KAJIAN AKUNTANSI
Universitas Islam Bandung

Volume 25, No. 1 March 2024/PP 33-42
DOI : https://doi.org/10.29313/kajian_akuntansi.v25i1.3275

FACTORS THAT AFFECT PERFORMANCE ISLAMIC BANKS IN INDONESIA

[1] **Fadel Nidiatama***)

[1]Universitas Padjadjaran

*Email:[1]fadelndtm7@gmail.com**)*

*)Corresponding Author

Article Info

Article History

Received : 30/12/2023
Reviewed : 12/02/2024
Accepted : 29/02/2024
Published : 28/06/2024

Volume : 25
No. : 1
Month : March
Year : 2024
Page : 33-42

Abstract

This study examines the effect of capital adequacy, investor customers, Sharia governance, debt-equity ratio and company size on financial performance at Islamic Commercial Banks in Indonesia for the period 2016-2021. The population in this research is all Islamic banks in Indonesia. The sampling technique used in this study is non-probability sampling, which uses the purposive sampling method. The sample of this study was 60 data from 10 selected Islamic banks. Data processing using Eviews 12.00. The data regression analysis method was used. The results showed that capital adequacy has a significant positive effect on financial performance, company size has a positive and significant effect on financial performance, sharia governance has a significant effect on financial performance, debt equity ratio has a negative and significant effect on financial performance and investor customers have no significant effect on the financial performance of Islamic banks in 2016 - 2021.

Keywords : *Financial Performance, Capital Adequacy, Sharia Governance, Debt-equity Ratio, Company Size.*

1. INTRODUCTION

The growth of Islamic banking in Indonesia has increased quite rapidly as of January 2023. Namely, 13 Islamic Commercial Banks and 20 Islamic Business Units registered with the Financial Services Authority (OJK). (OJK, 2023). This shows that the public has accepted the products and concepts offered by Islamic banking as seen from the banking statistics published by the Financial Services Authority (OJK).

Based on the Circular Letter to All Islamic People's Financing Banks in Indonesia Number 15/22/DPbS Jakarta, June 27, 2013, it is stated that the operational activities of Islamic banking in Indonesia are based on fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN - MUI) with the provisions that do not contain elements of usury, maisir, gharar, haram and dzalim. Islamic banking so far has not been in favor of the community, as is the case with conventional banking which still places profit as its main priority. (Ekawati & Anhar, 2020). Organizations must be able to meet the demands of stakeholders in the various contexts in which they operate (Guerrero- Villegas, 2020). (Guerrero-Villegas et al., 2018).. Similarly, stakeholders want to ensure that the companies they do business with are responsible and sustainable (Agudo-Valiente et al., 2018). (Agudo-Valiente et al., 2015)..

The problems of Islamic banking in Indonesia in 2022 are the low market share, which is around 6% - 7%, this shows that the growth of Islamic banking is still slow due to the lack of socialization among the public, the low level of Islamic banking literacy in the community, which is only 8.93%, products that are less varied

(OJK, 2022). Meanwhile, the Islamic financial inclusion index is also still lagging behind at 9.1% compared to the national financial inclusion of 76.19%. There is a great desire for the growth of Islamic finance, but experts argue that the potential does not yet have a great opportunity (Truby et al., 2020) due to inefficiencies in the operations of Islamic banks and in the means used to conduct transactions (El-Gamal, 2007). (El-Gamal, 2007).

Some of the problems of Islamic banking in Indonesia in 2022 are that the market share is still low, which is around 6% - 7%, indicating that the growth of Islamic banking is very slow, lack of socialization among the public, the level of Islamic banking literacy is still low in the community, which is only 8.93%, products that lack variety, (OJK, 2022). The success of an organization depends on its ability to retain its stakeholders by maintaining good relationships with investors, customers, employees, and the entire community. The responsibility of the institution must include all stakeholders (Jaiyeoba et al., 2018). Organizations have an important role in making investor decisions and protecting customers. (Jaiyeoba & Haron, 2016).. Investors tend to look for institutions that have growth potential and provide profitable investment returns.

