Exploring The Cross Countries Endurance, Evidence of Indonesian and Malaysian Sharia Banks Financial Performance

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Abstract
The Islamic banking industry should be balanced with good financial performance to create stakeholders' trust in the funds they invest. This study examines financial performance by comparing the Islamic banking industry in Indonesia and Islamic banks in Malaysia during the Covid-19 pandemic using the MSI (Maqashid Sharia Index) and CAMELS (Capital, Asset, Management, Earning, Liquidity, Sensitivity of Market Risk) methods. The research adopts a quantitative design with a comparative approach. The implementation research period was in the era of covid-19 with the period 2020-2022. Sampling used purposive sampling at Indonesian Islamic Commercial Banks and Malaysian Islamic Commercial Banks with a total sample of 36. Hypothesis testing using the Independent T-Test. The results of the study provide the fact that the financial performance of the Islamic banking industry in Indonesia has good value and compliance compared to Islamic banks in Malaysia based on the MSI and CAMELS in the conditions of Covid-19.

Keywords: islamic bank, financial performance, COVID-19

Introduction
It is well perceived that the instability caused by COVID-19 has posed a problem for global economic governance. As a result of the proliferation of the Corona virus, governments all around the globe have implemented a variety of preventative health measures, including social isolation and lockdowns (Le et al., 2022). COVID-19 has had a significant impact on the economy as it has in other countries in the Southeast Asian region including Malaysia and Indonesia. The COVID-19 pandemic has caused a significant slowdown in Malaysia's economic growth. Travel restrictions, business closures and lockdowns have hampered broad economic activity. This significant economic impact has led to an increase in the unemployment rate in Malaysia (Shah et al., 2020). Many companies have been forced to reduce their workforce or lay off workers. In addition, the impact of the pandemic has also exacerbated income inequality in the country. The Malaysian government continues to work to reduce the negative economic impact of COVID-19 by accelerating the vaccination

program, easing restrictions and designing long-term economic recovery strategies. Nonetheless, the process of economic recovery remains dependent on progress in controlling the spread of the virus and the overall global recovery (Rahman et al., 2020). In addition, the COVID-19 pandemic has hampered Indonesia's economic growth. Travel restrictions, business closures and restrictions on social activities resulted in a broad decline in economic activity. Indonesia has important manufacturing sectors, including textiles, electronics and automotive (Djalante et al., 2020). The pandemic has led to reduced demand, supply disruptions and operational restrictions, which have had a negative impact on the country's manufacturing sector. The Indonesian government has implemented various fiscal and monetary policies to respond to the impact of the pandemic. This includes economic stimulus, interest rate cuts, and financial support for affected sectors. However, the long-term impact of this policy still needs to be evaluated (Gandasari & Dwidienawati, 2020).

The pandemic has had a terrible impact on the world economy and it has been the most major shock to the financial system. As a result, this has had an immediate and direct impact not only on the functioning of the banking system as a whole, but also on the economic performance of Islamic institutions. There is no denying the fact that the Islamic banking industry throughout the world, including Islamic banks in Indonesia and Islamic banks in Malaysia, is becoming an increasingly important sector (Mansour et al., 2022). Banks are essential institutions for the functioning of the economy. The bank is an entity that plays the role of a bridge by facilitating the transfer of money from parties who have an abundance of funds to parties that are suffering from a lack of funds. In this particular scenario, the Islamic banking industry is a significant contributor to the overall economic support (Revelation, 2022).

Southeast Asia now plays a very significant role as a driving force in Islamic finance all over the world as a direct result of the fast expansion of the Islamic finance sector coupled with a consistent rhythm. The states of Indonesia and Malaysia are the pioneers and have become the driving force in the industry of Islamic banking and finance in parts of the Southeast Asian region (Prasetyo et al., 2020). This is due to the fact that these two countries have similarities in both economic and political aspects that implements two-model banking system and financial system from the conventional sector and the Islamic sector Sharia. Additionally, the two states have similarities in terms of the fact that they both have Islamic banking and finance industries. The Islamic banking business, particularly in Indonesia and Malaysia, is required to remain competitive at all times, particularly in light of the worldwide economic pressure and uncertainty brought on by the epidemic caused by the Covid-19 virus (Boubakri et al., 2023).

The impact of COVID-19 on the performance of Islamic banks in Malaysia has become an important concern in the financial industry. Travel restrictions and business closures imposed to control the spread of the virus have resulted in an overall decline in economic activity. This can reduce the demand for loans and have a negative impact on the income of Islamic banks. Businesses and individuals are facing significant financial challenges due to the economic impact of COVID-19 (Ghouse et al., 2022). This can lead to increased credit risk for Islamic banks, with an increased likelihood of late payments or loan defaults. Difficult economic conditions can affect the quality of Islamic banks' assets, including increasing levels of bad loans and decreasing the value of collateral or collateral used for loans. Islamic banks in Malaysia may need to adjust their business strategy to deal with the difficult situation caused by the pandemic. This could include loan restructuring, increased credit risk monitoring, and a shift in business focus to sectors that are more stable or have the potential to grow during the pandemic (Rizwan et al., 2022). The impact of COVID-19 on the performance of Islamic banks in Indonesia is also significant. Travel restrictions, business closures, and overall decline in economic activity have led to a reduction in demand for loans and business transactions and this has reduced the revenue of Islamic banks (Elnahass et al., 2021). Many businesses and individuals are experiencing financial stress due to the economic impact of COVID-19. Islamic banks in Indonesia are exposed to increased credit risk, with the possibility of increasing levels of bad loans and declining asset quality due to customers' difficulties in meeting loan repayment obligations (Kasri et al., 2022). Islamic banks in Indonesia need to adjust their business strategy to deal with the difficult situation caused by the pandemic. This can include loan restructuring, increased credit risk monitoring, and portfolio adjustments to reduce risk (Riani & Ikhwan, 2022). The government and regulatory authorities in Indonesia have taken steps to provide support to the banking sector, including Islamic banks, in dealing with the impact of COVID-19. These include economic stimulus, monetary and liquidity policy easing, as well as regulatory relaxation policies to facilitate loan restructuring (Tarazi & Abedifar, 2022) . It is of course necessary to have sizeable assets, a high share, and the ability to develop the economy of the community by providing both investment and finances in the form of financing that is undoubtedly able to reach all aspects of society in order to participate in the intense rivalry that exists in the business of Islamic banking. As a consequence, the growth of Islamic banking has to be accompanied with great performance outcomes, which will help realize and increase shareholder trust in the money they invest (Pantas et al., 2021).

