

COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE OF CONVENTIONAL BANK AND SHARIA BANK IN INDONESIA

Yusriwarti¹, Boni Kristoven², Dini Oktaviani³, M. Ilham Tanjung⁴, Prehasti Regita⁵

¹Accountancy Study Program, Faculty of Economics and Business, Universitas Islam Indragiri, Indonesia

^{2,3,4,5}Management Study Program, Faculty of Economics and Business, Universitas Islam Indragiri, Indonesia

*e-mail: llham.redmi44@gmail.com

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Abstract

This research aims to compare the financial performance between Conventional Banks and Sharia Banks in the 2019-2023 period in Indonesia. The samples from this research were BCA Bank as a Conventional Bank and BCA Syariah Bank as a Sharia Bank, and sampling was determined using the purposive sampling method. This research uses financial ratios in the form of Non Performance Financing (NPF), Financing To Deposit Ratio (FDR), Return on Assets (ROA), Operational Expenditure to Operational Income (BOPO), Capital Adequacy Ratio (CAR). This research uses the Independent Sample t-Test. The research results show that Bank BCA has ideal ratio values for ROA, BOPO, CAR, whereas Bank BCA Syariah has ideal ratio values for NPF, FDR and CAR. Overall or the average ratio, there is a significant difference between Conventional Banks and Sharia Banks.

1. INTRODUCTION

Background Problem

In recent years, the Indonesian banking sector has experienced significant growth due to economic development and increasing public demand for various financial services. Based on Article 1 paragraph (2) Law no. 10 of 1998 concerning amendments to Law no. 7 of 1992 concerning Banking, banks are business entities that collect funds from the public in the form of savings and channel them back to the community in the form of credit or other forms to improve the standard of living of many people. There are two main types of banks operating in Indonesia: conventional banks and Islamic banks, each with its own operational principles and characteristics. Conventional banks operate based on traditional banking principles with the aim of making profits, while Islamic banks operate based on sharia principles which prohibit interest collection and emphasize profit sharing and equality.

Conventional financial theory (Haron & Ahmad, 2000) argues that conventional banks aim to maximize profits through the various products and services offered, such as credit, savings and investment. The basic principle of this theory is managing risk and optimizing return on investment (ROI). In contrast, Islamic finance theory (Mollah & Zaman, 2020) is based on sharia principles which prohibit usury (interest) and emphasize the distribution of profits and losses (profit and loss sharing). Some common financial products in sharia banking include mudharabah (business partnerships) and musyarakah (business cooperation). Additionally, modern portfolio theory (Markowitz, 1952) can be applied to both types of banks to manage their asset and liability portfolios, emphasizing diversification to reduce risk and maximize overall returns.

In banking literature, there are significant differences between the operational principles of conventional banks and Islamic banks. Conventional banks, as represented by Bank Central Asia Tbk. (BCA), follows general banking principles which aim to maximize profits through various banking products and services. However, Islamic banks, such as BCA Syariah, operate based on sharia principles which prohibit riba (interest) and encourage profit sharing and fairness in financial transactions (Srairi, 2021). A literature debate is emerging regarding the effectiveness of these two types of banks in achieving financial and social goals. Several researchers argue that conventional banks are more efficient in generating profits and supporting economic growth (Hanif & Shaikh, 2020). In contrast, supporters of Islamic banks argue that the Islamic business model is fairer and more sustainable in the long term because it reduces speculative risks and focuses more on social welfare (Mollah & Zaman, 2020).

Although many studies have been conducted to analyze the financial performance of conventional banks and Islamic banks separately, there is still a gap in research that compares these two types of banks directly, especially in the context of Indonesian banking. Most existing studies tend to focus on one type of bank without considering a comprehensive comparison between the two in terms of profitability, efficiency and risk management. For example, research by Alqahtani and Mayes (2018) examines the financial performance of Islamic banks and conventional banks in the GCC (Gulf Cooperation Council) and shows that Islamic banks have a higher level of stability compared to conventional banks. Meanwhile, a study by Hanif and Shaikh (2020) compared the efficiency and profitability of Islamic and conventional banks in Pakistan, finding that conventional banks were superior in terms of profitability, but Islamic banks were better in asset efficiency.

