







“The effect of the COVID-19 pandemic on profitability performance and maqashid sharia performance in Islamic commercial banks in the ASEAN region”

AUTHORS	Kautsar Riza Salman   Entis Sutisna  Jana Siti Nor Khasanah  Adolf Z.D. Siahay 
ARTICLE INFO	Kautsar Riza Salman, Entis Sutisna, Jana Siti Nor Khasanah and Adolf Z.D. Siahay (2024). The effect of the COVID-19 pandemic on profitability performance and maqashid sharia performance in Islamic commercial banks in the ASEAN region. <i>Banks and Bank Systems</i> , 19(3), 80-90. doi: 10.21511/bbs.19(3).2024.08
DOI	http://dx.doi.org/10.21511/bbs.19(3).2024.08
RELEASED ON	Tuesday, 10 September 2024
RECEIVED ON	Friday, 22 December 2023
ACCEPTED ON	Tuesday, 23 July 2024
LICENSE	 This work is licensed under a Creative Commons Attribution 4.0 International License
JOURNAL	"Banks and Bank Systems"
ISSN PRINT	1816-7403
ISSN ONLINE	1991-7074
PUBLISHER	LLC “Consulting Publishing Company “Business Perspectives”
FOUNDER	LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

62



NUMBER OF FIGURES

0



NUMBER OF TABLES

10

© The author(s) 2024. This publication is an open access article.



BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine
www.businessperspectives.org

Received on: 22nd of December, 2023
Accepted on: 23rd of July, 2024
Published on: 10th of September, 2024

© Kautsar Riza Salman, Entis Sutisna,
Jana Siti Nor Khasanah, Adolf Z. D.
Siahay, 2024

Kautsar Riza Salman, Ph.D., Associate
Professor, Faculty of Economics and
Business, Department of Accounting,
Hayam Wuruk Perbanas University,
Indonesia. (Corresponding author)

Entis Sutisna, Ph.D., Assistant Professor
/ Lecturer, Faculty of Economics,
Department of Management, Yapris
Papua University, Indonesia.

Jana Siti Nor Khasanah, Ph.D.,
Assistant Professor / Lecturer, Faculty
of Sharia, Department of Sharia
Economic Law (Muamalah), Fattahul
Muluk State Islamic Institute of Papua,
Indonesia.

Adolf Z.D. Siahay, Ph.D., Associate
Professor / Lecturer, Postgraduate
Faculty, Department of Regional
Finance, Cenderawasih University,
Indonesia.



This is an Open Access article,
distributed under the terms of the
[Creative Commons Attribution 4.0
International license](https://creativecommons.org/licenses/by/4.0/), which permits
unrestricted re-use, distribution, and
reproduction in any medium, provided
the original work is properly cited.

Conflict of interest statement:
Author(s) reported no conflict of interest

Kautsar Riza Salman (Indonesia), Entis Sutisna (Indonesia),
Jana Siti Nor Khasanah (Indonesia), Adolf Z. D. Siahay (Indonesia)

THE EFFECT OF THE COVID-19 PANDEMIC ON PROFITABILITY PERFORMANCE AND MAQASHID SHARIA PERFORMANCE IN ISLAMIC COMMERCIAL BANKS IN THE ASEAN REGION

Abstract

The outbreak of COVID-19 in early 2020 has caused a crisis in various sectors, including the economic sector. In fact, its impact on the performance of Islamic banks in the ASEAN region is currently still unknown. Therefore, this study aims to obtain empirical evidence regarding the effect of COVID-19 on profitability performance and maqashid sharia performance in Islamic banks in the ASEAN region. Profitability performance is measured by return on equity (ROE) and return on assets (ROA). The number of observations from this study was 202 with a sample of 30 Islamic commercial banks in the ASEAN region in 2015–2021. The data analysis technique used is EViews 12. The results show that COVID-19 has no significant effect on profitability performance in Islamic banks, whether measured by ROE or ROA. On the other hand, COVID-19 has a significant effect on reducing the maqashid sharia performance. In addition, company size has been proven to positively affect profitability performance and maqashid sharia performance in Islamic banks before and after the COVID-19 pandemic. Operating expense ratio (OER) has been proven to affect ROE and ROA, whereas FDR and non-performing financing (NPF) have been proven to only affect ROA. OER influences promoting welfare, while FDR and NPF influence establishing justice. The study results confirm the ability of Islamic banks to generate profits amidst the COVID-19 pandemic. They also confirm the negative impact of the COVID-19 pandemic on three aspects of maqashid sharia performance.

Keywords

performance, profitability, ROE, ROA, size, maqashid,
COVID-19, pandemic, ASEAN

JEL Classification

G21, G34, M21, M41

INTRODUCTION

The COVID-19 pandemic is not only affecting health issues but is also causing disruptions to the global economy (Hasan et al., 2020). In the global banking sector, growth in conventional bank lending and Islamic bank lending has slowed. However, conventional banks have experienced a more significant decline (Boubakri et al., 2023). In countries more severely affected by the health crisis, the impact on bank lending is smaller. These effects also depend on the financial condition of banks (Çolak & Öztekin, 2021). The coronavirus disease is impacting the decline in stock price indices and economic growth (Haryanto, 2020; Saraswati, 2019).

The study objective is to obtain evidence on the impact of COVID-19 on the profitability and Maqasid Shariah performance in the ASEAN region. The study provides a deeper understanding of how the crisis

is likely to impact the Islamic banking sector. Banking plays an important role in the economies of ASEAN countries, the most Muslim-majority region in the world (Rizaty, 2022). Moreover, Islamic banks in ASEAN countries have demonstrated good resilience in times of crisis (Luqmanulhakim et al., 2021). In Indonesia, Islamic banking has been running for more than 24 years since Law Number 10 of 1997 concerning Banking was first passed (Salman, 2021). Islamic banking assets in Indonesia experienced growth of 14.21% year on year (yoy) in July 2022 to IDR 721 trillion. The Islamic banking third party fund collection in the same period grew by 13.55% to IDR 572 trillion, greater than the national banking third party fund collection, which only grew 8.62% to IDR 7,898 trillion (Rahayu, 2022). Bank Islam Malaysia Berhad was the first Islamic bank established in 1983. As of 2019, the first Islamic bank Tabung Amanah Islam Brunei (TAIB) has been operating in Brunei Darussalam since September 1992, and since 2000, all banks in Brunei operate according to sharia principles (Ghozali et al., 2019).

