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The Influence of Profit-Sharing Rate, Financing, Company Size, and Good Corporate Governance (GCG) on Deposit Growth in Islamic Banks in the Asian Region

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Abstract

The turmoil experienced after the start of the COVID-19 pandemic, the striking significant development is the growth of a fast and sustainable bank deposit. Total deposits in Sharia banks have increased by more than 35% since 2019, reaching about US$ 18 trillion in the fourth quarter of 2021. Thus, the growth of deposits will increase the improvement required to achieve the growth of deposits. This analysis uses the application the Program of Eviews 10 and the analysis using the data panel regression method. This analysis aims to determine the effect of profit sharing, financing, corporate size, and good corporate governance (GCG) on the growth of deposits in Sharia banks in Asia. The results of the analysis displayed that partially, the profit sharing has no impact on the growth of deposits, financing has an impression on the growth of deposits, the size of the company affects the growth of deposits, GCG influences the growth of deposits and overall the rate of profit sharing, financing, size of the company and GCG is a positive peer influence on the growth of deposits.

Keywords: Profit Sharing; Financing; Corporate Size; Good Corporate Governance; Deposito

Abstrak

Gejolak yang dialami pasca dimulainya pandemi COVID-19, perkembangan signifikan yang mencolok adalah pertumbuhan deposito bank yang cepat dan berkelanjutan. Total deposito pada perbankan syariah mengalami peningkatan lebih dari 35% sejak tahun 2019 dan mencapai angka sekitar US$18 triliun pada kuartal keempat tahun 2021. Dengan demikian pertumbuhan deposito akan mengalami peningkatan sehingga diperluka variabilitas yang mempengaruhi pertumbuhan deposito. Tujuan dari penelitian ini adalah untuk mengetahui dampak pengaruh tingkat bagi hasil, pembiayaan, ukuran perusahaan dan good corporate governance (GCG) terhadap pertumbuhan deposito pada perbankan syariah di wilayah Asia dengan total 20 sampel perbankan syariah. Dengan meningkatnya pertumbuhan deposito maka akan berdampak positif pada likuiditas bank serta meningkatkan kepercayaan masyarakat. Analisis ini menggunakan bantuan aplikasi program Eviews 10 dan metode analisis regresi data panel. Hasil studi menunjukkan bahwa, secara parsial tingkat bagi hasil tidak terdapat pengaruh pada pertumbuhan deposito, pembiayaan memiliki pengaruh terhadap pertumbuhan deposito, ukuran perusahaan berpengaruh terhadap pertumbuhan deposito, GCG *terdapat pengaruh terhadap pertumbuhan deposito dan secara keseluruhan tingkat bagi hasil, pembiayaan, ukuran perusahaan dan GCG bepengaruh positif terhadap pertumbuhan deposito.*

Kata kunci: *Bagi Hasil; Pembiayaan; Ukuran Perusahaan; Good Corporate Governance; Deposito*

INTRODUCTION

Islamic banking is an integral element in the national economic structure. One of the main objectives of Islamic banking is to support the economic foundation from potential crises and maintain its stability (Salsabila et al., 2022). Islamic banking is currently at the top of the discussion, according to the statement of the Board of Governors of the Federal Reserve System (2022) where Islamic banking continues to grow rapidly despite many obstacles in it. The turmoil experienced after the start of the COVID-19 pandemic, a significant development that is striking is the rapid and sustainable growth of bank deposits. Total deposits in banking have increased by more than 35% since 2019 and reached around US$18 trillion in the fourth quarter of 2021. This increase is the largest in recent history, with the percentage change in deposits from year to year since the first quarter of 2020 which was experiencing the COVID-19 pandemic. COVID-19 in various countries has significantly disrupted supply chains, economic shocks, and consumer preferences globally. In addition, this pandemic also caused instability in the financial sector, which damaged the banking sector (Wicaksono, 2022).

In the pandemic situation, most financial institutions managed to maintain a solid capital and liquidity position. The average value of Capital Adequacy Ratio (CAR) of banks in several countries, such as Indonesia, Hong Kong, Malaysia, Pakistan and Thailand reached a level above 18%, while CAR in Vietnam and Bangladesh was minimal when compared to other countries. Overall, financial institutions in Brunei, Hong Kong, Japan, Kazakhstan and Pakistan showed a high level of liquidity, as evidenced by the ratio of liquid assets to total deposits and loans exceeding 50%. This reflects the extraordinary economic dynamics and the impact of the pandemic that is still felt in banking behavior patterns (TABInsight, 2024). In addition to the challenges posed by the COVID-19 pandemic, the role of Islamic banking is also as an investment manager for Third Party Funds (TPF). The function of TPF is as a source of profit and to cover operational profits, so this should be utilized by Islamic banks (Renfiana, 2022). Financing and DPK performance increased two-fold by 20.44% (yoy) and 12.93% (yoy) which shows positive achievements (Sharia Financial Development Report, 2022). In DPK, there are generally three products in banking, namely: savings, current accounts and deposits.

