The Impact of Total Bank Assets, Income Diversification, and Financial Inclusion on the Stability of Islamic Commercial Banks in Indonesia With a Moderating Variable for the 2014-2019 Capital Buffer

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Abstract

For the five-year period 2014-2019, to determine and empirically demonstrate the influence of total bank assets on the stability of Islamic commercial banks in Indonesia, with the moderating variable of capital buffer. Sample size was determined using a purposive sampling approach, which included eight Islamic Commercial Banks. Using Moderated Regression Analysis to test hypotheses (MRA). As a result of these findings, it can be concluded that Islamic commercial banks in Indonesia are more stable if they have more diverse sources of income and greater financial inclusion. Islamic commercial banks in Indonesia's capital buffer can moderate the impact of income diversification on stability with the type of moderation generated by pure moderator, which indicates that stability can be improved. This is despite the fact that Islamic Commercial Banks' capital buffers are unable to counteract the negative effects of total assets and financial inclusion on their stability.

Keywords: total asset, incoming diversification, financial inclusion, capital buffer

1. Introduction

It is possible that financial inclusion will modify the structure of the system in terms of the transactions, services, and access points that are made available to the general public. There will be new risks and shocks to the financial system as a result of these changes, which might lead to greater levels of financial instability, such as the failure of a number of smaller financial institutions. But on the other hand, financial inclusion can change the composition of the financial system in terms of transactions, services and access points available to the public which in turn will create new potential risks or shocks that tend to cause financial instability such as the collective failure of smaller institutions that can significantly can have a negative effect on stability in the financial system (Fauziah et al., 2020).

Income diversification as an internal factor is carried out by Islamic Banks in an effort to maximize their performance so that their business stability is stronger. Banks that can diversify their income through non-financing income are able to provide benefits in reducing risk which will have a good impact on business stability. Based on research by Cihak and Hesse (2008), Wahid and Dar (2016), and Wibowo (2016) concluded that income diversification has a positive relationship with the stability of Islamic banks.

Therefore, due to the vulnerabilities of Islamic banks in facing competition risks and risks arising from the diversification strategy activities it implements, Bank Indonesia also plays a role in maintaining the stability of Islamic banks by setting a minimum capital ratio that must be maintained by Islamic banks based on a risk profile that is faced. However, Islamic banks often try to maintain their capital ratio above the required capital buffer.

However, capital regulation is beneficial for the safety and soundness of banks, requiring banks to withstand capital increases which have a lot of costs and can be a constraint related to bank behavior. If the cost of capital in times of financial difficulty is low and the cost of getting fresh capital is high, the capital buffer can serve as a risk-absorber for a variety of problems that may occur.

2. Total Bank Assets

The total assets of a corporation may be considered a measure of the company's size. The capacity and degree of risk in managing assets provided by shareholders to promote investor prosperity is typically determined by the size of the company in order to gauge the skill and expansion potential of a corporation (Haryanto, 2015). Companies with large total assets reflect the company's stability. Therefore, the total assets can be known by calculating through the following formula, i.e.:

Asset Total = Logarithm (Asset Total)

2.1 Income Diversification

Income from bank activities is divided into two parts, namely interest income and non-interest income. Interest income is bank operating income obtained from traditional activities for distributing funds in the form of credit to other parties outside the bank, while non-interest income is income obtained from non-traditional activities aimed at supporting and facilitating activities to raise funds and distribute funds. by providing other supporting services. (Sianipar, 2015 and Ramadhanti, 2016). To measure the level of diversification for Islamic banks. The value can be found by the formula:

$$HHI = 1 - (〚SH〛^2NET + 〚SH〛^2NON)$$

$$SHNET = NET / (NET + NON)$$

$$SHNON = NON / (NET + NON)$$

Information:

HHI **:** Level of diversification of income sources

SHNET : Net financing income share of total revenue

SHNON : Non-financing income share of total income

NET **:** Income from financing activities

NON **:** Income from non-financing activities.

2.2 Capital Buffer

1. Definition of capital buffer

Capital buffer is the gap between a bank's capital adequacy ratio (CAR) and the regulatory authority's minimum banking capital requirements. (Anggitasari, 2013).