The performance of Islamic banks in ASEAN is still good and above conventional banks in terms of increasing assets, third-party financing, and financing for the fiscal year ending July 2022 (Pambuko et al., 2018; Trad et al., 2017a). However, in the final stages of the crisis, Islamic banks experienced far greater financial instability than conventional banks (Alqahtani & Mayes, 2018). Based on maqasid sharia studies, Islamic scholars agree and recommend continuing economic growth during the pandemic (Ash-Shiddiqy & Fitriyati, 2022). It is hoped that all economic instruments based on Maqasid Sharia will be a sustainable solution to alleviate the impact of the economic crisis (Rusydia et al., 2021).

1. LITERATURE REVIEW AND HYPOTHESES

Profitability is the performance achieved by banks in the aspect of profit generation. Factors that determine the rise and fall of Islamic bank profitability include bank size and capital (Trad et al., 2017b), sharia supervision, governance, and capital adequacy ratio (Tashkandi, 2022). Size and capital adequacy determined the profitability of Islamic banks and reduced risk in 13 countries in the MENA region in 2006–2013 (Trad et al., 2017a). Sharia supervision and governance are related to banks' profitability (Tashkandi, 2022). Apart from that, Islamic banks have proven to be less cost-effective. However, Islamic banks have better asset quality and capital, as well as higher intermediation ratios (Beck et al., 2013).

Maqashid sharia is the target of law in order to produce good benefits (*al-mashlahah*) and avoid harm (*mudharat*) (Jazil & Syahrudin, 2013). Benefits are divided into three levels: necessity, complement, and embellishment. Necessity is a vital element for human well-being. This basic element must be fulfilled; otherwise, this will destroy the continuity of social life. Complement is an element that makes human life more comfortable. Embellishment is an element associated with moral and ethical rules (Mohammed et al.,

2015). According to Al-Shatibi, sharia is not only intended to maintain the good benefit but also spread (*tabligh*) the benefit for human life. These five elements are religion, life, mind, dignity, and wealth (Malik, 2015). Maqashid sharia is intended to contribute prosperity through the protection of religion, life, mind, dignity, and wealth (Jazil & Syahrudin, 2013). In line with this, the elements of maqashid sharia include wealth, prosperity, intellect, faith, and the human self (Esen, 2015). Specifically, maqashid sharia is divided into three objectives (Zahrah, 1994). Zahrah (1994) and Razak et al. (2008) formulate an evaluation for Islamic banks based on the concept of maqashid sharia (Razak et al., 2008). In most cases, Islamic banks fail to fulfill the maqasid of Sharia optimally (Antonio et al., 2020).

At the beginning of the crisis, empirical research was still focused on the effect of the pandemic on the performance in the capital market (Ashraf, 2020; Keliuotyte-Staniuleniene & Kviklis, 2022; Trisnowati & Muditomo, 2021; Yunus Kasim et al., 2022). Stock market returns decreased along with the increase in the cases during the January–April 2020 pandemic in 64 countries in the world (Ashraf, 2020). Furthermore, stock market reactions to the spread of COVID-19 differ depending on the period and country (Keliuotyte-Staniuleniene & Kviklis, 2022). Specifically, Indonesia, as one of the

countries in the Southeast Asia (ASEAN) region, is also affected by the COVID-19 (Trisnowati & Muditomo, 2021). Additionally, COVID-19 immediately impacted the LQ45 Listing Exchange since the beginning of the incident, and its response has varied from time to time (Yunus Kasim et al., 2022).

Under normal circumstances, it is observed that the performance of Islamic banks is influenced by several aspects such as CAR, NIM, and FDR (Widyakto & Wahyudi, 2021). In a crisis, however, the results are different. The crisis has proven to affect the performance of companies, including sharia banks. Empirically, several researchers have previously tested the impact of the financial crisis and the COVID-19 pandemic on the performance of banking, and the findings were inconsistent (Alnabulsi et al., 2022; Grassa et al., 2022; Trad et al., 2017b). The global financial crisis was found to have affected the performance of 77 Islamic banks and 101 conventional banks in the MENA region between 2006 and 2013 (Trad et al., 2017b). Overall, Islamic banks have not been as profitable during the coronavirus pandemic as they were during the global financial crisis (Grassa et al., 2022). Thus, the financial crisis and the COVID-19 pandemic have been empirically proven to have an impact on Sharia banks (Grassa et al., 2022; Trad et al., 2017a). However, the studies by Grassa et al. (2022) and Trad et al. (2017b) are different from those conducted by Alnabulsi et al. (2022). With a larger sample consisting of 74 banks in 11 MENA and a longer research period (2005–2020), it was found that the level of NPL is more sensitive to bank-specific rather than macro-economic factors (Alnabulsi et al., 2022).

In a broader context, maqashid sharia during the COVID-19 pandemic is intended to protect lives through health protocols and maintaining distance in various sectors. A study related to the implementation of maqashid sharia in a social institution was carried out by Dahlan et al. (2021). From the perspective of Islamic needs, in the context of the COVID-19 pandemic, the apposition of the principles of *hifzun nafs* in mosques is considered a primary need (*darūriyyāt*) because protecting life is the same as providing spiritual continuity in carrying out worship collectively. The performance of maqashid sharia includes aspects of education, justice, and welfare. This performance

is expected to help Islamic banks achieve economic justice in society. This can all be achieved by reducing the gap in society within a framework that is in accordance with maqashid sharia. According to Pireh (2022), in order to ensure justice and prosperity during the COVID-19 pandemic, Islamic banks offer sharia-compliant stock trading, sharia-compliant crowdfunding platforms, and sharia microfinance financing in the form of Qardul Hasan. Apart from that, financing for industrial factories and low-margin Murabahah facilities is also provided to ensure justice and prosperity.

This study aims to test the effect of COVID-19 on profitability and maqashid sharia performance in the ASEAN region. This study formulates five hypotheses:

H_1 : *The COVID-19 pandemic has an effect on ROE.*

H_2 : *The COVID-19 pandemic has an effect on ROA.*

H_3 : *The COVID-19 pandemic has an effect on the maqashid sharia performance in terms of educating individuals.*

H_4 : *The COVID-19 pandemic has an effect on the maqashid sharia performance in terms of establishing justice.*

H_5 : *The COVID-19 pandemic has an effect on the maqashid sharia performance in terms of promoting welfare.*

2. RESEARCH METHODOLOGY

The dependent variables in this study are financial performance and maqashid sharia performance. Financial performance is represented by two variables: ROE and ROA (Kirimi et al., 2022; Kosmidou, 2008; Naceur & Omran, 2011; Siddiqui, 2008).