Malaysia and Indonesia are two countries with large and growing Islamic banking industries. These two countries have a significant number of Islamic banks and play an important role in the financial system. Therefore, discussing the performance of Islamic banks in Malaysia and Indonesia can provide valuable insights into the impact of COVID-19 on the regionally significant Islamic banking industry (Bilgin et al., 2021). Comparison of the performance of Malaysian and

Indonesian Islamic banks can help identify the successes and challenges faced by each country. This understanding allows the sharing of best practices between the two countries and opportunities to address common issues. Comparison of the performance of Malaysian and Indonesian Islamic banks can be used as a benchmark for the Islamic banking industry as a whole (Ledhem, 2022). This helps in understanding the relative position of the two countries in the global industry, as well as identifying opportunities and challenges that may be faced by the Islamic banking sector in other countries. In addition, each country has unique market characteristics, including industry structure, penetration rate of Islamic banking, and banking regulations, so that the discussion on Islamic banks in Malaysia and Indonesia provides a rich and relevant context in understanding the impact of COVID-19 on the Islamic banking sector for those countries. neighboring countries and regional organizations (Ahmad et al., 2022).

Not only should financial success be the primary emphasis of performance assessment, but it should also guarantee that Islamic financial institutions adhere to Islamic principles in their day-to-day operations. Therefore, performance evaluation is necessary in order to swiftly expose values in a form that is materialistic, as well as show values that are included in the work that Islamic banks do in the forms of spiritual and social value. The MSI is a measurement tool that is used to evaluate an individual's spiritual and social performance. The MSI method is a method for assessing the performance of banks based on aspects of individual education principles, also known as Tahdzib al-Fard, aspects of upholding justice, also known as Iqamah Al-Adl, and aspects of increasing welfare, also known as Jalb Al Mashlahah. This method evaluates the performance of banks not only in financial aspects, but also in aspects of assessing the performance of banks based (Chabachib et al., 2019). In addition, the measurement of performance at banks is carried out using a method that is commonly known as the CAMELS method. This method looks at aspects of Capital, Assets, Management, Earnings, Liquidity, and Sensitivity of Market Risk by looking at the aspect of capital, asset quality, measuring the risks risk of policy, level of efficiency and effectiveness of management, and measure the ability of the bank to pay its debts (Malini & Putri, 2020).

The findings of a recent study (Hosen & Muhari, 2018) indicate that the state of Islamic financial institutions in Indonesia and Islamic financial institutions in Malaysia are not same. According to the findings of a study (Chabachib et al., 2019) Islamic banks in Indonesia and Islamic banks in Malaysia are very different from one another in a number of significant ways. In further study (Windriya, 2019) which provided data, it was discovered that Bank Syariah Indonesia and Bank Syariah Malaysia had very genuine variances from one another. According to the findings of another study (Prasetyo et al., 2020) the Islamic banking sector in Indonesia and Islamic banking in Malaysia have significant differences; in fact, Islamic banking in Indonesia has a greater proportion compared to Islamic banking in Malaysia. Research result (Biduri et al., 2022) the financial performance of Islamic banks in Indonesia and Islamic banks in Malaysia are very different from one another. Study (Ikhwan & Riani, 2022) Islamic financial institutions in Indonesia are more successful than their Malaysian counterparts.

However, there are contradictions and other facts about the results of the research (Wardani & Sari, 2019) indicate that there is no difference between Islamic banks in Indonesia and Islamic banks in Malaysia. Research result (Pipin Lestari, 2020) The CAMELS approach is analyzed, however no information are provided about the disparities between Islamic banks in Indonesia and Islamic banks in Malaysia. Research result (Safira & Hadijah, 2021) The MSI approach was used, and the results showed that there was no significant difference in the level of financial performance between the two Islamic banks in Indonesia and the Islamic banks in Malaysia. Besides that, research (Musdalifa & Mukhzarudfa, 2022) shows that there is no difference in Indonesian and Malaysian Islamic banks.

This study attempts to further discuss financial performance based on the phenomena that have been described. The ultimate goal of this study is to see a comparison of the financial performance of the Islamic banking industry sector in Indonesia and Islamic banking in Malaysia in conditions of economic instability during the time of the Covid-19 pandemic. The purpose of this study is to carry out a comparison of the financial performance of the Islamic banking sector in Indonesia and Islamic banking in Malaysia so that each Islamic bank in Indonesia and Islamic banking in Malaysia will be able to improve the quality of their performance and will be able to provide socialization regarding Islamic financial institutions to all elements of society in Indonesia and Malaysia.

Signal theory by Spence (1973) explains that the sender of the information owner will give a signal in the form of information as a reflection of the condition of the company which will certainly be beneficial to the recipient of the information or investors (Nofinawati et al., 2021). Signals in the form of this information regarding the form of activities carried out by management in realizing the wishes of the owner or investor. Information provided and released from the company is an important part of the decisions made by investors and other parties from business actors because the information issued has the substance of providing presentation in the form of information or notes as well as an overview of the company's past and present conditions. and an overview of the future regarding the viability of the company which of course has an effect on the company (Buallay et al., 2021). The relationship between signal theory in this study is that companies will have a drive in providing information presented in the form of financial reports to parties outside the company or external parties. Companies have an incentive to provide information due to a relationship with the form of asymmetry in information from the company to external parties on the basis that outsiders or investors will know more about the company and the company's prospects in the long term(Grassa et al., 2021). The financial statements owned by the company and accessible to general information are used as an important part by investors in making investment decisions. This is done because financial reports are an important unit and a fundamental analysis tool. Companies that have indications of going public will make financial reports a very common ratio analysis. Analysis of companies that have gone public using financial reports will make it easier to interpret what is presented by management (Hassan et al., 2019).

