performing Financing (NPF) will cause the third party fund liquidity ratio to be lower. Therefore, Non Performing Financing (NPF) is closely related to third parties. In a study conducted by (Sulistianingsih & Maivalinda, 2018), shows that the LDR/FDR variables of Islamic general banks and conventional general banks have significant differences. Likewise, research conducted by (Rana Nurmala Madyawati, 2018), The results of the study also show that the average LDR/FDR of Conventional Banks is smaller than that of Sharia Banks. From the average value and composite ranking, it can be concluded that Conventional Banks have better performance based on liquidity risk, so that there are differences between the two. While in the study conducted by (Komalasari & Wirman, 2021), shows that there is no dissimilarity in LDR/FDR performance between conventional banks and Islamic banks.

Loan to Deposit Ratio (LDR) / Financing to Deposit Ratio (FDR) is a ratio that is often used in analyzing the comparison of total credit distribution to total funds received. This ratio is often used as an indicator that determines the level of ability of a banking company to channel core capital and Third Party Funds

from the community into the form of credit. The higher the level of Loan to Deposits Ratio (LDR) / Financing to Deposit Ratio (FDR) of a banking company, the higher the level of the bank is not liquid, which can be interpreted as meaning that the bank will have difficulty in meeting the level of short-term obligations of a banking company. In a study conducted by (Solikah et al., 2017) shows that there is a significant difference between the health level of Islamic banking and conventional banking as assessed by the Loan to Deposits Ratio (LDR) / Financing to Deposit Ratio (FDR), as well as research conducted by (Concerned, 2019) and (Suyono, 2021) which shows a significant difference between Islamic banking and conventional banking as assessed by the Loan to Deposits Ratio (LDR) / Financing to Deposit Ratio (FDR). Meanwhile, research conducted by (Rachman, 2019) shows that there is no difference between Islamic banks and conventional banks when assessed based on the Loan to Deposits Ratio (LDR) / Financing to Deposit Ratio (FDR).

Return on Assets (ROA) is an indicator that is often used in analyzing the value of a company when compared to the total assets of a company. Through Return on Assets (ROA), the ability of a banking company to efficiently use company assets to generate income can be seen. The higher the Return on Assets (ROA), the more efficient a company is considered to be in using assets to generate net income. In a study conducted by (Komalasari & Wirman, 2021b) shows that there is a significant difference between the Return on Assets (ROA) ratio in Islamic banking and conventional banking, whereas in research conducted by (Kurniasih & Suryani, 2017) shows that there is no significant difference between Islamic banks and conventional banks as assessed from the level of Return on Assets (ROA).

Capital Adequacy Ratio (CAR) is a ratio that is often used in analyzing the capital adequacy of a banking company that can accommodate the risk of loss that may be faced by a banking company. The higher the level of Capital Adequacy Ratio (CAR) of a bank, the better the ability of a bank to face all risks. In a study conducted by (Trisela & Pristiana, 2021), shows that there is a significant difference between the CAR ratio in Islamic banking companies and conventional banking, as well as research conducted by (Yudiana Febrita Putri, Isti Fadiah, 2015) and (Paramitha, Dyah Ayu, 2018) which shows that there is a significant difference between the Capital Adequacy Ratio (CAR) of Islamic banks and conventional banks. Meanwhile, research conducted by (Rachman, 2019) shows that there is no significant difference between the Capital Adequacy Ratio (CAR) of Islamic banks and conventional banks.

Considering all these factors, this study aims to determine and analyze the comparison between Islamic banks and conventional banks in terms of the health level of banks using the RGEC method with the title "Comparative Analysis of Islamic Banks and Conventional Banks in Terms of the Health Level of Banks Listed on the Indonesia Stock Exchange"

LITERATURE REVIEW

RGEC method

1. According to Bank Indonesia Circular Letter (SE) No.13/24/DPNP dated October 25, 2011, the assessment of bank health level is a qualitative assessment of various aspects that affect the condition or performance of a bank through the assessment of Risk profile, Good Corporate Governance (GCG), Earnings, and Capital aspects which are then referred to as the RGEC method. The RGEC method is not only used to assess the health level of a bank, but also to assess banking performance. The calculation of the RGEC method is regulated in Bank Indonesia Circular Letter (SE) No.13/24/DPNP dated October 25, 2011 concerning the Assessment of the Health Level of General Banks. The aspects assessed in RGEC are as follows: (1) Risk Profile Assessment, (2) Good Corporate Governance (GCG) Assessment, (3) Good Corporate Governance (GCG) Assessment, (4) Income Assessment (Earnings), (5) Capital Assessment (Capital)

Financial Ratios

According to Wild, Subramanyam, and Halsey 2005, Harahap 1999 ratio is a tool to provide a view of the underlying conditions of the ratio condition is a starting point, not an end point. Financial ratios show systematic relationships in the form of comparisons between financial statement estimates. In order for the results of the financial ratio calculation to be interpreted, the estimates being compared must affect important economic relationships. (Rindawati, 2007).

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

Non-Performing Loans (NPL) is one of several factors that indicate the health of a bank. Bank Indonesia also explains that the definition of NPL is credit with a quality that is not smooth or bad. This indicator can be in the form of a basic financial ratio that can provide information for assessing capital, credit risk, market risk, liquidity to profitability. From the NPL information, an evaluation of the condition of profitability, credit risk, capital conditions, liquidity, and market risk can be known. In Bank Indonesia Regulation Number 06/10/PBI of 2004,

Comparison Analysis of Sharia Banks and Conventional Banks in View From the Health Level of Banks Listed on the Indonesia Stock Exchange (Chrisansen Wanadi, Syukri Hadi, Anigrah Okto Nainggolan, Arih Dwi Prihastomo S, and Muhammad Pringgo Prayetno)

concerning the health level assessment system for Commercial Banks, it explains that the ratio of non-performing loans is 5 percent. High NPL will cause the third party fund liquidity ratio to be lower. Therefore, NPL is closely related to third parties. If third parties no longer want to entrust their funds to the bank, this can happen because the bank's NPL level is too high. The smaller the NPL ratio indicates that the credit risk to the bank is smaller, so the bank's performance is better.

