The Influence of Exchange Rate, Inflation, For the Results of the Development Assets of Islamic Banks

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ABSTRACT: This study aims to determine how much influence the exchange rate, inflation, for the results of partial and simultaneous influence on the development of the assets of islamic banks in Indonesia. This study using the technique of regression analysis of panel data, i.e. using data pooling cross section and time series, where this research was conducted by using test specifications model common effect and fixed effect using the test chow test and hausman. The population and sample of this research is financial statement quarter 10 sharia commercial banks and sharia business units that exist in Indonesia. The Model chosen in this study is the Fixed Effect Model (FEM). The results showed that the partial variable exchange rate and inflation have a positive but not significant to the development of the assets of islamic banks, while the variable for the result and significant positive effect on the development of the assets of islamic banks. While simultaneously the variables of exchange rate, inflation, and for the results and significant positive effect on the growth of assets of islamic banks.

KEYWORDS: Exchange rate, Inflation, For the Results, Assets

1. INTRODUCTION

Indonesia has a chance as a country that has a market share of sharia with the largest population of muslim population the largest in the world, as much as 254, 9 million in the year 2015. Until December 2014, the islamic banking industry has a network of as many as 12 Islamic Banks (BUS), 24 Sharia Business Unit (UUS), and 163 of the SRB, with a total network of offices to achieve 2.910 offices spread in almost all corners of the archipelago.

The rapid growth of islamic banking and resilience in the face of the economic crisis that hit Indonesia in 1998, make islamic banks earn the greater trust of the community, so that the government and monetary authorities are increasingly supporting the development of sharia banking in Indonesia. Time travel shows that islamic economics can be an option to overcome the problems that are currently still become a global crisis.

The existence of islamic banking has been there since the era of the 90's, i.e. since the enactment of the law on banking law number 7 year 1992. Law number 7 year 1992 is the forerunner of the emergence of islamic banking, where the legislation is still set about the term for results. New in 1998 out of the banking law namely law number 10 year 1998, where through this legislation already set about the operational principles of banks based on sharia, so that in the 2000s many emerging islamic banking and the demands of commercial bank, whether state-owned banks and private banks to create a sharia business unit, where sharia business unit this can help people who want to borrow funds without the cost of the flowers, so to help the community avoid entrapment of return of funds. With the development of islamic banking, it gives birth to the law on islamic banking, namely law number 21 year 2008 which explains about the rules of the legal foundation of islamic banking.

With the existence of law number 21 year 2008 has been a rapid development towards islamic banking.One of the indicators to assess the success of islamic banking is to look at the value of the total assets of the islamic banking. The greater the amount of the total assets of a bank, the better the position of the bank. Total assets can be influenced from both the macro economy and internal bank itself.

The growth of Assets of Islamic Banks in Indonesia shows the total assets of the BUS and UUS in 2016 increased by Rp 60.242 trillion to Rp 356.504 trillion compared to the total assets of the BUS and UUS in the year 2015 amounting to Rp.296.262

trillion. It is better than the previous years, which only increased by Rp 23.919 trillion in 2015 than in 2014 which is the increase in the fewest in the period 2012-2016.

The increase in the growth of islamic banks is determined by how much profit is obtained, where the profits earned bank sharia derived from the increase in the number of assets through operational activities that have been implemented. The increase in total assets of islamic banks sanat influenced by several factors, including external factors such as macro-economic factors, namely factor in inflation and the exchange rate (exchange rate), the Growth of Gross Domestic Product (GDP) as well as internal factors such as rate factor for the yield of the product of the savings bank syarial.

According to Karim (2017: 28) inflation greatly affects the increase in assets of islamic banks, so that the increase in these assets will be able to increase the profitability of islamic banks itself, where profitability is increased, then the rate of return on assets also increased. High inflation will make the effort of islamic banks in increasing the revenue will be little disturbed, as a result of business of islamic banks in increasing the number of assets also will be distracted. High inflation will make the occurrence of a decrease in the number of assets owned by islamic banks, as a result a strong push in increasing the number of assets to be slightly reduced, resulting in the least amount of profit earned bank syariah.

