COMPARISON OF ISLAMIC BANKS PERFORMANCE AND CONVENTIONAL BANKS PERFORMANCE IN MUSLIM-MAJORITY PROVINCES AND NON-MUSLIM MAJORITY PROVINCES

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Information	Abstract:
	This study aims to look a universality services Islāmic banking and conventional bank services and products in Indonesia by testing whether the services and products of conventional Islāmic banks and conventional banks accepted by all groups, both Muslims and non-Muslims. The method used was the Multivariate Analysis of Variance (MANOVA) test by comparing Islāmic banks performance and conventional banks performance represented by several financial ratios in a number of provinces in Indonesia. There are two provincial categories, namely the first group is a provincial province with a most Muslim population and the second is a class of provincial provinces with a most non-Muslim population in Indonesia.

A. INTRODUCTION

Indonesia is a very unique country. In addition to the predicate of top 10 countries with the biggest people in the world, this country is also well-known with its vast territory and situated between two continents and two oceans with more than 17,000 islands. In terms of demography, Indonesia consists of multiple regions and tribes. The majority of Indonesian people embraces Islam and the rest embraces other religions such as Christian, Catholic, Hinduism, Buddhism and Konghucu. The interesting thing about this situation is that even though nationally Islam is the largest religion but Muslims is not evenly spread throughout Indonesia, there are some areas where the majority of the population is not Muslim for instance Bali which is very famous for tourist destinations, is a province with a majority Hindu population and similarly as the Papua Province at the east end of the country is a province with a majority of Christians.

This demographic situation also affects business and economic activities. Behavior of producers and consumers in many ways is influenced by religious factors. One of the important economic activities is banking institutions. Banking is the heart of the economy and is an intermediary institution between fund owners and funders. In Indonesia, there are two types of banks, namely conventional banks and Islamic banks. The development of Islamic banks in Indonesia continues to advance rapidly but still in the shadow of conventional banks. In accordance with the Indonesian Financial Services Authority as of June 2018, the total assets of Islamic banking have reached 428.2 trillion rupiah or 6.05% of the total assets of conventional banks which have reached Rp. 7078.45 trillion, while public funds deposited in Islamic banks have reached 348, 9 trillion rupiah or 6.6% compared to public funds in conventional banks which reached 5,293 trillion rupiah. The details of the total assets of sharia banking in Indonesia consist of assets of sharia commercial banks which reached 294.4 trillion, then Islamic type business units which reached 133.93 trillion rupiahs and total third-party funds from all types of Islamic banks which reached 358.91 trillion rupiahs. However, these numbers are still deemed far below the conventional banking industry, which is 7078.45 trillion Rupiah. The potential of Islamic finance in

Indonesia is promising due to supported by the large Muslim population in Indonesia and is the largest Muslim population in the world.

One of main problems faced by Islamic banks in developing their business is the image issue of Islamic banks. Many people consider that this Islamic bank is "only for Muslims" and for non-Muslims and Muslims consider that Islamic banks are just the same as conventional banks. Some studies that support this statement include Mualim (2003) citing several studies conducted by Bank Indonesia and the Research Institute conducted throughout Java and the samples taken in several cities and districts. This study reveals the general impression captured by the public on Islamic banks is: (1) Islamic banks are identical with profit sharing banks, (2) Sharia banks are Islamic. Specifically, in West Java, 8.1% of respondents stated that Islamic banks are only for Muslims, while in Central Java religious factors are the main driver for becoming a consumer of Islamic banks. Riaz, et al (2017) also investigated the perceptions of the British people towards Islamic banks in UK. The findings reveal that there are a number of constraints that Islamic banks in UK can accept, namely the unfamiliar contract terms and product names that are difficult to pronounce and to understand, lack of facilities in internet banking, and lack of network offices that spread throughout the country. By using questionnaires as many as 229 conventional bank consumers and 225 Islamic bank consumer questionnaires, Saleh (2017) investigated bank satisfaction in Bangladesh. The results show that service quality has a significant influence on customer satisfaction rather than the image of service quality and it is found in both types of banks. Islamic banks show better performance in the areas of reliability, responsiveness, security and reputation. Riaj (2017) investigated the motivation of bank customers in Pakistan and collected 150 questionnaires in the city of Khyber Pskthukhawa. The results show that the majority of respondents have good Islamic bank awareness and the factors that determine that awareness are religious motivation and knowledge.

