

Determination of Internal and External Factors of Sharia Banking In Turkey, Malaysia and Indonesia on The Rate of Asset Growth And Profitability In 2013 – 2020

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INFO

ABSTRACT

Article History

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The purpose of this study is to compare the performance of Islamic banking in Turkey, Malaysia and Indonesia which consists of CAR, FAR, FDR, BOPO, Company Size, Inflation, Interest Rates, Exchange Rate, GDP, Asset Growth Rate, Business Risk, ROA. The sample in this study used purposive sampling and obtained a sample of 5 Islamic banks in Turkey, Malaysia, Indonesia. The data used is secondary data in the form of quarterly reports or financial reports through the official website of each Islamic bank. Researchers processed the data obtained based on purposive sampling using the annual reports of Islamic banking in Indonesia, Malaysia and Turkey in 2013-2020. The results show that BOPO on Business Risk is not significant in Turkey and Malaysia, but significant in Indonesia. CAR, FAR, and Exchange Rate against Business Risk are not significant in Turkey, Malaysia and Indonesia. FDR on Business Risk is not significant in Turkey and Indonesia, but significant in Malaysia. GDP, Interest Rate, Firm Size, Inflation, Asset Growth Rate to Business Risk are not significant in Malaysia and Indonesia, but significant in Turkey. BOPO to ROA is not significant in Turkey and Indonesia, but significant in Malaysia. CAR FAR Inflation Exchange Rate Asset Growth Interest rates on ROA are not significant in Turkey, Malaysia and Indonesia. GDP to ROA is not significant in Malaysia and Indonesia, but significant in Turkey. Firm size on ROA is not significant in Malaysia and Indonesia, but significant in Turkey. CAR FAR FDR to Asset Growth Rate is not significant in Turkey, Malaysia and Indonesia. Firm Size to Asset Growth Rate is not significant in Turkey, Malaysia and Indonesia. BOPO, Inflation, Exchange Rate, GDP to Asset Growth is not significant in Turkey and Malaysia, but significant in Indonesia.



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Keywords: Bank Performance, Islamic Banks, Bank Comparison, Business Risk, ROA, Turkey, Malaysia, Indonesia.

INTRODUCTION

In recent years the world has been busy with a pandemic outbreak *Corona Virus Disease 2019* (COVID-19), Turkey, Malaysia and Indonesia are no exception. Meanwhile in the Islamic finance industry, its performance must be maintained in a stable manner due to the emergence of COVID-19 with past financial performance evaluations with the growth potential of Islamic Banks being better than Conventional Banks because of their elasticity in

several aspects. The fundamental objective of Islamic banking is to encourage the economic progress of the community through banking, financial, commercial and investment activities, which are expected to increase job opportunities and economic welfare (Ismail, 2014).

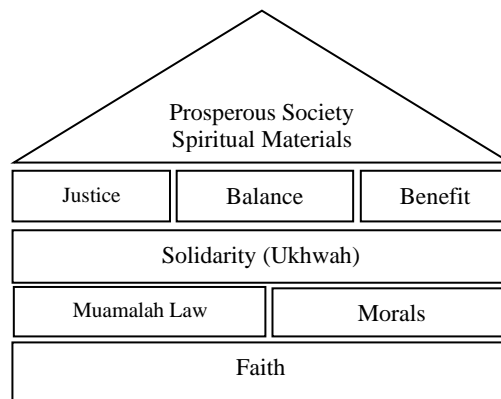


Figure 1. Islamic Economic Philosophy as the Philosophical Foundation of Islamic Banking

Source: (Bank Muamalat Cilegon, 2016)

Therefore, it is important to examine the performance evaluation that affects the asset growth and profitability of Islamic banks as a direction for the growth of the growth potential of Islamic banks in general, especially in countries with a majority Muslim population as well as potential market shares, which in this study are Turkey, Malaysia and Indonesia. Various Islamic Economics experts have also compiled recommendations from the National Committee for Islamic Financial Economics (KNEKS) that can be used as reference material by Islamic Banks as stated in the "Impact of The COVID-19 Outbreak on Islamic Finance in The OIC Countries" published by KNEKS on 22 May 2020 written by 24 authors from 12 member countries of the Organization of Islamic Cooperation (OIC).

These countries represent 87 percent of Islamic financial assets in the world, including Bahrain, Bangladesh, Brunei Darussalam, Indonesia, Iran, Malaysia, Nigeria, Oman, Pakistan, Saudi Arabia, Turkey and the United Arab Emirates. A well-managed bank can provide profits so that profitability increases and as an indicator that can be used to determine bank performance. In making financial statements, balance and profit and loss, you can use profitability ratios by comparing the various components in the financial statements (Kashmir, 2013).