Non-Performing Financing(NPF) is a ratio used to measure the ability of bank management to manage existing financing problems. NPF is used in Islamic banking, to replace the concept of loans. NPF can be interpreted as loans that have difficulty paying. Just like NPL, NPF is a problematic credit (ArnettaBeby, 2019). High NPF will cause the third party fund liquidity ratio to be lower. Therefore, NPF is closely related to third parties. If third parties no longer want to deposit their funds in the bank, this can happen because the bank's NPF level is too high. The smaller the NPF ratio indicates that the credit risk to the bank is smaller, so the bank's performance is better (Yuniati & Pertiwi, 2020). Meanwhile, the higher the NPL/NPF ratio, the worse the performance of a bank is considered. (Rana Nurmala Madyawati, 2018) NPL/NPF can be calculated using the following formula:

$$NPL/NPF = \frac{\text{Kredit bermasalah}}{\text{Total Kredit}} \times 100\%$$

Based on SE Bank Indonesia, there are criteria for assessing composite credit risk ratings (NPL/NPF), including the following:

Table 1
NPL/NPF Rating Assessment Criteria

Ranking	Condition	Predicate
1	NPL/NPF <2%	Very Healthy
2	NPL/NPF 2% -3.5%	Healthy
3	NPL/NPF 3.5% -5%	Healthy Enough
4	NPL/NPF 5% -8%	Unwell
5	NPL/ NPF >8%	Not healthy

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

Loan To Deposit Ratio(LDR) is a ratio that describes the comparison between credit issued by a bank to the total third party funds collected by a bank as a measure of a bank's liquidity by looking at how the bank collects funds and then distributes them back to the community. LDR can be calculated from the division of credit given to the community with funds received from third parties. A low LDR figure indicates that a bank's credit expansion rate is low compared to the funds received, so it can be seen that the bank is still far from being optimal in carrying out its intermediation function. With a low credit expansion, it is likely that customer deposits are still in the form of cash, so from that situation it can be said that a bank that has a low LDR figure means that the bank has not been optimal in carrying out its functions (Saputri, 2021).

Financing To Deposit Ratio(FDR) is a term in Islamic banking. Just like LDR, FDR also has an intermediary function in Islamic banks. The term FDR is used because in Islamic banking there is no term debt (loan). Islamic banks only recognize financing. Financing To Deposit Ratio (FDR) is used to measure the amount of financing that has been given to the amount of funds and capital owned. The results can be used as an indicator of the bank's ability to repay withdrawals that will be made by customers (Munandar, 2022). A low FDR figure indicates a bank's credit expansion rate is low compared to the funds received, so it can be seen that the bank is still far from being optimal in carrying out its intermediation function. With a low credit expansion, it is likely that customer deposits are still in the form of cash, so from that situation it can be said that a bank that has a low FDR figure means that the bank has not been optimal in carrying out its function. (Saputri, 2021). LDR/FDR can be calculated using the following formula:

$$LDR/FDR = \frac{\text{Kredit yang diberikan}}{\text{Dana yang diterima}} \times 100\%$$

Based on SE Bank Indonesia, there are criteria for assessing the composite Liquidity risk rating (LDR/FDR), including the following:

Table 2
LDR/FDR Rating Assessment Criteria

Ranking	Condition	Predicate
1	50% < LDR/ FDR ≤ 75%	Very Healthy
2	75% < LDR/ FDR ≤ 85%	Healthy
3	85% < LDR/ FDR ≤ 100%	Healthy Enough

Ranking	Condition	Predicate
4	$100\% < \text{LDR/ FDR} \leq 120\%$	Unwell
5	$\text{LDR/FDR} > 120\%$	Not healthy

Good Corporate Governance(GCG)

Good Corporate Governance(GCG) or good corporate governance is a system used to direct and control a company's business activities.(Rahmawati & Yanti, 2019). Based on SE Bank Indonesia No.9/12/DPNP Governance Structure includes the implementation of the duties and responsibilities of the Board of Commissioners and Board of Directors as well as the completeness and implementation of committee duties. Based on Bank Indonesia Regulation No. 13/1/2011 which requires banks in Indonesia to include GCG factors in one of the bank performance assessments. Therefore, companies need to have a great sense of responsibility in maintaining the stability of their banking system so that they can obtain the predicate of implementing GCG. The GCG assessment indicator uses an assessment weight based on the composite value of Bank Indonesia's provisions according to PBI No.13/1/2011. The higher the level of GCG of a bank, it shows that the bank has carried out its performance well and this can have a positive influence on investors who will invest their funds in the company(Jefri et al., 2019). GCG can be calculated using the following formula:

$$GCG = \frac{\text{Harga Bersih Perlembar}}{\text{Laba Pasar Perlembar}} * 100\%$$

Based on SE Bank Indonesia, there are GCG rating assessment criteria, including the following:

Table 3

GCG Rating Assessment Criteria		
Ranking	Condition	Predicate
1	$>85\%$	Very Healthy
2	$75\% < \text{GCG} \leq 85\%$	Healthy
3	$60\% < \text{GCG} \leq 75\%$	Healthy Enough
4	$50\% < \text{GCG} \leq 60\%$	Unwell
5	$\leq 50\%$	Not healthy

Return on Assets(ROA)

Return on Assets(ROA) is a ratio that measures the ability of banks to generate profit or time by comparing net profit with total assets. This ratio is used to measure the ability of banks to gain profit by using the total assets owned by the company adjusted to the costs used to fund the assets. The greater the ROA of a bank, the greater the level of profit achieved by the bank. Conversely, if the ROA is small, it also shows that the level of profit achieved by the bank is low.(Saputri, 2021). ROA is a comparison of net profit to total assets, where net profit is profit after tax, and total assets are total assets obtained from balance sheet items and profit and loss statements in a company's financial statements.(Sulistianingsih & Maivalinda, 2018). ROA can be formulated as follows:

$$ROA = \frac{\text{Laba Bersih setelah pajak}}{\text{Jumlah Aktiva}} \times 100\%$$

Based on SE Bank Indonesia, there are criteria for assessing composite ranking of Revenue (ROA), including the following:

Table 4

ROA Rating Assessment Criteria		
Ranking	Condition	Predicate
1	$\text{ROA} > 2\%$	Very Healthy
2	$1.25\% < \text{ROA} \leq 2\%$	Healthy
3	$0.5\% < \text{ROA} \leq 1.25\%$	Healthy Enough
4	$0\% < \text{ROA} \leq 0.5\%$	Unwell
5	$\text{ROA} \leq 0\%$	Not healthy

Capital Adequacy Ratio(CAR)

Capital Adequacy Ratio(CAR) is a bank performance ratio to measure the adequacy of capital owned by the bank to support assets that contain or generate risk. The new rule for Indonesian banks is that the minimum CAR for each bank is 8% (Bank Indonesia, 2011). According to OJK Circular Letter number 14/SEOJK.03/2017, the

Comparison Analysis of Sharia Banks and Conventional Banks in View From the Health Level of Banks Listed on the Indonesia Stock Exchange (Chrisansen Wanadi, Syukri Hadi, Anigrah Okto Nainggolan, Arih Dwi Prihastomo S, and Muhammad Pringgo Prayetno)

CAR ratio can be formulated as a comparison between capital and risk-weighted assets. Bank capital is the total capital originating from the bank consisting of core capital and supplementary capital. Core capital is the bank's own capital obtained from capital paid in by shareholders. The greater the CAR value reflects the better banking ability in dealing with possible risk of loss because it maintains CAR at a safe limit and protects customers and maintains the stability of the financial system as a whole (Saputri, 2021). CAR can be formulated as follows:

$$CAR = \frac{\text{Jumlah Modal}}{\text{Aktiva Tertimbang Menurut Resiko}} \times 100\%$$

Based on SE Bank Indonesia No.13/24/DPNP, the assessment of capital factors includes an assessment of the level of capital adequacy and capital management. In conducting capital assessments, banks are required to refer to the provisions of Bank Indonesia which regulate the Minimum Capital Adequacy Requirement (KPMM) for Commercial Banks. Based on SE Bank Indonesia, there are criteria for assessing the composite capital rating (CAR), including the following:

Table 5
CAR Rating Assessment Criteria

Ranking	Condition	Predicate
1	KPMM > 15%	Very Healthy
2	9% < KPMM ≤ 15%	Healthy
3	8% < KPMM ≤ 9%	Healthy Enough
4	6% < KPMM ≤ 8%	Unwell
5	KPMM ≤ 6%	Not healthy

Formulation of Hypothesis

Differences Between Credit Risks of Conventional Banks and Islamic Banks

Credit risk is defined as the risk of loss associated with the possibility of a counterparty failing to fulfill its obligations; or the risk that the debtor will not repay its debt. Credit risk is the risk caused by the failure of a customer or other party to fulfill its obligations to the bank in accordance with the agreed agreement. (Rana Nurmala Madyawati, 2018). Credit risk will increase if bank credit growth is considered high, for example credit growth above the industry average growth (IBI, 2016). One indicator to assess credit risk can be measured by the Non-Performing Loans (NPL) or Non Performing Financing (NPF) ratio approach. NPL for Conventional Banks and NPF for Sharia Banks, namely the ratio that shows the bank's ability to manage problem loans.

In research conducted by (Yuniati & Pertiwi, 2020), shows that the NPL/NPF Risk Profile Aspect proves that conventional banks are superior to Islamic banks. Likewise, research conducted by (Rana Nurmala Madyawati, 2018), where the results of the study show that the average NPL/NPF of Conventional Banks is smaller than that of Sharia Banks. From the average value and composite ranking, it can be concluded that Conventional Banks have better performance based on credit risk, so that there are differences between the two. While in the study conducted by (Febrita Putri et al., 2015), shows that there is no significant difference between Conventional Banks and Islamic Banks. Based on previous studies and supported by the theory of credit risk, the following hypothesis is drawn:

- H1 : There is a significant difference between the credit ratio of conventional banks and Islamic banks listed on the Indonesia Stock Exchange.

Difference Between Liquidity Risk of Conventional Banks and Islamic Banks

Liquidity is the ability of a bank to meet its cash and collateral obligations without suffering unacceptable losses. Liquidity risk refers to how a bank's inability to meet its obligations (either real or perceived) threatens its financial position or existence. Liquidity risk is the risk caused by a bank's inability to pay its obligations on time from cash flow funding sources and/or from high-quality liquid assets that can be used as collateral, without disrupting the bank's activities and financial condition. Bank liquidity indicates the bank's ability to provide cash to meet obligations at a reasonable cost. Banks need to provide sufficient liquidity to be able to serve customers and operate efficiently. In conducting a liquidity risk analysis, one of the methods used is the Loan to Deposit Ratio (LDR) or Financing to Deposit Ratio (FDR).

In research conducted by (Sulistianingsih & Maivalinda, 2018), shows that the LDR/FDR variables of Islamic general banks and conventional general banks have significant differences. Likewise, research conducted by (Rana Nurmala Madyawati, 2018), The results of the study also show that the average LDR/FDR of Conventional Banks is smaller than that of Sharia Banks. From the average value and composite ranking, it can be concluded that Conventional Banks have better performance based on liquidity risk, so that there are differences between the two. While in the study conducted by (Komalasari & Wirman, 2021), shows that there

is no dissimilarity in LDR/FDR performance between conventional banks and Islamic banks. And the liquidity ratio of Islamic banks is superior to conventional banks. Based on previous studies and supported by the theory of liquidity risk, the following hypothesis is drawn:

- H2 : There is a significant difference between the Liquidity ratio of conventional banks and Islamic banks listed on the Indonesia Stock Exchange.

Differences Between Good Corporate Governance of Conventional Banks and Islamic Banks

Good Corporate Governance(GCG) is a practice of managing a company in a trustworthy and prudential manner by considering the balance of fulfilling the interests of all stakeholders. With the implementation of GCG / application of GCG, the management of company resources is expected to be efficient, effective, economical and productive by always being oriented towards the company's goals and paying attention to the stakeholders approach. The Organization for Economic Cooperation and Development (OECD, 1999) defines corporate governance as a system for providing direction and control over the company.

In research conducted by(Yuniati & Pertiwi, 2020), shows that the Good Corporate Governance (GCG) aspect proves that conventional banks are superior to Islamic banks. Likewise, research conducted by(Sulistianingsih & Maivalinda, 2018), which also shows that the GCG variables of Islamic general banks and conventional general banks do not have significant differences. Meanwhile, in the research conducted by(Rana Nurmala Madyawati, 2018), actually shows that the average GCG of Conventional Banks is smaller than that of Sharia Banks. From the average value and composite ranking, it can be concluded that Conventional Banks and Sharia Banks both have good performance based on GCG. Based on previous studies and supported by the theory of GCG, the following hypothesis is drawn:

- H3 : There is a significant difference between the Good Corporate Governance ratio of conventional banks and Islamic banks listed on the Indonesia Stock Exchange.

Difference Between Conventional Bank Income Ratio and Islamic Bank

Earnings assessment consists of evaluating Earnings performance, Earnings sources, Earnings sustainability, and Earnings management. The ratio used in measuring Earnings is Return on Assets (ROA)(F. Daniswara & Harsa Sumarta, 2016). Horne and Wachowicz said that ROA is a tool used to measure overall effectiveness in terms of earning profit through existing assets. ROA is the ratio of profit before tax to average total assets which is a ratio often used to measure bank performance. ROA depends on the bank's ability to earn interest income, control interest costs and the bank's operational efficiency, and so on.

In research conducted by(F. Daniswara & Harsa Sumarta, 2016), stated that there is a difference in ROA between conventional commercial banks and Islamic commercial banks. Conventional commercial banks have a higher average ROA compared to the average ROA of Islamic commercial banks. And the research conducted by(ArnettaBeby, 2019)shows that there is a significant difference in earnings between conventional banks and Islamic banks measured independently. Conventional banks get better results in health assessments seen from the ROA factor compared to Islamic banks. While in the research conducted by(Hanina et al., 2017), actually shows the opposite, where ROA has no significant difference between the performance of Islamic banking and conventional banking. Based on previous studies and supported by the theory of income ratio, the following hypothesis is drawn:

- H4 : There is a significant difference between the income ratio of conventional banks and Islamic banks listed on the Indonesia Stock Exchange.

Difference Between Capital Ratio of Conventional Bank and Islamic Bank

In conducting capital assessments, banks are required to refer to the provisions of Bank Indonesia which regulate the Minimum Capital Adequacy Requirement (KPM) for Commercial Banks. One of the ratios that can be used to evaluate capital adequacy is the Capital Adequacy Ratio (CAR). The Capital Adequacy Ratio (CAR) is a bank performance ratio to measure the adequacy of capital owned by the bank to support assets that contain or generate risk. The new rule for Bank Indonesia is that the minimum CAR for each bank is 8% (Bank Indonesia, 2011).

