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Comparative Analysis of Financial Performance of Conventional Bank With BUMD Sharia Bank Riau Kepri

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ABSTRACT

This study was conducted This research was conducted on conventional and sharia Riau Riau Riau banking in Riau. The purpose of this research is to compare the financial performance between Bank Riau Kepri Syariah and Bank Riau Kepri Conventional in Indonesia using financial ratios for the period 2021 to 2023. The financial ratios used to measure bank financial performance consist of the CAR, NPL, BOPO ratios. , LDR, ROA, and ROE. The population in this research is conventional Bank Riau Kepri and Bank Riau Kepri sharia. This research was carried out through different t-test analysis.The results of the research show that: (1) There is a significant difference in the CAR ratio when analyzed using the Paired Samples Test, (2) There is a significant difference in the NPL ratio of conventional banks and Islamic banks in Riau, Kepri, (3) There is a significant difference in BOPO ratio of conventional banks and Islamic banks in Riau, (4) There is a significant difference in the LDR ratio of conventional banks and Islamic banks in Riau, (5) There is a significant difference in the ROA ratio of conventional banks and Islamic banks in Riau, Kepri and (6) There is a difference significant to the ROE ratio of conventional banks and Islamic banks in Riau, Kepri. The overall results of the research are that there are significant differences in the financial performance of conventional banks and Syari'ah Banks in Roau Kepri.

INTRODUCTION

Banks have a very important role in the movement of the economy. Banks are divided into two, namely conventional and sharia. Likewise in the sharia economic sector, as a banking institution that applies principles in accordance with Islamic law, Bank Riau Kepri Syariah is expected to be the key to realizing strategic sharia economic programs. Bank Riau Kepri Syariah must be present as a supporter and amplifier of growth in all economic sectors and sharia finance in the Riau Province region. With these sharia economic strategic programs, Bank Riau Kepri Syariah is the key to realizing all these programs. The contribution of Bank Riau Kepri Syariah and other financial contributions in Riau and Riau Islands together, God willing, will be able to realize national economic growth and also regional economic growth in Riau and the Riau Islands. Bank Riau Kepri has become a Sharia banking which has provided economic progress for the community, especially for

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MSMEs in developing businesses, but on the other hand, Bank Riau Kepri Syariah has experienced a decline in financial performance compared to conventional Bank Riau Kepri, this can be seen in the profits or profits obtained by the Bank Riau Kepri Syariah is smaller than the profit of conventional Bank Riau Kepri. Likewise, the role given by Regional Banking to various capital and credit sectors is very helpful for the region. Therefore, shareholders should continue to increase efficiency and develop businesses in an effort to increase profits. Apart from that, after officially converting to a Sharia Commercial Bank (BUS), Bank Riau Kepri Syariah can demonstrate its role as a pioneer of the sharia ecosystem in Riau through innovation in its financial products and services. Then the research presents the financial performance of BRK Conventional and BRK Syariah below in the report table. quarterly financial ratios.

Table 1.BRKS Financial Performance

Syariah	ROE
30/9/2022	7,61
31/12/2022	8.98
31/3/2023	4,00
30/6/2023	4,41
30/9/2023	7,61
31/12/2023	8.98

Konvensional	ROE
31/3/2021	11,96
30/6/2021	13,04
30/9/2021	14,36
31/12/2021	1,93
31/3/2022	11,64
30/6/2022	11,54

Sumber : brksyariah.co.id 2023

Based on table 1, it shows that the profit and loss report at Bank Riau Kepri Syariah and Bank Riau Kepri Conventional at the time of conversion to Bank Riau Kepri Syariah experienced an increase. The increase in bank Riau Kepri Syariah's profit can be influenced by factors such as growth in the number of customers, product innovation and policy. Regulations can also play a role in influencing the bank's profits. Sharia ROE growth tends to be good but conventional quarterly decreases, the increase is not optimal compared to conventional, so it is necessary to determine how BOPO, NPL, LDR, CAR, and ROA impact on financial performance, whether there are differences between Bank Riau Kepri Conventional and Bank Riau Kepri Syariah. If Conventional ROE, the higher the ROE, the higher the profits obtained by the bank, and this affects the bank's position in managing capital in generating high profits for shareholders. The reason Return on equity (ROE) can decrease is due to several factors, such as a decrease in net profit, an increase in shareholder equity, or an increase in debt used to finance company assets. too much debt can make ROE fall. Why Because the company has to pay interest and principal on its debt, which can reduce the net profit that can be used for ROE. According to Hani (2015:120) The factors that influence Return On Equity are sales volume, capital structure and debt structure. Companies that use more credit to finance company activities will get a high Return On Equity value, therefore bank liquidity is low. Seeing this condition, financial performance in 2023 will be less good compared to conventional Riau Kepri banks. So researchers are interested in further researching what happened to Riau Kepri banks when they converted to sharia. This condition certainly shows that conventional is higher in achieving profits than Sharia. In terms of interest expenses, it already looks different from Sharia which applies profit sharing.