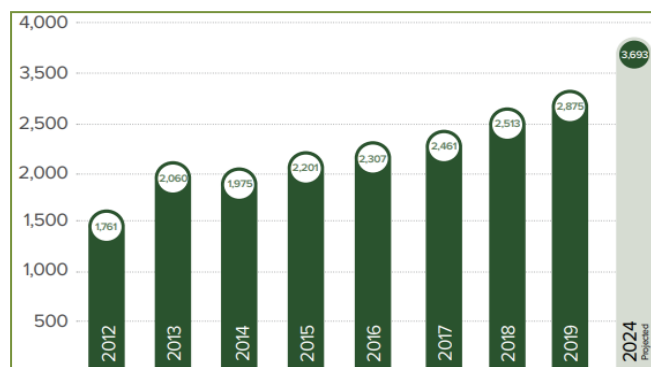


Figure 2. Year Financial Asset Growth 2011 – 2019 in US\$ Billion

Source: Islamic Corporation for the Development of the Private Sector, 2020)

As shown in Figure 1.2, explaining the growth of the world Islamic banking market looks very promising. Islamic banking encourages the growth of Islamic bank assets in Indonesia by 28%, and Turkey by 39%. The impact that will occur when Islamic banking assets are high then the market develops, including: Balancing the sustainability of the world economy and shifting eastward trade and GDP growth, Fundamental review of financial regulations, Reforms and enzyme changes in several developing markets, Internet and cellular technology for banking solutions (Islamic Corporation for the Development of the Private Sector, 2020)

Countries with Muslim-majority populations, there is a huge opportunity for Indonesia, Malaysia and Turkey to develop Islamic banking as well as With the evaluation of the performance of Islamic banks in Indonesia and Turkey, which are expected to continue to experience this growth, it becomes an important study to assess whether the bank is in a healthy or unhealthy condition, and can be a strategic study, especially in facing economic challenges such as the challenges of global conditions amid the COVID-19 pandemic. this as well as the growth strategy of Islamic banks that should be. Islamic banking performance indicators can be seen by paying attention to the amount of accurate Islamic banking performance ratios. In particular, looking at the effect of profitability indicators in this study which is proxied on ROA becomes very important in measuring the effectiveness of the company in generating profits by utilizing its assets.

The effect of CAR on Asset Growth in this study is supported by research by Labib Faruqi (2019), Alif Chandra Indura, Abdul Aziz Ahmad, Suprpto, Arintoko (2019), Alif Chandra Indura, Abdul Aziz Ahmad, Suprpto, Arintoko (2019), Reni Widyastuti and Siti Achiria (2018). The effect of CAR on ROA in this study is supported by the research of Eng. Ahmad Al-Harbi PhD (2020) influential and significant in Iran, Eng. Ahmad Al-Harbi PhD (2020) Influential and Significant in Sudan, Taufikur Rahman, Aprih Santoso (2019) Irawan, Dedi and Haryadi (2019), Lee Jun Quan, Suganthi Ramasamy, Devinaga Rasiyah, Yuen Yee Yen, Shalini Devi Pillay (2019), Erna Handayani, Naelati Tubastuv and Azmi Fitriat (2019), Mayunita, Nur (2017), Astohar (2016).

The effect of BOPO on asset growth is supported by the following research: Nadhiera Ahya Dhiba, Lavlimatria Esya (2019). The effect of BOPO on ROA is supported by the research of Wibowo, Wisnu Adi. Soebroto, Nina Woelan. Soemarso, Embun Duriany (2019), Aditya Surya Nanda, Andi Farouq Hasan, Erwan Aristyanto (2019), Irawan, Dedi and Haryadi (2019), Erna Handayani, Naelati Tubastuvi and Azmi Fitriat (2019), Mayunita, Nur (2017), Ariyanti, Indah Patricia Dhiana and Pranaditya (2017), Harianto, Syawal (2017), Linda Widyaningrum (2015).

The influence of FDR on asset growth is supported by research by Muhammad Yusuf, Tatang Fatoni (2019), Bagus Supriyanto and Shinta Permata Sari (2019), Jafar Abdurrahman (2015), Reni Widyastuti and Siti Achiria (2018). The effect of FDR on ROA is supported by the research of Syah, Toufan. Aldian (2018), Mochammad Chabachib, Anafil Windriya, Robiyanto Robiyanto and Hersugondo Hersugondo (2019), Efendy dan Fathoni (2019), Wibisono Muhammad Yusuf Salamah Wahyuni (2017), Uus Ahmad Husaeni (2017), Zubaidah Amalia & Hartono (2019), Litriani (2016), Ningsukma Hakim and Haqiqi (2016).

The effect of inflation on asset growth is supported by research by Elda Oktavianti, Satria Tri Nanda (2019), Reni Widyastuti and Siti Achiria (2018), Jafar Abdurrahman (2015), Syafrida and Aminah (2015). The influence of inflation on asset growth is not supported by research by Labib Faruqi (2019), Alif Chandra Indura, Abdul Aziz Ahmad, Suprpto, Arintoko (2019), Carissa Sridevi Megasuri, Shinta Permata Sari (2019), Diamantin Rohadatul Aisy, Imron Mawardi (2016). Regarding the effect of inflation on ROA, it is supported by research by Lee Jun Quan, Suganthi Ramasamy, Devinaga Rasiyah, Yuen Yee Yen, Shalini

Devi Pillay (2019). Meanwhile, the effect of inflation on ROA is not supported by the research of Erna Handayani, Naelati Tubastuvi and Azmi Fitriat (2019), Syah, Toufan. Aldian (2018), Munir, Misbahul (2018), Lemiyana, and Fretty Welta. (2017) M. Fajar Aditya P, Irni. Yunita (2016). Litriani (2016), Ni Wayan Lindayani, Sayu. Kt. (2016).

