ABSTRACT

Comparative Analysis of Efficiency Islamic Banks versus Conventional Banks at Indonesia
Tessa Magrianti

Although Islamic banks has got a rapid growth but it actually has not met the hope. There are many factors that causing small role of Islamic banking in the national banking industry. One of the factors is the efficiency performance of Islamic banks. Banking efficiency playing an important role for those banks to evaluate their healthy rate and their operating performance. This research will measure efficiency rate of Islamic and Conventional banks using Data Envelopment Analysis (DEA) method. The data are from 5 Islamic banks and 5 conventional banks. Those conventional banks are chosen because they have equal assets with researched Islamic banks. The calculation of the DEA with the approaches of assets, production and intermediation is found that the average value of the efficiency of commercial banks in Indonesia is still below average. From the asset approach and production approach shows that public bank is above the average value of efficiency. Meanwhile, Islamic banks above the average value of efficiency occurred in the intermediation approach. This research also wants to know the relations of the factors (internal and external) influencing the efficiency of Islamic and conventional banks using tobit Method. DEA results show the average level of efficiency Islamic banks is above the average value of efficiency in the intermediate on approach. While the asset approach and production approach, Islamic banks are under the average value of commercial bank efficiency. While the factors that have significant influence on micro variables namely total assets. Other than the asset approach, factors that also significantly affect the efficiency score is IHSG.