

## **ABSTRACT**

*Started by the phenomena of Banking Crises which ever happened in Indonesia in 1997, where most of macroeconomic indicators such as inflation, interest rates, and exchange rates were highly raised, it caused most of banks are collapse. While the government decided to merged,recapitalized, and even liquidated, but there was a bank which was the only one syaria bank at the moment, could survive without any intervention and recapitalized. The motivation of this research is to analyze The Relations Between Macroeconomic Conditions and Financial Performance among conventional bank and sharia bank instead to compare the Financial Performance themselves. This research will perform a comparison of Bank Central Asia (BCA) and Bank Muamalat Indonesia (BMI).*

*This research result is based on secondary data of macroeconomic indicators, they are inflation, interest rate (BI Rate), and exchange rate (USD-IDR), also Bank's Financial Ratios, they are CAR, NPL, ROA, BOPO, and LDR as representative in Financial Performance for period 2005-2011. While the comparison for Financial Performance of BCA and BMI using the same Financial Ratios only the period since 2000-2011.*

*Using statistical method Independent Sample t-Test, the result finds that each of Financial Performance among BCA and BMI has significantly comparison. While using Pearson Correlation, the result shows that macroeconomic indicators BI Rate has relation mostly to BCA's financial performances as there are strongly significant to CAR, NPL, BOPO, and LDR and inflation has relation mostly to BMI's financial performances as there are strongly significant to CAR, NPF, ROA, and BOPO. This result may indicate the managerials and investors to have more consideration in external factors include macroeconomic condition for their decision making related to the bank. It also may affect customers' trust to choose which better for their each purpose in using bank's services.*

***Keywords: macroeconomics, inflation, interest rate, exchange rate, conventional and sharia bank, financial performance.***