

## ANALYSIS COMPARATIVE OF FINANCIAL PERFORMANCE OF SYARI'AH AND CONVENTIONAL BANKING IN INDONESIA

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### ABSTRACT

The Legislation Article 1 paragraph (2) No. 10 of 1998 in Law Amendment no. 7 year 1992 about banking states that bank is a business institution that collect funds from the society in the form savings and distribute them to the society in the form of credit or other forms in order to increase people's standard of living. Based on the payment of interests or the profit sharing, banks in Indonesia are divided into two kinds, i.e.:

- Banks that do their business conventionally.
- Banks that do their business in syari'ah way.

Conventional and syari'ah banks have some things in common, especially in techniques of receiving money, transfer mechanism, computer technology, general conditions to accept financingsuch as ID card, proposal, financial report, etc. The basic differences between those two are about the legal aspect, organizational structure, financed business, and working environment (Antonio, 2001:29).

**KEYWORDS:** Analysis Comparative of Financial Performance of Syari'ah and Conventional Banking, Profit Sharing