Comparative Analysis Of Financial Performance Of Conventional And Islamic Banks Using Camels Ratio

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Abstract. This study aims to analyze the comparison of the financial performance of conventional banks and Islamic banks using the CAMELS ratio, in the period 2018-2022. The method used in this research is a comparative research method, with a quantitative approach. The type of data used is secondary data, in the form of company financial statements. The test was carried out using a two-average difference test method, namely the Independent Sample T-Test test and the Mann-Whitney test using the SPSS 23 program. The results showed that there was a significant difference between the financial performance of conventional banks and the financial performance of Islamic banks seen from the interest expense ratio (IER). The financial performance ratios of Capital Adequacy Ratio (CAR), Non-Performing Loan (NPL), Net Profit Margin (NPM), Return On Asset (ROA), Operating Costs and Operating Income (BOPO), and Loan to Deposit Ratio (LDR) of conventional banks and Islamic banks there is no significant difference.

Keywords: Financial Performance, Conventional Bank, Islamic Bank, CAMELS Ratio

1. Introduction

Banks play an important role in the global economy, as they serve as a key pillar in the international financial system. Banks facilitate international trade, cross-border investment, and global capital flows, which are critical to the growth of the world economy. By providing banking services such as funds transfer, trade finance, and risk management, global banks help companies and governments overcome challenges in international trade and investment[1]. The financial performance of banks, which includes aspects of profitability, safety, and contribution to economic development, is fundamental to the sustainability and growth of a country's economy [2].

There are two main models in the banking world that reflect the difference in operasional principles, namely convensional banking and Islamic banking. Convensional banks are based on convensional financial principles that generally do not limit the practice of interest,

investing in certain sectors, or approaching transactions ethically[3]. Meanwhile, Islamic banks are based on Islamic principles that prohibit usury (interest), speculation, and investment in haram sector[4]. The rapid growth of the eco-economy, the changing structure of the financial market, and the semingly greater attention to sustainability have provided the impetus for both conventional and Islamic banking to continue to grow.

In Indonesia, banks have an irreplaceable role in the country's economy, namely as the backbone of the financial system that supports the growth and stability of the country's economy. Banking in Indonesia plays a role as a collector and distributor of funds, facilitating investment, consumption, and other economic activities. Through the provision of credit, banks support the development of strategic sectors such as industry, agriculture, small and medium enterprises (MSMEs), which contribute significantly to job creation and increase national income [5]. Therefore, the role of banking in Indonesia is not only limited as a financial institution, but also as a catalyst for the progress of the country's economy as a whole. The development of the Indonesian economy itself has many obstacles and challenges in its development efforts, and Bank Indonesia has its own rules regarding the scope of bank health assessment, namely: Capital, Asset quality, Earnings, Liquidity, Seensivity to market risk, and Management [6].

Over time, the financial performance of convensional and Islamic banks became the focus of comparison to measure their contribution to the stability of the country's financial system and the development of the country's economy. The financial performance of Islamic banks and convensional have become so important in advancing the economic development of a country. Therefore, competition between these banks is inevitable. So it can be concluded that banks that can compete are banks with good health and operational banking[7].

The financial health of the bank can be seen by analyzing the financial performance of the bank [8]. If the results of the analysis of the bank's financial performance are good, it can be concluded that the bank is healthy and has good capabilities in its banking operations. In a healthy bank rating, it must be able to reflect the current and future state of a bank, which is very important so that strong bank ratings can be used more effectively as an instrument to assess the quality of bank performance, including the implementation of risk management, complying with applicable regulations, and applying prudential principles [9].

There are several ways to measure bank performance, one of which is according to Bank Indonesia Regulation Noe. 13/1/PBI/2011 on the System for Assessing the Soundness Level of Commercial Banks and Circular Letter No. 13/24/DPNP on Assessment Procedures and Regulations. CAMELS is one of the official measurement tools that has been established by Bank Indonesia to measure the soundness of banks in Indonesia. CAMELS can be used not only to measure the performance and health of banks, but can also be used as an indicator to assess and predict the future prospects of banks[10]. Here we show the growth of both conventional and Islamic banks in Indonesia from 2018-2022.