Maqashid sharia performance is represented by three variables: educating individuals, establishing justice, and promoting welfare. The variable of educating individuals is used to measure the ability of Islamic banks to increase the knowl-

edge and expertise of human resources owned by Islamic banks and increase public awareness about Islamic banks. This variable is coded as MSEI, indicating maqashid sharia performance related to the goal of educating individuals. The variable of establishing justice is used to measure the establishment of fair contracts for depositors. This variable is coded MSEJ, indicating the performance of maqashid sharia related to the goal of establishing justice. The variable of promoting welfare is used to measure the distribution of income and welfare for society. This variable is coded MSPW, indicating the performance related to the goal of promoting welfare (Alhammedi et al., 2020; Khoiriyah & Salman, 2020; Razak et al., 2008; Salman, 2023; Salman et al., 2018).

COVID-19 is a dummy, where 1 indicates the time when the pandemic occurred starting from 2020 to 2021, while 0 indicates the period before the pandemic occurred starting from 2015 to 2019 (Abdulla & Ebrahim, 2022; Alsamhi et al., 2022).

The control variables are size, OER, FDR, and NPF. Size is measured by the natural logarithm of the total assets owned by an Islamic bank (Caporale et al., 2017; Jaara et al., 2021; Kirimi et al., 2022; Zeitun, 2012). OER reflects the efficiency of a bank's operations. This variable is measured by the ratio of operating expenses divided by operating income (Dietrich & Wanzenried, 2014; Saif-Alyousfi, 2020; Sun et al., 2017). FDR is measured by the ratio of total financing to total third party funds. NPF is measured by the non-performing financing ratio divided by total financing. This ratio carries the risk of customers' inability to pay off the financing they receive, especially during the COVID-19 pandemic crisis (Battaglia & Gallo, 2015; Trad et al., 2017a).

Population is all Islamic banks in the ASEAN for 7 years (2015–2021). Sampling is carried out using criteria: (1) Islamic banks have the status of Islamic commercial banks; and (2) Banks have complete annual financial reports from 2015 to 2021. The study sample is grouped by country (Table 1), and the number of research observations reached 202 (Table 2).

Table 1. Study samples by country

Source: Authors' elaboration.

No.	Country	Number of Samples
1	Indonesia	12
2	Malaysia	16
3	Brunei	1
4	Filipina	1
Total		30

Table 2. Research observations

Source: Authors' elaboration.

No.	Information	Total
1	Total population	30
2	Research period	7
3	Population x research period	210
4	Financial reports are incomplete	(8)
5	Number of research observations	202

To achieve the research objective, this study applies multivariate analysis based on the estimation of five regression models. Each model is created to test each hypothesis described previously.

First regression model (Return on Equity as a dependent variable)

$$ROE = \alpha_0 + \alpha_1 COVID_{it} + \alpha_2 SIZE_{it} + \alpha_3 OER_{it} + \alpha_4 FDR_{it} + \alpha_5 NPF_{it} + \varepsilon_{it}. \quad (1)$$

Second regression model (Return on Assets as a dependent variable)

$$ROA = \alpha_0 + \alpha_1 COVID_{it} + \alpha_2 SIZE_{it} + \alpha_3 OER_{it} + \alpha_4 FDR_{it} + \alpha_5 NPF_{it} + \varepsilon_{it}. \quad (2)$$

Third regression model (Maqashid Sharia of Educating Individuals as a dependent variable)

$$MSEI = \alpha_0 + \alpha_1 COVID_{it} + \alpha_2 SIZE_{it} + \alpha_3 OER_{it} + \alpha_4 FDR_{it} + \alpha_5 NPF_{it} + \varepsilon_{it}. \quad (3)$$

Fourth regression model (Maqashid Sharia of Establishing Justice as dependent variable)

$$MSEJ = \alpha_0 + \alpha_1 COVID_{it} + \alpha_2 SIZE_{it} + \alpha_3 OER_{it} + \alpha_4 FDR_{it} + \alpha_5 NPF_{it} + \varepsilon_{it}. \quad (4)$$

Fifth regression model (Maqashid Sharia of Promoting Welfare as a dependent variable)

$$MSPW = \alpha_0 + \alpha_1 COVID_{it} + \alpha_2 SIZE_{it} + \alpha_3 OER_{it} + \alpha_4 FDR_{it} + \alpha_5 NPF_{it} + \varepsilon_{it}. \quad (5)$$

3. RESULTS

This study’s panel data are analyzed and tested using EViews 12. The Hausman test shows that the best model used is REM because the random cross-section probability value is 0.3698 ($p > 0.05$) (Table 3). The results show that the Breusch-Pagan p-value is 0.0017 ($p < 0.05$) (Table 4), so it rejects the null hypothesis and the best model is the random effect model.

Table 3. Hausman test

Source: Calculation results using EViews.

Test Summary	Chi-Square Statistics	Chi-Square d.f.	p
Cross-section random	5.393612	5	0.3698

Table 4. Lagrange multiplier test

Source: Calculation results using EViews.

Null (no rand. effect) Alternative	Cross-section	Time	Both
Breusch-Pagan	9.880286 (0.0017)	0.010516 (0.9183)	9.890802 (0.0017)

The testing of the first hypothesis shows that COVID-19 has no effect on return on equity (ROE) with a p-value of 0.2340 ($p > 0.05$). The testing of control variables shows that the Islamic bank size and operational efficiency ratio have an effect on return on equity in ASEAN countries ($p < 0.05$). Adjusted R² is 29.78% (Table 5).

$$ROE = -0.209383 - 0.113446 COVID_{it} + 0.026738 SIZE_{it} - 0.0517064 OER_{it} + 4.67E - 05 FDR_{it} - 0.987971 NPF_{it} + \varepsilon_{it} \quad (6)$$

Table 5. First model

Source: Calculation results using EViews.

Variable	C	SE	t	p
C	-0.209383	0.346877	-0.603622	0.5468
COVID	-0.113446	0.095026	-1.193846	0.2340
SIZE	0.026738	0.013112	2.039262	0.0428
OER	-0.517064	0.065132	-7.938667	0.0000
FDR	4.67E-05	9.25E-05	0.505177	0.6140
NPF	-0.987971	0.991797	-0.996142	0.3204
Adjusted R ²	0.297809			

The results show that the COVID-19 pandemic has no effect on ROA with a p-value of 0.1511 ($p > 0.05$). The testing of control variables shows that all control variables (Islamic bank size, operation-

al efficiency ratio, FDR, and NPF) have an effect on ROA in ASEAN countries ($p < 0.05$). Adjusted R² is 69.6%, meaning that the rise and fall of ROA is determined by the variables at 69.6% (Table 6).

$$ROA = -0.015733 + 0.003548 COVID_{it} + 0.001899 SIZE_{it} - 0.029160 OER_{it} + 6.94E - 06 FDR_{it} - 0.284935 NPF_{it} + \varepsilon_{it} \quad (7)$$

Table 6. Second model

Source: Calculation results using EViews.