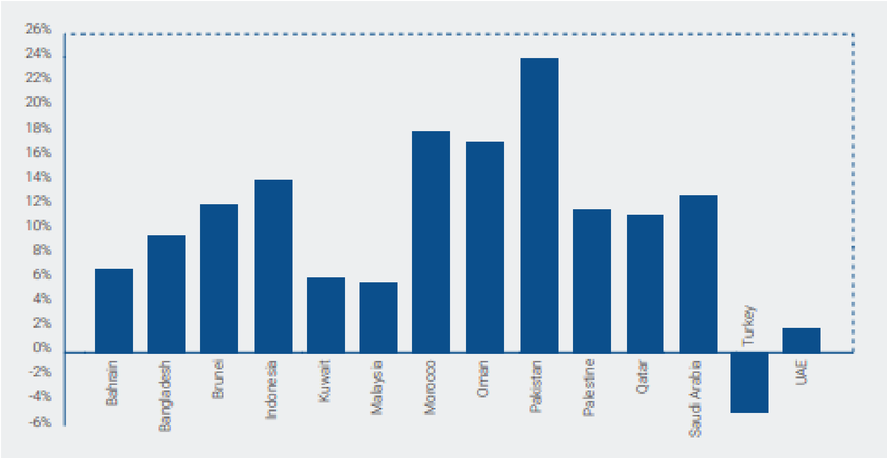

Figure 1. *Islamic Banking Deposit Growth Rates for Various Countries*

Source: *Financial Stability Report (processed by researchers, 2024)*

In Figure 1, Islamic banks in Asia experienced a steady increase in funding, particularly through customer deposits, as part of increased consumer spending due to the reopening and recovery of the economy. Deposit growth in the Islamic banking sector in Saudi Arabia reached 13%, with a significant contribution from non-remunerative funding such as demand deposits and wadiah. In Oman, there was also a significant increase in deposits of 16.8% at the end of the fourth quarter of 2021 (data as of December), driven by an increase in remunerative deposits through Profit-Sharing Investment Accounts (PSIA).

Deposits in other words are short-term investments where in choosing their products, customers always look at the profit-sharing ratio. Likewise with profit sharing, where Islamic banking has begun to be glanced at by the public with the provision of profits that are carried out in a profit-sharing manner (Alaamsah et al., 2021). The rapid development experienced by Islamic banking has certainly led to an increase in competition between banks, so that to obtain a profit, sufficient ability is needed to be able to compete with other companies (Alfiani, 2022). The public usually considers the high and low levels of profit sharing on each product available in banking. When the profit sharing rate on deposits increases rapidly, it will affect the desire of customers to place their funds in deposit products. Conversely, customers will choose between withdrawing their funds or continuing to deposit their funds when the deposit yield decreases (Fadhil, 2019).

Usrati (2023) stated that Islamic banks use the Financing to Deposit Ratio (FDR) approach and costs to determine the level of profit sharing to depositors. In other words, Islamic banks consider the ratio between DPK and financing provided when recognizing income. As previously explained, maintaining the stability of banking liabilities is very important in maintaining the health of the bank. Financing provided by Islamic banks is directed at the real sector with the aim of increasing profitability in the business. This requires Islamic banking to obtain large funding, especially in deposit products (Kurniasari & Amaliyah, 2023). As explained in the *Financial Stability Report* (2023) in the context of financing, the Islamic banking sector in Oman recorded double-digit growth of 11.6%. Meanwhile, the Islamic banking sector in Saudi Arabia, Qatar, Kuwait, and Bahrain recorded single-digit growth of 8.7%, 4.8%, and 1.9% year-on-year (yoy) respectively, while the UAE experienced negative growth of -2.2 % yoy at the end of the fourth quarter of 2021. The decline in asset growth in the UAE Islamic banking sector can be explained as the main factor causing the decline in financing. The opposite is true in other GCC countries, which reflect positive financing growth rates and positive asset growth.