Table 1. Bank Growth in 2018-2022

	Number of Banks				
Bank and Office Group	Bank				
Conventional Commercial Bank - Persero Bank	4	4	4	4	4
Conventional Commercial Bank - Regional Development Bank	24	24	25	25	24
Conventional Commercial Bank - National Private Bank	64	60	58	58	58
Conventional Commercial Bank - Foreign Bank Branch Office	9	8	8	8	7
Islamic Commercial Bank - Regional Development Bank	2	2	2	2	3
Islamic Commercial Bank - National Private Bank	12	12	12	10	10
Total Commercial Bank	115	110	109	107	106

Source: *www.bps.go.id*

Given the large number of conventional banks and Islamic banks in Indonesia and the limitations of researchers, the researchers chose a small number of samples to be used as research objects with certain characteristics and criteria. These criteria include conventional banks and Islamic banks which are private banks that have been recognized by the wider community and have been established for more than five years. In addition, the financial statements of these banks must have been published during the research period. From these characteristics and criteria, researchers determine the objects of conventional banks and Islamic banks that will analyze differences in financial performance are Bank Central Asia and Bank CIMB Niaga (representatives of conventional banks), Bank Muamalat and Bank BTN Syariah (representatives of Islamic banks) because these banks have met the sample criteria in this study.

Thus, as one of the financial institutions, banks need to maintain their financial performance in order to operate optimally. The Financial Services Authority (OJK) states that the performance of Islamic banking in several indicators shows better performance than conventional banks. "The growth of Islamic banking assets in 2022 amounted to 15.63% yoy, higher than conventional banks which amounted to 9.50% yoy during 2022," wrote the report. In addition to asset growth, Islamic banking has also experienced financing growth. According to the Financial Services Authority (OJK), the trend of Islamic banking financing

growth reached 20.44% yoy in December 2022. This figure is higher than conventional banks which reached 10.72% yoy. The high and stable growth during the recovery period of the Covid-19 pandemic shows that Islamic banking services are resilient and recover faster. Moreover, the market share of Islamic banking continues to increase. However, in the midst of this positive trend, OJK noted the growth of Islamic banking Third Party Funds (DPK) which was slower than conventional banks. Islamic banking deposits only grew 12.93% yoy in December 2021, while conventional banks reached 17.55% yoy in the same year (Tempo 2023).

In addition, OJK's statement quoted from Tempodulu is in line with the article written by CNBC Indonesia article. With some additions about ROA, "In terms of the industry, conventional banks also look more profitable than Islamic banks. The return on assets (ROA) of Islamic banks in 2022 was 1.9%, while conventional banks were 2.5%. Consumption financing accounts for 51.7% of the total funds channeled by Islamic banks to the public. This trend will continue, along with the growth of consumption financing which is still higher than working capital and investment. OJK reported that consumption financing throughout 2022 rose 23.4% yoy, working capital 11.28%, and investment 23.2%."

The results of the statements put forward by Tempo and CNBC Indonesia which contain the financial performance of conventional banks and Islamic banks above show that the average financial ratio of Islamic banking is significantly better than conventional banking. Overall, the performance assessment of Islamic banks is still above or better than conventional banks, but when viewed from the rate of return on assets (ROA) conventional banks are slightly superior to Islamic banks.

This study will discuss and compare how the state of the ratio of Capital, Asset to quality, Management, Earning, Liquidity, and Sensitivity to market risk (CAMELS) in conventional and Islamic banking. The advantage of the CAMELS method compared to ratio analysis is that the assessment using the CAMELS method basically does not only use a quantitative assessment approach measured from the company's financial ratios. Thus, this assessment method is expected to obtain a comprehensive picture of the financial performance of banks. Therefore, by looking at the facts that the author found and the methods determined, the author decided on the title for this study, namely, "**Comparative Analysis of the Financial Performance of Conventional Banks and Islamic Banks Using the CAMELS Ratio**". Furthermore, the objectives in this study are: To determine the difference between the financial performance of conventional banks when compared to Islamic banks using the CAMELS ratio.