Therefore, it is important for companies to improve financial performance. Positive financial performance will increase investor customer confidence (Farook et al., 2011). Indonesia shows that the average growth of national Islamic bank assets is 28.42%, with an average increase in Return on Assets (ROA) of 5.20%, (Mukhibad, 2019). One way to increase the level of capital ratio, of them is through increasing the number of customers. The ownership structure in Islamic banking comes from customer funds, (Archer et al., 1998)Because an organization depends on its customers to generate revenue and considers the company's business activities responsible (Sarkis et al., 2019). (Sarkis et al., 2011).. In theory, the relationship between CAR with ROE and ROA is positive.

Information on company performance is influenced by various important factors. In addition to the central role played by company management in managing company operations, the role of leverage factors must also be taken into account in this context (Putra & Malau, 2023). Leverage itselfis one of the metricsused to measure the extent to which a company uses external sources of borrowed funds to increase its profitability (Makhdalena, 2014).

Furthermore, the factor that affects financial performance is the level of funding (leverage), the role of leverage factors must be taken into account in this context. (Muttiarni et al., 2022). A high debt ratio leads to a higher level of uncertainty to get the returns expected by shareholders. When financial leverage is used properly, shareholders can increase their returns (Kartikasari &Merianti, 2022). (Kartikasari & Merianti, 2016).. According to Bank Indonesia regulation No.11/33/PBI/2009, the Sharia Supervisory Board (DPS) is a board whose duty is to provide advice and suggestions to the board of directors and supervise bank activities to comply with Sharia principles. The number of members of the Sharia supervisory board according to the GCG provisions stipulated in Law Number 40 of 2007 concerning Limited Liability Companies is at least two people. DPS is appointed and dismissed by Islamic financial institutions through the GMS after receiving a recommendation from the National Sharia Council. Affects the financial performance of Islamic banks (Darwanto & Chariri, 2019). This study aims to investigate the factors that affect financial performance as described above.

2. LITERATURE REVIEW

Stakeholder Theory

This theory explains that the company also provides benefits to company stakeholders and not for the company entity alone (Mulyaningsih & Asrori, 2019). The business of Islamic banking provides financing that has an impact on the welfare of all parties. Not only can it be seen from the economic aspect but also from the social and environmental aspects, which not only benefits shareholders, but also shares with the community, including through empowering the people's economy, and benefits the surrounding environment. (Andrianto & Firmansyah, 2019); Muljawan et al., 2020). The activities of business companies aim to get the maximum profit possible, for mutual prosperity. Based on stakeholder theory, the sustainability of a business rests on the support of its stakeholders, and this support must be sought so that the company's activities are to seek this support. (Fauzi, et al., 2016).

Financial Performance

One way to see an increase or decrease in financial performance is to look at financial ratios, and to assess good financial performance is to assess the achievement of financial ratio levels. (Sakdiyah, 2022). Profitability is used to see the bank's ability to make a profit (Yuan, et.al., 2022). (Yuan, et.al., 2022).. High profits indicate that the Islamic Bank has good performance, while low profits indicate that the Islamic Bank is not doing well. The formula used:

$$Return\ On\ Equity = \frac{Net\ Income}{Shareholders\ Equity} \text{ x } 100\%$$

Capital Adequacy

Capital adequacy in Islamic banking can be seen from the figure Capital Adequacy Ratio (CAR). According to (Kasmir, 2016), said that CAR is the ratio between the ratio of capital to risk-weighted assets in accordance with government regulations. According to Bank Indonesia regulation No. 9/13/PBI/2007, the minimum limit value of a good CAR is 8%. Ber based on the description above, the CAR can be formulated as follows:

$$CAR = \frac{Modal}{ATMR} X100\%$$

Investors Customers

Investor Customers (Investment Account Holders) are a form of ownership in Islamic banking whose source comes from customers, (Farook et al., 2011). Investor Customer/IAH in the Islamic Financial Services Act 2013 (IFSA) is defined as the owner of an investment fund account with the application of Islamic contracts with a no-principal guarantee feature as the purpose of investment. Investor Customer/Investment Account Holder (IAH) is a bank ownership structure that has a source of origin of customer funds, (Khasanah & Yulianto, 2015). The calculation formula for investor customers is:

$$Customer\ Investors = \frac{Total\ Amount\ of\ Temporary\ Shirkah\ Funds}{Fully\ paid - up\ capital\ of\ shareholders}$$

Sharia Governance

According to Mulyaningsih & Asrori (2019), it states that the regulation of Good Corporate Governance for Islamic commercial banks is the mandate and responsibility of the Sharia Supervisory Board, the provisions are regulated by BI Regulation Number 11/33/PBI/2009 in the implementation of Good Corporate Governance. Therefore, Islamic banking must be guided by Islamic goals (maqashid syariah) in managing banking activities, (Baehaqi et al., 2020; Mukhibad, 2019; Mukhilisin, 2021).