With the least increase in assets and profits diperleh islamic bank, then the bank's ability to generate funds to be channeled in some of the products of islamic banks also decreased. This is an impact to the occurrence of a slight advantage in yield for yield savings products with customers, where islamic banks have kemamapuansedikit to increase the profit against the level for the result of savings held by islamic banks to its customers.

Conversely, if inflation is low, then the business of islamic banks in increasing the revenue will be gained by better, as a result of business of islamic banks in increasing the number of assets will also be better. Low inflation will make the occurrence of the increase in assets maximum, as a result of a strong push in increasing the number of assets becomes also be a maximum, resulting in an increased amount of maximum profits earned bank syariah. With improved assets as well as the maximum profit, then the bank's ability to generate funds to be channeled in some of the products of islamic banks also increased the maximum. This is an impact to the occurrence of a rise in profits for the results of savings products with customers, which the islamic banks are able to increase the division of the maximum profit against the level for the result of savings held by islamic banks to its customers.

According to Huda, Et al (2018 : 45) the exchange rate (exchange rate) is also very influential on the increase in total assets of islamic banks, so the effect on the ability of islamic banks in increasing profits, where if the value of the exchange rate strengthened, then the bank will easily increase the number of assets in a significant amount, where the amount of assets that increase derived from the fee from the difference in exchange rate, it will make the islamic bank can collect the amount of assets that the maximum in order to increase the amount of revenue to increase funding to the various products of islamic banks.

Funding from foreign exchange gains this can be done to increase profits for the results, where the profit for the results of this will impact on the increase in the profit rate for the product yield savings between the islamic bank and its customers. On the contrary, if the value of the exchange rate fell, then the bank will be difficult to increase the number of assets in a significant amount, where the amount of assets will tend to decrease or increased slightly, where the islamic bank will not earn a profit (fee) of the foreign exchange akbat of the exchange rate weakened. This means that islamic banks are not able to collect the amount of assets that the maximum in order to increase the amount of revenue to increase funding to the various products of islamic banks. Funding from foreign exchange loss this can't be done to increase profits for the results, where for the results of this will impact on the decline in the profit rate for the product yield savings between the islamic bank and its customers.

According to Antonio (2018: 33) level for the results of savings that are owned by islamic banks which are in accordance with the wishes of the customer, which has a distribution of profits that can benefit the customer will be implemented if the rate of inflation brought low, and the value of the exchange rate tends to strengthen. If the level for the result can satisfy the customer, then the customer will tend to be loyal and want to continue the use of savings products of islamic banks. The situation is very influential on the increased profits that will be acquired by the islamic banks in Indonesia, where the increase in the profit level for the results between the bank and the customer would be one a valuable contribution in an increase in profits of islamic banks, where the donation of the profits earned will be able to enhance the amount of assets that are maximum for the sustainability of the operations of islamic banks itself.

The increase in assets that occurred in the period 2009-2019 Year could not help significantly in improving the growth of capital to finance benefits for the results from the products of islamic banks, because the assets acquired increased, but only a little bit of funds disbursed to increase profits for the results of savings products between the customer and the islamic bank, so that on the one hand the funds raised could not increase profits for the results of the customer significantly, on the other

hand obtained funds or profits earned can't boost an increase in profits for the bank's results significantly, where most of the increase in assets is made to cover other operational, so that the benefits can not improve the ability of banks to help increase the participation of the bank in order to help the community in improving the purchasing power or public consumption, so the role of islamic banks is still not seen due to the ability of islamic banks is still not optimal in collecting savings fund society to improve the ability of public consumption.

2. LITERATURE REVIEW
Exchange Rate

The exchange rate is record (quotation) the market price of the foreign currency (foreign currency) in the price of domestic currency (domestic currency) or resiprokalnya, namely the price of the domestic currency in foreign currency (Darmawi, 2017: 35). In another case it is said that the value of the exchange rate (exchange rate) present price level is the exchange of one currency into other currencies, and are used in various transactions, among others, international trade transactions, the transaction banking financing, as well as fund raising by banks in the form of savings or deposits with the use of foreign currency. (Huda, 2018 : 47).