2. Literature Review

Banks are financial institutions whose main function is to collect public funds, channel funds to the public, and offer other financial services. Banks also offer various types of services, in an effort to meet the needs of the community both related to domestic and foreign transactions. Another definition of banks according to the Law of the Republic of Indonesia Number 10 of 1998 on November 10, 1998 which discusses banking, banking is a business entity that collects public funds in the form of deposits and distributes them again to the public in the form of credit or several other forms in an effort to improve people's lives. Banks collect public funds in the form of savings, current accounts, and deposits [11].

From the laws of the Republic of Indonesia above, we can conclude that a bank is a financial intermediary between parties who have excess funds (surplus of funds) and parties who need funds (deficit of funds). The funds collected from the people are then distributed again in the form of credit to the people. The distribution of business credit to business fields will help the business world to grow sustainably. The distribution of credit from the people in a controlled manner will encourage increased demand for products and services from the business world [12].

The fundamental difference between conventional and Islamic financial institutions is the return and profit sharing provided by customers to financial institutions or provided by financial institutions to customers. This is what causes the term interest and profit sharing. Profit sharing in foreign terms (English) is known as profit sharing. In the economic dictionary, it is defined as profit sharing. By definition, profit sharing means "the distribution of some part of the profit to the employees in a company." Islamic teachings encourage the practice of profit sharing and prohibit usury. Both practices provide benefits to fund owners, but they have significant differences[14].

Financial performance is an analysis conducted to see the extent to which a company has complied with financial implementation regulations correctly. Company performance is a description of the financial condition of a company analyzed by financial analysis tools, so that it can be seen how good or bad the financial condition of a company is, which shows work performance within a certain period of time. To deal with environmental changes, it is very important to optimize the use of resources. Bank performance is a component of overall performance. The bank's financial performance describes the bank's financial condition over a certain period of time, both in terms of raising funds and channeling funds. Bank financial performance is usually measured using metrics such as profitability, capital adequacy, and liquidity. Assessment of the elements of fund collection and distribution is financial performance related to the bank's function as an intermediary institution. In addition, it reviews the liquidity condition of the bank to determine its ability to meet its obligations to depositors. Evaluate the profitability element to determine the capacity to generate profits. Ultimately, the

bank's financial performance will have an impact on both internal and external parties of the bank [15].

All parties involved in banking, namely, banks and their managers, people who use bank services, and Bank Indonesia as a supervisor and supervisor are obliged to maintain bank health. All parties, with their respective responsibilities, must work together to realize a healthy banking system. According to BI Regulation No. 13/1/PBI/2011 on the Health Level Assessment System for Commercial Banks and Circular Letter No. 13/24/DPNP on Assessment Procedures and Regulations. CAMELS is one of the official measurement tools that have been established by Bank Indonesia to measure the health of banks in Indonesia. In general, banks are said to be healthy if they can operate well, have sufficient capital and can maintain good asset quality, manage well and operate based on prudential principles, generate sufficient profits to sustain their operations, and maintain their liquidity so that they can consistently meet their obligations. In addition, banks must comply with regulations, which basically refer to the prudential principle in the banking business [16].