This research aims to fill this gap by conducting a comparative analysis of the financial performance of Bank Central Asia Tbk. (BCA) and BCA Syariah. By comparing the net profits of these two banking entities, this research will identify differences in their financial performance and provide insight into the effectiveness of each bank in generating profits. This analysis will help understand how the two banks manage their resources to achieve optimal profitability, as well as provide an important contribution to the banking literature regarding the comparison between conventional and sharia business models.

To provide a clearer picture of financial performance, this research will use financial report data from BCA and BCA Syariah. Financial ratio analysis will be carried out to assess management's performance in achieving the set profit targets and management's ability to effectively empower company resources. Net profit report data from the two banks is as follows:

Table 1. Comparison of Net Profit Between Conventional Banks and Sharia Banks
(in billions of rupiah)

Year	BCA	BCA Syariah
2023	48,658,095	153,801,741
2022	40,755,572	117,582,548
2021	31,440,159	87,442,212
2020	27,147,109	73,105,881
2019	28,569,974	67,193,529

Source: Financial reports of BCA and BCA Syariah banks on the IDX

The table above shows the condition of the financial statements of total net profit from Bank BCA and Bank BCA Syariah during the 2019-2023 period. This data shows that the total net profit obtained by the two banks continues to increase every year. However, it is interesting to note that the total net profit obtained by Bank BCA Syariah tends to be higher than that of Bank BCA.

Comparison of financial performance between conventional banks and Islamic banks provides important insights for various stakeholders, including investors, government and the general public. Investors can use this information to make more precise and informed investment decisions. The government can utilize the results of this research to formulate policies that support the development of the banking sector. Meanwhile, the general public can better understand the banking options available based on the financial performance of each type of bank.

Previous research by Yudiana, Isti, and Tatok (2015) in "Comparative Analysis of the Financial Performance of Conventional Banks and Sharia Banks" stated that there were significant differences in the LDR, ROA, CAR and BOPO ratios between conventional banks and sharia banks. However, in the ROE and NPL ratios, no significant differences were found between the two types of banks. Furthermore, research by Molli and Ririn (2017) in "Comparative Analysis of the Financial Performance of Sharia Banks with Conventional Banks in Indonesia" concluded that there are significant differences between the performance of Islamic banks and conventional banks. Overall, their research shows that the performance of Islamic banking is better than conventional banking during the research period.

Based on the background and findings of previous research, this research aims to provide a significant contribution in understanding the differences in financial performance between conventional banks and Islamic banks, as well as the implications for the Indonesian banking sector as a whole. Thus, researchers are interested in studying further the financial performance between conventional banks and Islamic banks with the title "Comparative Analysis of the Financial Performance of Conventional Banks and Sharia Banks in Indonesia".

Problem Formulation

Based on the background description that has been presented, the problem that can be formulated is: What is the comparative analysis of financial performance between BCA and BCA Syariah based on financial ratios in the 2019-2023 period?

Research Purposes

The aim of this research is to evaluate and analyze the financial performance of BCA and BCA Syariah based on financial ratios during the 2019-2023 period.

2. LITERATURE REVIEW

Financial Management

Sundjaja and Barlian (2003) in M. Fauzan (2023) explain that financial management is "Management related to duties as a financial manager in a business company. Financial managers actively manage the financial affairs of various types of businesses, both financial and business. Private or public, big or small, profit or non-profit. They carry out various activities, such as budgeting, financial planning, cash management, credit administration, investment analysis and efforts to obtain funds [1].

Rebin, Sumardi and Dr. Suharyono, (2020) Financial Management is one of the management systems as a whole. As we know, every company/organization has certain goals, where to achieve these goals it is absolutely necessary to have management. Furthermore, according to Rini Astuti, (2022) financial management is a field that focuses on the efficient and effective use of capital, loan money and other business funds as well as the right decision-making process to maximize profits and add value to an entity.