At the end of December 2019, an outbreak that had never been suspected and existed before and the exact cause was unknown in Wuhan, China. This virus is known as Corona Virus Disease 2019 or widely called COVID-19. This corona virus causes the common cold to become a serious and severe illness and even death. This virus attacks the human respiratory tract which causes shortness of breath. Corona viruses are part of the RNA viruses with a single strain that are transmitted by animals to humans. The spread of the corona virus is very powerful across various regions of the country. This very fast spread resulted in more than 180 countries being confirmed that they were affected by this deadly virus, namely corona (Ciotti et al., 2020). Countries in the Southeast Asia region have not been spared from this deadly virus, even the countries of Indonesia, Thailand, Malaysia, Singapore have recorded positive patients infected with Covid-19 and patients who have died from Covid-19. Data recorded as a result of the Covid-19 case causing fatalities and spreading to various parts of the world has become a global problem which has a very extreme impact on activities on an international scale such as economic activities and other important activities. The spread of the corona virus has spread in a complex and widespread way in various parts of the world so that it has fatal consequences for economic shocks, including the financial performance of Islamic banks (Brodeur et al., 2021).

Financial bank performance refers to how well the bank manages its assets and liabilities, and generates net profit from its business activities. Bank financial performance is very important because poor performance can cause a financial crisis and have a systemic impact on the entire financial system of a country. (Majeed & Zainab, 2021). It is possible to deduce that the evolution of the bank is proceeding in a positive direction if the financial performance of the bank is showing signs of improvement. The financial performance of a bank is an illustration of the financial state of a bank at a specific point in time. Its scope covers features of raising money as well as factors of channeling funds, and it is judged on the basis of the bank's adequate capital, followed by the bank's liquidity, and finally the bank's profitability (Akber & Dey, 2020). Financial performance is an important factor in showing the effectiveness of banks and the efficiency of Islamic banks, especially in achieving the desired goals. Financial performance is a reflection of the bank's ability to carry out operations. If the performance of a bank continues to decline, it will have fatal consequences for the bank's operations, resulting in potential bankruptcy (Salim & Djausin, 2020). Various methods have been developed to determine financial performance, such as the MSI and CAMELSmethods.

Maqashid sharia is all forms that have been determined by Allah SWT and His Messenger with the aim of achieving the benefit of all mankind both in maintaining existence, then developing in quality or quantity in terms of material and spiritual. Maqashid sharia has 3 important components namely: purification of the soul in the form of education, then justice and finally benefit (Nugraha et al., 2020). Purification of the soul to be achieved where every Muslim becomes a source and root of goodness and not the other way around it becomes a source of evil in society. Justice to be achieved in a fair form, especially to all Muslims and to other parties such as non-Muslims. The benefit to be achieved is prioritizing the public interest, not the interests of certain parties. The MSI measurement model uses several indicators: individual education or called Tahdzib al-Fard, Creation of justice or called Iqamah Al-Adl and increasing welfare or called Jalb Al-Mashlahah (Praptiningsih et al., 2022).

CAMELS stands for Capital, Asset, Management, Earning, Liquidity, Sensitivity of Market Risk, a method used to ensure a strong and stable banking sector. The indicators used in the CAMELS method use several ratio approaches: Capital Adequacy Ratio or commonly called CAR which is used to see the ability of a bank to maintain the existing capital supply (Rasli et al., 2020). Return on Risk Assets or commonly referred to as RORA which is used to see profit before tax is deducted on assets that are at risk with productive assets. Net Profit Margin or commonly called NPM which is used in measuring the risk of policies implemented as a form of business strategy in achieving predetermined targets. Return on Assets, also known as ROA and more usually abbreviated as ROA, is a metric that evaluates a company's management in terms of its capacity to generate profits from all of its total assets. This evaluation is followed by a comparison with the company's profit before taxes on all of its total assets (Mahmud & Rahman, 2020). The "Financing to Deposit Ratio," also known as "FDR," is a metric that assesses a financial institution's capacity to meet its financial obligations to customers who have deposited money with the institution by reducing the amount of credit extended to the debtor. Internal Expense Ratio, also known as IER and more usually abbreviated as IER, is a metric that demonstrates how well a bank is able to keep track of the fees it collects and how effectively it is able to acquire new sources of financing (Abdullah, 2020).

Research result (Hosen & Muhari, 2018) demonstrates that the financial state of Islamic banks in Malaysia and Islamic banks in Indonesia are in quite different places right now. Study (Chabachib et al., 2019) found out that there are significant distinctions between Islamic financial institutions in Malaysia and

Islamic financial institutions in Indonesia. Follow-up research (Windriya, 2019) By giving data, it was discovered that there are very genuine distinctions between the Bank Syariah in Malaysia and Bank Syariah in Indonesia. The following hypothesis has been developed after taking into consideration the relevant facts and theoretical framework, as well as the dynamics that take place.

H_1: There are differences in the financial performance of Indonesian Islamic Commercial Banks and Malaysian Banks using the MSI method in the conditions of Covid-19.

Research result (Biduri et al., 2022) demonstrates that the financial performance of Islamic banks in Malaysia and Islamic banks in Indonesia are quite different from one another in a significant way. Study (Ikhwan & Riani, 2022) corroborates the claim that Islamic financial institutions in Indonesia are more successful than their counterparts in Malaysia. The following hypothesis has been developed on the basis of the data and the conceptual framework, in addition to the dynamic processes that take place.

H_2: There are differences in the financial performance of Indonesian and Malaysian Islamic commercial banks using the CAMELS method in the covid-19 condition.