The reputation of Islamic banks reflected in the previous studies indicates that the principle of universality of Islamic banks has not been optimal. The principle of universality means that every product and service of Islamic banking can be accepted by anyone regardless of their background such as religion, ethnicity, culture, language, gender, income level, education level, social status, and others. Islamic

banks are institutions that are based on Islamic values and are rahmatan lil alamin, which gives affection to all nature and all beings. Islam also teaches an attitude of fairness to anyone even to enemies and non-Muslims, and teaches the moral virtues or good behavior towards fellow humans. Islamic banks should apply these values so that their services and products can be accepted by the entire community. The principles of universality have been spoken by many parties including academics, practitioners, Muslim scholars, and the government. Many Islamic banks have promoted the universality of their companies in their product campaigns and some have made the principle of universality as their company's core value. The government through the institutions of Bank Indonesia and the Financial Services Authority has also campaigned for Islamic banks as banks for all groups and circles.

In addition, to the issue of Islamic bank image as referred to in paragraph 2, several other factors that have become the development of Islamic banks in Indonesia are their ability to compete with conventional banks. Conventional banks are longer than Islamic banks in Indonesia. Thus, conventional banks have higher competitiveness than Islamic banks in Indonesia. The superior factors of conventional banks include physical and human resources. Physical resources include the number of offices, the number of buildings and the number of automated teller machines and so on, then soft infrastructure such as mobile banking, SMS banking and internet banking facilities. Human resources include marketers, tellers, customer services, and so on. Hence, it is necessary to investigate what exactly is the inhibiting factor for the development of Islamic banks in Indonesia, namely whether the image factor of Islamic banks as "banks for Muslims only" or their competitiveness factor with conventional banks

B.   LITERATUR REVIEW
Islamic Bank

According to Banking Law Number 10 of 1998, a bank is a business entity that collects funds from the public in the form of deposits and distributes them to the public in the form of loans and / or other forms in order to improve the lives of the general public. The bank is a financial institution that functions to collect funds from

the public with excess funds (surplus units) and distribute them to the public who need funds (deficit units) so that the bank is referred to as Financial Intermediary.

Islamic bank is one whose operational systems are different from conventional banks. The definition of sharia bank in accordance with the Sharia Banking Act Number 21 of 2008 is a bank that runs its business activities based on sharia principles and according to its type consists of Sharia Commercial Banks and Sharia People Financing Banks. According to Ismail (2011) Islamic banks are banks whose activities are in compliant with Islamic law and in their activities do not charge interest or not pay interest to customers. The fees received by Islamic banks as well as those paid to customers depend on the contract and the agreement between the customer and the bank in accordance with Islamic sharia principles. The three main functions of Islamic banks are; 1) Funding, 2) Financing, and 3) Services.

Conventional Bank

Conventional bank as defined in article 1 paragraph 3 of Act Number 10 of 1998 is banks carrying out conventional business activities which in their activities provide services in payment traffic. Like Islamic banks, conventional banks also carry out fundraising activities, provide loans / loans, and provide services in payment traffic. The fundamental difference between conventional banks and Islamic banks is on the principles of transactions and the basis of profit taking. In conventional banks, profits are obtained through the difference in deposit interest given to depositors with interest loans or credit provided (Muclish and Umardani, 2016).