Variable	C	SE	t	p
C	-0.015733	0.010164	-1.547860	0.1233
COVID	0.003548	0.002462	1.441424	0.1511
SIZE	0.001899	0.000383	4.952376	0.0000
OER	-0.029160	0.001859	-15.68589	0.0000
FDR	6.94E-06	2.48E-06	2.794018	0.0057
NPF	-0.284935	0.026514	-10.74650	0.0000
Adjusted R ²		0.696001		

The results show that the COVID-19 pandemic has an effect on maqashid sharia performance (educating individuals) with a p-value of 0.0000 ($p < 0.05$). The testing of the control variables show that only Islamic bank size has an effect on the maqashid sharia performance in the aspect of educating individuals. Adjusted R² is 12.21% (Table 7).

$$MSEI = -0.046958 - 0.006029 COVID_{it} + 0.002628 SIZE_{it} - 0.002477 OER_{it} - 5.71E - 07 FDR_{it} + 0.006166 NPF_{it} + \varepsilon_{it} \quad (8)$$

Table 7. Third model

Source: Calculation results using EViews.

Variable	C	SE	t	p
C	-0.046958	0.019153	-2.451758	0.0151
COVID	-0.006029	0.001408	-4.281369	0.0000
SIZE	0.002628	0.000717	3.664953	0.0003
OER	-0.002477	0.001775	-1.395005	0.1646
FDR	-5.71E-07	1.62E-06	-0.353460	0.7241
NPF	0.006166	0.016847	0.366005	0.7148
Adjusted R ²	0.122105			

The results show that the COVID-19 pandemic has an effect on maqashid sharia performance (establishing justice) with a p-value of 0.0000 ($p < 0.05$). The testing of the control variables shows that the Islamic bank size, FDR, and NPF have an effect on the maqashid sharia performance as measured by the aspect of establishing justice. Adjusted R² is 33.92%, meaning that the aspect of establishing justice is determined by all independent variables in the model at 33.92% (Table 8).

$$MSEJ = -0.002708 - 0.013123 COVID_{it} + 0.001746 SIZE_{it} - 0.003083 OER_{it} - 6.37E - 06 FDR_{it} + 0.081821 NPF_{it} + \epsilon_{it} \tag{9}$$

Table 8. Fourth model

Source: Calculation results using EViews.

Variable	C	SE	t	p
C	-0.002708	0.020932	-0.129356	0.8972
COVID	-0.013123	0.001680	-7.809990	0.0000
SIZE	0.001746	0.000784	2.227519	0.0271
OER	-0.003083	0.002088	-1.476321	0.1415
FDR	-6.37E-06	1.93E-06	-3.308717	0.0011
NPF	0.081821	0.020094	4.071885	0.0001
Adjusted R ²	0.339178			

The results show that the pandemic has affected the performance of maqashid sharia as measured by the aspect of promoting welfare with a p-value of 0.0496 ($p < 0.05$). The testing of the control variables shows that the Islamic bank size and OER have an effect on the performance of promoting welfare. Adjusted R² is 34.72%, meaning that the rise and fall of maqashid sharia performance as measured by aspect of promoting welfare is determined by all independent variables in the model at 33.06% (Table 9).

$$MSPW = -22.04532 - 0.692340 COVID_{it} + 1.409743 SIZE_{it} + 1.291281 OER_{it} + 0.000532 FDR_{it} + 1.345681 NPF_{it} + \epsilon_{it} \tag{10}$$

Table 9. Fifth model

Source: Calculation results using EViews.

Variable	C	SE	t	P
C	-22.04532	3.829460	-5.756770	0.0000
COVID	-0.692340	0.350426	-1.975710	0.0496
SIZE	1.409743	0.143441	9.828060	0.0000
OER	1.291281	0.423946	3.045860	0.0026
FDR	0.000532	0.000400	1.328650	0.1855
NPF	1.345681	4.182072	0.321774	0.7480
Adjusted R ²	0.330557			

Table 10. Hypothesis testing results

Source: Calculation results using EViews.

Hypothesis	Statement	t	p	Decision
H ₁	The COVID-19 pandemic has an effect on ROE	-1.193846	0.2340	Rejected
H ₂	The COVID-19 pandemic has an effect on ROA	1.441424	0.1511	Rejected
H ₃	The COVID-19 pandemic has an effect on the maqashid sharia performance in terms of educating individuals	-4.281369	0.0000	Accepted
H ₄	The COVID-19 pandemic has an effect on the maqashid sharia performance in terms of establishing justice	-7.809990	0.0000	Accepted
H ₅	The COVID-19 pandemic has an effect on the maqashid sharia performance in terms of promoting welfare	-1.975710	0.0496	Accepted

Based on the results of the hypothesis test (Table 10) it shows that two hypotheses are rejected and three hypotheses are accepted. The rejected hypothesis is related to profitability performance, while the accepted hypothesis is related to maqashid sharia performance. These results indicate that the COVID-19 pandemic does not affect the profitability performance of Islamic banks in the ASEAN region. On the contrary, this study found a negative impact of the COVID-19 pandemic on maqashid sharia performance.

4. DISCUSSION

There is no empirical evidence that the COVID-19 pandemic, which lasted from March 2020 to June 2023, had an impact on the ROE and ROA of Islamic banks in the ASEAN region.

Islamic banks in the ASEAN region are still able to generate consistent profits even in pandemic conditions with financing products based on profit sharing, margin, and ujah. This study supports Alnabulsi et al. (2022) that COVID-19 has no effect on the performance of banks. The results of this study also indicate that bank-specific and macroeconomic factors affect the NPF, while COVID-19 has no significant effect on the level of NPF (Alnabulsi et al., 2022). The results of this study support Dewi et al. (2022) and Sutrisno (2023) regarding the comparison of profitability performance before and after the pandemic. Sharia-based products and services run by Islamic banks continue to produce relatively stable performance even in difficult economic situations, such as the COVID-19 pandemic (Dewi et al., 2022). In addition, the decline in profitability of Sharia banks during COVID-19 is smaller than that of conventional banks (Sutrisno, 2023). These findings confirm that Islamic banks have experience with previous crises so that the current COVID-19 pandemic does not

have a significant impact on profitability. It can be further revealed that interest-free and profit-sharing-based can reduce losses suffered by Islamic banks and prove to be stronger in facing the economic crisis.