The effect of interest rates on asset growth is supported by research by Reni Widyastuti and Siti Achiria (2018). Meanwhile, the effect of the exchange rate on asset growth is supported by research by Reni Widyastuti and Siti Achiria (2018). The effect of Interest Rates on ROA is supported by the research of Eng. Ahmad Al-Harbi PhD (2020),

The effect of exchange rate on ROA is supported by research by Lemiyana and Fretty Welta. (2017), M. Fajar Aditya P, Irni. Yunita (2016), Litriani (2016). The influence of GDP on asset growth is supported by research by Nadhiera Ahya Dhiba, Lavlimatria Esya (2019), Elda Oktavianti, Satria Tri Nanda (2019), Alif Chandra Indura, Abdul Aziz Ahmad, Suprpto, Arintoko (2019), Reni Widyastuti and Siti Achiria (2018). Effect of GDP on ROA, Eng. Ahmad Al-Harbi PhD (2020) Influential For Iranian Banks, Eng. Ahmad Al-Harbi PhD (2020) influential For Sudanese Bank, Muhammad Said and Herni Ali (2016).

LITERATURE REVIEW

Differences between Islamic Banks and Conventional Banks

Some people still question the difference between Islamic and conventional banks. There are even some people who think that Islamic banks are only to attract business from the emotional segment of Muslims. Actually, there are quite a lot of differences between Islamic banks and conventional banks, from the paradigm, operations, organization to the products and schemes offered (Bank Bukopin Syariah, 2021).

Table 1. Differences in Islamic Banks and Conventional Bank

No.	Type of Difference	Islamic Bank	Conventional Bank
1.	Legal Foundation	Al-Qur'an & Al-Hadith + positive law	Positive Law
2.	Operational base	Profit sharing	Interest
3.	Product schema	Based on sharia, such as mudharabah, wadiah, murabahah, musyarakah, etc	Interest
4.	Pay attention to halal/haram Treatment of Public Funds	Community funds are deposits/investments that only get results if they are rotated/attempted first	Public funds are deposits that must be paid interest at maturity
5.	Fund distribution sector	Must be Halal	No

Source: (Bank Bukopin Syariah, 2021).

Capital Adequacy Ratio (CAR)

The CAR ratio is the ratio between capital and risk-weighted assets, translated by Bank Indonesia into KPMM (Minimum Capital Adequacy Requirement)(Circular No. 9/24/DPbS Regarding the Rating System for Commercial Bank Soundness Based on Sharia Principles, Appendix 1C, nd).

Financing to Asset Ratio (FAR)

The size of banking liquidity can also be indicated by the value of Financing to Asset Ratio (FAR). FAR is a ratio used to measure a bank's ability to meet financing requests through a guarantee of a number of assets owned (Abdullah, 2003).

Operating Efficiency Ratio

The OER ratio is the comparison between operating costs and operating income, by Bank Indonesia \translated into OER (Operating Efficiency Ratio) (Circular Letter No. 9/24/DPbS Regarding the Rating System for Commercial Bank Soundness Based on Sharia Principles, Appendix 1c, nd).

Financing to Deposit Ratio (FDR)

Financing to Deposit Ratio (FDR) is a comparison between the financing provided by the bank and third-party funds that have been successfully deployed by the bank, meaning that the Financing to Deposit Ratio (FDR) is the amount of funding issued by Islamic banks to support planned investments for a certain period of time. from the collection of third party funds (Maheasy & Harjanti, 2016).

Inflation

Inflation is an economic phenomenon that shows a continuous increase in the general price level. The condition for inflation is that there is a general and continuous increase in prices. Temporary price increases, for example price increases due to seasonality, approaching holidays, disasters and so on, are not referred to as inflation (Hasyim, 2016).

Interest rate

Mankiw stated that "the nominal interest rate is the sum of the real interest rate and the inflation rate". The nominal interest rate is the real interest rate plus the inflation rate, which can be formulated as follows: $R = i - \pi$, Where: R = real interest rate, i = nominal interest rate, π = inflation rate (Mankiw, 2013).

Exchange rate

The exchange rate or what is often referred to as the exchange rate is the price of one unit of foreign currency in the domestic currency or it can also be said that the price of the domestic currency against foreign currencies The inflation rate can have a positive or negative effect depending on the degree of inflation itself. Excessive inflation can cause losses to the economy as a whole, which can make many companies go bankrupt. An increase in inflation will cause an increase in the price of goods and will have an impact on an increase in production costs (Hermuningsih et al., 2018).

GDP

Gross domestic product is basically the amount of added value produced by all business units in a particular country, or is the total value of final goods and services produced by all economic units. GDP at current prices can be used to see the shift and structure of the economy, while constant prices are used to determine economic growth from year to year (Central Bureau of Statistics, 2021).

Company Size

Company size is a scale where the size of the company is classified based on various ways, including total assets, stock market value and sales value. The greater the total assets owned, the market value of shares and total sales, the greater the size of the company

(Bringham & Houston, 2018).

Asset Growth

Asset growth is the annual rate of change of total assets. An increase in assets followed by an increase in operating results will increase the confidence of outsiders in the company (Ainul et al., 2017).

Return on Assets (ROA)

ROA aims to measure the success of management in generating profits. The smaller this ratio indicates the lack of ability of bank management in terms of managing assets to increase revenue and or reduce costs. (Circular No. 9/24/DPbS Regarding the Rating System for Commercial Bank Soundness Based on Sharia Principles, Appendix 1C, nd).