2. Capital Buffer Measurement

In accordance with Bank Indonesia regulations, the minimum capital requirement ratio is 8% of risk-weighted assets. Mathematically, according to Wibowo, (2016: 183), the capital buffer can be formulated as follows:

$$CB = K_{i,t} - K_{rI,t}$$

Information:

CB : Capital buffer.

$K_{i,t}$: Islamic bank capital adequacy ratio-i in year-t.

$K_{rI,t}$: Minimum capital adequacy ratio according to risk profile

3. Research Design and Methods

3.1 Types of Research

Researching how one variable affects another is the goal of causal research. All Indonesian Islamic Commercial Banks registered with Bank Indonesia and the Financial Services Authority since 2014 have been included in this study.

3.2 Population and Sample

All Islamic Commercial Banks registered with Bank Indonesia and the Financial Services Authority between 2014 and 2019 are included in this study, which takes a census method. According to Bank Indonesia and the Financial Services Authority, there are now 11 registered Islamic commercial banks in Indonesia.

3.3 Data Collection Technique

Researchers obtained research data sourced from:

a) Library research

b) Secondary Data Research

3.4 Data Analysis Method

In this study, descriptive analysis was used, followed by moderated regression analysis for verification (MRA).

4. Results and Discussion

OJK's website was used in this study, which focused on Islamic Commercial Banks that have produced audited financial reports for a period from 2014 to 2019, using secondary data. With a controlled variable capital buffer and total assets, income diversification and financial inclusion explain the stability of Islamic Commercial Banks in Indonesia between 2014 and 2019.

4.1 Descriptive Statistics

Based on the results of data processing, the results of descriptive statistical analysis are obtained, as follows:

Table 1. Descriptive statistics

	Total Asset	Income Diversification	Financial Inclusion	Capital Buffer	Stabilitas Bank Syariah
Mean	13.30375	0.224167	23.38250	11.39521	3.941250
Median	13.35500	0.185000	20.99500	10.58500	2.320000
Maximum	14.05000	0.500000	46.41000	30.28000	10.64000
Minimum	12.48000	0.010000	6.350000	2.340000	0.430000
Std. Dev.	0.434979	0.151346	10.84861	6.562568	3.276833
Skewness	-0.116455	0.422045	0.507685	0.973457	0.610686
Kurtosis	1.815205	2.046887	2.574020	3.961603	1.756593
Jarque-Bera	2.915970	3.241822	2.424871	9.430316	6.075625
Probability	0.232705	0.197719	0.297472	0.008958	0.047940
Sum	638.5800	10.76000	1122.360	546.9700	189.1800
Sum Sq. Dev.	8.892725	1.076567	5531.540	2024.163	504.6687
Observations	48	48	48	48	48

Source: Eviews Data Processing Results, 2021

Based on Table 1 descriptive statistics, the results of statistical descriptive analysis of 8 companies as a sample regarding the variables in this study, the descriptive results obtained are as follows:

1) The total asset variable as the independent variable obtained an average result of 13.30375, with a standard deviation of 0.434979. The highest total asset value was obtained at 14,05000 at Bank Mandiri Syariah for the 2019 period, while the lowest total asset value was obtained at 12,48000 at Bank BCA Syariah for the 2014 period, overall total assets during the 2014-2019 period at Islamic banks obtained results a total of 638,5800.

2) The income diversification variable as an independent variable obtained an average result of 0.224167, with a standard deviation of 0.151346. The highest income diversification value was obtained at 0.5000000 at Bank Aceh for the 2016 period, while the lowest income diversification value was obtained at 0.010000 at Bank BTPN Syariah for the 2014-2019 period, overall income diversification during the 2014-2019 period at Islamic Banks obtained the total result is 10,76000.

3) The financial inclusion variable as the independent variable obtained an average result of 23.38250, with a standard deviation of 10.84861. The highest financial inclusion value was obtained at 46,41000 at Bank Mega Syariah for the 2014 period, while the lowest financial inclusion value was obtained at 6.350000 at Bank BTPN Syariah for the 2019 period, overall financial inclusion during the 2014-2019 period at Sharia Bank obtained results a total of 1122,360.

4) The capital buffer variable as a moderating variable obtained an average result of 11,39521, with a standard deviation of 6.562568. The highest capital buffer value was obtained at 30.28000 at Bank BCA Syariah for the period of 2019, while the lowest capital buffer value was obtained at 2.340000 at Bank Muamalat in the 2018 period. Overall, the capital buffer during the period 2014-2019 at Islamic banks obtained a total return. amounted to 546,9700.