For The Results

For the results is the distribution of the results of operations that have been performed by the parties perform the agreement that the customer and the bank syariah (Karim, 2018: 76). For the result is also a division on the results of the effort that has been done by the parties perform the agreement that the customer and the bank syariah (Ismail, 2011: 96).

Inflation

Inflation is a symptom of the rise in the prices of goods that is common and continuous. Inflation is the increase in the prices of goods and services, which occurs due to the demand increase is large compared to the supply of goods in the market (Sukirno, 2017:15). In other words, too much money chasing down items too little (Rahardja and Manurung, 2018:16).

3. METHODOLOGY

The author will use the technique of analysis of Panel Data Regression using data pooling cross section and time series, where data is processed using Eviews 10 and can be used to see the relationship between the variables into options to see if there was a variable-a variable that has a major role affects inflation directly. While the technique of writing this research is to use the technique of the study of literature, namely dig in and analyze a variety of information related in a variety of books and library materials that the other, While the data that is processed from data published by Bank Indonesia.

The population in this research is financial statements quarterly 10 commercial banks and sharia business unit of the Year 2015-2019. Sampling in this study using purposive sampling technique. Purposive sampling is a method of determining in sampling with certain criteria, so that the number of samples in this study amounted to 200 observation data.

The type and Source of Data. Data is a description that can give you an overview of a situation, the Data obtained need to be processed to be able to answer the problems formulated in the research, Based on how to obtain the data used in this research is secondary data, According to the classification of collecting data is time series data monthly, the Data used in this research is quantitative data. This study uses secondary data with the data type of the cascading time (time series), which is the monthly data of the year 2015 until 2019, the data used in this study are taken from the quarterly financial report 10 commercial banks in Indonesia. Inflation Data triwula Nan years 2015 to 2019, as well as data of exchange rate quarterly year 2015-2019.

This study using the technique of regression analysis of panel data, namely pooling cross section and time series. Cross section Data is the data of observation on some subject of study in one time, for example in one year. While time series Data is data observation on the subject of the study was observed in one period of time.

4. RESEARCH RESULTS
The Classical Assumption Test
Normality Test Data

Normality test is useful to determine the data that has been collected normal distribution or taken from a normal population
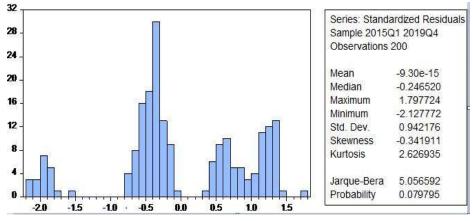
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Figure 2 Normality Test with the Test of Jarque-Bera

Based on figure 1, the known value of the probability of the statistic J-B is 0,079795. With respect to the probability value, i.e. 0,079795, is greater than the significance level, which of 0.05. This means that the data meets the assumption of normality is that the data has been distributed normally.

Test of Multicollinearity

Multicollinearity or kolinearitas double (multicollinearity) is the presence of a linear relationship between the variables smoke X in the model of multiple regression. Multicollinearity test is required to determine whether there is an independent variable of mutual influence between the independent variables in a regression model.

Table 3. Test Of Multicollinearity

	EXC	INF	BH
EXC	1.000000	0.067954	0.055172
INF	0.067954	1.000000	0.002269
BH	0.055172	0.002269	1.000000
PDB	0.067817	-0.069463	0.054013

Source: Results If the software Eviews 10

Based on Table 4.3, the value of the correlation matrix of the variables of the exchange rate (X1), inflation (X2) a (X3) and GDP (X4) is below the 0.90. In connection with each such value is not greater than the 0.90, then it does not occur multicollinearity between fellow independent variables.

Heteroscedasticity Test

Heteroscedasticity test aims to test whether a variable regression model dissimilarity of the residual of an observation to the observation of others. If the variance of the residuals remain, then called homoskedatisitas and if the variance is different so-called heteroskedatisitas.