Based on the background of the problem that has been described above, the problem formulation in this research can be drawn, namely; Is there a difference in the Capital Adequacy Ratio between Bank Riau Kepri Conventional and Bank Riau Kepri Syariah? Is there a difference in Non-Performance Financing between Bank Riau Kepri Conventional and Bank Riau Kepri Syariah?Is there a difference in Return on Assets between Bank Riau Kepri Conventional and Bank Riau Kepri Syariah?Is there a difference in Return On Equity between Conventional BRK Bank and Riau Kepri Syariah Bank?Is there a difference in Operational Costs and Operational Income between Bank Riau Kepri Conventional and Bank BRK Syariah?Is there a difference in the Loan to Deposit Ratio between Conventional BRK Bank and Riau Kepri Syariah Bank? Research purposes, The research

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objectives to be achieved through this research are;To analyze the differences in Capital Adequacy Ratio between Bank Riau Kepri Conventional and Bank Riau Kepri Syariah To analyze the differences in Non-Performance Financing between Bank Riau Kepri Conventional and Bank Riau Kepri Syariah in . To analyze the differences in Return On Assets between Bank Riau Kepri Conventional and Bank Riau Kepri Syariah.To analyze the differences in Return On Equity between Bank Riau Kepri Conventional and Bank Riau Kepri Syariah.To analyze the differences in Operational Costs and Operational Income between Bank Riau Kepri Conventional and Bank Riau Kepri Syariah.To analyze the differences in Loan to Dept Ratio between Bank Riau Kepri Conventional and Bank Riau Kepri Syariah.

LITERATURE RESEARCH

A. Signaling Theory

Signaling theory explains how company management uses certain information to communicate the company's prospects to external parties, such as investors and creditors. This theory was first introduced by Michael Spence in 1973. The essence of this theory is to reduce information asymmetry between internal company parties and external parties. Signaling provides signs regarding ratios such as LDR, ROE, if the ratio is better, it makes people decide whether it is better to convert to sharia or go back to conventional. With a signal that connects whether it is good or not for stalk holders, both conventional and sharia, then they can decide which one. which is good for the agents' criteria. Signaling theory in bank financial performance explains that bank management gives signals to investors through their actions or financial reports. This signal aims to reduce information asymmetry between management and external parties, such as investors and creditors. Credible financial reports can increase a bank's trust and sustainability prospects, thereby having a positive effect on the company's value and share price (Bergh, Ketchen, & Shannon, 2014).)

B. Banks

According to the definition from Kasmir (2010), a bank is an entity that collects funds from the public in the form of savings and flows them back to the community in the form of credit or other forms with the aim of improving community welfare. This is in line with Law of the Republic of Indonesia no. 7 of 1992 concerning banking which has been amended by Law no. 10 of 1998, which stipulates that 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 welfare of the wider community.

C. Conventional Banks

Conventional banks are financial institutions that carry out their business activities traditionally, consisting of conventional commercial banks and rural credit banks. They use interest as a reward for their services and charge fees to customers to make a profit. Even though the interest rate is higher compared to sharia banks, conventional banks are better known and considered more comfortable by the public because of their tested products and conditions. This makes it more suitable for meeting public financing needs with guarantees and predetermined time periods (Banking Booklet, Indonesia, 2011).