Based on this, the proxy measurement of the Islamic Governance Score (Sharia governance score) can be seen in table 3.2. The formula for Islamic governance/IG is:

Table 1. Islamic Governance Measurement (Islamic Governance)

Indicators/Sources	Information
1) Number of DPS members (Baklouti, 2022)	Value 1 if the bank has 2 or more members and value 0 if less than 2
2) Number of DPS *meetings* (Baklouti, 2022)	Value 1 if meeting attendance is 6x or more in a year, value 0 if less than 6x in a year
3) DPS *independence* (Elamer et al., 2020)	The value is 1 if DPS applies independence and 0 if there is no independence
4) Quality of DPS education (Neifar et al., 2020)	1 if DPS has Doctoral Education quality and 0 if it does not have Doctoral Education quality
Total Indicator	**4**

Level (Debt Equity Ratio)

The funding level is a ratio that shows the amount of debt owned by the company to finance its activities. (Wardani & Khoiriyah, 2018). Companies that have a high debt ratio mean that financial leverage is also high(Yuan, et al., 2022). A high debt ratio causes a higher level of uncertainty to get the returns expected by shareholders. However, when financial leverage is used properly, shareholders can increase their returns (Kartikasari & Merianti, 2022). (Kartikasari & Merianti, 2016). Calculating leverage can use the Debt-Equity Ratio (DER), with the formula as follows:

$$DER = \frac{Total\ Liabilities}{Total\ Equity}$$

Company Size

Company size is a scale by which the size of the company can be classified in various ways. Based on the number of employees, company size is divided into 3 categories: large companies (large firms), namely companies that have more than 500 employees, medium size companies, namely companies that have employees between 51 - 499 people, and small companies (small firms), namely companies that have employees between 0 - 50 people. (Decker et al., 2014). According to (Carvalho et al., 2022); (Hartono, 2017); (Hussain et al., 2020); (Cashmere, 2016); (Rodoni & Ali, Dr. Herni SE., 2014)The measurement of the company size variable is based on total assets. According to (Harahap, 2018) measurement of company size is company size measured by the natural logarithm (Ln) of the average total assets (total assets) of the company, with the following formula:

Company Size= Ln(Total Asset)

Hypothesis Development

Effect of Capital Adequacy on Financial Performance

If the bank has a sufficient capital ratio, the bank's operations can run smoothly so that, at critical times, the bank remains in a safe position with capital reserves. The higher the Capital Adequacy Ratio (CAR), the greater the financial resources that can be used for business development and anticipate potential losses caused by lending (Wardiantika and Kusumatingtias, 2013). Research (Oktavionita et al., 2022) proved that capital adequacy has a positive effect on profitability. Other research states that CAR has no effect on ROE, (Khoirunnisa, et al., 2016). The higher the ratio of available capital, the higher the profit that will be obtained. Based on this exposure , the hypothesis proposed is:

H1: Capital Adequacy has a positive effect on Financial Performance.

The Influence of Investor Customers on Financial Performance

The management of Islamic banks in managing their funds is not only responsible to shareholders, but must also be responsible to their customers. Islamic bank accounts will usually be more accessible to customers than shares, even though customers do not have formal voting rights, but customers can influence the level of supervision of management through shareholders (Farook et al., 2011). (Farook et al., 2011). Many investors prefer to invest their money as an investor client (IAH) rather than as a shareholding. This is because, in Islam the element of interest or usury is not allowed, so Islamic banks offer other forms that are allowed in Islam, the choice customers usually choose in the form of temporary syirkah funds. Shirkah funds are one of the investment portfolios for Islamic banks (Archer et al., 1998). The higher the level of customer funds, the higher the opportunity for Islamic banks to obtain profitability so that they will get good financial performance. (Stiawan, 2009). Then, the hypothesis proposed is:

H2: Investor Customers have a positive effect on Financial Performance

The Effect of Sharia Governance on Financial Performance

Islamic Governance is an absolute thing in Islamic finance so all transactions, activities and management practices must be in accordance with Sharia principles. The Sharia governance according to (Marruroh, 2017), is seen from the characteristics of the Sharia supervisory board (DPS) as measured by the existence of sharia supervisory board members, the number of DPS, cross membership, and educational background and experience.