Research Method

The research adopts a quantitative design with a comparative approach. Secondary data is used in this study with sources of financial reports from each Indonesian Islamic Commercial Bank and Malaysian Islamic Commercial Bank. Sampling research using periodic data or time series with a scale of years. The research period was carried out in the era of covid-19 with the period 2020-2022. Sampling using purposive sampling on the basis of predetermined criteria (Sugiyono, 2017). The criteria for the sample used include: Islamic banks that are permanent and able to operate in the Covid-19 era for the 2020-2022 period, availability of financial reports from Islamic commercial banks that have been audited for 2020-2022 on each Islamic bank's website, Islamic banks have implementing a sharia operational system from 2020-2022, and having complete data from all variables for the Maqashid Syariah Index method or called MSI and Capital, Asset, Management, Earning, Liquidity, Sensitivity of Market Risk or

Table 1. List of Indonesian and Malaysian Islamic Commercial Banks

No.	Indonesian Sharia Commercial Bank	Malaysian Sharia Commercial Bank
1.	PT. Bank Muamalat Indonesia	HSBC Amanah Malaysia Berhad
2.	PT. Bank Victoria Syariah	AmBank Islamic Berhad
3.	PT. Mega Syariah Bank	Al Rajhi Banking Malaysia
4.	PT. Sharia Panin Bank	CIMB Islamic Bank Berhad
5.	PT. Bukopin Sharia Bank	RHB Islamic Bank Berhad
6.	PT. Syariah BCA	OCBC AL-Amin Bank Berhad

Source: Processed Data, 2022

called CAMELS with a total sample of 36.

Maqashid Sharia Index Model (MSI) is a tool that may be used to assist in the evaluation of the financial performance of Islamic banks from the viewpoint of a more comprehensive framework. This framework extends beyond the financial and operational components to also take into account the social, moral, and environmental dimensions. This model evaluates the degree to which Islamic financial institutions are able to meet the requirements of sharia law, which include providing for the justice, welfare, and benefit of all people. The following model is implemented in order to ensure that the MSImethod of assessing financial performance yields the most accurate results possible.

The CAMELS model can be used to assist in the identification of potential problems or risks associated with the financial performance of Islamic banks. This enables appropriate actions to be taken to address these problems before they become more significant and have an effect on the financial stability of Islamic

Table. 2 Performance Measurement Model Maqashid Sharia Index (MSI)

Draft	Dimensions	Element	Performance Ratio	Source
Individual Education	D1. Knowledge advancement	E1. Education Grants	R1. Tuition fee / total cost	Annual Reports
		E2. Study	R2. Research costs / total costs	Annual Reports
	D2. Interesting skills and improvements	E3. Training	R3. Training fee / total cost	Annual Reports
	D3. Creating awareness of sharia banking	E4. Publication	R4. Publication fee / total cost	Annual Reports
Creation of Justice	D4. Fair and equal results	E5. Fair returns	R5. Profit/total revenue	Annual Reports
	D5. Cheap Services and Products	E6. Functional distribution	R6. Musyarakah and mudharabah financing / total financing	Annual Reports
	D6. Eliminate injustice	E7. Interest Free Products	R7. Interest free income / total income	Annual Reports
Achievement of Maslahah (Public Interest)	D.7 Profitability	E.8 Profitability Ratio (ROA)	R8. Net Profit / Total Assets	Annual Reports
	D8. Redistribution of wealth and income	E9. Personal income	R9. Zakat / Net Profit	Annual Reports
	D9. Investment in the real sector	E10. Investment in the real sector	R10. Investment in the real sector/total investment	Annual Reports

Source: Processed Data, 2022

banks as well as the financial system as a whole. When calculating a company's financial performance using the CAMELS approach, the following model is used in order to get the best possible outcomes.

The statistical software used is SPSS version 25. The data analysis technique is carried out in several stages, namely the normality test with the Kolmogorov-Smirnov (KS) analysis technique with the aim of seeing normal and proper data so that it is able to represent the population and sample in the study. Then test the comparison with the Independent Sample T-Test analysis technique with the aim of knowing the average comparison of the two groups whether there is a difference or not (Purwanto, 2019).

Table. 3 CAMELS Model Performance Measures

Draft	Dimensions	Performance Ratio	Predicate
Capital	Capital Adequacy Ratio (CAR)	CAR⩾ 12%	Very healthy
		9%⩽ CAR⩽ 12%	Healthy
		8%⩽ CAR⩽ 9%	Healthy Enough
		6%⩽ CAR⩽ 9%	Unwell
		CAR⩽ 6%	No Healthy
Asset Quality	RORA (Return on Risk Asset)	ROR > 7.85%	Healthy
		ROA < 7.85%	Not Healthy
Management	Net Profit Margin (NPM)	NPM⩾ 100%	Very Healthy
		81%⩽ NPM < 100%	Healthy
		66%⩽ NPM < 81%	Enough Healthy
		51%⩽ NPM < 66%	Unwell
		NPM < 51%	Not Healthy
Profitability	Return on Assets (ROA)	ROA > 1.5%	Very Healthy
		1.25% <ROA⩽1.5%	Healthy
		0.5% < ROA⩽ 1.25%	Healthy Enough
		0% <ROA⩽ 0.5%	Unwell
		ROA⩽ 0%	Not healthy
Liquidity	Financing to deposit ratio (FDR)	FDR⩽ 75%	Very healthy
		75% < FDR ⩽ 85%	Healthy
		85% < FDR ⩽ 100%	Healthy Enough
		100% < FDR ⩽ 120%	Unwell
		FDR > 120%	Not Healthy
Sensitivity to Market Risk	Internal Expense Ratio (IER)	81% -< 100%	Healthy
		66%-< 81%	Healthy Enough
		55%-< 66%	Unwell
		0%-< 55%	Not Healthy

Source: Processed Data, 2022

Result and Discussion

Statistical procedures that are used to explain and understand data are referred to as descriptive statistics. The primary objective of descriptive statistics is to

Table 4. Descriptive Statistical Test Results for Indonesian and Malaysian Sharia Commercial Banks with the MSI Method and CAMELS Method

