AN ANALYSIS OF COMPARATION BETWEEN CONVENTIONAL BANK LENDING SYSTEM AND SHARIA BANK FINANCING

H. Sukron Mamun
Pelita Bangsa
Email: sukron.eksyar@gmail.com

ABSTRACT

This paper explained about comparation between conventional bank lending system and sharia bank financing. Previous presentation of research was expressed in a concise manner in order to provide an image about the difference between conventional banks and syaria banks. Based on the results of analysis from previous research and some data sources that support, It can be concluded that conventional bank lending system and sharia bank financing are almost the same. However, there are still some differences between conventional banks and sharia banks, such as: First, the profits earned by the bank; The conventional bank earns a profit in the form of interest paid by the customer, while the profit earned by the syariah bank comes from the amount of profit sharing between the bank and the customer. Secondly, the principle applied in the provision of credit: conventional banks have the principle that the distribution of credit disbursed to customers or debtors is not related to the law of halal or haram, meanwhile the principles applied in Islamic financing consists of the principle of profit sharing (mudaraba), the principle of capital participation (musyarakah), the principle of sale and purchase of goods with gain (murabahah), the principle of financing of capital goods based on pure lease without choice (ijarah), principle of transfer of ownership On goods leased from the bank by another party (ijara waiqtina). Third, contractual arrangements and bank agreements with the customer; There is no contractual engagement in conventional bank lending, but the bank imposes credit interest to the debtor with the exact percentage amount and must be paid within the stipulated time, in the other hand in sharia banks an agreement occurs between the bank with the customer or the debtor in the form of profit sharing, the occurrence of profit or loss in the bank will be borne jointly by the bank and the customer. Fourth, the type of credit and financing provided by the bank: conventional banks accept all types of credit, not distinguish the type of business, as long as the debtor can meet the requirements set by the bank, while Islamic banks only accept the type of credit that is clear law of halal or haram. The phenomenon also showed that the financing of syariah banks increased significantly in Indonesia. Through this paper is expected to give some understanding more to the people either debtor or creditor about conventional banks and syaria banks, and also expected to be capable of being consideration in Islamic economic development.

Keywords: Conventional Bank, Syariah Bank, Lending System, Financing.