CAMELS is the component that most affects a bank's financial condition, which in turn affects its soundness, and is the object of bank examinations by bank supervisors. There are seven criteria that make up CAMELS: capital (CAR), assets (NPL/NPF), management (NPM), income (ROA and BOPO), liquidity (LDR/FDR), and sensitivity (IER). The assessment of a bank's financial performance using the CAMELS method begins with the calculation of the ratios of each factor. The explanation of each factor is as follows [16]:

2.1 Capital Adequancy Ratio (CAR)

According to Bank Indonesia Regulation No. 9/24/DPbS dated October 30, 2007, the purpose of capital assessment is to evaluate the bank's capital capacity to anticipate and secure position risk exposures. The capital owned by one of the bank parties will determine the assessment. The CAR ratio formula is as follows:

$$\text{CAR} = \frac{Capital}{Risk-Weighted\ Assets}\ x\ 100\% \tag{1}$$

2.2 Non-Performing Loan (NPL)

The assessment of asset quality factors in conventional banks and Islamic banks is different, because Islamic banks do not use a credit or loan system but only use a financing system so that the calculation ratio is different. If in conventional banking using NPL and if in Islamic banking using NPF. NPF / NPL is an indicator of the quality of bank assets. NPL / NPF is a situation where the customer is unable to pay part or all of his obligations to the bank as promised. The NPL and NPF formulas are as follows:

NPL Ratio:

$$\text{NPL} = \frac{Non-performing\ loan}{Total\ Loan} \ x\ 100\% \tag{2}$$

NPF Ratio:

$$\text{NPF} = \frac{Non-performing\ financing}{Total\ Financing} \ x\ 100\% \tag{3}$$

2.3 Net Profit Margin (NPM)

Management assessment using NPM is by comparing net profit to operating profit. The management aspect proxied by the net profit margin is formulated as follows:

$$\text{NPM} = \frac{net\ profit}{Operating\ income} \ x\ 100\% \tag{4}$$

2.4 Return On Asset (ROA)

This ratio is used to measure the ability of bank management to obtain profits (profit before tax) generated from the total assets of the bank concerned. The greater the Return on Asset (ROA), the greater the level of profit achieved by the bank so that the possibility of a bank in problematic conditions is smaller. The value of ROA can be calculated using the following formula:

$$\text{ROA} = \frac{Profit\ before\ tax}{Total\ asset} \ x\ 100\% \tag{5}$$

2.5 Operating Expenses and Operating Income (BOPO)

This ratio, which is often called the efficiency ratio, is used to measure the ability of bank management to control operating costs against operating income. The smaller this ratio means the more efficient the operating costs incurred by the bank so that the possibility of a bank in problematic conditions is smaller. The value of BOPO can be calculated by the formula:

$$\text{BOPO} = \frac{Operating\ Expenses}{Operating\ Income} \ x\ 100\% \tag{6}$$

2.6 Loan to Deposit Ratio (LDR)

Loan to Deposit Ratio (LDR) and Financing to Deposits Ratio (FDR) are liquidity ratios that show the relative ability of banks, both conventional and Islamic banks, to provide liquidity needs. Liquidity ratios in conventional banks and Islamic banks are different, because Islamic banks only use a financing system and do not use credit so that the formula used is different, so that conventional banking uses the LDR formula, and Islamic banking uses the FDR formula. The LDR and FDR formulas are as follows:

The amount of LDR value can be calculated as follows:

$$\text{LDR} = \frac{Total\ Loan\ provided}{Total\ Third-Party\ Funds} \ x\ 100\% \tag{7}$$

The value of FDR can be calculated as follows:

$$\text{FDR} = \frac{Total\ Financing\ provided}{Total\ Third-Party\ Funds}\ x\ 100\% \qquad\qquad (8)$$

2.7 Interest Expense Ratio (IER)

According to Bank Indonesia Regulation No. 9/24/DPbS dated October 30, 2007, sensitivity assessment of market risk is conducted to evaluate the bank's financial ability to anticipate changes in market risk caused by exchange rate movements. This assessment is conducted by comparing the amount of excess capital used to cover the bank's risk with the amount of risk of loss caused by changes in market risk. The Senvitas calculation ratio is as follows:

$$\text{IER} = \frac{Interest\ Expense}{Total\ Deposit}\ x\ 100\% \qquad\qquad (9)$$

3. Research Method

This research is comparative research with a quantitative approach. Where according to (Hasan, 2009) comparative research is research carried out by comparing a variable in different samples to get answers or facts about whether there is a comparison or not from the research. A quantitative approach is taken to explain field phenomena by calculating statistical figures. The data used in this research is secondary data obtained through the official websites of the banks used as research objects, the OJK, and Bank Indonesia for the 2018-2022 period. The type of data collected is in the form of financial reports as of December 31 of the observation year period (conventional banks and sharia banks).