	Sharia Commercial Banks	N	Mean	Std. Dev	Std. Eror	Min	Max
MSI Method							
Individual Education	Indonesian BUS	36	21.112	0.127	0.174	4.779	7.105
	Malaysian BUS	36	20.182	0.126	0.182	4.435	7.083
Creation of Justice	Indonesian BUS	36	12.486	0.145	0.142	6.793	10.752
	Malaysian BUS	36	12.296	0.148	0.141	5.868	9.858
Achievement of Maslahah (Public Interest)	Indonesian BUS	36	24.992	0.191	0.226	15.117	32.649
	Malaysian BUS	36	23.881	0.187	0.218	14.181	30.581
CAMELS Method							
Capital Adequacy Ratio (CAR)	Indonesian BUS	36	20.268	6.842	0.893	11.51	42.307
	Malaysian BUS	36	11.206	4.148	0.738	5.462	19.873
RORA (Return on Risk Asset)	Indonesian BUS	36	3.041	4.885	0.663	12.907	13.668
	Malaysian BUS	36	1.301	3.612	0.111	6.801	10.506
Net Profit Margin (NPM)	Indonesian BUS	36	52.881	8.915	0.226	14.607	120.802
	Malaysian BUS	36	49.113	9.714	0.286	17.661	132.12
Return on Assets (ROA)	Indonesian BUS	36	0.714	1.652	0.271	2.351	10.901
	Malaysian BUS	36	0.481	1.822	0.329	1.936	9.432
Financing to deposit ratio (FDR)	Indonesian BUS	36	92.751	17.755	2.881	65.942	193.741
	Malaysian BUS	36	84.138	20.722	2.756	58.42	133.51
Internal Expense Ratio (IER)	Indonesian BUS	36	2.891	1.119	0.632	0.145	9.307
	Malaysian BUS	36	4.148	3.21	0.782	0.279	10.228

Source: Data Processed, 2023

provide data in a format that is not only simple to comprehend but also succinct and capable of being analyzed in an efficient manner. Statistics that are descriptive serve to offer an overall picture of the data that is accessible, such as the size of the data center, the distribution of the data, and the shape of the data distribution. This helps to grasp the primary properties of the data and offers a basic understanding of what may be occurring inside it. Using the MSI and the CAMELS methodology, the following are some descriptive data on the financial performance of Islamic commercial banks in Indonesia and Malaysia.

Descriptive statistical test results for financial performance data under covid-19 conditions in Table 4 of the first goal of Maqashid sharia namely Individual Education, Indonesian BUS has a mean of 21.112 with a minimum value of 4.779 and a maximum value of 7.105 while Malaysian BUS has a mean of 20.1825 with a minimum value of 4.435 and a maximum value 7.0839. For the second objective of Maqashid sharia namely Creation of Justice, Indonesian BUS has a mean of 12.486 and a minimum value of 6.793 and a maximum value of 10.752 while Malaysian BUS has a mean of 12.296 and a minimum value of 5.868 and a maximum value of 9.858. In the third Maqashid sharia destination, Indonesian BUS has a mean of 24.992 and a minimum value of 15.117 and a maximum value of 32.649 then Malaysian BUS has a mean of 23.881 with a minimum value of 14.181 and a maximum value of 30.581.

The findings of the descriptive statistical test revealed that the CAR of Indonesian BUS indicators obtained a mean of 20.2681, a minimum value of 11.510, and a maximum value of 42.307, whereas the CAR of Malaysian BUS obtained a mean of 11.206, a minimum value of 5.462, and a maximum value of 19.873. These findings are displayed in the CAMELS model. In comparison, the RORA Malaysian BUS received a mean of 1.301, with a minimum value of 6.8015 and a maximum value of 10.5061. The RORA of Indonesian BUS earned a mean of 3.041, with a maximum value of 13.668. The NPM Indonesian BUS received a mean value of 52.8814, with a minimum value of 14.607 and a maximum value of 120.802. On the other hand, the NPM Malaysian BUS obtained a mean value of 49.113, with a minimum value of 17.661 and a maximum value of 132.120. The

Table. 5 Normality Test Results for Indonesian and Malaysian Islamic Commercial Banks with the MSI Method and CAMELS Method

	Sharia Commercial Banks	Statistics	df	Sig.
MSIRatio	Indonesian BUS	0.119	36	0.164
	Malaysian BUS	0.088	36	0.211
CAMELS Ratio (Capital, Asset, Management, Earning, Liquidity, Sensitivity of Market Risk)	Indonesian BUS	0.178	36	0.183
	Malaysian BUS	0.186	36	0.074

Source: Data Processed, 2023

ROA for Indonesian BUS came in with a mean of 0.714, a lowest value of 2.351, and a maximum value of 10.901, while the ROA for Malaysian BUS came in with a mean of 0.481, a minimum value of 1.936, and a maximum value of 9.432. Both of these results were significantly different from each other. The FDR Malaysian BUS got a mean of 84.138, with a minimum value of 58.4205 and a maximum value of 133.510, while the FDR Indonesian BUS received a mean of 92.751, with a minimum value of 65.942, and a maximum value of 193.741; however, the maximum value of the FDR Malaysian BUS was lower. While the IER Malaysian BUS achieved a mean of 4.148 with a low value of 0.279 and a maximum value of 10.228, the IER Indonesian BUS obtained a mean of 2.891 with a minimum value of 0.145 and a maximum value of 9.307.

If we apply the Kolmogorov-Smirnov test to the financial performance data in Table 5, we get a sig. of 0.164 for an Indonesian Sharia Commercial Bank (BUS) under the covid-19 with the MSI method and a sig. of 0.211 for a Malaysian Sharia Commercial Bank (BUS), both of which are greater than 0.05, indicating that the data is normally distributed.