According to Uma Sekaran, the framework is a conceptual model of how theory relates to various factors that have been identified as important to a problem (Ahmadi, 2016).

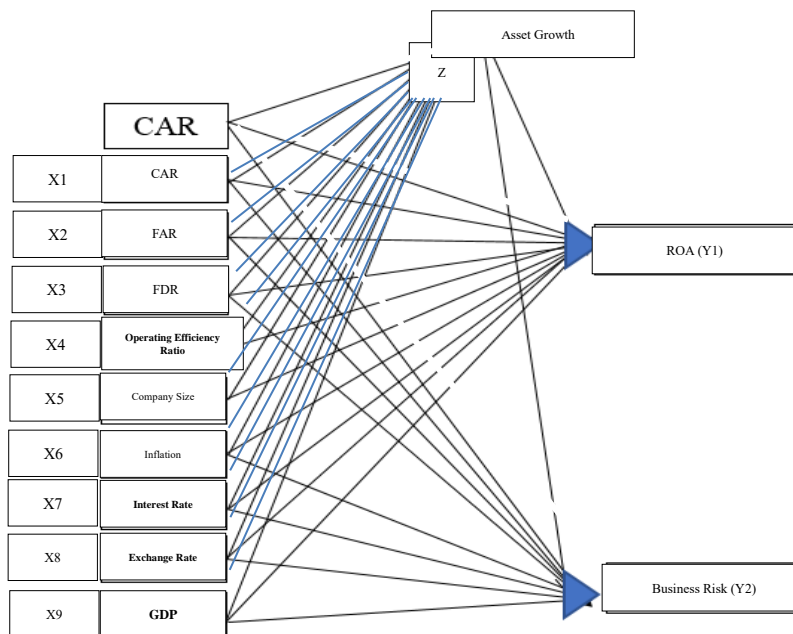


Figure 2. Framework

RESEARCH METHOD

The type of research used is quantitative research. The location of the research was carried out at TBBS, Bank Negara Malaysia and OJK through the websites of the respective Central Banks and the relevant country's Stock Exchanges. Indonesia through the website of each bank or on the bank's website. The population in this study is Islamic Commercial Banks in Indonesia registered with the Financial Services Authority (OJK).and Sharia Banking in Turkey registered Türkiye Katılım Bankaları Birliği (TKBB)year 2013-2020. The number of Islamic banking Islamic Commercial Banks in Indonesia registered with the Financial Services Authority (OJK) in 2013-2020 amounted to 14 companies. There are 16 registered Islamic banking companies in Malaysia. While the number of Islamic banking inTKBBin 2013-2020 amounted to 6 companies. Based on the saturated sample method, the number of samples (n) from the combined time series data (8 years = 8 annual reports) during the period 2013 – 2020. Then cross-sectional data (3 countries 5 banks). Polling data obtained 5 samples (8 years x 5 banks = 40). This study uses secondary data sources. The document taken in this

study is the annual financial report (annual report).

The sampling technique used is judgment sampling or purposive sampling. With this method, sampling is carried out based on the consideration of criteria that are in accordance with the purpose of the study, while the criteria are as follows:

- a. Sharia-based banks, not conventional banks, whether owned by the government, private, or foreign in their respective countries.
- b. Has the largest aggregate strength score of all Islamic banks in each country taken from The Asia Banker data, aggregate strength score data for the whole world is in the appendix. Because Turkey only has five Islamic banks, only five Islamic banks from Indonesia and Malaysia are taken according to criteria (b) to equalize (the aggregate strength score with the largest 5 banks is taken).
- c. The sample company has all the necessary data in full to calculate the ratio of CAR, FAR, FDR, BOPO, Company Size, Asset Growth, Business Risk and ROA (data needed related to the measurement of the variables used) for research during the period 2013-2020 (As of December 31).

The data used in this study is documentation / secondary data. The method of inferential statistical analysis is used by researchers as a means of analyzing a sample of the population whose results will be applied in general. The test equipment used is SEM (Structure Equation Modeling). To perform inferential analysis in this study, the analytical tool used is Partial Least Square (PLS), namely variance-based SEM, with SmartPLS 3.2.8 software. PLS is used in this study because the independent variables are formed from formative indicators. SEM is a type of multivariate analysis that aims to process several variables on the object under study simultaneously (Ghozali, 2014a).

RESULTS AND DISCUSSION

HYPOTHESIS TESTING

In testing this hypothesis, the researcher took the direct effect and indirect effect analysis method. This direct effect and indirect effect analysis has several criteria, among others, firstly if the path coefficient value is positive then the influence between variables goes in the same direction, second if the path coefficient value is negative then the influence between variables goes in the opposite direction, third if the P Values < 0.05 then the influence between variables is significant, and fourth if the P Values > 0.05 then the influence between variables is not significant. Below is the result of direct effect analysis.

The effect of BOPO on Business Risk in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.701 < 0.05$, in Malaysia it is $0.857 > 0.05$ and in Indonesia it is $0.000 > 0.05$. These results indicate that the effect of the BOPO variable on Business Risk is not significant in Turkey and Malaysia, but significant in Indonesia.