In research conducted by(Susilo Jahja & Iqbal, 2012), ROA of Islamic banking is significantly better compared to conventional banking. However, this is contrary to research conducted by(Mukhtar & Rinaldi, 2019), the results of the study stated that the ROA value between Bank Mandiri and Bank Muamalat showed that the ROA value of Bank Muamalat was below Bank Mandiri, and the ROA value at Bank Muamalat did not meet the standard criteria for good conditions set by Bank Indonesia, which was above 1.5%. And the research

Comparison Analysis of Sharia Banks and Conventional Banks in View From the Health Level of Banks Listed on the Indonesia Stock Exchange (Chrisansen Wanadi, Syukri Hadi, Anigrah Okto Nainggolan, Arih Dwi Prihastomo S, and Muhammad Pringgo Prayetno)

conducted by (Vivin & Wahono, 2017). There is no significant difference in the average ROA variable between the Conventional Bank group and the Sharia Bank group. Based on previous studies and supported by the theory of capital ratios, the following hypothesis is drawn:

H5 : There is a significant difference between the capital ratios of conventional banks and Islamic banks listed on the Indonesia Stock Exchange.

Framework

Based on previous theories and research, a framework of thought can be formed which can be seen in Figure 1:

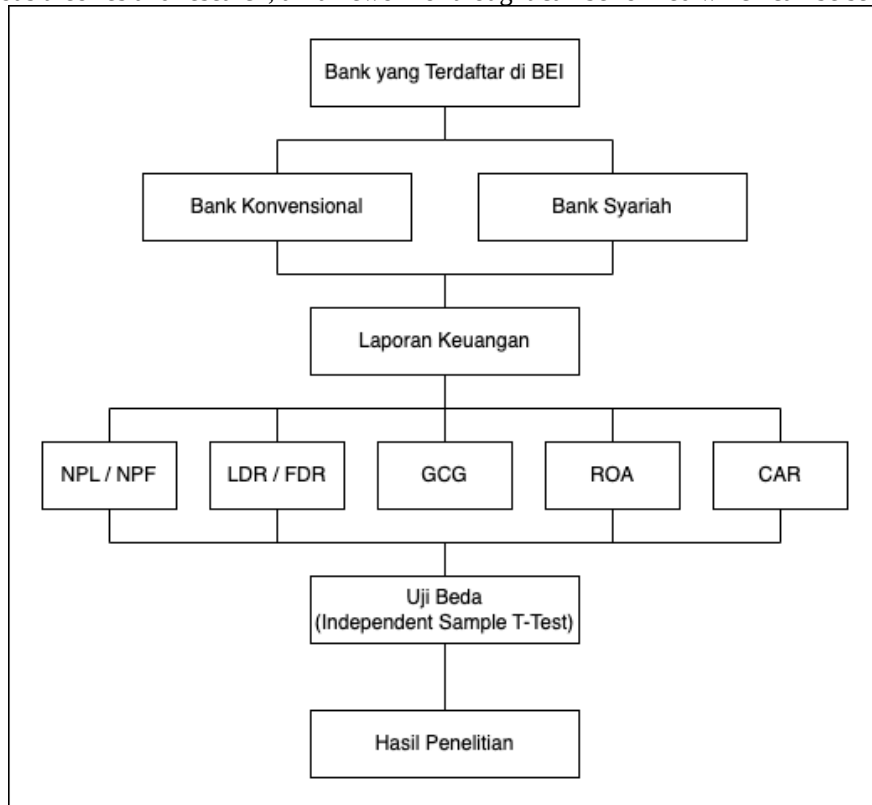


Figure 1. Framework of Thought

RESEARCH METHODS

Place and Time of Research

The location of this research was conducted at companies operating in the banking sector and the Islamic banking sector listed on the Indonesian Stock Exchange in the 2019-2021 period.

Population and Sample

The population in this study are all companies engaged in the banking sector and the Islamic banking sector listed on the Indonesian Stock Exchange in the 2019-2021 period, namely 47 companies consisting of 43 conventional banking companies and 4 Islamic banking companies. This study uses Purposive Sampling. In this study, the sample is companies that meet certain criteria, namely:

Table 6. Sampling Criteria

No	Information	Amount
1	Banking sector companies listed on the Indonesia Stock Exchange (IDX) in the 2018-2020 period	47
2	Banking sector companies listed (IPO) before 2018	(4)
3	Banking sector companies that have complete financial reports	(5)
4	Conventional banking sector companies that also operate in the sharia sector	8
Number of companies that meet the sample criteria		46

Source: Processed Data

Operational Research Variables

In this study, the independent variables and dependent variables that will be used consist of:

Independent Variable

Independent variables are often referred to as stimulus, predictor and antecedent variables are variables that influence or cause changes or the emergence of dependent variables. The independent variables used in this study are Non-Performing Loans (NPL) / Non Performing Financing (NPF) to measure credit risk profiles, Loan to Deposit Ratio (LDR) / Financing to Deposit Ratio (FDR) which can be used to measure liquidity risk, Return on Assets (ROA) which can be used to measure the income ratio (Earnings) and Capital Adequacy Ratio (CAR) which can be used to measure the capital ratio (Capital).

Table 2. Operational Variables

Variables	Formula	Measurement Scale
Non Performing Loan (NPL)	$NPL = \frac{\text{Kredit bermasalah}}{\text{Total Kredit}} \times 100\%$	Ratio
Non Performing Financing (NPF)	$NPF = \frac{\text{Pembiayaan bermasalah}}{\text{Total Pembiayaan}} \times 100\%$	Ratio
Loan to Deposit Ratio (LDR)	$LDR = \frac{\text{Kredit yang diberikan}}{\text{Dana yang diterima}} \times 100\%$	Ratio
Financing to Deposit Ratio (FDR)	$FDR = \frac{\text{Total Volume Pembiayaan}}{\text{Total Penerimaan Dana}} \times 100\%$	Ratio
Good Corporate Governance (GCG)	$GCG = \frac{\text{Harga Pasar Perlembar}}{\text{Laba Bersih Perlembar}} \times 100\%$	Ratio
Return on Assets (ROA)	$ROA = \frac{\text{Laba Bersih setelah pajak}}{\text{Jumlah Aktiva}} \times 100\%$	Ratio
Capital Adequacy Ratio (CAR)	$CAR = \frac{\text{Jumlah Modal}}{\text{Aktiva Tertimbang Menurut Resiko}} \times 100\%$	Ratio

Source: Processed Data

Data Analysis Techniques

Descriptive Analysis

Descriptive analysis is a statistic to analyze data by describing or depicting the data collected without making general conclusions or generalizations. The purpose of descriptive analysis is to find out the description and description of data regarding variables, samples, or populations to be studied. According to (Pratiwi, 2021), descriptive analysis is intended to provide an overview of the general description of the data obtained. This description itself includes the minimum, maximum, mean and standard deviation that are directly related to the research instrument being conducted.

Model Test (F Test)

The F test is conducted to determine the level of significance of the influence of independent variables on dependent variables together or simultaneously. The F test is conducted with the following steps: (1) The alpha used is 5%. (2) Assessment criteria: If $\text{Sig } f < 0.05$ ($F_{\text{count}} > F_{\text{table}}$), then H1 is accepted and shows that there are several independent variables that have the ability to explain the variation of the dependent variable. (3) If otherwise, then H0 is accepted and shows that the independent variables are not able to explain the variation of the dependent variable.

