

Comparative Analysis of Islamic Bank in Indonesia and Malaysia with Risk Profile, Good Corporate Governance, Earnings, and Capital Method: Performance of Business Function and Social Function Perspective

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Abstract : This study aims to compare and see the differences between Islamic bank in Indonesia and Islamic bank in Malaysia using RGEC method (Risk Profile, Good Corporate Governance, Earnings, and Capital). This study examines the comparison in business and social performance of eleven Islamic banks in Indonesia and fifteen Islamic banks in Malaysia. This research used quantitative approach and the collections of data was done by collecting all the annual reports of banks that has been created as a sample over the period 2011-2015. The test result of the Independent Samples T-test and Mann-Whitney Test showed there were differences in the business performance of Islamic Bank in Indonesia and Malaysia as seen from the aspect of Risk profile (FDR), GCG, and Earnings (ROA). Also, there were differences of business and social performance as seen from Earnings (ROE), Capital (CAR), and Sharia Conformity Indicator (PSR and ZR) aspects.

Keywords : business performance, Islamic banks, RGEC, social performance

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