The effect of BOPO on ROA in Islamic banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic banks in Turkey is $0.246 < 0.05$, in Malaysia it is $0.003 > 0.05$ and in Indonesia it is $0.718 > 0.05$. These results indicate that the effect of the BOPO variable on ROA is not significant in Turkey and Indonesia, but significant in Malaysia.

The effect of BOPO on Asset Growth Rates in Islamic Banks in Turkey, Malaysia and Indonesia, the results show that the P-Value of Islamic Banks in Turkey is $0.814 < 0.05$, in Malaysia it is $0.914 > 0.05$ and in Indonesia it is $0.045 > 0.05$. . These results indicate that the effect of the BOPO variable on asset growth is not significant in Turkey and Malaysia, but significant in Indonesia.

The effect of CAR on Business Risk in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.961 < 0.05$, in Malaysia it is $0.834 > 0.05$ and in Indonesia it is $0.549 > 0.05$. These results indicate that the

effect of the CAR variable on Business Risk is not significant in Turkey, Malaysia and Indonesia. The effect of CAR on ROA in Islamic banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic banks in Turkey is $0.155 < 0.05$, in Malaysia it is $0.990 > 0.05$ and in Indonesia it is $0.954 > 0.05$. These results indicate that the effect of the CAR variable on ROA is not significant in Turkey, Malaysia and Indonesia.

Table 2. Results of Direct Effects Analysis

Indicator	Turkey	Malaysia	Indonesia
	P-Values		
BOPO to Business Risk	0.701	0.857	0.000
BOPO to ROA	0.246	0.003	0.718
BOPO to Asset Growth Rate	0.814	0.914	0.045
CAR to Business Risk	0.961	0.834	0.549
CAR to ROA	0.155	0.990	0.954
CAR to Asset Growth Rate	0.801	0.955	0.369
FAR to Business Risk	0.470	0.994	0.105
FAR to ROA	0.543	0.249	0.496
FAR to Asset Growth Rate	0.906	0.462	0.326
FDR to Business Risk	0.221	0.081	0.374
FDR to ROA	0.279	0.005	0.795
FDR to Asset Growth Rate	0.188	0.900	0.362
Inflation to Business Risk	0.751	0.511	0.233
Inflation to ROA	0.887	0.805	0.268
Inflation to Asset Level	0.006	0.013	0.698
Exchange rate to Business Risk	0.683	0.741	0.188
Exchange rate to ROA	0.154	0.876	0.231
Exchange rate to Asset Growth Rate	0.001	0.152	0.453
GDP to Business Risk	0.400	0.601	0.104
GDP to ROA	0.017	0.251	0.341
GDP to Asset Growth Rate	0.000	0.083	0.385
Interest rate to Business Risk	0.879	0.509	0.547
Interest rate to ROA	0.690	0.495	0.513
Interest rate to Asset Growth Rate	0.026	0.325	0.764
Asset Growth Rate to Business Risk	0.173	0.637	0.980
Asset Growth Rate to ROA	0.441	0.341	0.798
Company Size to Business Risk	0.913	0.279	0.750
Company Size to ROA	0.000	0.488	0.291
Company Size to Asset Growth Rate	0.329	0.556	0.612

Source: Smart-PLS 3.0. Data Processing Results

The effect of CAR on the growth rate of assets in Islamic banks in Turkey, Malaysia and Indonesia, the results show that the P-Value level of Islamic banks in Turkey is $0.801 < 0.05$, in Malaysia it is $0.955 > 0.05$ and in Indonesia it is $0.369 > 0.05$. These results indicate that the effect of the CAR variable on the Asset Growth Rate is not significant in Turkey, Malaysia and Indonesia.

The effect of FAR on Business Risk in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.470 < 0.05$, in Malaysia it is $0.994 > 0.05$ and in Indonesia it is $0.105 > 0.05$. These results indicate that the effect of the FAR variable on Business Risk is not significant in Turkey, Malaysia and Indonesia.

The effect of FAR on ROA in Islamic banks in Turkey, Malaysia and Indonesia, the

results show that the P-Value level of Islamic banks in Turkey is $0.543 < 0.05$, in Malaysia it is $0.249 > 0.05$ and in Indonesia it is $0.496 > 0.05$. These results indicate that the effect of the FAR variable on ROA is not significant in Turkey, Malaysia and Indonesia. The effect of FAR on Asset Growth Rates in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.906 < 0.05$, in Malaysia it is $0.462 > 0.05$ and in Indonesia it is $0.326 > 0.05$. These results indicate that the effect of the FAR variable on the Asset Growth Rate is not significant in Turkey, Malaysia and Indonesia.

The effect of FDR on Business Risk in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.221 < 0.05$, in Malaysia it is $0.081 > 0.05$ and in Indonesia it is $0.374 > 0.05$. These results indicate that the effect of the FDR variable on Business Risk is not significant in Turkey, Malaysia and Indonesia. The effect of FDR on ROA in Islamic banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic banks in Turkey is $0.279 < 0.05$, in Malaysia it is $0.005 > 0.05$ and in Indonesia it is $0.795 > 0.05$. These results indicate that the effect of the FDR variable on Business Risk is not significant in Turkey and Indonesia, but significant in Malaysia.