Islamic banking in 2021 contributed around 70% or equivalent to US$2.8 trillion of total assets in the Islamic finance industry (IFDI, 2022). The GCC (Gulf Cooperation Council) region holds a share of 43% of total Islamic banking assets globally, followed by the rest of the MENA (Middle East and North Africa) region which reached 40%. This sector recorded a significant growth of around 17% during 2021 when compared to the end of 2020. In terms of growth, countries such as Tajikistan (84%), Iran (45%), Burkina Faso (27%), and Ethiopia (26%) recorded the highest growth in the market. The Islamic banking industry experienced a marked increase in performance. There was a significant growth in net profit globally, reaching an increase of 290%, as well as a higher return on assets ratio recorded in several countries. This increase was largely driven by a decrease in provisions for credit losses that occurred in 2021 compared to the previous year. This will also provide an increase in deposit growth.

Based on the review above, there are many factors that cause the ups and downs of deposit growth and inconsistencies in the results of previous studies on variables that affect deposit growth. So it is important to know the factors that affect deposit growth so that liquidity also runs stably. This study can provide a contribution in the form of information to the public in general in the form of factors that can affect deposit growth and to open the perspective in saving funds in deposit products with various benefits in them.

LITERATURE REVIEW

Agency Theory

Agency Theory was developed by Michael Johnson by considering company management as "agents" who act in the interests of shareholders, with the belief that they will act with full awareness of their own interests, not as a wise and fair entity towards shareholders. This explains that agency theory is a form of agreement involving one or more principals with agents. The implementation of agency theory is manifested in the form of an agreement containing the distribution of the proportion of rights and obligations between the two parties (Jahormin Simarmata & Romi Fauzi, 2019). However, in practice in a relationship or contract, there are differences in interests between the principal and the agent. Management (agents) tend to present attractive figures in order to attract the attention of users of financial statements such as investors. On the other hand, company owners want to get comprehensive information about all company activities, including management actions related to the funds they have invested in the company (Larasati & Puspitasari, 2019).

Deposits

Deposits are one of the Third Party Funds (DPK) collections. The collection of DPK is obtained from savings, time deposits and demand deposits. Based on its composition, the use of time deposits is the choice and the largest amount in collecting TPF (Endika, 2016). In Undang-Undang No. 10 tahun (1998) deposits are an accumulation of funds whose withdrawals are limited to a predetermined period according to the agreement between the Depositor and the banking institution. Customers open deposits with a certain minimum amount and an agreed time period, so that the funds placed cannot be withdrawn before reaching maturity. This fund collection product is usually chosen by customers who have surplus funds, so that in addition to functioning as a place to store funds, it can also be used as an investment vehicle (Sifki & Dalimunthe, 2022). According to Gunanto, (2019) investment is an easy way to generate assets. Investment is a solution for people who do not understand economics, who may not be able to generate their wealth in economic activities. The following measurements are used:

$$\text{Growth } = \left(\frac{Final\ Value}{Start\ Value}\right) \text{X } 100\%$$

Profit Sharing Rate

Deposit products are a form of DPK savings whose withdrawals are limited to a predetermined period according to the agreement. In this context, Islamic banks act as mudharib, while depositors act as shahibul mall. As mudharib, the bank will pay profits in the form of profit sharing to shahibul mall according to the agreed ratio (Ardhi, 2021). The profit sharing system is a mechanism that includes a procedure for sharing profits between the party providing funds and the party managing the funds. This profit sharing can occur either between financial institutions and parties depositing funds, or between financial institutions and recipients of funds (A. Sari, 2019). The profit sharing provided by banks also has an impact on deposit growth. This is in accordance with the research results of Septiatin (2022), Wulandari & Oktaviana (2022), Fitriyani & Tambunan (2022), Sifki & Dalimunthe (2022), Rizqiana (2010), Sari (2019), Lusnawati (2018), Kumalasari et al. (2022), Wahyu Fauziah & Segaf (2022), Iswanto et al. (2022) and (Renfiana, 2022) which state that the profit sharing rate has a significant effect on deposit growth.