Fahmi, (2015) believes that there are three objectives of financial management, including:

1. Maximizing company value
2. Maintain financial stability in a state that is always under control
3. Minimize company risks in the present and future

According to Agus Harjito and Martono, (2014) financial management has three main functions, namely:

1. Investment Decision
Investment decisions are an important financial management function in supporting decision making to invest because they involve obtaining efficient investment funds and the composition of assets that must be maintained or reduced.
2. Funding Decision (Dividend Payment)
A company's dividend policy should also be viewed as an integral part of the company's funding decisions. In principle, the function of financial management as a funding decision concerns the decision whether profits earned by the company should be distributed to shareholders or retained to finance future investments.
3. Asset Management Decisions
Asset management decisions are a financial management function that concerns decisions on the allocation of funds or assets, the composition of funding sources that must be maintained and the use of capital both from within the company and outside the company that is good for the company.

Bank Definition

According to Kasmir (in Wahyuni, 2023), a bank is a business entity that collects funds from the public in the form of savings, then distributes them back to the community in the form of credit or other forms with the aim of improving people's living standards. The banking business consists of three main activities: collecting funds, distributing funds, and providing other banking services [2].

Meanwhile, Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking defines banks as business entities that collect funds from the public in the form of savings, then channel them back to the public in the form of credit or other forms with the aim of increasing people's standard of living.

Sharia Bank

Law Number 21 of 2008 concerning Sharia Banking states that sharia banking includes all matters relating to sharia banks and Sharia Business Units, including institutions, business activities, as well as methods and processes for carrying out business activities. Thus, a sharia bank is a bank that carries out its business activities based on sharia principles. Based on type, sharia banks consist of Sharia Commercial Banks (BUS), Sharia Business Units (UUS), and Sharia People's Financing Banks (BPRS). Sharia banks carry out their business activities based on sharia principles, namely the rules of agreements based on Islamic law between banks and other parties for depositing funds or financing other business activities in accordance with sharia.

According to Ismail (2011), one of the characteristics of Islamic banks is that they do not accept or charge interest to customers, but instead accept or charge profit sharing and other rewards in accordance with the agreed contracts. The rewards received by sharia banks and those paid to customers depend on the contract and agreement between the customer and the bank. Agreements (contracts) in sharia banking must comply with the terms and conditions of the contract as regulated in Islamic law.

Conventional Banks

Conventional banks are public banks that operate based on conventional principles. This principle uses the method of determining interest as the selling price. According to Article 1 paragraph 3 of Law no. 10 of 1998,

conventional banks are banks that carry out conventional business activities and provide services in payment traffic, with the exception of "and/or based on sharia principles".

Financial Performance

According to Fahmi (2017), company performance is an analysis carried out to determine the extent to which the company has implemented the rules set regarding the use of finances appropriately and correctly, such as through producing reports that meet the standards and provisions in Financial Accounting Standards (SAK) or General Accepted Accounting Principles (GAAP). Rachman 2018 in M. Fauzan (2023) states that financial performance describes the company's financial position in a certain period, related to elements such as collection and distribution based on the budget on capital, profitability and liquidity parameters [3].

In the banking world, financial performance analysis is carried out to evaluate management's achievements in managing the company. Measuring financial performance can show the company's financial growth and development prospects by utilizing the resources it has. A company is considered successful if it has achieved certain predetermined performance.

According to Hutabarat (2020), there are several main objectives in assessing a company's financial performance, namely:

1. Knowing the Level of Rentability or Profitability

Financial performance assessment helps measure a company's ability to generate profits during a certain period.

2. Knowing the Liquidity Level

Financial performance assessment provides an overview of the company's ability to fulfill obligations that must be fulfilled immediately.

3. Knowing the Solvency Level

The financial performance assessment shows the company's ability to meet its financial obligations, both long term and short term, if the company is liquidated.