According to research conducted (Aslam & Haron, 2020); (Nomran et al., 2018); and (Hasan et al., 2017) explain that the Sharia Supervisory Board has a positive effect on ROE Several things about the sharia supervisory board that will affect the performance of Islamic banks include the number of members of the sharia supervisory board, the number of DPS meetings (Baklouti, 2022), independent DPS (Elamer et al., 2019), experience as DPS (Fakhrudin, 2021) and the quality of DPS (Neifar et al., 2020). Based on this explanation, the hypothesis:

H3: ShariaGovernance has a positive effect on Financial Performance

Effect of Debt Equity Ratio on Financial Performance

The level of funding as measured by Debt to Equity Ratio (DER) has a significant positive effect on Return

On Equity (ROE). Research conducted by (Astuti et al., 2015)(Astuti et al., 2015), explains that Debt to Equity Ratio (DER) has a significant effect on Return On Equity (ROE). Companies that have a high debt ratio have high financial leverage, (Yuan, et al., 2022). A high debt ratio will cause a higher level of uncertainty to get the returns expected by shareholders. However, when financial leverage is used properly, shareholders can increase their returns. (Kartikasari & Merianti, 2016).. So based on the explanation above, the hypothesis proposed is:

H4: Debt Equity Ratio has a positive effect on financial performance

The Effect of Company Size on Financial Performance

An Islamic bank that is able to utilize the amount of assets owned properly will get the opportunity to increase profits and will illustrate improved financial performance. The larger the size of a company as measured by total assets owned, the more the total assets owned by the company will grow to get opportunities for profit. Research conducted by (Wahyuni & Aidah, 2022); (Belianti et al., 2022); (Dakić et al., 2019) found that company size has a significant positive effect on financial performance. This research contradicts that conducted by Azhar and Arifin (2013) which states that company size has no effect on financial performance. Then research (Cahyana, 2020); (Yester et al., 2020) explained that Firm Size has no effect on Financial Performance.

H5: Company size has a positive effect on financial performance

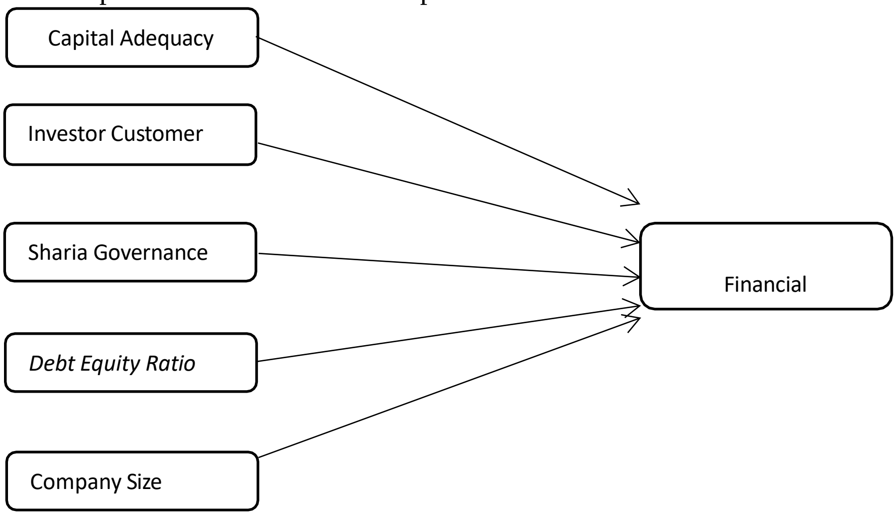

Figure1. Framework of Thought

3. RESEARCH METHODS

This research uses a qualitative approach with an explanatory method by testing or developing hypothesis testing using Eviews 12.00.