COVID-19 has affected the entire maqashid sharia performance of Islamic banks in the ASEAN region. The COVID-19 pandemic has been empirically proven to suppress Islamic bank spending in the ASEAN region related to education and training, research and publications (promotion). Based on regulations set by the Financial Services Authority in Indonesia, it is stated that Islamic banks are required to provide funding for education and training at least 5% of the previous year's actual human resource costs. In addition, Islamic banks are required to fulfill the obligation to provide education and training funds of at least 5% every year. Education and training funds are provided by Islamic banks for the development of human resources through increasing skills in the banking sector, which includes implementation costs, teaching honorariums, pocket money, transportation and accommodation, as well as other costs that support the implementation of education and training (Financial Services Authority (OJK), 2017). However, the fact is that during the COVID-19 pandemic, most Islamic banks were unable to provide education and training both internally and externally, resulting in the failure to fulfill the regulations regarding education costs of 5% of the banks' workforce. Furthermore, COVID-19 has had an impact on decreasing Islamic bank revenues as a result of the decline in financing growth in 2020 compared to the period before the pandemic. This condition makes Islamic banks increase the efficiency of intermediation costs by optimizing the digitization of banking processes, including digitization of promotional strategies. In this way, research and development costs and promotional costs can be reduced optimally. Thus, this fact supports the study results that the pandemic has an impact on decreasing the performance of maqashid sharia related to educating individuals.

Furthermore, the pandemic factor has been proven to suppress the profit sharing received by depositors (*shahibul maal*). The COVID-19 pandemic has declined public interest in investing their funds in mudharabah-based savings and deposit schemes that tend to be riskier than wadiah and non-profit sharing schemes (Pransiska & Ilmiah, 2022; Sari &

Canggih, 2021). The decrease in the funds received by banks has resulted in a decrease in the level of profit sharing received by depositors (Muazaroh & Septiarini, 2021), which can be caused by a decrease in the equivalent rate, which is an indication of the level of reward or return on investments made by customers (Asiyah et al., 2022).

The pandemic has also been empirically proven to reduce the amount of zakat and infaq funds that Islamic banks can distribute to the public. However, after the pandemic in 2023, the zakat distributed increased to IDR 173.07 billion from IDR 122.5 billion in 2022 and IDR 94 billion in 2021. The zakat, infaq, and alms distribution program during the pandemic was aimed at helping affected communities to continue to pay attention to health protocols and avoid crowds. In addition, the distribution was also aimed at the fields of education, economy, and health.

The results of testing the determinants of return on equity with control variables show that two control variables (bank size and OER) have a significant effect on return on equity. Furthermore, all control variables (Islamic bank size, operational efficiency ratio, FDR, and NPF) affect ROA. This study proves that the higher the size of a bank, the higher the profitability of the Islamic bank (Sobol et al., 2023; Trad et al., 2017b), and the higher the operational efficiency and non-performing financing ratios, the lower the profitability (Hasibuan et al., 2022; Sobol et al., 2023; Tho'in, 2022; Widarjono et al., 2022).

The other results show that Islamic bank size has an effect on all maqashid sharia performance. The larger the size of a bank, the better the maqashid performance produced. Size still influences the performance of maqashid even though the ASEAN region experienced the COVID-19 pandemic crisis. FDR and NPF have a significant effect on maqashid sharia performance in the aspect of establishing justice. Meanwhile, the operational efficiency ratio (OER) has a significant effect on maqashid performance in the aspect of promoting welfare. The results of this study show that the higher the OER, the greater the amount of zakat and alms funds that Islamic banks can distribute to the community. Zakat and alms distributed by Islamic banks to the community come not only from internal banks but also from external banks such as individual muzakki and corporate muzakki.

CONCLUSION

This study aims to examine the effect of the COVID-19 pandemic on profitability and maqashid sharia performance of Islamic banks. Several control variables used include Islamic bank size, OER, FDR, and NPF. Panel data regression testing is carried out using the EViews 12 on 30 Islamic banks in ASEAN countries in 2015–2021. The model used in hypothesis testing is the random effect model (RAM). This study shows that COVID-19 has no effect on profitability of Islamic banks. The COVID-19 pandemic has an effect on reducing the maqashid performance.

For further research, the same maqashid sharia performance measurements for banks in the Gulf and Europe can be used. Further research can also develop maqashid sharia performance measurements using content analysis on non-Islamic bank entities, such as sharia savings and loan and financing co-operatives, amil zakat institutions, and nazhir waqf institutions. The limitation of this study is that it is hampered in data collection due to differences in annual report templates and financial reports between countries so that it takes a relatively long time to find the required data. This study provides implications regarding the importance of several determinants that affect profitability performance and maqashid sharia performance so that they become the attention of Islamic banks in the ASEAN region. The theoretical contribution of this study is related to the impact of several financial variables and the COVID-19 pandemic on the profitability and maqashid sharia performance of banks. The practical contribution for Islamic banks is in an effort to determine the effect of the economic and monetary crisis on the profitability of banks. Islamic banks can implement strategic policies to reduce profitability risks associated with the aftermath or impact of a crisis.

AUTHOR CONTRIBUTIONS

Conceptualization: Kautsar Riza Salman, Entis Sutisna, Jana Siti Nor Khasanah.

Data curation: Jana Siti Nor Khasanah, Adolf Z. D. Siahay.

Formal analysis: Kautsar Riza Salman, Entis Sutisna.

Funding acquisition: Kautsar Riza Salman, Entis Sutisna, Jana Siti Nor Khasanah, Adolf Z. D. Siahay.

Investigation: Kautsar Riza Salman, Entis Sutisna, Jana Siti Nor Khasanah, Adolf Z. D. Siahay.

Methodology: Kautsar Riza Salman, Entis Sutisna.

Project administration: Kautsar Riza Salman, Entis Sutisna, Jana Siti Nor Khasanah, Adolf Z. D. Siahay.

Resources: Kautsar Riza Salman, Entis Sutisna, Jana Siti Nor Khasanah, Adolf Z. D. Siahay.

Software: Kautsar Riza Salman, Entis Sutisna.

Supervision: Kautsar Riza Salman, Entis Sutisna.

Validation: Kautsar Riza Salman, Entis Sutisna, Jana Siti Nor Khasanah, Adolf Z. D. Siahay.

Visualization: Kautsar Riza Salman, Entis Sutisna, Adolf Z. D. Siahay.

Writing – original draft: Kautsar Riza Salman, Entis Sutisna.

Writing – reviewing & editing: Kautsar Riza Salman, Entis Sutisna, Jana Siti Nor Khasanah, Adolf Z. D. Siahay.