4. Knowing the Level of Business Stability

The financial performance assessment assesses the company's ability to pay interest expenses on the company's debts, including the principal, on time. Apart from that, it also measures the company's ability to pay dividends to shareholders.

Financial Statements

According to Wastam Wahyu Hidayat (2018), financial reports are information that describes the financial condition of a company, and this information can be used to assess the company's financial performance. Werner R. Murhadi (2019) states that financial reports are business language which contain information about the company's financial condition aimed at users. By understanding financial reports, various interested parties can assess the company's financial health.

Financial Comparative Analysis

Financial comparative analysis is an evaluation method used to assess the financial performance of a company by comparing financial data from different periods or between different companies.

According to Munawir (2010), comparative analysis is a financial report analysis technique carried out by presenting financial reports horizontally. This technique compares the same items in the financial statements for several periods or several different companies. The aim is to determine changes that occur, both in the form of increases and decreases, as well as evaluating the company's financial performance.

Harahap (2015) explains that comparative analysis of financial statements is a method used to compare financial reports from different periods or between similar companies. This technique helps in identifying trends, fluctuations, and patterns that may not be visible in a single period analysis. This analysis is very useful for evaluating a company's efficiency, profitability and financial stability.

According to Kasmir (2016), comparative analysis is a technique used to compare company financial reports from time to time. This analysis involves comparing financial data in rupiah or other units to determine changes that occur. This technique can also show the company's financial condition from year to year, making it easier to make decisions.

3. RESEARCH METHOD

Object of Research

When conducting research, the first thing to pay attention to is the research object that will be studied. Where the research object contains a problem that will be used as research material to find a solution. The objects of this research are Bank Central Asia and Bank BCA Syariah which were listed on the Indonesian Stock Exchange in the last 5 years from 2019-2023.

A research location can be interpreted as a place where research/observation will be held in order to obtain accurate data for research. This research will be carried out at the Indonesian Stock Exchange company through www.idx.ac.id.

Population and Sample

Population

The population in this research is Conventional Commercial Banks and Sharia Commercial Banks listed on the Indonesia Stock Exchange. The sampling technique in this research is purposive sampling technique, namely samples are taken based on certain criteria. The criteria are as follows:

1. The bank has been around for more than 5 years
2. Banks that present financial reports for 5 consecutive years, namely from 2019 to 2023

Sample

According to Sugiyono, (2019) a sample is part of the number and characteristics of the population. The samples in this research were Bank Central Asia and Bank BCA Syariah in 2019-2023.

4. RESULTS AND DISCUSSION

RESULTS

Descriptive statistics

Descriptive NPF Statistics Between BCA and BCA Syariah

Tabel 2. Group Statistics

	BANK	N	Mean	Std. Deviation	Std. Error Mean
NPF	BCA	5	1.7800	.32711	.14629
	BCA SYARIAH	5	.0580	.11300	.05054

Source: Spss Processed Data Version 24.0 For Windows, 2024

Based on table 2 above, Bank BCA has an average (mean) NPF ratio of 1.78%, greater than the mean NPF ratio of BCA Syariah which is 0.05%. This shows that during the 2019-2023 period Bank BCA and BCA Syariah both had good NPF. So BCA and BCA Syariah are still in ideal condition because they have an NPF value below BI regulations.

Tabel 3. Independent Samples Test

Levene's Test for Equality of Variances			t-test for Equality of Means						
									95% Confidence Interval of the Difference
			F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	
NPF	Equal variances assumed	Equal variances	2.097	.186	11.126	8	.000	1.72200	.15477
		assumed							Lower Upper

Equal variances not assumed		11.126	4.941	.000	1.72200	.15477	1.32272	2.12128
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Source: Spss Processed Data Version 24.0 For Windows, 2024

Judging from table 3 above, in the "Equal variances assumed" section, the Sig value is known. (2-tailed) is $0.000 < 0.05$, so as is the basis for decision making in the independent sample t test, it can be concluded that H_0 is rejected and H_a is accepted. Thus, it can be concluded that there is a significant (real) difference between the NPF of Bank BCA and BCA Syariah.