Table 4. Heteroscedasticity Test

Dependent Variable: LOG(RESABS)
Method: Panel EGLS (Cross-section random effects)
Date: 01/18/21   Time: 23:43
Sample: 2015Q1 2019Q4
Periods included: 20
Cross-sections included: 10
Total panel (balanced) observations: 200
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-25.65883	16.35509	-1.568860	0.1183
LOG(EXC)	2.139608	2.338980	0.914761	0.3614

INF	0.222014	0.123381	1.799419	0.0735
LOG(BH)	-1.443209	0.206189	-6.999452	0.0000

Source: Results If the software Eviews 10

Based on Table 4.4 above it can be concluded that the average probability value is greater than significance level of 0.05. This indicates that among the independent variables do not occur heteroscedasticity.

Autocorrelation
Table 5. Autocorrelation Test

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.973316	Mean dependent var	16.37136
Adjusted R-squared	0.971451	S.D. dependent var	1.185824
S.E. of regression	0.200363	Akaike info criterion	-0.309944
Sum squared resid	7.467022	Schwarz criterion	-0.079062
Log likelihood	44.99440	Hannan-Quinn criter.	-0.216510
F-statistic	521.8783	Durbin-Watson stat	1.701970
Prob(F-statistic)	0.000000		

Source: Results If the Software Eviews 10

From the above table it can be seen that the value of the Durbin-Watson Statistics for the model fixed effect is 1.701970 means there is no autocorrelation because the value of the Durbin-Watson statistic is between -2 and 2.

Model Estimation between the Common Effect Model (CEM) and the Fixed Effect Model (FEM) with Test Chow
Test specification aims to determine the model of the analysis of panel data that will be used. Test Chow used to choose between fixed effect or model common effect that should be used. If the results of the test of this specification indicates the probability of Chi-square is more than 0.05, then the model chosen is the common effect. On the contrary, if the probability of Chi-square is less than 0.05, then the model should be used is the fixed effect.

Table 6. The results of the Test Chow

Redundant Fixed Effects Tests
Pool: PANEL_DATA
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	220.815594	(9,186)	0.0000
Cross-section Chi-square	491.654784	9	0.0000

Source: Results If the Software Eviews 10

Based on the results of the test of Chow in Table 4.5, it is known the value of the probability is 0,0000. It states that the probability value < 0.05 so that H0 is rejected and H1 is accepted which means that the model Fixed Effect Model (FEM) is used compared with the Common Effect Model (CEM).

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The Determination of the Estimation Model between Fixed Effect Model (FEM) and Random Effect Model (REM) with Test Hausman

Test Hausman is aimed to know the model that should be used, i.e. the fixed effect model (FEM) or random effect model (REM). In the FEM of each object has an intercept that is different, but the intercept of each object does not change over time. This is called time-invariant.

Table 7. The results of the Test of Hausman

Correlated Random Effects - Hausman Test
Pool: PANEL_DATA
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.000000	4	1.0000

Source: Results If The Software Eviews 10

Based on the results of the test of Hausman in Table 4.6, it is known the value of the probability is 1,0000. Because the probability value of 1,000 > 0.05, then the estimated model used is the model of the Random Effect Model (REM).

In this study, the time period used is quarter from the year 2015 to 2019 or 20 time series data with the number of unit cross section of 10 samples by using purposive sampling technique. So based on the reason that then, the most appropriate model used in this study is the Fixed Effect Model (FEM). Here is the test result of panel data regression model using fixed effects (FEM).

Table 8. Model Fixed Effects

Dependent Variable: LOG(PAKTIVA?)
Method: Pooled Least Squares
Date: 01/17/21   Time: 14:35
Sample: 2015Q1 2019Q4
Included observations: 20
Cross-sections included: 10
Total pool (balanced) observations: 200

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-14.92626	3.738794	-3.992268	0.0001
LOG(EXC?)	0.576799	0.534086	1.079975	0.2816
INF?	0.001256	0.028195	0.044550	0.9645
LOG(BH?)	0.323898	0.054701	5.921264	0.0000
LOG(PDB?)	1.520217	0.267364	5.685948	0.0000
Fixed Effects (Cross)				
_BNISYAR--C	0.780357			
_BRISYAR--C	0.597564			
_BSM--C	1.381553			
_BANKMUAMALAT--C	1.182098			
_BUKOPINSYAR--C	-0.372149			
_MEGASYAR--C	-0.399808			
_PANINSYAR--C	-0.271113			
_VICTORIASYAR--C	-1.940733			
_BCASYAR--C	-0.594781			
_BTPNSYAR--C	-0.362987			