D. Islamic Bank

Sharia banking adheres to a profit sharing system and follows Islamic rules in order to reduce the interest burden on customers who borrow. According to Awaluddin (2013), Sharia banks are banks whose operating procedures follow the provisions of Islamic sharia. One thing that must be avoided in Islamic muamalah is practices that contain elements of usury. Sharia banks are banks that operate without interest, that is, they refer to the provisions of the Koran and hadith. Meanwhile, according to Sadi Muhamad (2015: 37-38), Sharia Banks or Islamic Banks are business entities whose function is to collect funds from the community and distribute funds to the community, whose business activity systems and mechanisms are based on Islamic law as regulated in the Al-Quran. and Al-Hadith

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E. Differences between Sharia Banks and Conventional Banks

Budisantoso and Nuritomo (2014:209), explain that there are fundamental differences between sharia commercial banks and conventional commercial banks, namely:

1. Differences in Philosophy

The main difference between conventional commercial banks and sharia commercial banks lies in the philosophical foundation they adhere to. Islamic commercial banks do not implement an interest system in all their activities, while conventional commercial banks do the opposite. This is a very profound difference to the products developed by Islamic commercial banks, where to avoid the interest system, the system developed is buying and selling and partnerships carried out in the form of profit sharing Budisantoso and Nuritomo (2014: 209).

2. Customer Fund Management Concept

In the sharia commercial banking system, customer funds are managed in the form of deposits or investments. The deposit and investment method is different from conventional bank deposits where deposits are an effort to make money interest. The concept of deposit funds means that whenever a customer needs it, the sharia bank must be able to fulfill it Budisantoso and Nuritomo (2014:209)

3. Organizational Structure

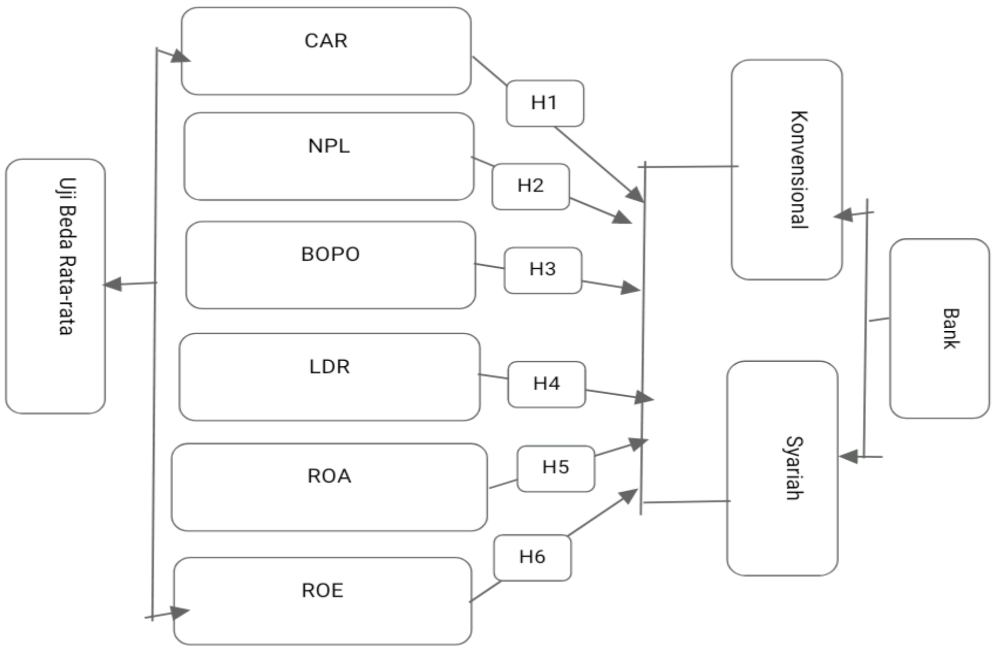
In the organizational structure of a sharia bank, it is required that there be a Sharia Supervisory Board (DPS), where the DPS is tasked with supervising all bank activities so that they are always in accordance with sharia principles Budisantoso and Nuritomo (2014: 209).

4. Obligation to Manage Zakat

Sharia banks are required to be zakat managers, namely in the sense of being obliged to pay zakat, collect, administer and distribute Budisantoso and Nuritomo (2014: 209).