FDR Descriptive Statistics Between BCA and BCA Syariah

Tabel 4. Group Statistics

	BANK	N	Mean	Std. Deviation	Std. Error Mean
FDR	BCA	5	68.7400	7.19430	3.21739
	BCA SYARIAH	5	83.2000	4.43678	1.98419

Source: Spss Processed Data Version 24.0 For Windows, 2024

Based on table 4 above, Bank BCA has an average (mean) FDR ratio of 68.74%, smaller than the mean FDR ratio of Bank BCA Syariah which is 83.20%. Because the FDR value of BCA Syariah Bank is above 80%, BCA Syariah Bank is in ideal condition compared to BCA Bank.

Tabel 5. Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference		Lower	Upper
FDR	Equal variances assumed	.966	.354	-3.825	8	.005	-14.46000	3.78003		-23.17676	-5.74324
	Equal variances not assumed			-3.825	6.658	.007	-14.46000	3.78003		-23.49223	-5.42777

Source: Spss Processed Data Version 24.0 For Windows, 2024

Judging from table 5 above, in the "Equal variances assumed" section, the Sig value is known. (2-tailed) is $0.005 < 0.05$, so as is the basis for decision making in the independent sample t test, it can be concluded that H_0 is rejected and H_a is accepted. Thus, it can be concluded that there is a significant (real) difference between BCA Bank FDR and BCA Syariah.

Descriptive Statistics of ROA Between BCA and BCA Syariah

Tabel 6. Group Statistics

	BANK	N	Mean	Std. Deviation	Std. Error Mean
LONG	CONVENTIONAL	5	3.1000	.36056	.16125
	SHARIA	5	1.2400	.16733	.07483

Source: Spss Processed Data Version 24.0 For Windows, 2024

Based on table 6 above, Bank BCA has an average (mean) ROA ratio of 3.10%, greater than the mean ROA ratio of Bank BCA Syariah which is 1.24%. This means that during the 2019-2023 period Bank BCA has a better ROA compared to Bank BCA Syariah, because the higher the ROA value, the better the quality of the bank.

Tabel 7. Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference		Lower	Upper

LONG	Equal variances assumed	2.923	.126	10.463	8	.000	1.86000	.17776	1.45008	2.26992
	Equal variances not assumed			10.463	5.647	.000	1.86000	.17776	1.41834	2.30166

Source: Spss Processed Data Version 24.0 For Windows, 2024

Judging from table 7 above, in the "Equal variances assumed" section, the Sig value is known. (2-tailed) is $0.000 < 0.05$, so as is the basis for decision making in the independent sample t test, it can be concluded that H_0 is rejected and H_a is accepted. Thus, it can be concluded that there is a significant (real) difference between the ROA of BCA Bank and BCA Syariah.

BOPO Descriptive Statistics Between BCA and BCA Syariah

Tabel 8. Group Statistics

	BANK	N	Mean	Std. Deviation	Std. Error Mean
BOPO	CONVENTIONAL	5	53.4200	8.29017	3.70748
	SHARIA	5	83.7800	3.65951	1.63658

Source: Spss Processed Data Version 24.0 For Windows, 2024

Based on table 8 above, Bank BCA has an average (mean) BOPO ratio of 53.42%, smaller than the mean BOPO ratio of Bank BCA Syariah which is 83.78%. If you pay attention during the 2019-2023 period, Bank BCA Syariah has a BOPO of lower quality than Bank BCA, because the higher the BOPO value, the worse the quality of the bank.

Tabel 9. Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference		Lower	Upper
BOPO	Equal variances assumed	4.068	.078	-7.491	8	.000	-30.36000	4.05263		-39.70538	-21.01462
	Equal variances not assumed			-7.491	5.502	.000	-30.36000	4.05263		-40.49819	-20.22181

Source: Spss Processed Data Version 24.0 For Windows, 2024

Judging from table 9 above, in the "Equal variances assumed" section, the Sig value is known. (2-tailed) is $0.000 < 0.05$, so as is the basis for decision making in the independent sample t test, it can be concluded that H_0 is rejected and H_a is accepted. Thus, it can be concluded that there is a significant (real) difference between the ROA of BCA Bank and BCA Syariah.