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	Effects Specification		
Cross-section fixed (dummy variables)			
R-squared	0.973316	Mean dependent var	16.37136
Adjusted R-squared	0.971451	S.D. dependent var	1.185824
S.E. of regression	0.200363	Akaike info criterion	-0.309944
Sum squared resid	7.467022	Schwarz criterion	-0.079062
Log likelihood	44.99440	Hannan-Quinn criter.	-0.216510
F-statistic	521.8783	Durbin-Watson stat	1.701970
Prob(F-statistic)	0.000000		

Source: Results If the Software Eviews 10

5. SIGNIFICANCE TEST

Simultaneous Significance Test (F Test)

The test aims to test the influence of independent variables jointly or simultaneously on the dependent variable. Based on Table 4.8, it is known the value of F count equal to 521.8783 and the probability of F by 0,0000. In a significance level of 5% then the F test is significant. It can be concluded that all independent variables namely exchange rate, inflation, the GDP together (simultaneous) significantly influence the variable that is bound to the asset growth of islamic banks in Indonesia.

Test the Significance of the Partial test (t Test)

The t test is used to test how much each variable that the independent variables (exchange rate, inflation) effect on the dependent variable (the Development of the Assets of Islamic Banks in Indonesia). Based on Table 4.8 can be concluded about the test the significance of the partial test (t Test) of the results of data processing, namely:

1. The results of data analysis showed that the variables of exchange rate has a value of t count of 1.079975 and the probability of 0,2816, i.e. > 0.05, then the variable value of the exchange rate for the individual (partial) and no significant positive effect (for statistics) to the variable assets of islamic banks in Indonesia.
2. The results of data analysis showed that the variables of inflation has a value of t count of 0.044550 and the probability is of 0.9645, i.e. > 0.05, then the variable inflation has a positive effect (for statistics) and not significant to the variable assets of islamic banks in Indonesia.
3. The results of data analysis showed that the variable for the result has the value t count equal to 5.921264 and the probability of 0.000, which < 0.05, then the variable for the result of a positive effect (for statistics) and significant to the variable assets of islamic banks in Indonesia.
4. The results of data analysis showed that the variables of GDP has a value of t count of 5.685948 and the probability of 0,0000 i.e., < 0.05, then the variable GDP individually (partial) positive and significant effect (for statistics) to the variable assets of islamic banks in Indonesia.

Analysis of the Coefficient of Determination

Based on Table 4.8, it is known the value of the coefficient of determination (R-squared) of these Values can be interpreted that the total value of the exchange rate, GDP, inflation, and for the results simultaneously or together affect the growth of assets of islamic banks by 97,14%, while the remaining amount of 2.86% is influenced by other factors outside of the variables studied.

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The Regression Equation Panel Data

From the test above specifications, then the model should use a Fixed Model Effect (FEM). In previous testing, the model has escaped from the classical assumption test, so that the estimation results are consistent and unbiased. The estimation results of the regression model of panel data can be seen in Table 4.11 follows this :

Table 9. The Estimation results of the Regression Model of Panel Data (FEM)

Dependent Variable: LOG(PAKTIVA?)
Method: Pooled Least Squares
Date: 01/17/21   Time: 14:35
Sample: 2015Q1 2019Q4
Included observations: 20
Cross-sections included: 10
Total pool (balanced) observations: 200

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-14.92626	3.738794	-3.992268	0.0001
LOG(EXC?)	0.576799	0.534086	1.079975	0.2816
INF?	0.001256	0.028195	0.044550	0.9645
LOG(BH?)	0.323898	0.054701	5.921264	0.0000
LOG(PDB?)	1.520217	0.267364	5.685948	0.0000
Fixed Effects (Cross)				

Source: Results If The Software Eviews 10

From the above results known to the probability for a variable For the Result and the GDP is significant in the level of error of 5%. As for the variable Exchange rate and Inflation have a probability > 5%, which means that the variable is not significant. Based on Table 4.11 above can be made an equation of a regression of panel data, namely:

Growth Aktivait = -14.92626 + 0.576799X1 - 0.001256 X2+ 0.323898 X3 + e

6. DISCUSSION

Effect of Exchange Rate on the Growth of Assets of Islamic Banks

Exchange rate (exchange Rate) is the ratio of the exchange rate of a Country's currency with the currency of a foreign Country, or a comparison of exchange rates between countries. Based on the results of the partial test (t-Test) in Table 4.11 known that exchange rate has a positive effect but not significant to the variable development of the assets of islamic banks in Indonesia in the period of the year 2015-2019. This is evidenced by the value of t count of 1.079975, while the value of the probability (F-statistics) of 0,2816 > 0,05. where the results show a variable exchange rate has no significant effect on the development of the assets of islamic banks in Indonesia.

Increase in the exchange rate of foreign currencies against the islamic banks in Indonesia tend not to have an impact on the development of the assets of islamic banks, because the share of the market (market share) of islamic banks are still a little bit in comparison with conventional banks. There are only a few islamic banks have a stock of foreign exchange while the rest of the store currency in form of dollars so that the impact of exchange rate changes do not particularly affect the assets of islamic banks.

Then also in the system of islamic banking in Indonesia, not all Islamic Banks in Indonesia, including in Islamic Banks foreign Exchange. From a Total of 11 islamic Banks registered in Bank Indonesia, only 4 islamic banks that belong to the Islamic Banks or banks that conduct foreign exchange transactions, namely (Bank BNI Syariah, Bank Syariah Mandiri, Bank Muamalat and Bank BRI Syariah) the rest of the 7 other islamic banks not included in the islamic banks foreign exchange or does not perform foreign exchange transactions. So on average if there are changes in the exchange rate then it is not too have an impact on the change in assets of islamic banks.

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The orientation of the products offered by islamic banks are still limited in the domestic level, has yet to reach widespread in the international market because as we know the system of islamic banks that adopted the system of islamic law based on the Qur'an and Hadith so it is less in the lyrics by other countries that the majority of non-muslims.

The results of this study in accordance with the research conducted by Melly (2009) that the currency exchange rate has no significant effect on the profitability of sharia banks in Indonesia.

And also according to the results of research of Sekar Cahyani Arumdalu (2018) which states that exchange rate has no significant effect on islamic banks in Indonesia. This is in accordance with research Achmad Chumaidi, Tarmizi and Muslikhati (2017) with the title "the Influence of Fluctuations in the Exchange rate of the Rupiah Against the Growth Ratio of Assets of Islamic Banking", where this study describes that there is a positive influence between the fluctuations of the exchange rate by the ratio of growth of assets, where the presence of the strengthening and weakening of the exchange rate can affect the assets of islamic banking, where the strengthening of the rupiah, then it tends to increase the current assets of islamic banks, where current assets are closely related with the decline in the NPL (bad debts), where the decrease in the NPF is closely related with the improvement in the rate of return of funds from the customer, so that islamic banks can boost the availability of funds for its operations, including increasing the profits and assets of islamic banks itself.

The Effect of Inflation on the Growth of Assets of Islamic Banks

Inflation is a rise in the price level in general and the goods/ commodities and services during a certain period of time. Inflation can be considered as a monetary phenomenon because of the decline in the unit value calculation monetary against a commodity.

Based on the test results it is known that Inflation has a positive effect but not significant to the variable growth of assets of islamic banks in Indonesia in the period of the year 2015-2019. This is evidenced by the results of the t value –of 0.044550, while the value of the probability is of 0.9645 > 0,05, where these results indicate variable Inflation has no significant effect on the development of the assets of islamic banks in Indonesia.

If value of inflation is increasing or decreasing it does not affect the performance and development of the bank's assets. That is because islamic banks have a durability that is stronger to changes in the rate of inflation compared with the conventional banks. In performing financing (products/services) of islamic banks using some sort of contract, good agreement with the pattern of the traveler, for the results, buy, or rent. The determination of the use of an assortment of the contract tailored to the needs of the borrowers, it is done either with the goal to minimize the occurrence of risk financing and also bad credit.