F. Conceptual Framework

Figure 1. Conceptual Framework



Source : Teori Penerimaan Teknologi (TAM) (Sabira et.al., 2022), Economic Theory (Price) (Rafa et.al., 2023), Endorser Credibility Theory (Putrianianda, 2023)

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HYPOTHESIS

H1: There are differences in the signs of sharia validity for Conventional BRK CAR and Sharia BRK.
H2: There is a significant difference in the NPL/F ratio of Conventional BRK and Sharia BRK
H3: There is a significant difference in the BOPO ratio of Conventional BRK and Sharia BRK.
H4: There is a significant difference in the LDR of Conventional BRK and Sharia BRK.
H5: There is a significant difference in the ROA of Conventional BRK and Sharia BRK.
H6: There is a significant difference in the ROE of Conventional Bank Riau Kepri and Sharia Bank Riau Kepri.

METHOD

In this research, the data used is secondary data. The data was obtained from the Bank Riau Kepri Syariah website 2021, 2022 and 2023 and from www.ojk.go.id. The data used in this research are CAR, ROA, ROE, BOPO, LDR/FDR, NPL/NPF. Library Data is a data collection technique by collecting and analyzing documents, both written, image and electronic documents. Search for relevant data from existing sources as consideration for this research. The documentation method is collecting secondary data in the form of annual financial reports (annual reports) that have been published by each bank which can be accessed on the Authority's website. Financial Services and websites of each bank in the period 2021 to 2023. This research also uses literature studies in the form of journals, books, previous research and articles as material for collecting data and theories that are relevant to the problems to be studied.quantitative research, data analysis is an activity after all data sources have been collected (Sugiyono, 2017). These data analysis activities include presenting data for each variable studied, carrying out calculations to answer the problem formulation, and carrying out calculations to test different test hypotheses that have been proposed. Data analysis was carried out with the help of the SPSS 23.0 program. There are data analysis techniques used to analyze the problems in this research.

Table 2. Variable Operational Defenition

Variabel	Parameter	Skala
NPL	$\text{NPL}=\frac{\text{Kredit Bermasalah}}{\text{Total Kredit}}\times 100\%$	Ratio
LDR	$\text{LDR}=\frac{\text{Jumlah Kredit yang Diberikan}}{\text{Dana Pihak Ketiga}}\times 100\%$	Ratio
ROA	$\text{ROA}=\frac{\text{Laba Sebelum Pajak}}{\text{Rata-rata Total Aset}}\times 100\%$	Ratio
ROE	$\text{ROE}=\frac{\text{Laba bersih setelah Pajak}}{\text{Ekuitas}}\times 100\%$	Ratio
BOPO	$\text{BOPO}=\frac{\text{Biaya Operasional}}{\text{Pendapatan Opersional}}\times 100\%$	Ratio
CAR	$\text{CAR}=\frac{\text{Modal}}{\text{ATMR}}\times 100\%$	Ratio

Source: Research Data, 2023

RESULTS AND DISCUSSION

A. Descriptive Analysis

Samples of conventional banks and sharia banks in Riau Kepri. The following is a general description of the average financial ratios of conventional banks and Islamic banks in Riau, Kepri during the 2021-2023 period, consisting of CAR, LDR, NPL, BOPO, ROA and ROE ratios

B. Comparison of the Financial Performance of Conventional Banks and Sharia Banks

After getting a general overview of financial performance using the indicators CAR, LDR/FDR, NPF, BOPO and ROA in conventional banks and sharia banks for the 2021-2023 period, the next step is to compare the financial performance of conventional banks and sharia banks.

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Table 3. Comparison of Conventional and Sharia.

Bank	Konvensional	Bank	Syari'ah
Rasio	**Rata-rata**	**Rasio**	**Rata-rata**
CAR	4,6260	CAR	7,0240,
NPL	2,2720	NPL	4,7300
BOPO	2,6233	BOPO	5,7627
LDR	3,2193	LDR	5,9733
ROA	1,9573	ROA	5,0013
ROE	8,8573	ROE	6,6307