The following table shows the differences between conventional banks and Islamic banks:

Table 1. Difference between Conventional Bank and Islamic Bank

Conventional Bank	Islamic Bank
1. Investment is made in both halal and haram sector	1. Investment is made in only halal sector
2. Transaction uses interest instrument	2. Transaction is based on the principle of sharing, sale purchase and rent

3. Profit oriented	3. Not only profit oriented but also for life and afterlife wellfare
4. The relation with customers is in the form of debtor-creditor	4. The relation with customers is in the form of partnership
5. It has no supervisory board	5. It has Islamic supervisory board

Source: (Saragih, 2013)

Previous Studies

Several previous studies have found a strong correlation between religious factors, religiosity and spirituality with banks. Say for example is the study by Cantrell and Yust (2017) who investigated the relationship between religiosity and the results of private banks. They found that finding a bank in the field of additional banking services is due to the possibility came from more risky loans. Cantrel and Yust (2017) also find that religiosity is associated with lower earnings management and increased conservatism. Bank behavior according to researchers such as Adhikari and Agrawal (2017) is also influenced by the religious environment around it. Banks that have offices in more religious areas show lower stock return volatility, lower tail risk, and lower idiosyncratic risk. In addition, banks in more religious areas remain less vulnerable to crises. By reducing risk, these banks grow their assets more slowly, so they have safer assets, and rely less on non-traditional banking, and provide fewer incentives for managers to increase risk. The religiosity of local people has a more tangible influence on risk taking by banks where local investors and managers are more critical (Adhikari and Agrawall, 2017).

A study on motivation of Muslim customers to save money in banks in the dual banking system was conducted by Kontot et all (2016), this paper explores the findings of qualitative data through face-to-face interviews about factors that influence customer preferences for savings products in Islamic banks. These results will be obtained from survey questionnaires for future empirical research. Face-to-face interviews reveal that adherence to the religion of Islam, returns, belief and trust, security, transparency, flexibility of withdrawal schemes are among the determinants that influence customer preferences in making decisions. Safety and security, human touch and zakat (charity) are additional elements found missing from the literature.

Another study that reveals whether there is an influence of interest in Muslim customers in a country with a dual banking system is that of Mushtaq and Siddiqui (2017), thus the basic purpose of this research is the decision of Muslims to keep saving their money in the bank. They used ARDL (Autoregressive Distributed Lag) panel method using 23 non-Islamic data and 23 Islamic countries from 1999 to 2014 for this study. The results reveal that in Islamic countries interest rates do not have an impact on bank deposits both in the long term and in the short term. However, in the case of non-Islamic countries, interest rates have a significant positive impact on bank deposits. There is therefore a need for Islamic banks in countries with more Muslim populations and there must be different economic policies for Islamic countries as religious factors that may influence Muslim decisions and interest rates do not have an impact on bank deposits. Religious factors do affect the economy.

Several studies have revealed the main activities of Islam that affect the country's economy as investigated by (Wasiuzzaman, 2018) who found the influence of the pilgrimage on the Saudi stock market. Tadawul All-Shares Index (TASI) and several sector indexes from January 2010 to August 2014 were used to test the impact of the Hajj on the return and volatility of the stock index. A significant increase in volatility for TASI during the Hajj occurs in all sector indexes, except for retail, agriculture and food and the petrochemical sector. In addition to pilgrimage, fasting during the month of Ramadan also affected the economies of Muslim countries, and this finding was obtained by Halari et al. (2018) which investigated the effects of Ramadan, the study also recorded the effects of January (where there were warnings of the New Year and Christmas Day in the previous month) in Muslim countries. The study here investigates what happens when Ramadan effects and January effects occur at the same time. By using the variables of effect control of the financial crisis and volatility that vary in the time of return, the results of the study show that there are impacts of Ramadan and January for the respective companies from the four countries with large Western countries, especially Turkish companies. (Halari et al., 2018).

Products made by the demands of Muslims such as Islamic banks and halal food are not only benefited by Muslims but also people outside of Islam who take part in consumption. Many factors contribute to the development of halal goods in an

environment that is not an Islamic environment. Some important factors according to one study by Matthew, et al (2014) that write the motivation of non-Muslims to choose halal food in Malaysia are the most important is the problem of food security, the reason for food security is indeed a concern by all consumers in general. State opinion must provide guidance on foods that are harmful to health. Then the second reason is that the quality of food, halal products is described as a good and high-quality product. The third variable found was the purchase intention of respondents in choosing halal food. The average score of 4.60 indicates acceptance of halal food. Then the fourth variable is due to voluntary attitude. Voluntary attitudes in consuming halal goods arise due to interaction and acculturation with Muslims around them. Other experts such as Said, et al (2014) state that Islamic teachings greatly influence Muslim behavior and especially the teachings on consuming halal goods.