The Effect of FDR on Asset Growth Rates in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.188 < 0.05$, in Malaysia is $0.900 > 0.05$ and in Indonesia is $0.362 > 0.05$. These results indicate that the effect of the FDR variable on the level of asset growth is not significant in Turkey, Malaysia and Indonesia. The Influence of Inflation on Business Risk in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.751 < 0.05$, in Malaysia it is $0.511 > 0.05$ and in Indonesia it is $0.233 > 0.05$. These results indicate that the effect of the inflation variable on Business Risk is not significant in Malaysia and Indonesia, but significant in Turkey.

The effect of inflation on ROA in Islamic banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic banks in Turkey is $0.887 < 0.05$, in Malaysia it is $0.805 > 0.05$ and in Indonesia it is $0.268 > 0.05$. These results indicate that the effect of the inflation variable on ROA is not significant in Turkey, Malaysia and Indonesia. The Effect of Inflation on Asset Growth Rates in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.006 < 0.05$, in Malaysia it is $0.013 > 0.05$ and in Indonesia it is $0.698 > 0.05$. These results indicate that the effect of the inflation variable on the asset growth rate is not significant in Turkey and Indonesia but significant in Malaysia.

The Effect of Exchange Rate on Business Risk in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.683 < 0.05$, in Malaysia it is $0.741 > 0.05$ and in Indonesia is $0.188 > 0.05$. . These results indicate that the effect of the Exchange Rate variable on Business Risk is not significant in Turkey, Malaysia and Indonesia. The Effect of Exchange Rate on ROA in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.154 < 0.05$, in Malaysia it is $0.876 > 0.05$ and in Indonesia it is $0.231 > 0.05$. These results indicate that the effect of the Exchange Rate variable on ROA is not significant in Turkey, Malaysia and Indonesia.

The Effect of Exchange Rate on Asset Growth Rates in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.001 < 0.05$, in Malaysia is $0.152 > 0.05$ and in Indonesia is $0.453 > 0, 05$. These results indicate that the effect of the Exchange Rate variable on the Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey

The effect of GDP on business risk in Islamic banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic banks in Turkey is $0.400 < 0.05$, in Malaysia it

is $0.601 > 0.05$ and in Indonesia it is $0.104 > 0.05$. These results show that the effect of the GDP variable on Business Risk is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on ROA in Islamic banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic banks in Turkey is $0.017 < 0.05$, in Malaysia it is $0.251 > 0.05$ and in Indonesia it is $0.341 > 0.05$. These results indicate that the effect of the GDP variable on ROA is not significant in Malaysia and Indonesia, but significant in Turkey.

The Effect of GDP on Asset Growth Rates in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.000 < 0.05$, in Malaysia it is $0.083 > 0.05$ and in Indonesia it is $0.385 > 0.05$. These results show that the effect of the GDP variable on the Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey. The Influence of Interest Rates on Business Risk in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.879 < 0.05$, in Malaysia it is $0.509 > 0.05$ and in Indonesia it is $0.547 > 0.05$. These results show that the effect of the Interest Rate variable on Business Risk is not significant in Malaysia and Indonesia, but significant in Turkey.

The effect of interest rates on ROA in Islamic banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic banks in Turkey is $0.690 < 0.05$, in Malaysia it is $0.495 > 0.05$ and in Indonesia it is $0.513 > 0.05$. These results indicate that the effect of the interest rate variable on ROA is not significant in Turkey, Malaysia and Indonesia. The Influence of Interest Rates on Asset Growth Rates in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.026 < 0.05$, in Malaysia it is $0.325 > 0.05$ and in Indonesia it is $0.764 > 0.05$. These results show that the effect of the GDP variable on the Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey.

The Influence of Asset Growth Rate on Business Risk in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.173 < 0.05$, in Malaysia it is $0.637 > 0.05$ and in Indonesia it is $0.980 > 0.05$. These results indicate that the influence of the variable Asset Growth Rate on Business Risk is not significant in Malaysia and Indonesia, but significant in Turkey. The Effect of Asset Growth Rate on ROA in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.441 < 0.05$, in Malaysia it is $0.341 > 0.05$ and in Indonesia it is $0.798 > 0.05$. These results indicate that the influence of the Asset Growth variable on ROA is not significant in Turkey, Malaysia and Indonesia.

The Influence of Company Size on Business Risk in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.913 < 0.05$, in Malaysia it is $0.279 > 0.05$ and in Indonesia is $0.750 > 0.05$. These results indicate that the influence of the variable Company Size on Business Risk is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of firm size on ROA in Islamic banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic banks in Turkey is $0.000 < 0.05$, in Malaysia it is $0.488 > 0.05$ and in Indonesia it is $0.291 > 0.05$. These results indicate that the effect of the Firm Size variable on ROA is not significant in Malaysia and Indonesia, but significant in Turkey.

The Effect of Firm Size on Asset Growth Rates in Islamic Banks in Turkey, Malaysia and Indonesia, the results show the P-Value level of Islamic Banks in Turkey is $0.329 < 0.05$, in Malaysia it is $0.556 > 0.05$ and in Indonesia it is $0.612 > 0.05$. These results indicate that the effect of the Firm Size variable on the Asset Growth Rate is not significant in Turkey, Malaysia and Indonesia.