Source: Research Data, 2023

Judging from table 3, it can be seen that on average the CAR of conventional banks is smaller than the CAR of sharia banks, where the average CAR of conventional banks is 4.6260 while the average CAR of sharia banks is 7.0240. Regarding the NPL ratio, on average the LDR of conventional banks is smaller compared to the NPL of sharia banks, where the average NPL of conventional banks is 2.2720 while the average NPL of sharia banks is 4.3700. For the BOPO ratio, the average BOPO of conventional banks is smaller compared to the BOPO of sharia banks, where the average BOPO of conventional banks is 2.6233 while the average BOPO of sharia banks is 5.7267. For LDR, the average LDR of conventional banks is smaller compared to sharia banks, where the average LDR of conventional banks is 3.2193 while the average LDR of sharia banks is 5.9733. for ROA, the average ROA of conventional banks is smaller compared to sharia banks, where the average ROA of conventional banks is 1.9573 while the average ROA of sharia banks is 5.0013. And for ROA, the average ROA of conventional banks is greater than that of sharia banks, where the average ROA of conventional banks is 8.8573 while the average ROA of sharia banks is 6.6307.

Table 4. Different CAR Test

			t-test for Equality of Means	
		Sig.	**t**	**Sig. (2-tailed)**
CAR bank	Equal variances assumed	.416	3.216	.012
	Equal variances not assumed		3.216	.014

Source: Research Data, 2023

Based on table 4 using the Paired Samples Test, it can be seen that the sig. (2-tailed) CAR is 0.012. This shows that the sig value. (2-tailed) CAR is 0.012 < 0.05 so that H_0 is rejected. H1 is accepted which can be concluded that there is a significant difference between before Sharia and when it became Sharia. The differences in CAR performance between conventional banks and Islamic banks are mainly caused by differences in operational principles, risk management, regulations, and funding and financing sources. Islamic banks that must comply with sharia principles tend to be more conservative in capital and risk management, which can impact their CAR performance compared to conventional banks. Conventional Banks: Regulated by state financial authorities with international standards such as Basel III which focuses on risk management and capital resilience.Sharia Banks Apart from following conventional regulations, they also have to comply with sharia regulations governing their products and operations, which can affect their CAR (Beck, T., Demirgüç-Kunt, A., & Merrouche, O. 2013). "

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Table 5. Different NPL Test

			t-test for Equality of Means	
		Sig.	t	Sig. (2-tailed)
NPL	Equal variances assumed	.144	-3.750	.006
	Equal variances not assumed		-3.750	.013

Source: Research Data, 2023

Based on table 5 using the Paired Samples Test, it can be seen that the sig. (2-tailed) LPL is 0.006. This shows that the sig value. (2-tailed) NPL is 0.006 < 0.05 so H_0 is rejected. H2 is accepted which can be concluded that there is a significant difference between before Sharia and when it became Sharia. Sharia Banks May face additional regulations related to sharia compliance which are not only supervised by financial authorities but also by the Sharia Supervisory Board. This adds an extra layer of supervision that can affect NPL performance. Conventional Banks: Only regulated by general banking regulations and applicable financial authorities (Abd Rahman et al. 2017).

Table 6. Different BOPO Test

			t-test for Equality of Means	
		Sig.	t	Sig. (2-tailed)
BOPO	Equal variances assumed	.000	-2.592	.015
	Equal variances not assumed		-2.592	.021

Source: Research Data, 2023

Based on table 6 using the Paired Samples Test, it can be seen that the sig. (2-tailed) BOPO is 0.015. This shows that the sig value. (2-tailed) BOPO is 0.015 < 0.05 so that H_0 is rejected. H3 is accepted which can be concluded that there is a significant difference between before Sharia and when it became Sharia. Based on Sharia Principles, Islamic banks operate without usury (interest) and use contracts based on profit sharing (mudharabah, musyarakah), buying and selling (murabahah), and rental (ijarah). This principle influences the cost and income structure of Islamic banks. Social Sustainability Islamic banks focus on financing that supports the social and economic welfare of the community, which can limit investment choices and slow income growth (Zulkhibri and Ghazal 2014).