The data analysis method used in this research, firstly, the analysis requirements test used is descriptive analysis and the data normality test which is a test used with the aim of assessing the data population, whether the data population is normally distributed or not, as a condition for using hypothesis testing. . Hypothesis testing used in this research is the independent sample t-test (if the data is normally distributed) and the Mann-Whitney test (if the data is not normally distributed). The function of the difference test is to compare the average value along with a certain confidence interval (confidence interval) from two populations. The principle of testing two averages is to look at the differences in variations between the two groups of data[17].

The analysis method used in this study is a different test using a two-average difference test, testing using an independent sample t-test (if the data is normally distributed) and the Mann-whitney test (if the data is not normally distributed). the concept of the average difference test is to compare the average value along with a certain confidence interval of two groups. The test criterion is :

a. If the Asymp.Sig. (2-tailed) > 0.05, then the HO hypothesis is accepted, H1 is rejected (there is no significant difference between the financial performance of conventional banks and Islamic banks).

b. If the value of Asymp.Sig. (2-tailed) < 0.05, then the hypothesis H1 is accepted, H0 is rejected (there is a significant difference between the financial performance of conventional banks and Islamic banks).

4.   Result and Discussion
4.1 Descriptive Statistics Analysis

First, the descriptive statistical analysis method is used to provide a general description of statistical data obtained from estimation results via SPSS version 23. In this analysis, descriptions of statistical data for conventional banks (Bank BCA and CIMB Niaga) and sharia banks (Bank Muamalat and Bank BTN Syariah) are presented.) 2018-2020 period.

Table 2. Descriptive Statistics of Conventional Banks and Sharia Banks

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CAR	20	.12	.58	.2890	.13405
NPL	20	.00	.05	.0252	.01334
NPM	20	.00	.43	.2062	.14826
ROA	20	.00	.12	.0370	.04067
BOPO	20	.47	1.00	.7412	.17751
LDR	20	.39	.99	.7847	.18180
IER	20	.01	.06	.0327	.01489

Based on table 2. on the CAR variable, it can be explained that the lowest (minimum) value is 0.12 and the highest (maximum) is 0.58. The average (mean) of the CAR variable is 0.28 and the standard deviation is 0.13. In the NPL variable, it can be explained that the lowest value is 0 and the highest is 0.05. The average of the NPL variable is 0.02 and the standard deviation is 0.01. In the NPM variable it can be explained that the lowest value is 0 and the highest is 0.43. The average of the NPM variable is 0.20 and the standard deviation is 0.14.

In the ROA variable, it can be explained that the lowest value is 0 and the highest is 0.12. The average ROA variable is 0.03 and the standard deviation is 0.04. For the BOPO variable, it can be explained that the lowest value is 0.47 and the highest is 1. The average for the BOPO variable is 0.74 and the standard deviation is 0.17. In the LDR variable it can be explained that the lowest value is 0.39 and the highest is 0.99. The average of the LDR variable is 0.78 and the standard deviation is 0.18. In the IER variable, it can be explained that the lowest value is 0.01 and the highest is 0.06. The average of the IER variable is 0.03 and the standard deviation is 0.01.

4.2 Data Normality Test (Kolmogorov-Smirnov)

The data normality test is used to determine whether the distribution is normal or not. This research uses parametric and non-parametric statistics, so the data for each variable must be tested for normality first. With a significance level of 0.05, data is declared to be normally distributed if the significance is greater than 5%.