Table. 6 Different Test Results for Indonesian and Malaysian Islamic Commercial Banks with the MSI Method

	Sharia Commercial Banks	Sig. (2-tailed)	Information
	MSI Method		
Individual Education (Tahdzib Al-Fard)	Indonesian BUS Malaysian BUS	0.000	There are differences
Creation of Justice (Iqamah Al-Adl)	Indonesian BUS Malaysian BUS	0.014	There are differences
Achievement Maslahah (Jalb Al Mashlahah)	Indonesian BUS Malaysian BUS	0.025	There are differences
	CAMELS Method		
CAR (Capital Adequacy Ratio)	Indonesian BUS Malaysian BUS	0.000	There are differences
RORA (Return on Risk Asset)	Indonesian BUS Malaysian BUS	0.001	There are differences
NPM (Net Profit Margin)	Indonesian BUS Malaysian BUS	0.000	There are differences
ROA (Return on Assets)	Indonesian BUS Malaysian BUS	0.009	There are differences
FDR (Financing to Deposit Ratio)	Indonesian BUS Malaysian BUS	0.003	There are differences
IER (Internal Expense Ratio)	Indonesian BUS Malaysian BUS	0.000	There are differences

Source: Data Processed, 2023

The results of the normality test of financial performance data in Table 5 with the Kolmogorov Smirnov approach yield a sig. from Islamic Commercial Banks (BUS) Indonesia in a covid-19 condition with the CAMELSat 0.183 and a sig. from a Malaysian Sharia Commercial Bank (BUS) in a covid-19 condition using the CAMELSat 0.074 and the value obtained exceeds 0.05 so it is concluded that the data has a normal distribution and is suitable for use to represent both the population and the sample used for the study.

Comparative test results of the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia under the conditions of covid-19 with the MSI method in Table 6 with the Independent Sample T-Test approach yielded a sig value on the individual education indicator (Tahdzib al-Fard) at 0.000, creating justice (Iqamah AlAdl) at 0.014, and creating benefits (Jalb Al Mashlahah) at 0.025 and the overall value is below 0.05 so it can be concluded that there are differences in the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia with the MSImethod in the condition of covid-19.

Comparative test results of the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia in the conditions of covid-19 with the CAMELS in Table 6 with the Independent Sample T-approach The test produces a sig value on the Capital Adequacy Ratio (CAR) indicator at 0.000, Return on Risk Assets (RORA) at 0.001, Net Profit Margin (NPM) at 0.000, Return on Assets (ROA) at 0.009, Financing to Deposit Ratio (FDR)). Liquidity,Sensitivity of Market Risk) in the condition of covid-19.

In the process of developing the Maqashid Sharia Index (MSI), three primary criteria have been gathered. These factors have constituted the cornerstone of the MSI, and they are universal in their nature. In order for Islamic banks to be able to develop the abilities of its workers, it is necessary for Islamic banks to build programmes connected to education and training programmes that include coverage on moral values. The significant elements included within these three aspects serve as the foundation for Islamic banks' programme designs. In terms of the principle of justice, Islamic banks are required to conduct their business in an honest and fair manner. Furthermore, Islamic banks need to be able to create new types of investments with the intention of improving the standard of living for the general populace, particularly during the global economic crisis that occurred during the COVID-19

According to the findings of the comparison test, which obtained a sig value on individual education (Tahdzib al-Fard) of 0.000 and a value that was less than 0.05, it was determined that there were differences in the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia when using the MSI method under conditions covid-19. In terms of individual education (Tahdzib al-Fard), which includes grants from education, then research, as well as training and publishing, these findings give the fact that the financial performance of Islamic banks in Indonesia has higher value compared to Islamic banks in Malaysia. It demonstrates that the contribution made by Islamic banks in Indonesia to the Covid-19 criterion in the sphere of educational donations is of a larger value in Indonesia than it is in Malaysia. The education sector is the spearhead in building the nation's civilization. Educational grants made and given by Islamic banks carries the hope that the community will be assisted and are able to pursue education, to create superior generations in the scientific field in building an economy on an Islamic basis and the existence and development of Islamic banks can be more developed for people all over the world. Educating Individuals or called Tahdhib al-Fard has the meaning of how Islamic banks are able to disseminate knowledge in instilling and providing value to individuals in the context of spiritual development. In this case, Islamic banks must be able to have a concept in designing programs of education and training with the aim of developing a workforce that has knowledge and skills with good and appropriate moral values. On the research element, funds that are used as a tool to meet the needs for developing Islamic banks, especially the development of products owned by Islamic banks and adapted to sharia principles and of course these products are adapted to the needs of the community. Allocation of research funds by Islamic banks in Indonesia has a better value compared to Malaysia, Because of this, Islamic banks in Indonesia already have a good role in allocating funds for research and development needs. This is because this activity is able to provide innovation, which of course has a major impact on the soaring existence of Islamic banks, particularly innovation in financial technology in the Covid-19 shock, which resulted in limited social aspects and interaction from the community so that the application of financial technology is very effective. This provides the fact that Islamic banks in Indonesia already have a good role in allocating funds for research and development. In the training element, funds owned by Islamic banks are used in the form of educational activities and training activities for employees. This is done with the aim of improving skills both from soft skills and hard skills. In addition, through education funds, employees have the opportunity to continue their education to a higher level as a form of effort to improve the quality of employees so that employees are able to produce maximum performance for the company. In addition, in terms of training and educating Islamic bank employees, Indonesia is superior to Malaysia. Even though education and training for employees is very important in order to prepare soft and hard skills and make employees of Islamic banks of course have more readiness if something unexpected happens, such as the current crisis due to Covid-19. The next factor to be considered is publication, and here it should be noted that the publishing value of Islamic banks in Indonesia is higher than that of Islamic banks in Malaysia. It offers information. The Islamic financial institutions in Indonesia have a high degree of understanding of the significance of publishing. Publications made by Islamic banks can indirectly affect consumers or customers of Islamic banks. This is because the form of publication or promotion of Islamic banks is an attraction for consumers and customers in viewing the products provided by Islamic banks to the benefits that the community gets when they become customers in Islamic banks.