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Table 7. Different LDR Test

			t-test for Equality of Means	
		Sig.	t	Sig. (2-tailed)
LDR	Equal variances assumed	.003	2.464	.020
	Equal variances not assumed		2.464	.027

Source: Research Data, 2023

Based on table 7 using the Paired Samples Test, it can be seen that the sig. (2-tailed) LDR is 0.02. This shows that the sig value. (2-tailed) FDR is 0.02 < 0.05 so H_0 is rejected. H4 is accepted which can be concluded that there is a significant difference between before Sharia and when it became Sharia. .Conventional Banks The main focus is on profits through providing loans with interest. They tend to have a larger loan portfolio, which can result in a higher LDR. Sharia Banks: Because they operate on a profit-sharing and interest-free basis, they may be more selective in providing financing and place greater emphasis on halal and productive investments. This can affect the total amount of financing provided and, in turn, the LDR (Abduh, M., & Omar, M.A. 2012).

Table 8. Different ROE Test

			t-test for Equality of Means	
		Sig.	t	Sig. (2-tailed)
ROE	Equal variances assumed	.000	-2.988	.006
	Equal variances not assumed		-2.988	.010

Source: Research Data, 2023

Based on the table using the Paired Samples Test, it can be seen that the sig. (2-tailed) ROA is 0.020. This shows that the sig value. (2-tailed) ROA of 0.05 means the same as 0.05 so you can compare the calculated t which is 2.028 and the t table 0.799 which means t table is smaller so H_0 is rejected. H5 is accepted which can be concluded that there is a significant difference between before Sharia and when it becomes sharia. Conventional Bank: Conventional bank operations are based on interest. They lend money and make a profit from the interest charged to borrowers. ROA at conventional banks is often higher because they can maximize the interest margin on their loans. Sharia Banks: Islamic banks operate based on sharia principles which prohibit usury (interest). They use financing schemes such as mudharabah (partnership) and murabahah (sales with a profit margin). Because it does not use interest, this business model can have different risks and profits, which affect ROA differently. (Ila Komalasari, Wirman:2021).

Based on the table using the Paired Samples Test, it can be seen that the sig. (2-tailed) ROE of 0.00. This shows that the sig value. (2-tailed) ROE is 0.00 <0.05 so that H_0 is rejected. H6 is accepted which can be concluded that there is a significant difference between before Sharia and when it became Sharia. The difference in Return on Equity (ROE) performance between conventional banks and Islamic banks is mainly caused by differences in their business and operational models. Islamic banks operate based on the principles of profit sharing, buying and selling and leasing in accordance with Islamic sharia, which avoids interest and speculation. This makes Islamic banks tend to have a different risk profile and a more stable but often lower

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income pattern compared to conventional banks. Conventional banks, on the other hand, benefit from loan interest which can fluctuate according to market conditions, which often results in Higher ROE but with greater risk. In addition, conventional banks tend to be more flexible in terms of financial products and investment strategies, which can contribute to better financial performance. (Yudiana Febrita Putri: 2015)

Calculated F for the CAR ratio is 0.736 with a probability of 0.416. Because the probability is >0.05, the basis used is Equal Variences not Assumed (both t variances are the same). So the basis used for calculating the CAR ratio is 3.216 with a probability of 0.012. Because the probability is <0.05, it can be said that there is a significant difference between the financial performance of Bank Riau Kepri Conventional and Bank Riau Kepri Syariah based on the CAR ratio

Calculated F ratio of NPL/NPF is 2.626 with a probability of 0.144. Because the probability is > 0.05, the basis used is Equal Variences not Assumed (both variances are the same). So the calculated t for the NPL ratio is -3,750 with a probability of 0.006. Because the probability is <0.05, it can be concluded that there is a significant difference between the financial performance of Conventional Commercial Banks and Riau Sharia Banks based on the NPL/NPF ratio.

Calculated F of the BOPO ratio is 183.622 with a probability of 0.000. The basis used is Equal Variences Assumed (the two variances are not the same). So the calculated t for the BOPO ratio is -2.592 with a probability of 0.015. Because the probability is <0.05, it can be concluded that there is a significant difference between the financial performance of Conventional Bank Riau Kepri and Bank Riau Kepri Syariah based on the BOPO ratio.