Another study on the comparison of Islamic banks performance and that of conventional banks has been examined by Yuliati and Suprayogi (2016) who examined the efficiency of third-party funds collection of Islamic banks and conventional banks in Indonesia using Data Envelopment Analysis (DEA) method with the Constant Return to Scale (CRS) and Variable Return to Scale (VRS) models. The results of data analysis show that there is no significant difference between the efficiency of third-party funds collection of Islamic banks and conventional banks, both using CRS and VRS models. Another study conducted by Sari (2015) which examined the efficiency of sharia commercial banks and conventional banks financing in Indonesia using Data Envelopment Analysis (DEA) method with assumption of Constant Return to Scale (CRS) and Variable Return to Scale (VRS). The results showed that there were no differences in financing and / or credit efficiency between Islamic commercial banks and conventional commercial banks both with assumption of CRS and that of VRS.

In this subheading, the writer may describe the the context of discourse in detail. It may problematize the main concept discussing in the research writing. However, it is important to note, this subsection does not provide such theoretical framework. While at the same time, this subsection may provide method of gathering

and analyzing data for which the data would be possible to conduct qualitative or quantitative approaches

C. METHODOLOGY

The population included in this study were all Conventional Banks and Islamic Banks domiciled in the territory of Indonesia. The samples in this study were saturated samples or all members of the population were studied. The conduct term of this study was from June 2017 to 2018. The present study includes the four following research variables:

1. Amount of Third Party's Funds collected by Conventional Banks for one year from April 2017 to April 2018, data were in the form of monthly and in units of billion rupiah.

2. Amount of Third Party's Funds collected by Sharia Commercial Banks for one year from April 2017 to April 2018, data were in the form of monthly and in units of billion rupiah.

3. Amount of Credit distributed by Conventional Banks for one year from April 2017 to April 2018, data were in the form of monthly and in units of billion rupiah.

4. Amount of Financing distributed by Islamic Banks for one year from April 2017 to April 2018, data were in the form of monthly data and in units of billion rupiah.

The two categories of population include banks that are located in Muslim-majority provinces population and the second category are banks situated in the non-Muslim-majority provinces. These two categories can be seen in the following table:

Table 2. Provinces with Muslim and Non-Muslim as the Majority

Category 1: Muslim-Majority Provinces	Category 2: Non-Muslim Majority Provinces
Aceh, West Sumtera, Riau, Jambi, Bengkulu, Kepualaun Riau, South Sumatera, Lampung, Bangka Belitung, The Capital City of Jakarta, West Java, Central Java, Easst Java, Yogyakarta, Banten, West Kalimantan, East	Hindu-Majority: Bali Protestant-Majority: North Sulawesi, Papua, West Papua, Catholic-Majority: Nusa Tenggara Timur

Kalimantan, South Kalimantan, Nusa Tenggara Barat, Central Sulawesi, West Sulawesi, Southeast Sulawesi, South Sulawesi, Gorontalo	Province with non-muslim proportion of more than 20 percent Protestant-Majority: North Sumatera, North Maluku, Maluku

The research approach of this study is quantitative research. According to Emzir in Sarwono (2006), Quantitative approach is a research approach that primarily uses postpositivist paradigm (such as thinking about cause and effect, reduction to variables, hypotheses and specific questions, using measurement and observation, and testing theory) in developing science, using strategies such as experiments and surveys that require statistical data. The form of this study is correlational / survey research is a general approach to research that focuses on estimating covariations among naturally occurring variables. The aim is to identify predictive relationships by using correlation techniques or more sophisticated statistical techniques (Zechmester in Emzir, 2007: 37). The purpose of this research is explanations, namely explanatory groups aimed at providing explanations, namely expressing the relationship between two or more concepts or variables from a social phenomenon. (Hamidi in Sarwono, 2006).