Hypothesis Test (t-Test)

The t-test is used to show how far the influence of one independent variable individually in explaining the dependent variable (Ghozali, 2018). The F test is carried out with the following steps: (1) Formulate a hypothesis for each group H0 = means that partially or individually there is no significant influence between X1, X2, X3, X4, X5 and Y. (2) H1 = means that partially or individually there is a significant influence between X1, X2, X3, X4, X5 and Y. (3) Determine the level of significance which is 5% (0.05). (4) Compare the level of significance

Comparison Analysis of Sharia Banks and Conventional Banks in View From the Health Level of Banks Listed on the Indonesia Stock Exchange (Chrisansen Wanadi, Syukri Hadi, Anigrah Okto Nainggolan, Arih Dwi Prihastomo S, and Muhammad Pringgo Prayetno)

($\alpha = 0.05$) with the level of significance t which is known directly using the SPSS program with the following criteria: (1) Significant value $t < 0.05$ means that H_0 is rejected and H_1 is accepted, this means that all independent variables individually and significantly affect the dependent variable. (2) A significant value of $t > 0.05$ means that H_0 is accepted and H_1 is rejected, this means that all independent variables individually and significantly do not influence the dependent variable.

RESULT AND DISCUSSION

Descriptive Analysis

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

Non-Performing Loans (NPL) is one of several factors that indicate the health of a bank. The company with the highest NPL value in 2019 was Bank Sinarmas Tbk (BSIM) at 7.83% in 2019 the highest NPL value was still categorized as unhealthy. However, in 2020 the bank with the highest NPL value was Bank Pembangunan Daerah Banten Tbk (BEKS) with a value of 22.27% because the NPL value was above 8%, the NPL value could be categorized as unhealthy. In 2021, the largest NPL value was at 14.09% the highest NPL value decreased from the previous year but was still categorized as unhealthy. The lowest NPL value in 2019 was Bank BTPN Tbk (BTPN) with a value of 0.80% where this value could be categorized as very healthy. there are 7 companies with NPL values below 2%. In 2020, the banks with the lowest value were Bank Capital Indonesia Tbk (BACA) and Bank Jago Tbk (ARTO) with an NPL value of 0%. There were 12 companies with NPL values in the very healthy category in 2020, where this value increased from the previous year with only 7 banking companies. In 2021, the banking company with the lowest value was Bank Capital Indonesia Tbk (BACA) with an NPL value of 0%. There were only 10 banking companies with NPL values below 2% in 2021, where this value decreased slightly from the previous year with 12 companies. The average value of the overall NPL for 3 years was 3.52% where this value was only slightly different from the healthy category which ranged from 2% to 3.5%, so the average NPL value for 3 years could only be classified into rank 3, namely the Fairly Healthy category.

The Islamic banking company with the highest NPF value in 2019 is The company with the highest NPF value in 2019 is Bank Sinarmas Tbk (BSIM) at 7.83% in 2019 the highest NPF value is still in the unhealthy category. in 2020 the bank with the highest NPF value is Bank Victoria International Tbk (BVIC) with a value of 4.91%, this value is still quite healthy because the NPF value is still between 3.5% and 5%. In 2021 the highest NPF value is Bank Sinarmas Tbk (BSIM) at 4.64%, this value is still quite healthy because the NPF value is still between 3.5% and 5%. The lowest NPF value in 2019 is Bank BTPN Syariah Tbk (BTPS) with a value of 1.36% where this value can be classified into the very healthy category. there are 2 companies with NPF values below 2%. In 2020, the banking company with the lowest value was Bank Jago Tbk (ARTO) with an NPF value of 0%. There were 3 companies with NPF values in the very healthy category in 2020, where this value increased from the previous year with only 2 banking companies. In 2021, the banking company with the lowest value was Bank Jago Tbk (ARTO) with an NPF value of 0%. There were only 2 banking companies with NPF values below 2% in 2021, where this value decreased slightly from the previous year with 3 companies. The average value of the overall NPF for 3 years was 3.17% where this NPF value was included in the healthy category which ranged from 2% to 3.5%.

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

Loan To Deposit Ratio (LDR) is a ratio that describes the comparison between credit issued by a bank to the total third party funds collected by a bank as a measure of a bank's liquidity by looking at how the bank collects funds and then distributes them back to the community. The company with the highest LDR value in 2019 was Bank BTPN Tbk (BTPN) with a value of 163% where the LDR value exceeds 120% which is included in the unhealthy category. The company with the highest LDR value in 2020 was Bank Woori Saudara Indonesia 1906 Tbk (SDRA) with a value of 162.29% where the LDR value exceeds 120% which is included in the unhealthy category. The company with the highest LDR value in 2021 was Bank Jago Tbk (ARTO) with a value of 145.86% where the LDR value exceeds 120% which is included in the unhealthy category. The lowest LDR value in 2019 was Bank Jago Tbk (ARTO) with a value of 47.54%, which can be classified as very healthy. There are 8 companies with LDR values below 75%. In 2020, the bank with the lowest value was Bank Capital Indonesia Tbk (BACA) with an LDR value of 39.33%. There were 11 companies with LDR values in the very healthy category in 2020, where this value increased from the previous year with only 8 banking companies. In 2021, the banking company with the lowest value was Bank Capital Indonesia Tbk (BACA) with an LDR value of 12.35%. There were only 20 banking companies with LDR values below 75% in 2021, where this value increased from the previous year with 11 companies. The average value of the total LDR for 3 years was 82.98%, where this value is included in the healthy category ranging from 75% to 85%.

The Islamic banking company with the highest FDR value in 2019 was Bank Tabungan Negara (Persero) Tbk (BBTN) with a value of 113.50% where the FDR value exceeds 100% which is included in the unhealthy category. The company with the highest FDR value in 2020 was Bank Jago Tbk (ARTO) with a value of 111.71% where the FDR value exceeds 100% which is included in the unhealthy category. The company with

the highest FDR value in 2021 was Bank Jago Tbk (ARTO) with a value of 145.86% where the FDR value exceeds 120% which is included in the unhealthy category. The lowest FDR value in 2019 was Bank Jago Tbk (ARTO) with a value of 47.54% where this value can be classified into the very healthy category. There are 4 companies with FDR values below 75%. In 2020, the banking company with the lowest value was Bank Danamon Indonesia Tbk (BDMN) with an FDR value of 52.30%. There were 6 companies with FDR values in the very healthy category in 2020, where this value increased from the previous year with only 4 banking companies. In 2021, the banking company with the lowest value was Bank Sinarmas Tbk (BSIM) with an FDR value of 41.22%. There were only 6 banking companies with FDR values below 75% in 2021, where this value was the same as the previous year. The average value of the overall FDR for 3 years was 81.61% where this value is included in the healthy category which ranges from 75% to 85%.