Table 3. Indirect Effect Analysis Results

Indicator	Turkey	Malaysia	Indonesia
	P-Values		
Inflation → Asset Growth Rate → ROA	0.530	0.383	0.123
Company Size → Asset Growth Rate → ROA	0.560	0.735	0.927
Exchange rate → Asset Growth Rate → Business Risk	0.251	0.738	0.979
CAR → Asset Growth Rate → Business Risk	0.825	0.982	0.990
BOPO → Asset Growth Rate → Business Risk	0.855	0.962	0.984
FDR → Asset Growth Rate → ROA	0.643	0.932	0.847
GDP → Asset Growth Rate → Business Risk	0.220	0.707	0.982
FAR → Asset Growth Rate → ROA	0.951	0.677	0.865
Company Size → Asset Growth Rate → Business Risk	0.514	0.847	0.992
Inflation → Asset Growth Rate → Business Risk	0.285	0.666	0.902
FDR → Asset Growth Rate → Business Risk	0.399	0.964	0.998
Exchange rate → Asset Growth Rate → ROA	0.532	0.514	0.790
FAR → Asset Growth Rate → Business Risk	0.929	0.766	0.980
Interest rate → Asset Growth Rate → ROA	0.546	0.575	0.930
BOPO → Asset Growth Rate → ROA	0.891	0.949	0.794
CAR → Asset Growth Rate → ROA	0.881	0.970	0.863
GDP → Asset Growth Rate → ROA	0.474	0.382	0.863
Interest rate → Asset Growth Rate → Business Risk	0.310	0.781	0.994

The 1st indirect effect, the results show the level of P-Value of Islamic Banks in Turkey is $0.530 < 0.05$, in Malaysia it is $0.383 > 0.05$ and in Indonesia is $0.123 > 0.05$. These results indicate that the Asset Growth Rate does not mediate Inflation on ROA in Turkey, Malaysia and Indonesia. The second indirect effect, the results show that the level of P-Value of Islamic Banks in Turkey is $0.583 < 0.05$, in Malaysia it is $0.735 > 0.05$ and in Indonesia it is $0.927 > 0.05$. These results indicate that the Asset Growth Rate does not mediate Firm Size on ROA in Turkey, Malaysia and Indonesia.

The third indirect effect, the results show that the level of P-Value of Islamic Banks in Turkey is $0.251 < 0.05$, in Malaysia it is $0.738 > 0.05$ and in Indonesia it is $0.979 > 0.05$. These results indicate that the Asset Growth Rate does not mediate the Exchange Rate on Business Risk in Turkey, Malaysia and Indonesia.

The fourth indirect effect, the results show that the level of P-Value of Islamic Banks in Turkey is $0.825 < 0.05$, in Malaysia it is $0.982 > 0.05$ and in Indonesia it is $0.990 > 0.05$. These results indicate that the level of asset growth does not mediate CAR on Business Risk in Turkey, Malaysia and Indonesia. The fifth indirect effect, the results show that the level of P-Value of Islamic Banks in Turkey is $0.855 < 0.05$, in Malaysia it is $0.962 > 0.05$ and in Indonesia it is $0.865 > 0.05$. These results indicate that the level of asset growth does not mediate BOPO on Business Risk in Turkey, Malaysia and Indonesia.

The 6th indirect effect, the results show that the level of P-Value of Islamic Banks in Turkey is $0.643 < 0.05$, in Malaysia it is $0.932 > 0.05$ and in Indonesia it is $0.847 > 0.05$. These results indicate that the level of asset growth does not mediate FDR on ROA in Turkey, Malaysia and Indonesia. The 7th indirect effect, the results show that the level of P-Value of Islamic Banks in Turkey is $0.220 < 0.05$, in Malaysia it is $0.707 > 0.05$ and in Indonesia it is $0.982 > 0.05$. These results indicate that the level of asset growth does not mediate GDP on Business Risk in Turkey, Malaysia and Indonesia.

The 8th indirect effect, the results show that the level of P-Value of Islamic Banks in Turkey is $0.951 < 0.05$, in Malaysia it is $0.677 > 0.05$ and in Indonesia it is $0.980 > 0.05$. These results indicate that the level of asset growth does not mediate FAR on ROA in Turkey, Malaysia and Indonesia. The 9th indirect effect, the results show that the P-Value level of Islamic banks in Turkey is $0.514 < 0.05$, in Malaysia it is $0.847 > 0.05$ and in Indonesia it is $0.994 > 0.05$. These results indicate that the level of asset growth does not mediate Firm Size on Business Risk in Turkey, Malaysia and Indonesia.

The 10th indirect effect, the results show that the level of P-Value of Islamic Banks in Turkey is $1.070 < 0.05$, in Malaysia it is $0.666 > 0.05$ and in Indonesia it is $0.990 > 0.05$. These results indicate that the growth rate of assets does not mediate inflation on business risk in Turkey, Malaysia and Indonesia. The 11th indirect effect, the results show the level of P-Value of Islamic Banks in Turkey is $0.399 < 0.05$, in Malaysia it is $0.964 > 0.05$ and in Indonesia it is $0.988 > 0.05$. These results indicate that the level of asset growth does not mediate FDR on Business Risk in Turkey, Malaysia and Indonesia.

The 12th indirect effect, the results show that the level of P-Value of Islamic Banks in Turkey is $0.532 < 0.05$, in Malaysia is $0.532 > 0.05$ and in Indonesia is $0.984 > 0.05$. These results indicate that the growth rate of assets does not mediate the Exchange Rate on ROA in Turkey, Malaysia and Indonesia. The 13th indirect effect, the results show that the level of P-Value of Islamic Banks in Turkey is $0.929 < 0.05$, in Malaysia it is $0.929 > 0.05$ and in Indonesia it is $0.794 > 0.05$. These results indicate that the level of asset growth does not mediate FAR on ROA in Turkey, Malaysia and Indonesia.