Population and Sample

The population in this study are all Islamic banks in Indonesia. While the samples used that meet the criteria in this study are Islamic Commercial Banks in Indonesia (10 Islamic banks) with research years from 2016 to 2021 so that the total is 60. The reason for choosing Indonesia is because Indonesia has the largest Muslim population and is also one of the main trigger countries in the development of Islamic banks in Southeast Asia.

Measurement of Research Variables

Table 2. Measurement of Reseacrh Variables

No	Variable	Measurement
1	Financial performance	$Rturn\ On\ Equity = \frac{Laba\ Bersih}{Modal} x100\%$
2	Capital Adequacy	$CAR = \frac{Modal}{Aktiva\ Tertimbang\ Menurut\ Risiko} x100\%$
3	Investor Customers	$Nasabah\ Investor = \frac{Jumlah total\ dana syirkah\ temporer}{Modal\ disetor\ penuh\ pemegang saham}$
4	Sharia Governance	IG-Score = Indicator 1 + Indicator 2 + Indicator 3+ Indicator 4 Information: IG-Score = Islamic Governance Score/Sharia Governance score
5	Debt Equity Ratio	$DER = \frac{total\ liabilities}{total\ equtity}$
6	Company Size	Company Size = ln Total Assets

Source: Data processed, 2023

4. RESULT AND DISCUSSION

Results of Panel Data Regression Estimation Technique

The type of data used in the study is secondary data, data sources from documents obtained through media such aspublications or websites. In this study the data used isthe Annual Report or Profit and Loss Financial Statements or other information on Indonesian Islamic Commercial Banks downloaded from the OJK website.

Based on the time dimension / time of implementation, this research data is in the form of panel data, namely a combination of cross-section with time series. The cross-section data used consists of 10 Islamic Banks in Indonesia, while the time series data uses annual data with a period of 6 (six) starting from 2016-2021. The statistical software used is Eviews 12.00. There are three models generated for panel data analysis with Eviews software, namely the Common Effect Model (CEM), Fixed Effects Model (FEM) and Random Effects Model (REM).

Model Selection Results of Panel Data Regression Estimation Technique

To determine the best model use the Chow Test, Hausman Test, and Lagrange Multiplier Test. While the model chosen in this study is the Fixed Effect Model. For the fit test and predictive relevance, the R-square value is 0.522875 and the Adjuster R- square is 0.473174.

The interpretation of the R-square value is the same as the interpretation of the linear regression R-square value, which is the amount of variability in endogenous variables that can be explained by exogenous variables. According to Chin (1998), the R- square criteria consist of three classifications, namely the value of 0.67 and above means substantial, 0.33 and above means moderate, and 0.19 means weak. The R-square results in Table 3 show that the panel data regression estimates are moderate to substantial.

Hypothesis Test Results

Table 3. Hypothesis Test of Panel Data Regression Estimation

Hypothesis	Coefficient	t-statistics	p-value	Results
KM →ROE	33.42504	2.513216	0.0154	H_1 Accepted
NI →ROE	-0.050783	-0.468926	0.6412	H_2 Rejected k
TKEL →ROE	-7.786495	-2.687563	0.0099	H_3 Accepted
DER →ROE	-0.592907	-4.792901	0.0000	H_4 Accepted
UP →ROE	2.928550	3.317240	0.0017	H_5 Accepted
		F test	F-statistics	10.52050

		Significance	0.000001
Significance Levels: 1% (*), 5%(**) and 10%(***)			

Source: Data Processed 2023

Information:
ROE : Return On Equity
KM : Capital Adequacy
NI : Investor Customer
TKEL : Sharia Governance
DER : Debt Equity Ratio
UP : Company Size

The partial test in Table 3 is used to determine the influence of the variables Capital Adequacy, Investor Customers, Sharia Governance, Funding Level and Company Size on Financial Performance . The partial test results can be explained as follows:

Effect of Capital Adequacy on Financial Performance (H)1

The data processing results of the Capital Adequacy coefficient of 33.42504, meaning that there is an influence between Company Size on Financial Performance. From the statistical test results, the p-value is 0.0154 <0.05. It can be concluded that Ho is rejected and H1 is accepted, meaning that capital adequacy has a significant effect on financial performance.