Good Corporate Governance(GCG)

Good Corporate Governance(GCG) or good corporate governance is a system used to direct and control a company's business activities.(Rahmawati & Yanti, 2019). The company with the highest LDR value in 2019 was Bank Sinarmas Tbk (BSIM) with a value of 1244.19% where the GCG value exceeded 85% which is included in the very healthy category. There are 8 companies with GCG values above 85% in the very healthy category. The company with the highest GCG value in 2020 was Bank Maspion Indonesia Tbk (BMAS) with a value of 814.70% where the GCG value exceeded 85% which is included in the very healthy category. There were 7 companies with GCG values in the very healthy category in 2020, where this value decreased from the previous year with a total of 8 banking companies. The company with the highest GCG value in 2021 was Bank Jago Tbk (ARTO) with a value of 2469.14% where the GCG value exceeded 85% which is included in the very healthy category. Banking companies with a GCG value exceeding 85% in 2021 only numbered 9 companies, where this value has increased from the previous year which only numbered 7 companies. The lowest GCG value in 2019 was Bank Oke Indonesia Tbk (DNAR) with a value of -59.45% where this value can be classified into the unhealthy category. In 2020, the bank with the lowest value was Bank Jago Tbk (ARTO) with a GCG value of -191.20% which can also be categorized into the unhealthy category. In 2021, the banking company with the lowest value was Bank Neo Commerce Tbk (BBYB) with a GCG value of -23.06%. The average value of the overall GCG for 3 years was 97.06% where this value is included in the very healthy category because the GCG value is above 85%.

The Islamic banking company with the highest LDR value in 2019 was Bank Sinarmas Tbk (BSIM) with a value of 1244.19% where the GCG value exceeded 85% which is included in the very healthy category. There are 3 companies with GCG values above 85% in the very healthy category. The company with the highest GCG value in 2020 was Bank Panin Dubai Syariah Tbk (PNBS) with a value of 8300% where the GCG value exceeded 85% which is included in the very healthy category. There was 1 company with a GCG value in the very healthy category in 2020, where this value decreased from the previous year with a total of 3 banking companies. The company with the highest GCG value in 2021 was Bank Jago Tbk (ARTO) with a value of 2469.14% where the GCG value exceeded 85% which is included in the very healthy category. Banking companies with a GCG value exceeding 85% in 2021 only numbered 2 companies, where this value has increased from the previous year which only numbered 1 company. The lowest GCG value in 2019 was Bank Victoria International Tbk (BVIC) with a value of -53.85% where this value can be classified into the unhealthy category. In 2020, the bank with the lowest value was Bank Jago Tbk (ARTO) with a GCG value of -191.20% which can also be categorized into the unhealthy category. In 2021, the banking company with the lowest value was Bank Victoria International Tbk (BVIC) with a GCG value of -15.81%. The average value of the overall GCG for 3 years was 347.25% where this value is included in the very healthy category because the GCG value is above 85%.

Return on Assets (ROA)

Return on Assets(ROA) is a ratio that measures the ability of banks to generate profits or time by comparing net income with total assets. This ratio is used to measure the bank's ability to make a profit by using the total assets owned by the company adjusted for the costs used to fund these assets. The company with the highest ROA value in 2019 was Bank Central Asia Tbk (BBCA) with a value of 4% where the ROA value exceeds 2% which is included in the very healthy category. There are 10 companies with ROA values above 2% in the very healthy category. The company with the highest ROA value in 2020 is Bank Mega Tbk (MEGA) with a value of 3.64% where the ROA value exceeds 2% which is included in the very healthy category. There are 4 companies with ROA values in the very healthy category in 2020, where this value has decreased from the previous year with a total of 10 banking companies. The company with the highest ROA value in 2021 is Bank Mestika Dharma Tbk (BBMD) with a value of 4.31% where the ROA value exceeds 2% which is included in the very healthy category. Banking companies with ROA values exceeding 2% in 2021 only numbered 7 companies, where this value has

increased from the previous year which only numbered 4 companies. The lowest ROA value in 2019 was Bank Jago Tbk (ARTO) with a value of -15.89% where this value can be classified into the unhealthy category. In 2020, the bank with the lowest value was Bank Jago Tbk (ARTO) with an ROA value of -11.27% which can also be categorized into the unhealthy category. In 2021, the banking company with the lowest value was Bank Raya Indonesia Tbk (AGRO) with an ROA value of -14.75%. The average value of the overall ROA for 3 years is 0.44%, where this value is included in the unhealthy category because the ROA value is between 0% and 0.5%.

The Islamic banking company with the highest ROA value in 2019 was Bank BTPN Syariah Tbk (BTPS) with a value of 13.58% where the ROA value exceeds 2% which is included in the very healthy category. There are 4 companies with ROA values above 2% in the very healthy category. The company with the highest ROA value in 2020 was Bank BTPN Syariah Tbk (BTPS) with a value of 7.16% where the ROA value exceeds 2% which is included in the very healthy category. There was 1 company with an ROA value in the very healthy category in 2020, where this value decreased from the previous year with a total of 4 banking companies. The company with the highest ROA value in 2021 was Bank BTPN Syariah Tbk (BTPS) with a value of 10.72% where the ROA value exceeds 2% which is included in the very healthy category. Banking companies with an ROA value exceeding 2% in 2021 only numbered 1 company, where this value has increased from the previous year which only numbered 2 companies. The lowest ROA value in 2019 was Bank Jago Tbk (ARTO) with a value of -15.89% where this value can be classified into the unhealthy category. In 2020, the bank with the lowest value was Bank Jago Tbk (ARTO) with an ROA value of -11.27% which can also be categorized into the unhealthy category. In 2021, the banking company with the lowest value was Bank Panin Dubai Syariah Tbk (PNBS) with an ROA value of -6.72%. The average value of the overall ROA for 3 years was 0.82% where this value is included in the fairly healthy category because the ROA value is between 0.5% and 1.25%.

Capital Adequacy Ratio(CAR)

Capital Adequacy Ratio(CAR) is a bank performance ratio to measure the adequacy of capital owned by the bank to support assets that contain or generate risk. The new rule for Bank Indonesia, the minimum CAR for each bank is 8% (Bank Indonesia, 2011). The company with the highest CAR value in 2019 was Bank Jago Tbk (ARTO) with a value of 148.28% where the CAR value exceeds 15% is included in the very healthy category. There are 31 companies with CAR values above 15% in the very healthy category. The company with the highest CAR value in 2020 was Bank Jago Tbk (ARTO) with a value of 91.38% where the CAR value exceeds 15% is included in the very healthy category. There are 33 companies with CAR values in the very healthy category in 2020, where this value has increased from the previous year with a total of 31 banking companies. The company with the highest CAR value in 2021 is Bank Jago Tbk (ARTO) with a value of 169.92% where the CAR value exceeds 15% which is included in the very healthy category. Banking companies with CAR values exceeding 15% in 2021 only numbered 33 companies, where this value is the same as the previous year. The lowest CAR value in 2019 was Bank Pembangunan Daerah Banten Tbk (BEKS) with a value of 9.01% where this value can be classified into the healthy category. In 2020, the bank with the lowest value was Bank Jtrust Indonesia Tbk (BCIC) with a CAR value of 11.59% which can also be categorized into the healthy category. In 2021, the banking company with the lowest value was Bank Maspion Indonesia Tbk (BMAS) with a CAR value of 13.69%. The average value of the total CAR for 3 years was 29.42% where this value is included in the very healthy category because the CAR value is between above 15%.