CAR Descriptive Statistics Between BCA and BCA Syariah

Tabel 10. Group Statistics

	BANK	N	Mean	Std. Deviation	Std. Error Mean
CAR	CONVENTIONAL	5	26.1000	2.03224	.90885
	SHARIA	5	39.3000	4.13582	1.84959

Source: Spss Processed Data Version 24.0 For Windows, 2024

Based on table 10 above, Bank BCA has an average (mean) CAR ratio of 26.10%, smaller than the mean CAR ratio of Bank BCA Syariah which is 39.30%. If you pay attention during the 2019-2023 period, Bank BCA Syariah has a better CAR compared to Bank BCA, because the higher the CAR value, the better the quality of the bank.

Tabel 11. Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
CA R	Equal variances assumed	3.106	.116	-6.405	8	.000	-13.20000	2.06083	-17.95227	-8.44773
	Equal variances not assumed			-6.405	5.825	.001	-13.20000	2.06083	-18.27957	-8.12043

Source: Spss Processed Data Version 24.0 For Windows, 2024

Judging from table 11 above, in the "Equal variances assumed" section, the Sig value is known. (2-tailed) is $0.000 < 0.05$, so as is the basis for decision making in the independent sample t test, it can be concluded that H_0 is rejected and H_a is accepted. Thus, it can be concluded that there is a significant (real) difference between the ROA of BCA Bank and BCA Syariah.

DISCUSSION

Comparison of Financial Performance Based on Non-Performing Financing

Based on research results, Bank BCA has an average (mean) NPF ratio of 1.78%, while Bank BCA Syariah has an average (mean) NPF ratio of 0.05%. It can be said that BCA Syariah has a lower NPF ratio compared to Bank BCA's NPF. Based on Bank Indonesia regulations which state that the NPF value cannot be more than 5%, because the higher the NPF value, the worse the quality of performance. So the BCA Bank Syariah NPF is more ideal than the BCA Bank NPF. Based on the results of the hypothesis test, it can be seen that the financial performance of Bank BCA and Bank BCA Syariah as measured by NPF has significant differences. This is indicated by the probability value of $0.000 < 0.05$. These results show that in general Bank BCA and Bank BCA Syariah have different capabilities, but both banks are still able to overcome problem loans and have the same risks from credit provided by customers.

Comparison of Financial Performance Based on Financing To Deposit Ratio

Based on the research results, Bank BCA has an average (mean) FDR ratio of 68.74%, smaller than the mean FDR ratio of Bank BCA Syariah which is 83.20%. If you refer to Bank Indonesia regulations which state that the best standard for LDR is 80% -110%. So, it can be said that Bank BCA Syariah is in a more ideal condition compared to Bank BCA. Based on the results of the hypothesis test, it can be seen that the financial performance of Bank BCA and Bank BCA Syariah as measured based on FDR has significant differences. This is indicated by the probability value of $0.005 < 0.05$. These results show that Bank BCA has room to increase the use of funds in the form of credit, while Bank BCA Syariah has used more of the available funds to finance its credit.

Comparison of Financial Performance Based on Return On Assets

Based on the research results, Bank BCA has an average (mean) ROA ratio of 3.10%, greater than the mean ROA ratio of Bank BCA Syariah which is 1.24%. This means that during the 2019-2023 period Bank BCA has a better ROA compared to Bank BCA Syariah, because the higher the ROA value, the better the quality of the bank's performance. If the performance of a conventional bank is getting better, the rate of return will also be greater, and if the company's ROA increases, it means the company's profitability will increase. Based on the results of the hypothesis test, it can be seen that the financial performance of Bank BCA and Bank BCA Syariah as measured by ROA has a significant difference. This is indicated by the probability value of $0.000 < 0.05$. These results show that the abilities of Bank BCA and Bank BCA Syariah in managing their assets to generate net profits

are different. It appears that Bank BCA Syariah has a lower level of efficiency and effectiveness in generating profits from managing its assets than Bank BCA.

