

Condition of Indonesia Sharia Banking is Still Worrying

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The Indonesian sharia banking is considered as worrying. The reason is that for almost 20 years of operation, it shows a worrying performance. This problem is compounded by the condition of the sharia banking's market share in Indonesia that is still relatively small compared to that in the Middle East and Malaysia.

"Indonesia sharia banking's market share is still relatively small, namely 3.20% compared with that of the Middle East at about 20% and Malaysia about 10%," said Sugeng Hariadi, SE., M.Si., during his Doctoral Program open examination, Friday (16/9) at Faculty of Economics and Business, Universitas Gadjah Mada.

In his dissertation entitled *The Effect of Religiosity Towards Behavior of Sharia Bank Customers in Indonesia*, Sugeng revealed the levels of religiosity have a significant influence toward loyalty of bank customer in making the decision to change behavior in saving funds in the bank. Religious customers tend to be loyal, thus the interest rate becomes unimportant.

The research's results also indicate that information about interest prohibition has significantly lowered the client's desire towards the amount of interest rate to the rate of return norm. "The level of customer's religiosity has significant effect on the willingness to gain earnings from bank interest after the interest prohibition. The more religious a bank customer is, the interest prohibition information will change his outlook on bank interest, thus asking for low interest rates, even down to zero percent," said the lecturer at the Faculty of Business and Economics, University of Surabaya.

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