The Islamic banking company with the highest CAR value in 2019 was Bank Jago Tbk (ARTO) with a value of 148.28% where the CAR value exceeds 15% which is included in the very healthy category. There are 11 companies with CAR values above 15% in the very healthy category. The company with the highest CAR value in 2020 was Bank Jago Tbk (ARTO) with a value of 91.38% where the CAR value exceeds 15% which is included in the very healthy category. There were 12 companies with CAR values in the very healthy category in 2020, where this value has increased from the previous year with a total of 11 banking companies. The company with the highest CAR value in 2021 was Bank Jago Tbk (ARTO) with a value of 169.92% where the CAR value exceeds 15% which is included in the very healthy category. Banking companies with CAR values exceeding 15% in 2021 only numbered 12 companies, where this value is the same as the previous year. The lowest CAR value in 2019 was Bank Panin Dubai Syariah Tbk (PNBS) with a value of 14.46%, which can be classified as healthy. In 2020, the bank with the lowest value was Bank Sinarmas Tbk (BSIM) with a CAR value of 17.29%, which can also be categorized as very healthy. In 2021, the banking company with the lowest value was Bank Victoria International Tbk (BVIC) with a CAR value of 17.32%, but it can still be categorized as very healthy. The average value of the total CAR for 3 years was 33.21%, which is included in the very healthy category because the CAR value is above 15%.

Independent sample t-test statistical test

Based on the results of data processing using the independent sample t-test statistical test, the results of the performance comparison between conventional commercial banks and Islamic banks were obtained. Next, the results of the study will be described which are observations of two banks, namely conventional commercial banks and Islamic commercial banks during 2019 - 2021, as seen in Figure 2 below.

		Equality of Variances		t-test for Equality of Means							Kesimpulan
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Interval of the		
									Lower	Upper	
NPL	Equal variances assumed	3.414	.067	-.694	139	.489	-.34975	.50422	-1.34668	.64717	tidak terdapa perbedaan signifikan
	Equal variances not assumed			-.939	120.245	.350	-.34975	.37239	-1.08704	.38754	
LDR	Equal variances assumed	.132	.717	-.276	139	.783	-1.36926	4.96865	-11.19317	8.45465	tidak terdapa perbedaan signifikan
	Equal variances not assumed			-.301	71.865	.765	-1.36926	4.55441	-10.44859	7.71007	
GCG	Equal variances assumed	12.796	.000	1.691	139	.093	250.18659	147.92834	-42.29403	542.66721	terdapat perbedaan signifikan
	Equal variances not assumed			1.037	36.038	.307	250.18659	241.30172	-239.17816	739.55134	
ROA	Equal variances assumed	1.859	.175	.532	139	.596	.38315	.72080	-1.04199	1.80830	tidak terdapa perbedaan signifikan
	Equal variances not assumed			.443	46.638	.660	.38315	.86506	-1.35749	2.12379	
CAR	Equal variances assumed	2.675	.104	.749	139	.455	3.79610	5.06860	-6.22543	13.81762	tidak terdapa perbedaan signifikan
	Equal variances not assumed			.619	46.166	.539	3.79610	6.13699	-8.55583	16.14802	

Comparison Analysis of Sharia Banks and Conventional Banks in View From the Health Level of Banks Listed on the Indonesia Stock Exchange (Chrisansen Wanadi, Syukri Hadi, Anigrah Okto Nainggolan, Arih Dwi Prihastomo S, and Muhammad Pringgo Prayetno)

Source: SPSS Processed Data

Figure 2. Independent Sample T-Test Statistical Test

Based on the image above, it can be described as follows:

Comparison of the Health Level of Islamic Banks and Conventional Banks Based on Credit Risk

Based on the processed data results, it shows that Equal Variance Assumed (assuming both variances are the same) is 3.414 with a significance of 0.067. Because the significance value is greater than $\alpha = 0.05$, it can be stated that it can be concluded that the hypothesis that has been proposed in this study is not accepted. It can be concluded that there is no significant difference in the level of Health of Islamic banks and conventional banks based on credit risk (NPL / NPF).

Comparison of the Health Level of Islamic Banks and Conventional Banks Based on Liquidity Risk

Based on the processed data results, it shows that Equal Variance Assumed (assuming both variances are the same) is 0.132 with a significance of 0.717. Because the significance value is greater than $\alpha = 0.05$, it can be stated that it can be concluded that the hypothesis that has been proposed in this study is not accepted. It can be concluded that there is no significant difference in the level of Health of Islamic banks and conventional banks based on liquidity risk (LDF / FDR).

Comparison of the Health Level of Islamic Banks and Conventional Banks based on Good Corporate Governance (GCG)

Based on the results of data processing, it shows that Equal Variance Assumed (assuming both variances are the same) is 12,796 with a significance of 0.000. Because the significance value is smaller than $\alpha = 0.05$, it can be stated that it can be concluded that the hypothesis that has been proposed in this study is accepted. It can be concluded that there is a significant difference in the level of Health of Islamic banks and conventional banks based on Good Corporate Governance (GCG).

Comparison of the Health Level of Islamic Banks and Conventional Banks based on Return on Assets (ROA)

Based on the processed data results, it shows that Equal Variance Assumed (assuming both variances are the same) is 1.859 with a significance of 0.175. Because the significance value is greater than $\alpha = 0.05$, it can be stated that it can be concluded that the hypothesis that has been proposed in this study is not accepted. It can be concluded that there is no significant difference in the level of Health of Islamic banks and conventional banks based on Return on Assets (ROA).

Comparison of the Health Level of Islamic Banks and Conventional Banks based on the Capital Adequacy Ratio (CAR)

Based on the processed data results, it shows that Equal Variance Assumed (assuming both variances are the same) is 2.675 with a significance of 0.104. Because the significance value is greater than $\alpha = 0.05$, it can be stated that it can be concluded that the hypothesis that has been proposed in this study is not accepted. It can be concluded that there is no significant difference in the level of Health of Islamic banks and conventional banks based on the Capital Adequacy Ratio (CAR).

Results and Discussion

Comparison of the Health Level of Islamic Banks and Conventional Banks Based on Credit Risk

Credit risk is the possibility of financial loss due to the failure of the borrower (debtor) to pay the loan or other payment obligations to the bank in accordance with the agreement that has been set. This risk can arise due to various factors, including poor economic conditions, the inability of the debtor to meet payment obligations, changes in interest rates, or other financial problems. Credit risk is often assessed using the Non-Performing Loans (NPL) or Non-Performing Financing (NPF) measure. NPL/NPF is an indicator that measures the percentage of total credit or financing that fails or is unable to pay on time.

Non-Performing Loans (NPL) is one of several factors that indicate the health of a bank. Bank Indonesia also explains that the definition of NPL is credit with a quality that is not smooth or bad. From the NPL information, an evaluation of the condition of profitability, credit risk, capital conditions, liquidity, and market risk can be known. Non-Performing Financing (NPF) is a ratio used to measure the ability of bank management to manage existing financing problems. NPF is used in Islamic banking, to replace the concept of loans (Loan). NPF can be interpreted as a loan that is having difficulty paying. Just like NPL, NPF is a problematic credit (ArnettaBeby, 2019). High NPF will cause the third party fund liquidity ratio to be lower.