The results of the comparative test obtained a sig value for the Creation of Justice (Iqamah AlAdl) at 0.014, and the value was below 0.05, so it was concluded that there were differences in the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia using the MSI method in covid-19 conditions. These findings were based on the results of the test that compared the two countries. These results provide the fact that compliance by Islamic banks in Indonesia in realizing justice are higher compared to Malaysia. Justice that is carried out is manifested in the form of transactions such as ways to provide equal profit sharing given to customers in accordance with the agreed contract. In addition, Islamic banks have important demands and have contributed to the attainment of justice, such as in the fairness of the distribution of wealth and is obliged to respect rights in carrying out transactions. In the second element, namely functional distribution, mudharabah and musyarakah measurement tools are used where in this case, Islamic banks in Indonesia have an advantage on the ratio scale of both financing. In addition, Islamic banks in Indonesia implement all parts of their financing models using musyarakah and mudharabah finance. Therefore, the greater the Islamic bank model that makes use of mudharabah and musyarakah financing, the more evidence there is that Islamic banks are able to enhance their role in building socio-economic justice in the form of profit sharing. Islamic banks in Indonesia have a reasonably excellent ratio value when compared to Islamic banks in Malaysia in terms of the aspect of interest-free product, which refers to items that are offered without interest. As a result, the value ratio of assets that are categorised as riba-free relative to the entire investment should be increased.

The results of the comparison test obtained a sig value for creating benefits (Jalb Al Mashlahah) at 0.025, and the value was below 0.05; therefore, it was concluded that there were differences in the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia when using the MSI method under covid conditions -19. Based on these findings, it can be deduced that the contribution that Islamic banks in Indonesia make towards the generation of benefits is greater than that which they make in Malaysia. This is related with Islamic banks in Indonesia acquiring big profits, which will have a favourable influence on banks, where these revenues may give actual advantages for clients. In addition, this will have a positive effect on customers. Even with enormous earnings, owners of capital or investors in Indonesia's Islamic banks get profit sharing and do not have cause for concern about the cash they have put in Islamic banks. In addition, the form of benefits provided by Islamic banks in Indonesia is through *zakat* given by companies. In the element of *zakat* funds or net assets, the management of Islamic banks in Indonesia is better compared to Malaysia. This is because, the distribution of *zakat* funds provided by Islamic banks is distributed on target and even realized with social programs such as: educational scholarships, then free health, school construction programs in remote areas, residential or home renovation programs. for underprivileged communities, improving the condition of beaches and forests in the framework of re-greening and in the form of other social activities. Within the scope of maqashid sharia, *zakat* funds provided by Islamic banking and distributed to the community as part of efforts to maintain the important aspects of maqashid in the form of *zakat* fund empowerment programs. In investment in the real sector, Islamic banks in Indonesia have consistently performed better than Malaysia, especially during the crisis in the Covid-19 era. Islamic banks have the responsibility and obligation to improve the quality of social and economic life of the community in the era of Covid-19. This is an indication that Islamic banks are in accordance with their objectives, namely to create an Islamic financial system that is competitive, efficient and capable of fulfilling Islamic principles through support for the real sector in the form of profit sharing. In addition, the form of benefit that is realized by Islamic banks is not only for shareholders,

According to the findings of this research, the financial performance of the Islamic banking sector in Indonesia has higher value and compliance compared to Islamic banks in Malaysia based on the MSIunder the circumstances of Covid-19. These findings were derived through a comparison of the two countries' Islamic banking institutions. The results of the research are in line with the research (Windriya, 2019) study discovered significant and noticeable disparities in the financial performance of Islamic banks in Indonesia and Malaysia. Then the research results are supported by research (Prasetyo et al., 2020) relative to Islamic banks in Malaysia, the Islamic banking sector in Indonesia has a higher proportion of financial performance overal. The findings of this study are in line with Signal Theory by Spence (1973) which states that the sender of the information owner will give a signal in the form of information as a reflection of the condition of the company which will certainly be beneficial to the recipient of the information or investors (Nofinawati et al., 2021). Information provided and released from the company is an important part of the decisions made by investors and other parties from business actors because the information issued has the substance of providing presentation in the form of information or notes as well as an overview of the company's past and present conditions. and an overview of the future regarding the viability of the company which of course has an effect on the company (Buallay et al., 2021).

The findings of the comparison test obtained a sig value on the Capital Adequacy Ratio (CAR) at 0.000, and the value was below 0.05. Based on these findings, it was determined that there were differences in the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia with CAMELS under the condition of covid-19. These findings offer the facts that during the Covid-19 epidemic, Islamic banks in Indonesia were in excellent condition and were able to withstand the risk of losses that would have been encountered by Islamic banks in Indonesia compared to Islamic banks in Malaysia. These facts are provided by these results. The higher the value of the Capital Adequacy Ratio (CAR), the more absolutely assured it is that Islamic banks are equipped to withstand any kind of hazardous financing or productive assets. The Capital Adequacy Ratio, often known as CAR, is the foundation for Islamic bank indicators that banks are able to cover the drop in assets that is caused by assets that have risks associated with them. When the Capital Adequacy Ratio (CAR) has a higher value, it indicates that the bank has a greater chance of being able to weather the financial storms that may befall the organisation.

According to the comparison test, which obtained a sig value on Return on Risk Assets (RORA) of 0.001 and a value that was less than 0.05, it was determined that there were differences in the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia with CAMELS under the condition of covid-19. According to these findings, Islamic banks in Indonesia were able to deliver extremely excellent commercial profits and had better financial circumstances than Islamic banks in Malaysia had during the Covid-19 epidemic. This is in comparison to Islamic banks in Malaysia. Return on Risk Assets, abbreviated as RORA, is a metric that gives an overall picture of a company's or bank's management team's capacity to handle problematic funding. RORA is an acronym that stands for return on risk assets, and its construction is dependent on numerous factors, including income and loans. The sales of goods or services that arise from the operations of the bank are what contribute to the bank's revenue. Banks take up responsibility for debts in the form of loans in order to expand their available capital. These findings provide undeniable proof that Islamic financial institutions in Indonesia are capable of maximising every aspect of their performance by means of business growth.