Calculated F for the LDR/FDR ratio is 10.916 with a probability of 0.003. then the basis used is Equal Variences Assumed (the two variances are not the same). So the calculated t of the LDR/FDR ratio is 2.464 with a probability of 0.020. Because the probability is <0.05, it can be said that there is a significant difference between the financial performance of Conventional Commercial Banks and Sharia Commercial Banks when viewed based on the LDR/FDR ratio

Comparison of Return On Assets between before and during the pandemic. Return On Assets is a ratio used to measure the profits obtained by a bank. The higher the Return On Assets value, the higher the level of profit realized by the bank and the better the bank's position in terms of asset use. In the Paired Sample T-test, it shows that the average value of Conventional Return On Assets is 0.9223, while the average value of Return On Assets is 0.9223. the average during sharia was 1.7213. . This shows that the value of Return On Assets during conventional conditions has decreased compared to the value of Return On Assets when it becomes sharia which has increased

Calculated F for the ROE ratio is 133.790 with a probability of 0.000. Because the probability is <0.05, the basis used is Equal Variences Assumed (both variances are the same). So the calculated t for the ROE ratio is -2.988, with a probability of 0.006. Because the probability is <0.05, it can be concluded that there is a significant difference between the financial performance of Conventional Bank Riau Kepri and Bank Riau Kepri Syariah based on the ROE ratio.

CONCLUSION

Based on the results of data processing and the results of data analysis carried out on Conventional Commercial Banks and Sharia Commercial Banks based on bank financial ratios during the 2021-2023 period, the following conclusions can be drawn:

1. Based on the results of the average (mean) CAR ratio of Conventional Banks which is higher compared to the CAR of Sharia Banks which can be found in the results of the descriptive statistical analysis presented in Chapter IV, it shows that Conventional Riau Kepri Banks have better financial performance than Banks. Riau Kepri Syariah, so that the performance of Bank Riau Kepri Syariah needs to be improved in its CAR ratio in the future. The results of the independent sample t-test presented in Chapter IV, show that the financial performance between Bank Riau Conventional and Bank Riau Kepri Syariah there are significant differences based on the CAR ratio.
2. Based on the results, the average (mean) NPL ratio of Conventional Banks is lower compared to the high NPL of Sharia Banks, if the NPL is high it can burden the Bank's growth because it reduces the Bank's profitability and their ability to provide loans, meaning that the NPL ratio in Sharia Banks must be given more attention in the future. . The results of the independent sample t-test presented in

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Chapter IV show that the financial performance between Bank Riau Conventional and Bank Riau Kepri Syariah has a significant difference based on the NPL ratio.

3. Based on the results, the average (mean) BOPO ratio of Conventional Banks is lower compared to the BOPO of Sharia Banks which is high if BOPO is one of the reasons the BOPO and CIR ratios have increased is due to increased operational expenses. So the BOPO ratio is one of the things that must be taken into account, it must reduce the BOPO ratio in order to increase profitability at the Bank. The results of the independent sample t-test which were presented in Chapter IV, show that the financial performance between Conventional Riau Banks and Riau Kepri Syariah Banks is different. which is significant based on the BOPO ratio.
4. Compared to the high LDR of Sharia Banks, if the LDR is one of the causes of the LDR ratio, the higher the LDR, the Bank's profits will increase (assuming the Bank can channel its credit effectively), with the increase in Bank profits, the Bank's performance will also increase in size. The LDR ratio of a bank will affect the performance of that bank. The results of the independent sample t-test which were presented in Chapter IV, show that the financial performance between Conventional Riau Banks and Riau Kepri Syariah Banks has a significant difference based on the LDR ratio.
5. Based on the results, the average (mean) ROA ratio of Conventional Banks is smaller than the high ROA of Sharia Banks. If ROA is one of the causes of the higher ROA ratio, it means that the company is increasingly able to utilize its assets well to gain profits. The results of the independent sample t-test presented in Chapter IV show that the financial performance between Bank Riau Conventional and Bank Riau Kepri Syariah has a significant difference based on the ROA ratio.
6. Based on the results of the average (mean) ROE ratio of Conventional Banks which is higher compared to the low ROE of Sharia Banks, if a company's ROE decreases over time, it can be concluded that the company is having problems in making a profit. This means that the ROE Ratio of Sharia Banks needs to be paid attention to in the future so that it does not cause a decrease in profits. The results of the independent sample t-test presented in Chapter IV show that the financial performance between Bank Riau Conventional and Bank Riau Kepri Syariah has a significant difference based on the ROE ratio.

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