The analysis method in this study uses MANOVA (Multivariate Analysis of Variance). Multivariate Analysis of Variance MANOVA is an extension of Analysis of Variance. The difference between ANOVA and MANOVA lies in the number of responses. There is more than one dependent variable in MANOVA. MANOVA is used to explore relationships between independent variables which are categorical with some metric dependent variables. In general, the data used for the independent variable is the data scale and the data used, while the data used in the dependent variable is data with a ratio scale and interval.

MANOVA aims to determine the existence of significant differences in the dependent variable based on the influence of independent variables. Generally, the hypothesis in MANOVA is as follows:

$$H_0 : \mu_{p1} = \mu_{p2} = \cdots = \mu_{pk} = 0$$

(there is no influence of religion distribution of the population in each province of Indonesia on the performance of Islamic banks and conventional banks)

$$H\_1 : \mu\_p1 \neq \mu\_p2 \neq \cdots \neq \mu\_pk$$

p shows the number of dependent variables

k shows the number of independent variable or group

(there is influence of religion distribution of the population in each province of Indonesia on the performance of Islamic banks and conventional banks)

Test statistics used are based on Rencher and Schaalje (2008), while the test criteria used are rejecting H_0 if p value <α, where α is the significance level. In this study, the performance of Islamic banks and conventional ones measured are Third Party Funds (TPF) and financing (credit amount).

Hypothesis

1. It is assumed that there is no significant difference between the amount of Third-Party Funds collected by Islamic Banks in either the Muslim-majority provinces or Muslim-majority provinces because Islamic banks have implemented the universality principle well.

2. It is assumed that there is no significant difference between the amount of Third-Party Funds collected by Conventional Banks in either the Muslim-majority provinces or Muslim-majority provinces because Islamic banks have implemented the universality principle well.

3. It is assumed that there is no significant difference between the amount of financing distributed by Islamic Banks in either the Muslim-majority provinces or Muslim-majority provinces because Islamic banks have implemented the universality principle well.

It is assumed that there is no significant difference between the amount of credit distributed by Islamic Banks in either the Muslim-majority provinces or Muslim-majority provinces because Islamic banks have implemented the universality principle well.

D. RESULT AND ANALYSIS

The hypothesis in MANOVA for the performance of third-party funds is presented as follows:

$$H\_0 : \mu\_p1 = \mu\_p2 = \cdots = \mu\_pk = 0$$

(there is no influence of religion distribution of the population in each province of Indonesia on the performance of Islamic banks and conventional banks in this case Third Party Funds)

$$H\_1 : \mu\_p1 \neq \mu\_p2 \neq \cdots \neq \mu\_p$$

p shows the number of dependent variables

k shows the number of independent variable or group

(there is an influence of religion distribution of the population in each province of Indonesia on the performance of Islamic banks and conventional banks in this case Third Party Funds)

Tabel 3. Levene's Test of Equality of Error Variances[a] for Third Party Funds

	F	df1	df2	Sig.
DPK_BUS	2,228	1	32	.145
DPK_BUK	1,332	1	32	.257

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + Category

The table above shows the results of the homogeneity test, namely the Levene test. It is said that all variables have the same variant because p value> 0.05. Thus, the assumption test of variance homogeneity has been fulfilled.

Table 4. MANOVA for Third Party Funds

Source	Dependent Variable	df	F	Sig.
Corelated Model	DPK_BUS	1	1,016	0.321
	DPK_BUK	1	0,505	0.483
Intercept	DPK_BUS	1	1,688	0.203
	DPK_BUK	1	1,670	0.205
Categoric	DPK_BUS	1	1,016	0.321
	DPK_BUK	1	0,505	0.483

Based on the Manova Table, it can be seen that all p values> 0.05 so it does not reject H_0, so there is no influence of religion distribution of the population in each of the Indonesian provinces on the performance of Islamic banks and conventional banks in this case Third Party Funds.