The results of testing the first hypothesis show that the value of Non-Performing Loans (NPL) / Non-Performing Financing (NPF) does not show a significant difference in the level of Health of Islamic banks and conventional banks. The results of this study are in accordance with the results of research conducted by (Febrita Putri et al., 2015), which shows that there is no significant difference between Conventional Banks and Islamic Banks. However, the results of this study are inversely proportional to the research conducted by (Yuniati & Pertiwi, 2020), which shows that the NPL/NPF Risk Profile Aspect proves that conventional banks are superior to Islamic banks.

Comparison of the Health Level of Islamic Banks and Conventional Banks Based on Liquidity Risk

Liquidity risk is the inability of a bank to meet its payment obligations due to lack of sufficient funds. This risk can occur when a bank faces challenges in raising the funds needed to meet daily liquidity needs or to meet payment obligations to customers. Banks need to provide sufficient liquidity to be able to serve customers and operate efficiently. In conducting a liquidity risk analysis, one of the ways is to use the Loan to Deposit Ratio (LDR) or Financing to Deposit Ratio (FDR).

Loan To Deposit Ratio (LDR) is a ratio that describes the comparison between credit issued by a bank to the total third party funds collected by a bank as a measure of a bank's liquidity by looking at how the bank collects funds and then distributes them back to the community. *Financing To Deposit Ratio* (FDR) is a term in Islamic banking. Just like LDR, FDR also has an intermediary function in Islamic banks. The term FDR is used because in Islamic banking there is no term debt (loan). Islamic banks only recognize financing. *Financing To Deposit Ratio* (FDR) is used to measure the amount of financing that has been given to the amount of funds and capital owned. The results can be used as an indicator of the bank's ability to repay withdrawals that will be made by customers (Munandar, 2022).

The results of testing the first hypothesis show that the Loan to Deposit Ratio (LDR) or Financing to Deposit Ratio (FDR) values do not show significant differences in the Health level of Islamic banks and conventional banks. The results of this study are in accordance with research conducted by (Komalasari & Wirman, 2021), which shows that there is no difference in LDR/FDR performance between conventional banks and Islamic banks. However, this is contrary to research conducted by (Sulistianingsih & Maivalinda, 2018), which shows that the LDR/FDR variables of Islamic commercial banks and conventional commercial banks have significant differences.

Comparison of the Health Level of Islamic Banks and Conventional Banks based on Good Corporate Governance (GCG)

Good Corporate Governance (GCG) or Good Corporate Governance is a concept and management practice that aims to create effective structures and processes in managing a company. GCG refers to the application of this concept especially in the context of the banking industry. The principles of GCG include transparency, accountability, independence, fairness, and good responsibility. By implementing good bank GCG, banks can improve performance, manage risks more effectively, maintain customer and stakeholder trust, and maintain the integrity of the company. The Organization for Economic Cooperation and Development (OECD, 1999) defines corporate governance as a system for providing direction and control over a company.

The results of testing the first hypothesis show that the value of Good Corporate Governance (GCG) shows a significant difference in the level of Health of Islamic banks and conventional banks. In this study, the GCG results show a difference of 250.19%, where Islamic banks are superior with a value of 347.25%. This is in accordance with research conducted by (Rana Nurmala Madyawati, 2018). Which also shows that the average GCG of Conventional Banks is smaller than that of Sharia Banks. However, this is contrary to research conducted by (Sulistianingsih & Maivalinda, 2018; Yuniati & Pertiwi, 2020), which shows that the GCG variables of Islamic commercial banks and conventional commercial banks do not have significant differences.

Comparison of the Health Level of Islamic Banks and Conventional Banks based on Return on Assets (ROA)

Earnings assessment consists of evaluating Earnings performance, Earnings sources, Earnings sustainability, and Earnings management. The ratio used in measuring Earnings is Return on Assets (ROA) (F. Daniswara & Harsa Sumarta, 2016). Horne and Wachowicz said that ROA is a tool used to measure overall effectiveness in terms of earning profit through existing assets. ROA is the ratio of profit before tax to average total assets which is a ratio often used to measure bank performance. ROA depends on the bank's ability to earn interest income, control interest costs and the bank's operational efficiency, and so on.

The results of testing the first hypothesis show that the Return on Assets (ROA) value does not show a significant difference in the level of Health of Islamic banks and conventional banks. This is in accordance with research conducted by (Hanina et al., 2017), which shows that there is no significant difference between the

performance of Islamic banking and conventional banking. However, this is contrary to research conducted by (F. Daniswara & Harsa Sumarta, 2016), which shows that there is a significant difference in earnings between conventional banks and Islamic banks measured independently. Conventional banks get better results in health assessments seen from the ROA factor compared to Islamic banks.

Comparison of the Health Level of Islamic Banks and Conventional Banks based on the Capital Adequacy Ratio (CAR)

In conducting capital assessments, banks are required to refer to Bank Indonesia's provisions governing the Minimum Capital Adequacy Requirement (KPMR) for Commercial Banks. One of the ratios that can be used to evaluate capital adequacy is the Capital Adequacy Ratio (CAR). The Capital Adequacy Ratio (CAR) is a bank performance ratio to measure the adequacy of capital owned by the bank to support assets that contain or generate risk. The new regulation for Bank Indonesia is that the minimum CAR for each bank is 8% (Bank Indonesia, 2011).

The results of testing the first hypothesis show that the Capital Adequacy Ratio (CAR) value does not show a significant difference in the level of health of Islamic banks and conventional banks. This is in accordance with research conducted by (Vivin & Wahono, 2017), which shows that there is no significant difference in the average ROA variable between the Conventional Bank group and the Sharia Bank group. However, this is contrary to research conducted by (Mukhtar & Rinaldi, 2019), And (Susilo Jahja & Iqbal, 2012), which shows that the ROA of Islamic banking is significantly better than conventional banking.

CLOSING

Based on the results of the research and discussion, several conclusions can be drawn as follows, Based on credit risk that can be assessed from Non-Performing Loans (NPL) / Non-Performing Financing (NPF), there is no significant difference in the health level of Islamic banks and conventional banks listed on the Indonesia Stock Exchange in 2019-2021. Based on liquidity risk that can be assessed from the Loan to Deposit Ratio (LDR) or Financing to Deposit Ratio (FDR), there is no significant difference in the health level of Islamic banks and conventional banks listed on the Indonesia Stock Exchange in 2019-2021. Based on Good Corporate Governance (GCG), there is a significant difference in the health level of Islamic banks and conventional banks listed on the Indonesia Stock Exchange in 2019-2021. Based on income risk that can be assessed from Return on Assets (ROA), there is no significant difference in the health level of Islamic banks and conventional banks listed on the Indonesia Stock Exchange in 2019-2021. Based on capital risk that can be assessed from *Capital Adequacy Ratio* (CAR) There is no significant difference in the health level of Islamic banks and conventional banks listed on the Indonesian Stock Exchange in 2019-2021.

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