Table 3. Normality test

	Shapiro-Wilk		
	Statistic	df	Sig.
CAR	.873	20	.013
NPL	.960	20	.545
NPM	.902	20	.045
ROA	.789	20	.001
BOPO	.890	20	.027
LDR	.902	20	.046
IER	.949	20	.359

Tests of Normality

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

From table 3. above, the results of the normality test on 20 data from conventional banking companies and Islamic banks show that the NPL and IER variables are normally distributed, as shown by the significance value of NPL and IER of 0.545 and 0.359. The results of the Kolmogorov-Smirnov test are greater than 0.05, so that when testing the hypothesis the NPL/NPF and IER indicators use the t test. Meanwhile, the CAR, NPM, ROA, BOPO and LDR variables are not yet normally distributed, which is indicated by a significance value that is smaller than 0.05, so that when testing the hypothesis the CAR, NPM, ROA, BOPO and LDR/FDR indicators use the Mann-Whitney test.

4.3 Hypothesis Test (Different Test)
a.   Capital Adequacy Ratio (CAR) difference test

Table 4. CAR difference test

Test Statistics[a]	CAR
Mann-Whitney U	33.500
Wilcoxon W	88.500
Z	-1.248
Asymp. Sig. (2-tailed)	.212
Exact Sig. [2*(1-tailed Sig.)]	.218[b]

a. Grouping Variable: Bank

b. Not corrected for ties.

The data in table 4.of the Mann Whitney test can be seen for the CAR variable from SPSS input. It can be seen that the Z value is -1.248 with a significant probability of 0.218. So it can be

concluded that there is no significant difference in the CAR indicator in the financial performance of conventional banks and Islamic banks.

b.   Non Performing Loan (NPL)/Non Performing Financing (NPF) difference test

Table 5. NPL/NPF difference test

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
NPL	Equal variances assumed	.000	.986	-1.767	18	.094	-.01000	.00566	-.02189	.00189
	Equal variances not assumed			-1.767	17.958	.094	-.01000	.00566	-.02189	.00189

Data from table 5. Independent samples test can be seen for the NPL/NPF variable. The calculated F value of the leverage test is 0.000 with a probability of 0.986 because the probability is > 0.05, so H1 is accepted, meaning the NPL variable has the same (identical) variance. Thus, the t-test difference test analysis must use equal variances assumed. From the SPSS input, it can be seen that the t value for equal variables assumed is 4.241 with a significant probability of 0.094. So it can be concluded that there is no significant difference in the NPL/NPF indicators in the financial performance of conventional banks and Islamic banks.

c.   Net Profit Margin (NPM) difference test

Table 6. NPM difference test

Test Statistics[a]

	NPM
Mann-Whitney U	29.500
Wilcoxon W	84.500
Z	-1.551
Asymp. Sig. (2-tailed)	.121
Exact Sig. [2*(1-tailed Sig.)]	.123[b]
a. Grouping Variable: Bank	
b. Not corrected for ties.	

Data from table 6. of the Mann Whitney test can be seen for the NPM variable from SPSS input. It can be seen that the Z value is -1.551 with a significant probability of 0.123. So it can be concluded that there is no significant difference in the NPM indicator in the financial performance of conventional banks and Islamic banks.

d.   Return On Asset (ROA) difference test

Table 7. ROA difference test

Test Statistics^a

	ROA
Mann-Whitney U	50.000
Wilcoxon W	105.000
Z	.000
Asymp. Sig. (2-tailed)	1.000
Exact Sig. [2*(1-tailed Sig.)]	1.000^b
a. Grouping Variable: Bank	
b. Not corrected for ties.	

Data from table 7. of the Mann Whitney test can be seen for the ROA variable from SPSS input. It can be seen that the Z value is 0.000 with a significant probability of 1. So it can be concluded that there is no significant difference in the ROA indicator on the financial performance of conventional banks and Islamic banks.

e.   Operating Costs and Operating Income (BOPO) difference test
f.