REFERENCES

1. Abdulla, Y., & Ebrahim, Y. (2022). Effect of COVID-19 on the performance of Islamic and conventional GCC banks. *Review of Financial Economics*, 40(3), 239-258. <https://doi.org/10.1002/rfe.1151>
2. Alhammadi, S., Alotaibi, K. O., & Hakam, D. F. (2020). Analysing Islamic banking ethical performance from Maqāṣid al-Sharīḥah perspective: evidence from Indonesia. *Journal of Sustainable Finance and Investment*, 12(4), 1171-1193. <https://doi.org/10.1080/20430795.2020.1848179>
3. Alnabulsi, K., Kozarević, E., & Hakimi, A. (2022). Assessing the determinants of non-performing loans under financial crisis and health crisis: evidence from the MENA banks. *Cogent Economics and Finance*, 10(1). <https://doi.org/10.1080/23322039.2022.2124665>

4. Alqahtani, F., & Mayes, D. G. (2018). Financial stability of Islamic banking and the global financial crisis: Evidence from the Gulf Cooperation Council. *Economic Systems*, 42(2), 346-360. <https://doi.org/10.1016/j.eco-sys.2017.09.001>
5. Alsamhi, M. H., Al-Ofairi, F. A., Farhan, N. H. S., Al-ahdal, W. M., & Siddiqui, A. (2022). Impact of Covid-2019 on firms' performance: Empirical evidence from India. *Cogent Business and Management*, 9(1). <https://doi.org/10.1080/23311975.2022.2044593>
6. Antonio, M. S., Laela, S. F., & Jazil, T. (2020). Abu Zahrah's Maqasid Sharia Model as a Performance Measurement System. *Jurnal Akuntansi Multiparadigma*, 11(3), 519-541. <https://doi.org/10.21776/ub.jamal.2020.11.3.30>
7. Ashraf, B. N. (2020). Stock markets' reaction to COVID-19: Cases or fatalities? *Research in International Business and Finance*, 54, 101249. <https://doi.org/10.1016/j.ribaf.2020.101249>
8. Ash-Shiddiqy, M., & Fitriyati, I. D. (2022). Maqasid Syariah and Economic Growth in the Covid-19 Pandemic Era. *Proceeding of ICONIE FTIK IAIN Pekalongan*, 811-826. Retrieved from <https://proceeding.uingusdur.ac.id/index.php/iconie/article/view/668>
9. Asiyah, B. N., Islamiah, C., & Ningrum, C. I. (2022). Analisis Equivalent Rate Perbankan Syariah pada Masa Pandemi (Studi pada Bank BNI Syariah) [Analysis of Sharia Banking Equivalent Rate during the Pandemic (Study on BNI Syariah Bank)]. *Al-Intaj: Jurnal Ekonomi Dan Perbankan Syariah*, 8(2), 179. (In Indonesian). Retrieved from <https://ejournal.uinfabengkulu.ac.id/index.php/Al-Intaj/article/view/3453>
10. Battaglia, F., & Gallo, A. (2015). Risk governance and Asian bank performance: An empirical investigation over the financial crisis. *Emerging Markets Review*, 25, 53-68. <https://doi.org/10.1016/j.ememar.2015.04.004>
11. Beck, T., Demirgüç-Kunt, A., & Merrouche, O. (2013). Islamic vs. conventional banking: Business model, efficiency and stability. *Journal of Banking & Finance*, 37(2), 433-447. <https://doi.org/10.1016/j.jbankfin.2012.09.016>
12. Boubakri, N., Mirzaei, A., & Saad, M. (2023). Bank lending during the COVID-19 pandemic: A comparison of Islamic and conventional banks. *Journal of International Financial Markets, Institutions and Money*, 84. <https://doi.org/10.1016/j.intfin.2023.101743>
13. Caporale, G. M., Lodh, S., & Nandy, M. (2017). The performance of banks in the MENA region during the global financial crisis. *Research in International Business and Finance*, 42, 583-590. <https://doi.org/10.1016/j.ribaf.2017.07.003>
14. Colak, G., & Öztekin, Ö. (2021). The impact of COVID-19 pandemic on bank lending around the world. *Journal of Banking & Finance*, 133, 106207. <https://doi.org/10.1016/j.jbankfin.2021.106207>
15. Dahlan, M., Bustami, M. R., Mahmur, & Mas'ulah, S. (2021). The Islamic principle of *hiḥfz al-nafs* (protection of life) and COVID-19 in Indonesia: A case study of nurul iman mosque of Bengkulu city. *Heliyon*, 7(7), e07541. <https://doi.org/10.1016/j.heliyon.2021.e07541>
16. Dewi, Y. M., Febriyanto, & Septiana, N. (2022). Analisis Komparatif Kinerja Keuangan Perbankan Syariah Sebelum Dan Saat Pandemi Covid-19: Studi Pada Perbankan Syariah Indonesia Yang Terdaftar OJK [Comparative Analysis of Islamic Banking Financial Performance Before and During the Covid-19 Pandemic: A Study of Indonesian Islamic Banking Registered with OJK]. *SNPPM (Seminar Nasional Penelitian Dan Pengabdian kepada Masyarakat)*, 4, 123-141. (In Indonesian). Retrieved from <https://prosiding.ummetro.ac.id/index.php/snppm/article/view/109>
17. Dietrich, A., & Wanzenried, G. (2014). The determinants of commercial banking profitability in low-, middle-, and high-income countries. *The Quarterly Review of Economics and Finance*, 54(3), 337-354. <https://doi.org/10.1016/j.qref.2014.03.001>
18. Dr Maszlee Malik. (2015). Al-Maqasid al-Shari'ah (the Comprehensive Objectives of Shari'a). *Penang Institute-G25 Forum "Maqasid Syariah in a Constitutional Democracy"*. Bayan Lepas, Pulau Pinang, Malaysia. Retrieved from https://penanginstitute.org/wp-content/uploads/jml/files/research_papers/DrMaszleeMalik_Maqasid%20Syariah.pdf
19. Esen, M. F. (2015). A Statistical Framework on Identification of Maqasid Al-Shariah Variables for Socio-Economic Development Index. *Journal of Business Studies Quarterly*, 7(1), 18. Retrieved from <https://www.proquest.com/openview/51a7b37a72a90158388dfc461fe700a7/1>
20. Ghozali, M., Azmi, M. U., & Nugroho, W. (2019). Perkembangan Bank Syariah Di Asia Tenggara: Sebuah Kajian Historis [The Development of Islamic Banking in Southeast Asia: A Historical Study]. *Falah: Jurnal Ekonomi Syariah*, 4(1), 44. (In Indonesian). <https://doi.org/10.22219/jes.v4i1.8700>
21. Grassa, R., Sarea, A., El-Halaby, S., & Damak, A. N. (2022). Between Two Crises: Do Islamic Banks Suffer? *Journal of Islamic Monetary Economics and Finance*, 8(2), 251-274. <https://doi.org/10.21098/jimf.v8i2.1475>
22. Haryanto. (2020). Dampak Covid-19 terhadap Pergerakan Nilai Tukar Rupiah dan Indeks Harga Saham Gabungan (IHSG) [The Impact of Covid-19 on the Movement of the Rupiah Exchange Rate and the Combined Stock Price Index (IHSG)]. *The Indonesian Journal of Development Planning*, 4(2), 151-165. (In Indonesian). <https://doi.org/10.36574/jpp.v4i2.114>
23. Hasan, I., Politsidis, P., & Sharma, Z. (2020). *Bank lending during the COVID-19 pandemic* (MPRA Paper No. 103565). University Library of Munich, Germany. <https://doi.org/10.2139/ssrn.3711021>