The Influence of Investor Customers on Financial Performance (H)2

The data processing results of the Investor Customer coefficient of -0.050783, meaning that there is no influence between Investor Customers on Financial Performance. From the statistical test results, the p-value is 0.6412> 0.05. It can be concluded that Ho is accepted and H2 is rejected, meaning that investor customers have no significant effect on financial performance.

The Effect of Sharia Governance on Financial Performance (H)3

The data processing results of the Sharia Governance coefficient of -7.786495, meaning that there is a negative influence between Sharia Governance on Financial Performance. From the statistical test results obtained a p-value of 0.0099 <0.01. It can be concluded that Ho is rejected and H4 is accepted, meaning that the more Islamic governance increases, the smaller the financial performance.

The Effect of Debt Equity Ratio on Financial Performance (H)4

The data processing results of the Debt Equity Ratio (DER) coefficient of - 0.592907 mean that there is a negative influence between the Debt Equity Ratio (DER) on Financial Performance. From the statistical test results, the p-value is 0.0000 <0.05. It can be concluded that Ho is rejected and H4 is accepted, meaning that a higher debt ratio by Islamic Banks does not necessarily improve financial performance.

The Effect of Company Size on Financial Performance (H)5

The results of data processing the company size coefficient is 2.928550, meaning that there is an influence between leverage and financial performance. From the statistical test results, the p-value is 0.0017 <0.05. It can be concluded that Ho is rejected and H5 is accepted, meaning that company size has a significant effect on financial performance.

Discussion of Results

Table 3 shows that capital adequacy has a positive effect on financial performance, this shows that the average CAR of 22% is above the minimum limit of 8% so that it is strong enough to maintain capital adequacy to be able to act as a financial intermediary. Islamic banks in Indonesia are in accordance with the provisions of Bank Indonesia, which implements the provisions through PBI which become the Minimum Model Fulfillment Obligation (KPMM) of 8%. Table 3 shows that investor customers have no effect on financial performance. This means that the lack of trust and instability of investor customers in terms of investing in Islamic banking products has resulted in a decrease in the amount of funds placed in Islamic banks. In addition, changes in investor customer behavior and decisions affect the liquidity and asset growth of Islamic banks. This research is in line with research conducted by (Noor et al., 2021), that investor customers (Invesment Account Holder / IAH) have no effect on financial performance. This research contradicts research conducted by (Africa, 2021) and (Farouk, 2011) which states that IAH has a positive effect on financial performance.

The results of this study indicate the role of effective supervision of operational activities, activity policies, compliance with sharia principles and achievement of financial goals and can increase accountability to company management. Company management will feel more responsible and closely monitored which can affect the actions and decisions taken to improve financial performance.

In table 3, the results of this study show that companies that have a high debt ratio mean that financial leverage is also high. (Yuan et al., 2022). A high debt ratio causes higher uncertainty to get the returns expected by shareholders. This research is in line with research conducted by Feorentin et al., (2020) who found that a high level of funding (Leverage) affects profitability, which indicates increased financial performance.

5. CONCLUSION

This study explains the condition of Islamic banking in Indonesia regarding financial performance conditions that are influenced by capital adequacy, investor customers, sharia governance, debt equity ratio, and company size.

This study concluded that capital adequacy has an influence on company performance, company size has a positive influence on financial performance, sharia governance has an influence on financial performance, and debt-equity has an influence on financial performance. Meanwhile, investor customers have no effect on financial performance.

There are several limitations in this study, namely: (1) First, the sample size can be increased by increasing the period of the study year; (2) Second, other variables that affect financial performance are suggested to be studied, such as shariah compliance, Islamic social reporting and others; (3) Third, the analysis method is further developed by including mediation variables or moderation variables.

While the recommendations and implications of the research are the results of this study, they are expected to be a reference for managers of Islamic banks in Indonesia so that they can provide financing through the most effective level of funding possible. In addition, it is necessary to pay attention to the level of prudence in making the number of loans with the intention of increasing assets because large assets give confidence to the public and other stakeholders.

6. BIBLIOGRAPHY

Agudo-Valiente, J. M., Garcés-Ayerbe, C., & Salvador-Figueras, M. (2015). Corporate social performance and stakeholder dialogue management. Corporate Social Responsibility and Environmental Management, 22(1), 13-31. https://doi.org/10.1002/csr.1324

Andrianto, & Firmansyah, M. A. (2019). Islamic Bank Management (Implementation of Theory and Practice). In CV. Qiara Media Publisher.