Table 8. BOPO difference test

Test Statistics^a

	BOPO
Mann-Whitney U	28.000
Wilcoxon W	83.000
Z	-1.663
Asymp. Sig. (2-tailed)	.096
Exact Sig. [2*(1-tailed Sig.)]	.105^b
a. Grouping Variable: Bank	
b. Not corrected for ties.	

Data from table 8. of the Mann Whitney test can be seen for the BOPO variable from SPSS input. It can be seen that the Z value is -1.663 with a significant probability of 0.096. So it can be concluded that there is no significant difference in the BOPO indicator in the financial performance of conventional banks and Islamic banks.

g.   Loan to Deposit Ratio (LDR)/Financing to Deposit Ratio (FDR) difference test

Table 9. LDR/FDR difference test

Test Statistics^a

	LDR
Mann-Whitney U	49.000
Wilcoxon W	104.000
Z	-.076
Asymp. Sig. (2-tailed)	.940
Exact Sig. [2*(1-tailed Sig.)]	.971^b
a. Grouping Variable: Bank	
b. Not corrected for ties.	

Data from table 9. of the Mann Whitney test can be seen for the LDR/FDR variable from SPSS input. It can be seen that the Z value is -0.076 with a significant probability of 0.940. So it can be concluded that there is no significant difference in the LDR/FDR indicators in the financial performance of conventional banks and Islamic banks.

h.   Interest Expense Ratio (IER) difference test

Table 10. IER difference test

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
IER	Equal variances assumed	.202	.658	-2.778	18	.012	-.01590	.00572	-.02793	-.00387
	Equal variances not assumed			-2.778	17.276	.013	-.01590	.00572	-.02796	-.00384

Data from table 10. Independent samples test can be seen for the IER variable. The calculated F value of the levenge test is 0.202 with a probability of 0.658. Because the probability is > 0.05, H1 is accepted, meaning the IER variable has the same (identical) variance. Thus, the t-test difference test analysis must use equal variances assumed. From the SPSS input, it can be seen that the t value for equal variables assumed is -2.778 with a significant probability of 0.012. So it can be concluded that there is a significant difference in the IER indicator in the financial performance of conventional banks and Islamic banks.

4.4 Discussion

Based on the results of hypothesis testing which was carried out using SPSS version 23, the results show that there is a significant difference in the IER ratio in conventional banks and sharia banks. From the Independent Sample T-Test, the Asymp.Sig value was obtained. (2-tailed) < 0.05. So it can be concluded that there is a significant difference in the IER indicator in the financial performance of conventional banks and Islamic banks.

Meanwhile, in the indicators CAR, NPL/NPF, NPM, ROA, BOPO, LDR/FDR there are no significant differences from tests using the Independent Sample T-Test and the Mann-Whitney test with Asymp.Sig value results. (2-tailed) > 0.05, so HO is accepted, H1 is rejected (there is no significant difference between the financial performance of conventional banks and sharia banks).

5.   Conclusion and Recommendation
5.1   Conclusion

Based on the results of data processing and analysis carried out in connection with the problem formulation and research objectives, the following conclusions can be formulated:
a.   The results of hypothesis testing show that there are no significant differences in the CAR, NPL/NPF, NPM, ROA, BOPO, and LDR/FDR indicators in the financial performance of conventional banks and Islamic banks.
b.   The results of hypothesis testing show that there are significant differences in the IER indicator in the financial performance of conventional banks and Islamic banks.

5.2 Recommendation

For future researchers who carry out a comparative analysis of the financial performance of conventional banks and Islamic banks using the CAMELS ratio, it is recommended to expand the scope of the research. In addition, future researchers should consider additional analysis of specific factors that differentiate the operations of conventional banks and Islamic banks, such as the principle of profit sharing in Islamic banks. Using more comprehensive analysis methods, such as panel data, can also provide a more in-depth picture of the differences and similarities in the performance of these two types of banks.

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