The Islamic economic system stipulates that the distribution of business results related to customers must be determined at the beginning of the formation of the cooperation contract (akad). At this stage, the portion of each party is determined, for example, in a ratio of 40:60. This means that the business results obtained will be distributed 40% to the fund owner (shahibul maal) and 60% to the fund manager (mudharib). Profit sharing is a form of return from investment, which is uncertain and not fixed from time to time. The profit sharing calculation formula is as follows:

$$\text{Profit sharing } = \frac{Customer\ Deposit\ X\ Profit\ X\ Ratio}{Total\ Mudharabah\ Deposits}$$

Financing

Financing refers to the provision of funds transferred by one party to another party to support planned investments, whether carried out independently or through institutions. In accordance with the provisions of Law Number 10 of 1998, financing according to sharia principles can be interpreted as the provision of money or bills based on an agreement or agreement between a sharia bank and another party that requires the party receiving the financing to return the funds or bills after a certain period of time, accompanied by compensation or profit sharing (J. P. Syariah et al., 2022). Total financing means all amounts of financing disbursed as a calculation in this study. The data used are in the form of total financing disbursed by Sharia Banking and obtained from the official financial reports of Sharia Banks covering the period 2018 to 2022 which have been determined.

Company Size

Company dimensions refer to the scale used to classify company size, both in large and small categories, with various parameters, such as the logarithm of total assets, the logarithm of total sales, and market capitalization. Decree of the Chairman of Bapepam No. Kep. 11/PM/1997 identifies small and medium companies based on wealth, where legal entities with total assets of less than one hundred billion are considered small and medium companies, while large companies have total assets above one hundred billion (Sulistyawati et al., 2020). Previous research conducted by Arif & Hanifah (2017) and Sifki & Dalimunthe (2022) which stated that company size has a significant effect on deposits. The scale used to classify company size, both in large and small categories, with total asset parameters. Data in the form of total assets of 20 Islamic Banking as a sample derived from the official financial reports of Islamic Banks.

***Good Corporate Governance* (GCG)**

The Organization for Economic Co-Operation and Development (OECD) states in its writing that Good Corporate Governance (GCG) is a collection of relations between company management, board of directors, shareholders, and other stakeholders. GCG is a concept that includes the company's structure, division of tasks, allocation of authority, and responsibilities that are clearly divided among the elements that form the company, as well as the mechanisms that must be followed by each element. GCG aims to build trust from customers. The implementation of

GCG aims to prevent errors in decision-making and actions that benefit oneself, so that it can automatically increase the value reflected in financial performance (Zasniyanti, 2020). GCG is a system that regulates and controls company operations with the aim of creating added value for all stakeholders, so that the data used is the total share capital of Islamic Banking (Monks, 2003).

RESEARCH METHOD

This study uses a quantitative descriptive approach. This research was conducted on Islamic banking in the Asian region for the period 2018-2022. The research location was determined and then selected using a purposive sampling technique with the aim of collecting data on financial reports from Islamic banking institutions in the Asian region, data collection using the acquisition method through the official website of each bank that is the subject of the study. Islamic banking in the Asian region is the population in this study, with the data obtained in the form of Islamic banking in the Asian region, including the most prominent Islamic banks, according to The Asian Banker Insights, which is seen from the value of its assets. In this study, 20 Islamic banks located in the Asian region were used as research subjects. Data analysis was carried out using statistical methods with the help of Eview 10 software.

This study applies panel data regression analysis by combining time series and cross-section data. Cross-sectional data were obtained from twenty Islamic banks in the Asian region over five years, namely 2018 to 2022. Therefore, the total data taken and used was 100 analyst data obtained from this combination. In estimating the regression model, several models can be used: the common-effect model, the fixed-effect model, and the random-effect model (Hamid et al., 2020). To do this, first, it is necessary to test the reliability of the model using the Chow-test, Hausman-test, and Multiplier-teat. After testing the suitability of the model and finding the best estimation model, the application of panel data regression is continued. Statistical tests such as the t-test, R2 test, and F-test are then carried out to measure the level of significance.

RESULTS AND DISCUSSION

This section discusses descriptive tests. This analysis uses the Eviews 10 program application with the panel data regression analysis method. The results are presented in the table section. Descriptive statistical testing is used to obtain an average value, std. Dev, variance, max, min, sum, range, and skewness (distribution deviation) (Sugiyono, 2017).