Then also basically high inflation reflects from the increase in goods that make the value of the circulation of money can be reduced due to the price increase. The price increase can reduce the purchasing power of the community so that people are reluctant to shop (consumption) and it is better to save the money to the bank so that the funds saved in the bank to be increased.

On the theory of the Fisher effect says that when subjected to a rise in inflation by one percent then it will lead to a rise in interest rates by one percent. Like the incident in mid-1997, many of the conventional could not rise due to the monetary crisis that occurred in Indonesia, precisely in islamic banks still exist even still earn a profit. Conventional banks have contracted the virus Negative Spread (losses due to interest savings is higher than the mortgage interest). While islamic banks keep growing without experiencing the negative spread. And since in the Islamic Economy is not allowed to use the system of interest then on islamic banking will increase the Ratio For the Results that are used by islamic banks as a step to address that the customer did not turn to conventional banks that offer high interest so that by raising the profit sharing ratio will make the customer will still keep their funds in islamic banks.

The results of this study in accordance with previous research conducted by Syahirul Alim (2014) which states that inflation is a partial and no significant positive effect on Return On Assets of Islamic Banking. This is because the system of islamic banks that do not adopt a system of interest as well as conventional banks, so that the money managed not too experienced turmoil when experiencing inflation.

The results of this study are also in accordance with the research Andriani (2016) which states that inflation is parisa positive influence on islamic banking. This means that if inflation rises, the performance of islamic banking is getting better. Purchasing power decreases then the demand for financing is increasing, this makes islamic banks freed from the idle money (money to sleep).

The Influence for the Results of the Growth of The Assets of Islamic Banks

Sharia banking introduce a system on a society with the terms of Revenue Sharing, the system for results calculated from the total income of the fund management without deducting the cost of fund management. More details of Revenue

sharing in the sense of banking is the calculation for results based on the total of all income received before it is reduced by the costs that have been incurred to earn that income.

Based on the test results it is known that for results the positive effect and significant to the variable development of the assets of islamic banks in Indonesia in the period of the year 2015-2019. This is evidenced by the value of t count of 5.921264, while the probability value is 0.000 < 0,05, where the results show a variable for the results significantly influence the variable development of the assets of islamic banks.

Mishkin (2008:128) describes in the Theory of Demand Assets (theory of asset demand) that the amount of the demand assets are positively related to forecast the yield relative to the assets of the alternative. In short it can be concluded that the owners of the funds are interested to keep funds in the bank based on the interest rate or the rate for the promised results (Muhammad, 2005:264).

Customers in placing their funds in islamic banks is still influenced by the motive for profit (profit) so that if the rate for the bank's results (ratio), the greater the the greater of third party funds (DPK), in particular the deposits deposited in the bank and in the end will increase the assets of the bank of the sharia. In the theory of money supply, if the price rises then the goods offered has increased and vice versa.

This is in accordance with previous research Nisa and Tati (2015) which states that the partial results for the positive and significant effect on islamic banks in Indonesia (PT. Bank Syariah Mandiri).
The results of this study are also in accordance with what is done by Cleopatra (2008) showed that the percentage of profit sharing ratio has a positive effect on the growth of assets of islamic banks.

7. CONCLUSION

Based on the results of the research can be summed up as follows:

1. Based on the results of data analysis it can be concluded that partially shows that the variable of exchange rate has a positive effect but not significant to the variable assets of islamic banks in Indonesia with the results of the regression has a value of t count of 1.079975 and the probability of 0,2816, namely > 0,05.

2. Partial indicates that the variable inflation has a positive effect but not significant to the variable assets of islamic banks in Indonesia with the results of the regression has a value of t count of 0.044550 and the probability is of 0.9645 ie, > 0,05.

3. Partial indicates that the variable for results the positive and significant effect on the variables of the growth of the assets of islamic banks in Indonesia with the results of the regression has a value of t count of 5.921264 and the probability of 0.000 which < 0,05.

4. Show that simultaneously the variables of exchange rate, inflation, the yield positive and significant effect on the variables of the growth of the assets of islamic banks in Indonesia with the results of the regression of the known value of F count equal to 521.87 and the probability of F by 0,0000.

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