24. Hasibuan, A. A., Zulpahmi, Z., Wahyudin, N., & Nurlaila, A. (2022). The Effect of Financing to Deposit Ratio (FDR), Non-Performing Financing (NPF), Capital Adequacy Ratio (CAR), Operating Expenses and Operating Income (BOPO) On ROA in Islamic Commercial Ban. *AL-FALAH: Journal of Islamic Economics*, 7(2), 289. <https://doi.org/10.29240/alfalah.v7i2.5395>
25. Jaara, B. O. A., AL-Dahiyat, M. A., & AL-Takryty, I. (2021). The Determinants of Islamic and Conventional Banks Profitability in the GCC Region. *International Journal of Financial Research*, 12(3), 78. <https://doi.org/10.5430/ijfr.v12n3p78>
26. Jazil, T., & Syahrudin. (2013). The Performance Measures of Selected Malaysian and Indonesia Islamic Banks based on the Maqasid al-Shari'ah Approach. *IJTIHAD*, 7(2), 279-301. Retrieved from <http://ejournal.unida.gontor.ac.id/index.php/ijtihead/article/view/89>
27. Keliutyte-Staniuleniene, G., & Kviklis, J. (2022). Stock Market Reactions during Different Phases of the COVID-19 Pandemic: Cases of Italy and Spain. *Economies*, 10(1). <https://doi.org/10.3390/economies10010003>
28. Khoiriyah, V. N., & Salman, K. R. (2020). The Effect of the Maqashid Sharia Index, Company Size, and Company Age on Islamic Social Reporting. *Muqtasid: Jurnal Ekonomi Dan Perbankan Syariah*, 11(2), 117-132. <https://doi.org/10.18326/muqtasid.v11i2.117-132>
29. Kirimi, P. N., Kariuki, S. N., & Ocharo, K. N. (2022). Ownership structure and financial performance: Evidence from Kenyan commercial banks. *PLoS ONE*, 17, 1-20. <https://doi.org/10.1371/journal.pone.0268301>
30. Kosmidou, K. (2008). The determinants of banks' profits in Greece during the period of EU financial integration. *Managerial Finance*, 34(3), 146-159. <https://doi.org/10.1108/03074350810848036>
31. Luqmanulhakim, L., Rulindo, R., & Anwar, S. (2021). Stability Analysis of Islamic Banking: Indonesia, Malaysia and Pakistan. *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita*, 10(1), 125-143. <https://doi.org/10.46367/iqtishaduna.v10i1.326>
32. Mohammed, M. O., Tarique, K. M., & Islam, R. (2015). Measuring the performance of Islamic banks using maqasid based model. *Intellectual Discourse*, 23, 401-424. Retrieved from <https://journals.iium.edu.my/intdiscourse/index.php/id/article/view/692>
33. Muazaroh, A., & Septiarini, D. F. (2021). Faktor-Faktor Yang Mempengaruhi Tingkat Bagi Hasil Deposito Mudharabah Pada Perbankan Syariah Periode 2015–2020 [Factors Affecting the Level of Mudharabah Deposit Revenue Sharing in Sharia Banking Period 2015–2020]. *Jurnal Ekonomi Syariah Teori Dan Terapan – Journal of Theoretical and Applied Sharia Economics*, 8(1), 64. (In Indonesian). <https://doi.org/10.20473/vol8iss20211pp64-75>
34. Naceur, S. B., & Omran, M. (2011). The effects of bank regulations, competition, and financial reforms on banks' performance. *Emerging Markets Review*, 12(1), 1-20. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S1566014110000427>
35. Otoritas Jasa Keuangan (OJK). (2017). *Peraturan Otoritas Jasa Keuangan Nomor 47/POJK.03/2017 Tentang Kewajiban Penyediaan Dana Pendidikan dan Pelatihan Untuk Pengembangan Sumber Daya Manusia Bank Syariah [Financial Services Authority Regulation Number 47/POJK.03/2017 Regarding the Obligation to Provide Education and Training Funds for the Development of Syariah Bank Human Resources]*. (In Indonesian). Retrieved from <https://medium.com/@arifwicaksanaa/pengertian-use-case-a7e576e1b6bf>
36. Pambuko, Z. B., Ichsan, N., & Anto, M. H. (2018). Islamic Banks' Financial Stability and Its Determinants: a Comparison Study With Conventional Banks in Indonesia. *IQTISHADIA*, 11(2), 371. <https://doi.org/10.21043/iqtishadia.v11i2.3346>
37. Pireh, M. (2022). COVID-19 Pandemic and Islamic Social Finance Products in Iran. In Hassan, M. K., Muneeza, A., & Sarea, A. M. (Eds.), *Towards a Post-Covid Global Financial System* (pp. 243-259). Emerald Publishing Limited. <https://doi.org/10.1108/978-1-80071-625-420210013>
38. Pransiska, P., & Ilmiah, D. (2022). Perbandingan Rasio Kinerja Bank Syariah Terhadap Pertumbuhan Dana Pihak Ketiga Sebelum Dan Masa Pandemi Covid-19 [Comparison of Sharia Bank Performance Ratios to Third Party Fund Growth Before and During the Covid-19 Pandemic]. *JPS (Jurnal Perbankan Syariah)*, 3(2), 160-173. (In Indonesian). <https://doi.org/10.46367/jps.v3i2.779>
39. Rahayu, I. R. S. (2022). *Industri Perbankan Syariah Tumbuh "Double Digit" hingga Juli 2022 [Sharia Banking Industry Grows "Double Digit" until July 2022]*. (In Indonesian). Retrieved from <https://money.kompas.com/read/2022/10/28/082251826/industri-perbankan-syariah-tumbuh-double-digit-hingga-juli-2022>
40. Razak, D. A., Mohamed, M. O., & Taib, F. M. (2008). *The Performance Measures of Islamic Banking Based on the Maqasid Framework*.
41. Rizaty, M. A. (2022). *Jumlah Penduduk Muslim Indonesia Terbesar di Dunia pada 2022 [The largest Indonesian Muslim population in the world in 2022]*. (In Indonesian). Retrieved from <https://dataindonesia.id/ragam/detail/populasi-muslim-indonesia-terbesar-di-dunia-pada-2022>
42. Rusydiana, A. S., As-Salafiyah, A., & Mustafa, M. I. (2021). Covid-19, Maqasid Sharia & Islamic Economic Law: VOSviewer Application. *International Proceeding: Law and Development in the Era of Pandemic* (pp. 47-58). Retrieved from <https://dSPACE.uin.ac.id/handle/123456789/35915>
43. Saif-Alyousfi, A. Y. H. (2020). Determinants of bank shareholder value: evidence from GCC countries. *International Journal of Managerial Finance*, 16(2), 224-252. <https://doi.org/10.1108/IJMF-05-2019-0170>