Table 1. Descriptive analysis

	Deposit Growth (Y)	**Profit-sharing Rate (X1)**	**Financing (X2)**	**Company Size (X3)**	***Good Corporae Governance* (GCG) (X4)**
Mean	2,173649	3,291108	2,483900	2,530101	1,606645
Median	1,654695	3,066238	2,505318	2,466036	1,566711
Maximum	5,014826	8,517193	5,809143	5,314535	3,296837
Minimum	0,000001	0,858730	0,105361	0,020203	0,072571
Std. Dev.	1,479439	1,408909	1,471899	1,523119	0,824168
Skewness	0,462719	0,634590	0,186598	0,252524	0,333775
Kurtosis	1,839312	3,648283	1,834766	1,908678	2,145772

Source : processed by researchers, 2024

The findings of the descriptive analysis test show a profit-sharing rate that has a minimum value of 0.85 at Amana Bank Sri Lanka in 2019, while the maximum value was 8.51 at Al Baraka Group Bank in 2018. The mean value is 3.29, which means that Islamic banking can provide a profit-sharing rate of 3.29% during the 2018-2022 period. The minimum value of the financing variable is 0.10, with a maximum value of 5.80 and an average value of 2.48, which means that a reasonable financing rate in terms of allocating Islamic banking funding sources is 2.48% during the 2018-2022 period. Then, the company size variable has a mean of 2.53. A company has a number of shares from each board of commissioners that vary from the smallest value with a number of 0.07; the most significant value is shown by the number 3.29, and the average value is 1.60, which means that the shares in Islamic banking are 1.60%. Deposit growth is now continuously increasing due to various factors. This is shown by the results of processing deposit growth data with a minimum value of 0.00 and a maximum value of 5.01. The average value is shown as a result of 2.17, which means that during the observation period from 2018 to 2022, deposit growth in the Asian region was 2.17%.

Panel Data Regression Model Selection

In determining whether the estimation results are appropriate, the selection of Chow, Hausman, and Lagrange Multiplier (LM) test models is used. The purpose of the Chow test is to determine the most suitable model from the two methods (CEM and FEM) to be used in conducting panel data regression (Dessriadi et al., 2022). So, the hypothesis taken in the Chow test:

H0 : *Common Effect Model* (CEM)

H1 : *Fixed Effect Model* (FEM)

Table 2. Chow Test Results

Effects Test	**Statistik**	**Prob.**
Cross-section Chi-square	294,494693	0,0000

Source : processed by researchers, 2024

The results of the Chow test above mean that H0 is not accepted, with hypothesis H1 being accepted because the cross-section chi-square Prob. Value is indicated by the number 0.00 <0.05. The appropriate and selected model is the Fixed Effect Model.

Furthermore, the Hausman test was carried out as a test to determine whether the FEM model or REM model is suitable for analyzing the influence in this study (Muhammad & Azmiana, 2021). The hypotheses in the Hausman test are:

H0 : *Random Effect Model* (REM)

H1 : *Fixed Effect Model* (FEM)

Table 3. Hausman Test Results

Effects Test	**Statistik**	**Prob.**
Cross-section random	9,232308	0,0555

Source : processed by researchers, 2024

The obtained value of the random cross-section Prob. This is indicated by a value of 0.055 > 0.05 from the table above showing the results of the Hausman test, which means that H0 is accepted and H1 is rejected, with the results of the selected REM model.

Because the accepted model is the REM model, it is necessary to conduct a Lagrange Multiplier (LM) test. This test is carried out in order to obtain results whether REM has better results than CEM (Muhammad & Azmiana, 2021). The hypothesis in the Lagrange Multiplier test is:

H0 : *Common Effect Model* (CEM)

H1 : *Random Effect Model* (REM)

Table 4. Lagrange Multiplier Test Results (LM)

Null (no. rand. effect)	**Cross-section**
Breusch-Pagan	0,000

Source : processed by researchers, 2024

The results of the Lagrange Multiplier (LM) test in Table 4 indicate that H0 is not accepted and H1 is accepted as the REM model, because the Breusch-Pagan value obtained is 0.000 < 0.05.

In regression analysis, the t-test is often performed to determine whether there is a correlation between independent variables and dependent variables (Ghozali & Ratmono, 2017). The t-test is known as a measurement in a partial test. The following are the results of the t-test in panel data linear regression.