According to the comparison test, which obtained a sig value on the Net Profit Margin (NPM) of 0.000 and a value that was less than 0.05, it was determined that there were differences in the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia with CAMELSunder the condition of covid-19. According to these findings, Islamic banks in Indonesia operate at a high level of efficiency and are able to keep their operating expenses to a minimum despite the challenging economic climate of the Covid-19 period. This is in contrast to the performance of Islamic banks in

Malaysia. The effectiveness of Islamic banks in reducing the costs of their operational operations has a significant bearing on the growth of their revenue, which is particularly important in this age of economic turmoil brought on by Covid-19. This, in turn, will naturally lead to a rise in the value of their net profit margin (NPM).

It was concluded that there were differences in the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia with CAMELS in the condition of covid-19. The results of the comparison test obtained a sig value on Return on Assets (ROA) at 0.009, and the value was below 0.05. This led to the conclusion that there were differences in the financial performance. According to these findings, Islamic financial institutions in Indonesia have superior financial standings than those of Islamic financial institutions in Malaysia operating in the Covid-19 period. Even in the midst of the Covid-19 crisis, Islamic banks in Indonesia are able to effectively manage their assets and have capital that is highly efficient, which enables them to make larger net profits. The Return on Assets (ROA) ratio gives an indication of the capacity of a bank to make profits by using the invested capital in the form of all assets. It does this by calculating the percentage of those earnings that are returned on those assets. If the Return on Assets (ROA) value is low or moving in the direction of a downward trend, this is because the development of bank earnings has been unpredictable, and banks have a high failure rate of financing, which leads to substantial operating expenditures for banks and makes them inefficient.

According to the comparison test, which obtained a sig value on the Financing to Deposit Ratio (FDR) of 0.003 and a value that was less than 0.05, it was determined that there were differences in the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia with CAMELSunder the condition of covid-19. When compared to Islamic banks in Malaysia over the time period covered by the Covid-19 study, these findings demonstrate that Islamic banks in Indonesia are better able to maximise their use of various sources of funding in order to create profits. The Financing to Deposit Ratio, often known as the FDR, is a method of evaluating a bank's overall performance by comparing the amount of financing provided by the bank to third parties and the amount of deposits received by the bank. In the event that the value of the Financing to Deposit Ratio (FDR) is greater than what was expected.

Due to the fact that the results of the comparison test obtained a sig value on the Internal Expense Ratio (IER) at 0.000 and the value was below 0.05, it was determined that there were differences in the financial performance of Islamic Commercial Banks in Indonesia and Islamic Commercial Banks in Malaysia with CAMELSin the condition of covid-19. This was the conclusion that was reached. According to the findings of this study, the capacity of Islamic financial institutions in Indonesia to amass sources of funding is superior than that of Islamic financial institutions in Malaysia in the age of Covid-19. If the value of the Interest Expense Ratio (IER) is lower, it is certain that Islamic banks in Indonesia are able to increase the yield on the amount of deposits so that they can increase competitive profit sharing so that customers in companies do not necessarily withdraw their funds and switch to banks. In addition, if the value of the IER is lower, it is certain that Islamic banks in Indonesia are able to increase the yield on the amount of deposits so that they can increase competitive profit sharing other.

According to the findings of this study, the financial performance of the Islamic banking industry in Indonesia has achieved more optimal and better results compared to Islamic banks in Malaysia based on CAMELS in covid-19 conditions. The findings of the study are consistent with the findings of the research (Biduri et al., 2022) that discovered significant variations in the economic functionality of Islamic banks in Indonesia and Malaysia. The research results are also supported by Ikhwan & Riani (2022) that financial performance of Islamic banks in Indonesia is far superior than that of Islamic banks in Malaysia, which is to conclude that Islamic banks in Indonesia are performing better overall. The findings of this study are in line with the Signal Theory by Andrew Michael Spence (1973) It specifies that corporations will have an incentive to offer information to parties outside the company or external parties, such information will be provided in the form of financial reports. External parties. Companies have an incentive to provide information due to a relationship with the form of asymmetry in information from the company to external parties on the basis that outsiders or investors will know more about the company and the company's prospects in the long term (Imran et al., 2021). The results of the analysis of financial performance as a form of information signal in knowing companies in the Islamic financial sector in conditions of economic crisis in the Covid-19 era which have a much better reputation and high quality so that they can be used as material for consideration for investors to make investment decisions (Bakhouche et al., 2022).

Conclusion

The findings of the research indicate that the financial performance of the Islamic banking sector in Indonesia has high value and compliance compared to Islamic banks in Malaysia based on the MSI under the circumstances of Covid-19. These findings are presented in the context of the conditions of the study. Therefore, it is possible to say that Islamic Commercial Banks in Indonesia are Islamic banks that have the most consistent performance based on the MSI under the circumstances of Covid-19. This is because Islamic Commercial Banks in Indonesia are the Islamic banks that have the highest MSI. Therefore, the financial performance of the Islamic banking sector in Indonesia achieved more optimum and superior results compared to Islamic banks in Malaysia based on CAMELSin the Covid-19 environment. These results were determined by comparing the banks' capital, asset management, earnings, liquidity, and sensitivity to market risk.

It is anticipated that the outcomes of this research will give a reference to the financial reports of Islamic banks in Indonesia and Malaysia under the circumstances of an economic crisis during the age of Covid-19. This expectation holds true both theoretically and practically. While this is true, practically speaking, investors can use it as a consideration for investing in knowing companies in the Islamic financial sector during the economic crisis conditions of the Covid-19 era that have a significantly better reputation and are of a high quality so that investors can take them into consideration when making investment decisions.

This study focused only on Islamic banking in Indonesia and Malaysia; therefore, it is hoped that future research will investigate Islamic banking in other ASEAN countries such as Thailand, Singapore, the Philippines, and Brunei Darussalam and use other methodologies in addition to the MSI and CAMELS. approach. In addition to this, it is anticipated that the study term will be extended to include the post Covid-19 endemic phase.

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