MANOVA for amount of Credit (Financing)

Hypothesis in MANOVA for financing performance is presented as follows:

$$H\_0 : \mu\_p1 = \mu\_p2 = \cdots = \mu\_pk = 0$$

(there is no influence of religion distribution of the population in each of the Indonesian provinces on the performance of Islamic banks and conventional banks in this case financing)

$$H\_1 : \mu\_p1 \neq \mu\_p2 \neq \cdots \neq \mu\_pk$$

p shows the number of dependent variables

k shows the number of independent variable or group

(there is influence of religion distribution of the population in each of the Indonesian provinces on the performance of Islamic banks and conventional banks in this case financing)

Table 5 Levene's Test for Credit (Financing)

Levene's Test of Equality of Error Variances[a]				
	F	df1	df2	Sig.
Credit_BUS	2.493	1	32	.124
Credit_BUK	1.348	1	32	.254

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.
   a. Design: Intercept + Categori

The table above shows the results of homogeneity test, namely Levene test. It is said that all variables have the same variant because p value> 0.05. Thus, the assumption test of variance homogeneity has been fulfilled.

Table 6. Manova for Credit (Financing)

Source	Dependent Variable	df	F	Sig.

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Corelated Model	Credit_BUS	1	1,287	0.265
	Credit_BUK	1	0,559	0.460
Intercept	Credit_BUS	1	2,337	0.136
	Credit_BUK	1	1,862	0.182
Categoric	Credit_BUS	1	1,287	0.265
	Credit_BUK	1	0,559	0.460

Based on the Manova Table, it can be seen that all p values> 0.05 so it does not reject H_0, so there is no influence of religion distribution of the population in each province of Indonesia on the performance of Islamic banks and conventional banks in this case financing.

Discussion

The results show that there is no significant difference between the performance of conventional banks and Islamic banks in the field of third-party funds collection and distribution of credit to banks in Muslim-majority provinces and banks with non-Muslim-majority provinces.

The results of this study indicate that religion factor is not very significant one in affecting the performance of conventional banks and Islamic banks. The majority of the Indonesian people have not made religion a motivation in choosing a bank. Communities in Indonesia have a lot of motivation to choose banks. These factors include the distance between the bank office and the place of residence, the distance of the bank office to the place of work, good reputation, bank facilities, and bank services.

Next, there is an interesting result that there is also no significant difference between the performance of Islamic banks in Muslim-majority provinces and non-Muslim-majority provinces. It is in line with the results of research on the performance of conventional banks, that religion is not yet the most important motivation in banking activities. This indication shows that Islamic banking products and services in Indonesia have a high degree of universality and can be accepted by all groups. Non-Muslim communities have been able to accept the existence of Islamic banks in Indonesia, this is evidenced by the absence of significant differences between the performance of third-party funds collection and the distribution of Islamic bank financing in a non-Muslim-majority province. Non-Muslim communities

in Indonesia already have acceptance of Islamic banks. This acceptance is due to many factors as explained by the model by Wibowo and Ahmad (2016) which indicate that the acculturation factor of culture can accommodate new habits outside the community and be accepted as a shared habit. In Wibowo and Ahmad's model (2018), it is stated that halal food can be received by non-Muslim communities obtained from the acculturation of the culture of non-Malay people with that of Malay, it seems that this also happens in Indonesia, namely in areas where the majority are non-Muslims can accept the existence of Islamic banks.