Table 5. Panel Data Regression Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1,536292	0,591101	2,599033	0,0108
Profit Sharing Rate	0,011500	0,028578	0,402419	0,6993
Financing	0,395694	0,052752	7,504806	0,0000
Company Size	0,522010	0,041581	12,55392	0,0000
GCG	-0,944598	0,169525	-5,572023	0,0000

Source : processed by researchers, 2024

Based on table 5 above, it produces a regression equation from this study. With the equation used as follows:

PD = 1.536292 + 0.011500*TBH + 0.395694*PEM + 0.522010*UK - 0.944598*GCG

The following is an interpretation of the panel data regression model:

a. The constant of 1.536292 states that all independent variables, namely the profit sharing rate, financing, projected company size with the number of assets, and projected GCG with the number of shares, are equal to zero. For deposit growth, the constant value is 1.536292.
b. The regression coefficient of financing (X2) of 0.395694 means that every 1 unit increase in the amount of fund distribution can increase deposits by 0.395694.
c. The regression coefficient of the projected company size with the number of assets (X3) of 0.522010 indicates that every 1 unit increase in the company size in Islamic banking can increase deposits of 0.522010.
d. The regression coefficient of GCG projected with the number of shares (X4) of -0.944598 means that every 1 unit increase in GCG can reduce deposit growth by 0.944598.

From the results of data processing carried out by researchers, the t-test above shows that:

a. H1: The profit-sharing rate does not have a significant impact on deposit growth in Islamic banking in the Asian region
   The results of data processing show that the profit sharing rate variable has a Prob. Value of 0.6993 based on the t-test, t table 2.131, and t count 0.402. The profit sharing rate is proven to not correlate with deposit growth because the Prob. Value of 0.6993> 0.05 with a t count of 0.402 <t table 2.131. As a result, H1 is rejected.
b. H2: Financing significantly has a correlation or relationship with deposit growth in Islamic banking in the Asian region
   The financing variable has a probability of 0.000, with a t count of 7.504 and a t table of 2.131. Assuming the Prob. Value. Of 0.000 <0.05 with a calculated t value of 7.504> t table 2.131, it can be concluded that financing distribution has a

significant impact on the company, both as a fund manager and company image. So, based on the results of the t-test, H2 can be accepted.

c. H3: Company size has a significant influence on deposit growth in Islamic banking in the Asian region
   Variable X3, namely the size of the company projected with the amount of assets, has a Prob. Value of 0.000, with a calculated t value of 1.255 and a t table of 2.021. Because the Prob. Value of 0.000 <0.05, then, the calculated t value of 12.55> t table 2.131, it is clear that company size affects deposit growth. Based on the t-test table, it is clear that H3 is accepted.
d. H4: Good Corporate Governance (GCG) can significantly affect deposit growth in Islamic banking in the Asian region
   The Good Corporate Governance (OCB) variable projected with the number of shares has a Probability value of 0.000. In contrast, the magnitude of the t-count value is indicated by the number -5.572, and the t-table is 2.131. Furthermore, the Prob value is 0.000 <0.05 with the result of t count -5.572> t table 2.131, so it is clear that Good Corporate Governance (OCB) affects deposit growth. Based on the t-test table, it is clear that H4 is accepted.

The F statistical test is a simultaneous testing method for all independent variables. The independent variables in this study are the level of profit sharing, financing, company size, and Good Corporate Governance (GCG), which have a simultaneous and significant relationship to the dependent variable, namely deposit growth (Sulistiyo & Yuliana, 2019).

Table 6. F Test Results

Prob (F-statistic)
0,00000

Source : processed by researchers, 2024

Table 6 shows the data analysis that Prob (F-statistic) 0.0000. Simultaneous relationship is indicated by a significant value of 0.0000 <0.05. This means that there is a simultaneous relationship between the level of profit sharing, financing, company size, and GCG and the growth of deposits in Islamic banking in the Asian region. So, the hypothesis (H5), which states that the level of profit sharing, financing, company size, and GCG affect the growth of deposits, can be accepted.

Table 7. R-square Test Results

R-squared
0,983893

Source : processed by researchers, 2024

The determination coefficient test above displays an R-squared value of 0.983893, or 98.3%. This means that the profit-sharing rate, financing, company size, and GCG factors influence deposit growth by 98.3%. Meanwhile, other variables influence the remaining 1.7%.

Discussion

The Effect of Profit Sharing Rate on Deposit Growth in Islamic Banking in the Asian Region

Based on the partial regression coefficient value of the profit sharing rate (X1), the results of data processing by Enelii are a probability value of 0.6993> 0.05. In contrast, the calculated t value is shown by the number 0.402 <t table 2.131. As a result, H1 is rejected, but H0 is approved; this shows that deposit growth is not affected by the profit-sharing rate. The regression coefficient of the profit sharing rate (X1) of 0.011500 means that when there is an increase of 1 unit in the profit sharing rate, it can increase deposit growth by 0.011500. The reason is that the increase and decrease in the profit-sharing rate have no correlation with deposit growth in Islamic banking in the Asian region.