Archer, S., Karim, R. A. A., & Al-Deehani, T. M. (1998). Financial Contracting, Governance Structures and the Accounting Regulation of Islamic Banks: An Analysis in Terms of Agency Theory and Transaction Cost Economics. Entomologia Experimentalis et Applicata, 103(3), 239-248. https://doi.org/10.1023/A

Ardila, D., Andriana, I., & Ghasarma, R. (2022). Analysis of Banking Financial Performance at Islamic Commercial Banks in Indonesia. Al-Kharaj: Journal of Economics, Finance & Islamic Business, 5(1), 1-15. https://doi.org/10.47467/alkharaj.v5i1.1091

Astuti, K. D., Retnowati, W., & Rosyid, A. (2015). The Influence of Capital Structure on Profitability (Study on Public Go Companies that became the 100 Best Companies Version of Fortune Indonesia Magazine for the Period 2010-2012). Journal of Accounting, 2 (2339-2436), 49-60.

Baehaqi, A., Birton, M. N. A., & Hudaefi, F. A. (2020). Time value of money in Islamic accounting practice: a critical analysis from maqāṣid al-Sharī'ah. Journal of Islamic Accounting and Business Research, 11(9), 2035-2052. https://doi.org/10.1108/JIABR-09-2018-0155

Baklouti, I. (2022). Is the Sharia supervisory board a friend or an enemy of Islamic banks? Journal of Islamic Marketing, 13(2), 526-541. https://doi.org/10.1108/JIMA-04-2020-0118

Carvalho, P. V., Shah, S. S. H., Zaheer, A., Mata, M. N., & Morão Lourenço, A. (2022). The Effect of Inventory Leanness on Firms' Credit Ratings: The Case of Pakistan. Risks, 10(12). https://doi.org/10.3390/risks10120226

Decker, R., Haltiwanger, J., Jarmin, R., & Miranda, J. (2014). The role of entrepreneurship in us job creation and economic dynamism. Journal of Economic Perspectives, 28(3), 3-24. https://doi.org/10.1257/jep.28.3.3

Ekawati, & Anhar, M. (2020). The Effect of Profitability, Sharia Supervisory Board and Investment Account Holder on Disclosure of Islmaic Social Reporting. Journal of the Faculty of Economics, Department of Accounting, Indonesian College of Economics, 1-18.

El-Gamal, M. A. (2007). Incoherence of Contract-Based Islamic Financial Jurisprudence in the Age of Financial Engineering. Wisconsin International Law Journal, 25(May), 1-15.

Elamer, A. A., Ntim, C. G., Abdou, H. A., & Pyke, C. (2020). Sharia supervisory boards, governance structures and operational risk disclosures: Evidence from Islamic banks in MENA countries.

Global Finance Journal, 46. https://doi.org/10.1016/j.gfj.2019.100488

Farook, S., Kabir Hassan, M., & Lanis, R. (2011). Determinants of corporate social responsibility disclosure: the case of Islamic banks. Journal of Islamic Accounting and Business Research, 2(2), 114-141. https://doi.org/10.1108/17590811111170539

Fauzi, A. S., Suransi, N. K., & Alamsyah. (2016). The Effect of GCG and CSR on Firm Value with Profitability as a Moderating Variable. Infestation Journal, 12(1), 1-19.

Guerrero-Villegas, J., Pérez-Calero, L., Hurtado-González, J. M., & Giráldez-Puig, P. (2018). Board attributes and corporate social responsibility disclosure: A meta-analysis. Sustainability (Switzerland), 10(12), 1-22. https://doi.org/10.3390/su10124808

Harahap, S. S. (2018). Crisis Analysis of Financial Statements. Raja Grafindo Persada. Hartono. (2017). Portfolio Theory and Investment Analysis (B. Yogyakarta (ed.); 11th edition).

Jaiyeoba, H. B., Adewale, A. A., Haron, R., & Che Ismail, C. M. H. (2018). Investment decision behavior of Malaysian retail investors and fund managers: A qualitative inquiry. Qualitative Research in Financial Markets, 10(2), 134-151. https://doi.org/10.1108/QRFM-07-2017-0062

Cashmere. (2016). Financial Statement Analysis. PT RajaGrafindo Persada.