44. Salman, K. R. (2021). *Konsep Dan Praktik Akuntansi Perbankan Syariah: Dilengkapi Kasus Dan Penyelesaian [Sharia Banking Accounting Concepts and Practices: Completed with Cases and Solutions]* (1st ed.). Mitra Wacana Media. (In Indonesian). Retrieved from https://www.mitrawacanamedia.com/index.php?route=product/product&product_id=751
45. Salman, K. R. (2023). Developing of Maqashid Sharia Performance in Islamic Banking. *Journal of Islamic Banking and Finance*, 40(2), 50-59. Retrieved from http://eprints.perbanas.ac.id/11618/1/2023_JIBF_Kautsar%20Riza%20Salman_Artikel.pdf
46. Salman, K. R., Muslich, A., & Tjaraka, H. (2018). New Evidence On the Direct and Indirect Influence of the Maqashid Sharia Index On the Islamic Social Reporting Index. *International Journal of Research Science & Management*, 5(8), 165-173. <https://doi.org/10.5281/zenodo.1405433>
47. Saraswati, H. (2019). Dampak Pandemi Covid-19 Terhadap Pasar Saham Di Indonesia [The Impact of the Covid-19 Pandemic on the Stock Market in Indonesia]. *JAD: Jurnal Riset Akuntansi & Keuangan Dewantara – JAD: Dewantara Accounting & Finance Research Journal*, 3(2), 153-163. (In Indonesian). Retrieved from <https://doi.org/10.26533/jad.v3i2.696>
48. Sari, H. R., & Canggih, C. (2021). Perbandingan Tingkat Kesehatan Bank Pembiayaan Rakyat Syariah di Pulau Jawa pada Sebelum dan Saat Masa Pandemi [Comparison of the Health Level of Islamic People's Financing Banks in Java Island Before and During the Pandemic]. *MALIA: Journal of Islamic Banking and Finance*, 5(2), 133. (In Indonesian). <https://doi.org/10.21043/malia.v5i2.12351>
49. Siddiqui, A. (2008). Financial contracts, risk and performance of Islamic banking. *Managerial Finance*, 34(10), 680-694. <https://doi.org/10.1108/03074350810891001>
50. Sobol, I., Dopierała, Ł., & Wysiński, P. (2023). Is the profitability of Islamic and conventional banks driven by the same factors? A study of banking in the Middle East. In *PloS ONE*, 18(8). <https://doi.org/10.1371/journal.pone.0289264>
51. Sun, P. H., Mohamad, S., & Ariff, M. (2017). Determinants driving bank performance: A comparison of two types of banks in the OIC. *Pacific-Basin Finance Journal*, 42, 193-203. <https://doi.org/10.1016/j.pacfin.2016.02.007>
52. Sutrisno, B. (2023). Studi Komparatif Tingkat Profitabilitas Perbankan Syariah Dan Konvensional Di Indonesia Selama Pandemi Covid-19 [Comparative Study of Profitability Levels of Islamic and Conventional Banking in Indonesia During the COVID-19 Pandemic]. *Taraadin*, 3(2), 6976. (In Indonesian). Retrieved from <https://jurnal.umj.ac.id/index.php/taraadin/article/view/15800>
53. Tashkandi, A. A. (2022). Shariah supervision and corporate governance effects on Islamic banks' performance: evidence from the GCC countries. *Journal of Business and Socio-Economic Development*, 3(3), 253-264. <https://doi.org/10.1108/jbsed-02-2022-0024>
54. Tho'in, M. (2022). Effect of Financing to Deposit Ratio and Operational Efficiency on Profitability (ROA) with NPF as Intervening in Islamic Banks. *Jurnal Ilmiah Ekonomi Islam*, 8(2) 2020-2026. Retrieved from <https://www.jurnal.stie-aas.ac.id/index.php/jei/article/view/5857/2403>
55. Trad, N., Rachdi, H., Hakimi, A., & Guesmi, K. (2017a). Banking stability in the MENA region during the global financial crisis and the European sovereign debt debacle. *The Journal of Risk Finance*, 18(4), 381-397. <https://doi.org/10.1108/JRF-10-2016-0134>
56. Trad, N., Trabelsi, M. A., & Goux, J. F. (2017b). Risk and profitability of Islamic banks: A religious deception or an alternative solution? *European Research on Management and Business Economics*, 23(1), 40-45. <https://doi.org/10.1016/j.iemeen.2016.09.001>
57. Trisnowati, Y., & Muditomo, A. (2021). COVID-19 and Stock Market Reaction in Indonesia. *Journal of Accounting and Investment*, 22(1), 23-36. <https://doi.org/10.18196/jai.v22i1.8859>
58. Widarjono, A., Salandra, A., Susantun, I., & Ruchba, S. M. (2022). Determinant of Indonesian Islam Bank's Profitability: Lessons from the BRI Syariah case. *Jurnal Ilmiah Ekonomi Islam*, 8(03), 3127-3135. <http://dx.doi.org/10.29040/jiei.v8i3.6542>
59. Widyakto, A., & Wahyudi, S. (2021). Analysis of factors affecting profitability of sharia commercial banks: evidence from Indonesia. *Diponegoro International Journal of Business*, 4(2), 94-104. <https://doi.org/10.14710/Dijb.4.2.2021.95-104>
60. Yunus Kasim, M., Muslimin, & Dwijaya, I. K. B. (2022). Market reaction to the Covid-19 pandemic: Events study at stocks listed on LQ45 index. *Cogent Business and Management*, 9(1). <https://doi.org/10.1080/23311975.2021.2024979>
61. Zahrah, M. A. (1994). *Ushul fiqih* (Muntaha Azhari (Ed.)). Pustaka Firdaus.
62. Zeitun, R. (2012). Determinants of Islamic and Conventional Banks Performance in GCC Countries Using Panel Data Analysis. *Global Economy and Finance Journal*, 5(1), 53-72.