This means that people's demand for generating income by saving their excess assets in deposit products is influenced by other reasons, not because of profit or profit-sharing rates. According to Suryadi et al., (2022), the ratio results do not have an impact on deposit growth because of the spirit of "tabarru," or helping each other in real business. Most Muslims believe that bank interest in conventional banking is included in the category of usury that deviates from Islamic law, which is a prohibition in Islamic law (Sari, 2019). When profit sharing in Islamic banking increases, it will not affect the movement of deposit growth. The results are in accordance with previous research from Sulistyawati et al. (2020) and Suryadi et al. (2022), which showed the results of their study that there was no significant correlation between the profit-sharing rate variable and the deposit growth variable. Thus, this finding provides new insights regarding the profit-sharing rate in deposits in Islamic banking.

The Influence of Financing on Deposit Growth in Islamic Banking in the Asian Region

As part of the financial industry, Islamic banking significantly contributes to Indonesia's economic growth. This also means that from the transfer of surplus capital obtained from DPK, banks direct the allocation of these funds in the form of financing to economic sectors that require funding from Islamic banks. The research findings based on the financing coefficient value (X2) provide a probability value of 0.000, with a calculated t of 7.504 and a t table of 2.131. As a result, H2 can be accepted. As a result, H0 is rejected while H2 is approved; this shows that deposit growth is significantly influenced by financing. The addition of one unit of funding can increase deposits of 0.395694, according to the financing regression coefficient (X2) of 0.395694.

Careful and precise distribution of financing will provide wealth for Islamic banking. The distribution of the funding appropriately means that the total DPK, especially in the form of incoming deposit products, is also stable, thus triggering an excellent signal to other customers to place their funds in Islamic banking. The emergence of this good signal will increase the growth of deposits in Islamic banking in the future. As a result, the FDR will increase, which will ultimately be reflected in the company's value. According to Fitriyani & Tambunan (2022), Aprilia (2017), Sulistyawati et al. (2020), Septiatin (2022), Wulandari & Oktaviana (2022), Ruslizar & Rahmawaty (2016), Suryadi et al. (2022) and Sudarsono & Saputri (2018) stated the results of their research that FDR makes a significant contribution to deposit growth.

The Effect of Company Size on Deposit Growth in Islamic Banking in the Asian Region

In general, people who have funds tend to be more confident in placing their funds in Islamic banks that have a large business dimension because they believe they will get more significant profits. The expansion of the business dimension will increase public trust in Islamic banks, especially for deposits (Sifki & Dalimunthe, 2022). Based on the partial regression coefficient value of the company size variable (X3), the results of the study show the value in the t table 2.131 <12.553, also the Sig. A value of 0.000 is smaller than 0.05. The results of H3 are within the acceptable range. The result is that H0 is rejected while H3 is accepted. The running results above mean that company size has a significant correlation with deposit growth. The company size regression coefficient (X3) of 0.522010 indicates that every 1 increase in company assets can increase deposit growth by 0.522010.

The findings state that company size affects the growth of deposits in Islamic banking in the Asian region. In a company, the size of the company projected in the form of the amount of assets is always a highlight for customers when saving their funds in Islamic banking. This study supports the findings of Sifki & Dalimunthe (2022) and Arif & Hanifah (2017), who stated that the results of their research show that company size affects deposit growth.

The Influence of Good Corporate Governance (GCG) on Deposit Growth in Islamic Banking in the Asian Region

Based on research findings that investigate the impact of Good Corporate Governance (GCG) projected in the number of shares on deposit growth, research findings are based on the partial regression coefficient value of GCG (X4) with a Sig. Value of 0.000, which is smaller than 0.05, with a calculated t value of -5.572, which is greater than the t table value of 2.131. H4 can be accepted. As a result, H0 is rejected, while H4 is approved. This shows that GCG can have an impact on deposit growth in Islamic banking in the Asian region. The GCG regression coefficient (X4) of -0.944598 means that for every 1 unit increase in GCG, this can reduce deposit growth by 0.944598.