Kuran, T. (2018). Islam and economic performance: Historical and contemporary links. Journal of Economic Literature, 56, 1292-1359. https://doi.org/10.1257/jel.20171243

Lone, F. A., & Bhat, U. R. (2019). Does the tag "Islamic" help in customer satisfaction in dual banking sector? Journal of Islamic Marketing, 10(1), 138-149. https://doi.org/10.1108/JIMA-11- 2016-0084

Mukhibad, H. (2019). the Role of Sharia Supervisory Boards in Meeting Maqasid Syariah - Study on Islamic Banks in Indonesia. European Journal of Islamic Finance, 13, 1-10.

Mukhilisin, M. (2021). Level of Maqāsid ul-Shari'āh's in financial reporting standards for Islamic financial institutions. Journal of Islamic Accounting and Business Research, 12(1), 60-77. https://doi.org/10.1108/JIABR-03-2020-0090

Muljawan, D., Suseno, P., Purwanta, W., Husman, J. A., Yumanita, D., B, M. N., Hartono, B., Khairanis, Syaerozi, Kusumah, W., & Dewi, S. P. (2020). Sharia economy. In Bank Indonesia.

Neifar, S., Salhi, B., & Jarboui, A. (2020). The moderating role of Shariah supervisory board on the relationship between board effectiveness, operational risk transparency and bank performance. International Journal of Ethics and Systems, 36(3), 325-349. https://doi.org/10.1108/IJOES-09-2019-0155

OJK, O. J. K. (2023). Syariah Banking Statistics. Department of Banking Licensing and Information. Oktavionita, C. B., Azizah, S. N., Fakhruddin, I., & Wibowo, H. (2022). Company Size, Capital

Adequacy, Risk, and Financial Stability of Islamic Banks in Indonesia. Journal of the Academy of Accounting, 5(1), 1-15. https://doi.org/10.22219/jaa.v5i1.19003

Ousama, A. A., Hammami, H., & Abdulkarim, M. (2020). The association between intellectual capital and financial performance in the Islamic banking industry: An analysis of the GCC banks. International Journal of Islamic and Middle Eastern Finance and Management, 13(1), 75-93. https://doi.org/10.1108/IMEFM-05-2016-0073

Rodoni, A., & Ali, Dr. Herni SE., M. (2014). Modern Financial Management. Mitra Wacana Media. Sakdiyah, 2022. (2022). Financial Performance Analysis Using Economic Value Added (EVA). https://doi.org/10.1088/1757-899X/180/1/012250

Sarkis, J., Zhu, Q., & Lai, K. H. (2011). An organizational theoretic review of green supply chain management literature. International Journal of Production Economics, 130(1), 1-15. https://doi.org/10.1016/j.ijpe.2010.11.010

shabbir&rehman, 2018. (2019). Layers of misconceptions about Islamic banking: Are Islamic banks threats, challenges and opportunities for investors? Journal of Islamic Marketing, 10(3), 874-892. https://doi.org/10.1108/JIMA-02-2018-0026

Truby, J., Brown, R., & Dahdal, A. (2020). Banking on AI: mandating a proactive approach to AI regulation in the financial sector. Law and Financial Markets Review, 14(2), 110-120. https://doi.org/10.1080/17521440.2020.1760454

Wahyuni, S., & Aidah, R. N. (2022). Measuring Financial Performance of Islamic Banking During the Covid-19 Pandemic and its Determinant Factors. IOSR Journal of Economics and Finance (IOSR-JEF), 13(2), 10-17. https://doi.org/10.9790/5933-1302041017

Wardani, D. K., & Khoiriyah, D. (University of S. T. (2018). The Effect of Business Strategy and Company Characteristics on Tax Avoidance. Dewantara Accounting, 2(1), 25-36.

Yuan, D., Gazi, M. A. I., Harymawan, I., Dhar, B. K., & Hossain, A. I. (2022). Profitability determining factors of banking sector: Panel data analysis of commercial banks in South Asian countries. Frontiers in Psychology, 13. https://doi.org/10.3389/fpsyg.2022.1000412