Some important factors why Indonesian customers choose Islamic banks are examined by Mulyana (2018) and several factors such as short distance, credibility/ trust/ security Status of bank (private), Popularity, Friendly and professional services, Atm facilities, Gifts/ bonuses, and profitable Share results. The universality of Islamic banks is also supported by the research of Darmawati et al (2018). In the discussion section, Darmawati said that Culture which includes culture, subculture and social class does not have a significant influence on the purchase decisions of Sharia Bank Savings Products. Although in general culture has a broad influence on consumer behavior, but it is not so in the case of purchasing Islamic Bank Savings Products. This shows that in deciding to buy Sharia Bank Savings Products, consumer behavior is not based on the culture they adhere to, such as saving habits, assuming that Sharia Bank Savings Products are in accordance with their needs, bias, gender, income level, social status level, and education level. Darmawati (2018) also concluded that social variables which included reference groups, families, roles and status did not have a significant influence on Sharie's product purchasing decisions. This shows that in deciding to buy Bank Syariah Savings Products, consumer behavior is not based on their social conditions such as the influence of husband / wife, parents, siblings, children, coworkers, neighbors, organizations they follow, and their status roles in society.

Conventional bank services according to the results of this study also show a superiority. Some of the factors that influence Indonesian society to choose conventional banks are explained by Suhardi (2006), namely that there are four results tested in his study. The first result is that integrity affects trust significantly. The second result states that credibility affects trust significantly. The third result

states that benevolence will affect trust. The fourth result states that trust will affect customer loyalty. Furthermore, Suhardi (2006) explained that the results of the test of causality relations showed that integrity affects brand trust. This fact indicates that consumers' assessment of the integrity of bank employees influences trust in saving or other intermediary activities. The impression received by customers on employee integrity when they face a problem is whether the employee reveals the correct banking values and principles or whether each problem faced by the customer is resolved by the bank employee in accordance with the applicable context and system, will determine the customer's assessment whether bank can be trusted or not. These impressions play role as a reference for the customer's assessment in determining whether the bank carries out honest practices in carrying out its intermediation function. The results of the test of the causality relationship indicate that credibility affects brand trust. Credibility is defined as a company's ability to meet customer expectations. The extent to which the company's experience in the industry is valued as deep as the company's expertise in service services by customers. In banking context, the age of bank or bank employees who are considered senior in the banking business forms an impression in the minds of its customers that the bank has sufficient expertise to be worthy of trust.

Suhardi (2006) also issued the results of a test of causality relationship showing that benevolence affects trust. The most important thing in the banking service industry is the employee empathy that can be felt by customers. A deep concern of bank employees on their customers is a sign whether the bank is worthy of trust or not. Employee attention to customers is an indicator for customers that banks have customer-oriented policies. For customers, this kind of policy is considered important considering the risk factors that must be borne by the customer when the bank's performance becomes worse.

E.   CONCLUSION

To sum up this research, that there is no significant difference in the performance of third-party funds of Conventional Banks and Islamic Banks in Muslim-Majority Provinces and of Non-Muslims-Majority provinces. And also, there is no significant difference in the performance of credit distribution or financing of

Conventional Banks and Islamic Banks in Muslim-Majority Provinces and of Non-Muslims-Majority provinces.

The suggestions for Banking Industry from this research are; the results showed that there were no significant differences in the performance of Islamic banks and conventional banks in Muslim-Majority Provinces and of Non-Muslims-Majority provinces. This shows that Islamic banks can be accepted in any region including provinces with a majority of non-Muslim population. Of course, this is an opportunity for Islamic banks to increase their market share with the target market of non-Muslim communities. Islamic banks in Indonesia can innovate in terms of product collection of funds and financing products offered and improve services (customers) that are better for customers to attract the interest of Muslim and non-Muslim communities to become customers of Islamic banks. For Policy Makers in this case the Government, Bank Indonesia (BI) and the Financial Services Authority (OJK), the results of this study can be one of the considerations to further expand the Islamic banking office network, especially in provinces with a majority non-Muslim population to increase assets and the market share of Islamic banking in Indonesia. In addition, for further researchers can research on the performance of Islamic banks and conventional banks in terms of the amount of fund collection and the amount of financing by dividing the two categories, namely provinces with a majority Muslim population and provinces with a majority of non-Muslim population is still not widely done. This is an opportunity for future researches to see further from the perspective of other aspects such as customer service, products and benefits offered, ATM facilities, financial technology (fintech), professionalism of employees, and others.

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