Comparison of Financial Performance Based on Operating Costs Operating Income

Based on the research results, Bank BCA has an average (mean) BOPO ratio of 53.42%, smaller than the mean BOPO ratio of Bank BCA Syariah which is 83.78%. If you refer to Bank Indonesia regulations which state that the ideal BOPO value is a maximum of 85%, because the higher the BOPO value, the worse the quality of the bank. Based on the data above, BCA Syariah Bank has a higher BOPO value compared to BCA Bank. So, BCA Bank is in an ideal position because it has a low BOPO value. Based on the results of the hypothesis test, it can be seen that the financial performance of Bank BCA and Bank BCA Syariah as measured based on BOPO has significant differences. This is indicated by the probability value of $0.000 > 0.05$. These results show that Bank BCA has much better operational efficiency compared to Bank BCA Syariah. Because by managing operational costs efficiently, you can increase profitability or reduce the costs that must be borne.

Comparison of Financial Performance Based on Capital Adequacy Ratio

Based on the research results, Bank BCA has an average (mean) CAR ratio of 26.10%, smaller than the mean CAR ratio of Bank BCA Syariah which is 39.30%. If we refer to Bank Indonesia regulations which state that the best standard CAR is 8%, then Bank BCA and BCA Syariah are still both in an ideal position. Based on the results of the hypothesis test, it can be seen that the financial performance of Bank BCA and Bank BCA Syariah as measured by CAR has significant differences. This is indicated by the probability value of $0.000 > 0.05$. These results indicate that Bank BCA Syariah has different abilities in managing risk assets based on available capital. This can be seen from the CAR value of BCA Syariah Bank which is higher than that of BCA Bank, so that BCA Syariah Bank is able to provide capital to fulfill banking activities.

5. CONCLUSION

Based on the results of the comparative analysis of financial performance between Bank BCA (conventional) and Bank BCA Syariah in the 2019-2023 period, it can be concluded that there are significant differences in several financial ratios analyzed.

1. Return on Assets (ROA): Bank BCA shows a higher ROA value compared to Bank BCA Syariah, indicating that Bank BCA is more efficient in utilizing its assets to generate profits.
2. Operational Expenditure to Operational Income (BOPO): Bank BCA has a lower BOPO ratio, indicating better operational efficiency.
3. Capital Adequacy Ratio (CAR): Both banks show quite good CAR values, but Bank BCA has a slight advantage in maintaining capital adequacy.
4. Non Performance Financing (NPF) and Financing to Deposit Ratio (FDR): Bank BCA Syariah shows better performance in managing its financing and liquidity.

Overall, although Bank BCA has advantages in several financial ratios, Bank BCA Syariah also shows good performance in the NPF and FDR ratios. This confirms that both conventional banks and Islamic banks have their respective advantages in certain aspects of financial performance.

6. SUGGESTION

Based on the conclusions above, several suggestions that can be given are:

1. For BCA Bank:
Despite its good performance, Bank BCA should continue to improve its operational efficiency to maintain excellence in the BOPO ratio. BCA Bank is also advised to continue to pay attention to its capital adequacy (CAR) so that it remains at an optimal level.
2. For Bank BCA Syariah:

BCA Syariah Bank should continue to strengthen risk management to keep the NPF ratio low. Increasing efficiency in asset use needs to be done to increase the ROA ratio.

3. For Regulators and Policy Makers:

The government and banking authorities should continue to provide balanced support and regulation for these two types of banks so that both can develop healthily and competitively. Further research is needed to understand the dynamics and challenges faced by conventional banks and Islamic banks, especially in the context of the Indonesian economy.

4. For Investors and Stakeholders:

Information regarding comparative financial performance can be used by investors to make better and informed investment decisions. Other stakeholders, such as customers and the general public, can use this information to select banking services that suit their needs and preferences.

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