A research result from the Organization for Economic Cooperation and Development (OECD) concluded that the meaning of good corporate governance co, commonly known as GCG, is a network of cooperation in increasing company profits carried out by parties in the position of company management, board of directors, shareholders, and other stakeholders. The concept of GCG includes a company structure that clearly separates the elements that form the company, the division of tasks, the division of authority and responsibility, and a system that must be adhered to by each component. GCG aims to build trust from customers. The implementation of GCG aims to help improve financial performance by preventing mistakes in decision-making and actions that benefit oneself (Zasniyanti, 2020). The results of the study show that high GCG can strengthen the growth of deposits in Islamic banking in the Asian region with the increase in customers who save their assets in Islamic banking in a deposit product.

The Effect of Profit Sharing Rate, Financing, Company Size and Good Corporate Governance (GCG) on Deposit Growth in Islamic Banking in the Asian Region

In Islamic banking, the term "profit sharing ratio" is often used. This Ratio shows the distribution of profits between customers and Islamic banks. The profit-sharing rate of deposits plays a vital role as an indicator in this context. Then, the Ratio of fund distribution in the form of financing products to deposits in Islamic banking is used as a parameter to evaluate the bank's capacity to handle customer fund withdrawals using financing as a source of liquidity. In addition, there is also financing as a measure of banking in dealing with company liquidity, company size with indicators used in the form of asset size and Good Corporate Governance (GCG) as an indicator of the scale of community measurement to achieve the level of trust in banking in saving their funds in the form of investments.

The findings of the data analysis show that the probability between the profit sharing rate, financing, company size, and Good Corporate Governance (GCG) affecting deposit growth is 0.0000. A significant value of 0.0000 <0.05 indicates that there is a simultaneous relationship between the level of profit sharing, financing, company size, and GCG on deposit growth. Thus, it can be concluded that the level of profit sharing, financing, company size, and GCG can influence deposit growth in Islamic banking in the Asian region. Hypothesis (H4), which states that the level of profit sharing, financing, company size, and GCG affect deposit growth, can be accepted. This shows that GCG, which is a projection of total share capital, affects deposit growth in Islamic banking in the Asian region.

CONCLUSION

Based on the analysis and discussion of the research results related to the influence of profit sharing rates, financing, company size and Good Corporate Governance (GCG) on deposit growth in Islamic banking in the Asian region. So it can be concluded that: the profit sharing rate does not have a major impact on deposit growth in Islamic banking in the Asian region. So it can be interpreted that there is no correlation between deposit growth and the profit sharing rate. In other words, if the profit sharing rate is increased, deposit growth will remain the same or even tend to decrease.

While in the next variable, financing has a significant influence on deposit growth in Islamic banking in the Asian region. This means that there is a positive relationship between financing and deposit growth; in other words, along with deposit growth, financing channeled by banks also increases. Similarly, the company size variable contributes a significant influence on deposit growth in Islamic banking in the Asian region. This means that there is a positive relationship between company size and deposit growth; in other words, when the company size increases (increases), deposit growth also increases. The last one is the variable of Good Corporate Governance (GCG) has a significant effect on the growth of deposits in Islamic banking in the Asian region. This means that there is a positive relationship between GCG and deposit growth; in other words, when GCG increases, deposit growth will also increase significantly.

Furthermore, the profit sharing rate, financing, company size and Good Corporate Governance (GCG) have a significant influence on deposit growth in Islamic banking, especially in the Asian region. So it is concluded that deposit growth increases or decreases regardless of changes in the level variables related to results, financing, company size and Good Corporate Governance (GCG).

The increasing deposit growth reflects the increasing public trust in the banking system and the preference for stable and low-risk investments. This has a positive impact on bank liquidity, because the increase in deposits provides banks with a greater source of funds to support financing and investment activities. With adequate liquidity, banks can be more active in channeling credit or financing that contributes to economic growth. In addition, high deposits also increase bank financial stability, reduce liquidity risk and strengthen resilience to economic shocks. However, in macro terms, an increase in deposits can also indicate a decrease in public consumption if it occurs excessively, which has the potential to hinder economic growth in the short term. Therefore, the impact of deposit growth needs to be viewed holistically by considering the dynamics between the banking sector and the economy as a whole.

The following recommendations can be made by considering the findings of the hypothesis submission, analysis, and obstacles of this study: the obstacles experienced by the researcher are the limited research on the components that can determine the growth of Islamic banking deposits, especially in the Asian region. Therefore, research on the growth of Islamic banking deposits must be improved and further enhanced. Then for further research, it is recommended that research on other factors that are considered to have the ability to influence deposit growth such as inflation and interest rates can be included in further research. Furthermore, research can add moderating or mediating variables to it.

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