The 14th indirect effect, the results show the level of P-Value of Islamic Banks in Turkey is $0.546 < 0.05$, in Malaysia is $0.546 > 0.05$ and in Indonesia is $0.546 > 0.05$. These results indicate that the level of asset growth does not mediate the rate of interest on ROA in Turkey, Malaysia and Indonesia. The 15th indirect effect, the results show that the P-Value of Islamic Banks in Turkey is $0.891 < 0.05$, in Malaysia it is $0.891 > 0.05$ and in Indonesia it is $0.930 > 0.05$. These results indicate that the level of asset growth does not mediate BOPO on ROA in Turkey, Malaysia and Indonesia.

The 16th indirect effect, the results show that the P-Value of Islamic Banks in Turkey is $0.881 < 0.05$, in Malaysia it is $0.881 > 0.05$ and in Indonesia it is $0.863 > 0.05$. These results indicate that the level of asset growth does not mediate CAR on ROA in Turkey, Malaysia and Indonesia. The 17th indirect effect, the results show that the P-Value of Islamic Banks in Turkey is $0.474 < 0.05$, in Malaysia it is $0.474 > 0.05$ and in Indonesia it is $0.843 > 0.05$. These results indicate that the level of asset growth does not mediate GDP on ROA in Turkey, Malaysia and Indonesia. In the 18th indirect effect, the results show that the P-Value of Islamic Banks in Turkey is $0.310 < 0.05$, in Malaysia it is $0.310 > 0.05$ and in Indonesia it is $0.266 > 0.05$. These results indicate that the level of asset growth does not mediate Interest Rates on Business Risk in Turkey, Malaysia and Indonesia.

CONCLUSIONS AND SUGGESTIONS

Based on the results of the research above, several conclusions can be drawn, including: The effect of BOPO on Business Risk is not significant in Turkey and Malaysia, but significant in Indonesia. The effect of BOPO on ROA is not significant in Turkey and Indonesia, but significant in Malaysia. The effect of BOPO on Asset Growth is not significant in Turkey and Malaysia, but significant in Indonesia. The effect of CAR on Business Risk is not significant in Turkey, Malaysia and Indonesia. The effect of CAR on ROA is not significant in Turkey, Malaysia and Indonesia. The effect of the CAR variable on the Asset Growth Rate is not significant in Turkey, Malaysia and Indonesia.

The effect of FAR on Business Risk is not significant in Turkey, Malaysia and Indonesia. The effect of FAR on ROA is not significant in Turkey, Malaysia and Indonesia.

The effect of FAR on Asset Growth Rate is not significant in Turkey, Malaysia and Indonesia. The effect of FDR on Business Risk is not significant in Turkey, Malaysia and Indonesia. The effect of FDR on Business Risk is not significant in Turkey and Indonesia, but significant in Malaysia. The effect of FDR on Asset Growth Rate is not significant in Turkey, Malaysia and Indonesia. The effect of inflation on business risk is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of inflation on ROA is not significant in Turkey, Malaysia and Indonesia. The effect of Inflation on Asset Growth Rate is not significant in Turkey and Indonesia but significant in Malaysia. The effect of Exchange Rate on Business Risk is not significant in Turkey, Malaysia and Indonesia. The effect of Exchange Rate on ROA is not significant in Turkey, Malaysia and Indonesia. The effect of Exchange Rate on Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on Business Risk is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on ROA is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey.

The effect of Exchange Rate on ROA is not significant in Turkey, Malaysia and Indonesia. The effect of Exchange Rate on Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on Business Risk is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on ROA is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of Exchange Rate on ROA is not significant in Turkey, Malaysia and Indonesia. The effect of Exchange Rate on Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on Business Risk is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on ROA is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on Business Risk is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on ROA is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on Business Risk is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on ROA is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of GDP on Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey.

The effect of interest rates on business risk is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of interest rates on ROA is not significant in Turkey, Malaysia and Indonesia. The effect of interest rates on asset growth rates is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of Business Risk Asset Growth Rate is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of Asset Growth Rate on ROA is not significant in Turkey, Malaysia and Indonesia. The effect of firm size on business risk is not significant in Malaysia and Indonesia, but significant in Turkey. The effect of firm size on ROA is not significant in Malaysia and Indonesia, but significant in Turkey.

SUGGESTION

This study only compares in 3 countries, namely in Turkey, Malaysia and Indonesia, so it cannot reflect the situation banking sector globally. Therefore, in researchers who Next, it is expected to use a sample of the population in the country which has other strong Islamic banks. Business Risk Variables cannot represent business risk in the current situation the truth because the Return on Assets data is only obtained from annual financial report data, it would

be better if taken from Monthly ROA so that it is better able to represent business risk in one year.

Further researchers can also add mediation variables or other interventions that can affect ROA and risk Business other than Asset Growth so as to get more results accurate. Further research can conduct different tests on ROA and business risks in various samples so that the results are better and represent the real situation. Further research can also add the ratio variable other financial parameters that can be used as parameters to assess business risk banking.

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