5) The Islamic bank stability variable as the dependent variable obtained an average result of 3.941250, with a standard deviation of 3.276833. For the highest value of Islamic Bank stability, it was obtained at 10.64000 at BNI Syariah Bank for the period of 2019, while the lowest Syariah Bank Stability value was obtained at 0.430000 at Mega Syariah Bank in 2014 period. total yield of 189.1800.

4.2 Normality Test

The following are the results of the normalcy test, which are derived from the data processing results:

Table 2. Normality Test Results
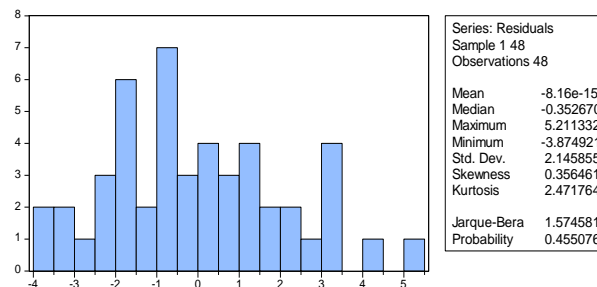
Source: Eviews Data Processing Results, 2021

To infer that this study data is normally distributed, we may use the Jarque-Fallow test with a 0.455076 probability and the probability of 0.455076 being greater than 0.05. (See Table 2).

4.3 Multicollinearity Test

The findings of the multicollinearity test, as a consequence of data processing, as follows:

Table 3. Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	301.1628	2011.351	NA
Total Asset	1.547765	1831.446	1.915072
Disversifikasi Pendapatan	8.142652	3.952413	1.219697
Inklusi Keuangan	0.001485	6.566228	1.143075
Capital Buffer	0.006889	7.914936	1.940308

Source: Eviews Data Processing Results, 2021

According to the multicollinearity test findings shown in Table 3 above, this study is free of multicollinearity issues. There is no evidence of multicollinearity in this study, as shown by the Cendered VIF values, which are all less than 10.

4.4 Heteroscedasticity Test

Following data processing, the heteroscedasticity test yielded the following results:

Table 4. Heteroscedasticity Test Results

Heteroskedasticity Test: Glejser			
F-statistic	0.529958	Prob. F(7,40)	0.8065
Obs*R-squared	4.073831	Prob. Chi-Square(7)	0.7712
Scaled explained SS	3.965763	Prob. Chi-Square(7)	0.7837

Source: Eviews Data Processing Results, 2021

In light of the glesjer test findings and an Obs*R-squared probability of 0.7712, it is possible to infer that this study does not have a heteroscedasticity issue. This study does not have a heteroscedasticity concern because the findings are 0.7712> 0.05.

4.5 Autocorrelation Test

The following are the findings of the autocorrelation test, which are derived from the results of data processing:

Table 5. Autocorrelation Test Results

R-squared	0.747744	Mean dependent var	3.941250
Adjusted R-squared	0.688000	S.D. dependent var	3.276833
S.E. of regression	1.830340	Akaike info criterion	4.242765
Sum squared resid	127.3055	Schwarz criterion	4.632599
Log likelihood	-91.82637	Hannan-Quinn criter.	4.390084
F-statistic	12.51565	Durbin-Watson stat	1.789913
Prob(F-statistic)	0.000000		

Source: Eviews Data Processing Results, 2021

In accordance with Table 5 above, the results of the autocorrelation test were obtained with a dw value of 1.789913, which was then compared with the values of dl and du in the Durbin Watson table, with k = 4 and n = 48, and the results were obtained with dl = 1.3619 and du = 1.7206, which means that there is no autocorrelation problem in this study. Because the results of du d4-du (1.7206-1)

4.6 Panel Data Regression Analysis

4.6.1 Common Effect Model (CEM)

Based on the results of data processing, the results of the common effect model (CEM) model are obtained, as follows:

Table 6. Common Effect Model Estimation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1?	1.019004	0.261587	3.895475	0.0004
X2?	-27.24092	7.267940	-3.748094	0.0006
X3?	-0.216909	0.097106	-2.233742	0.0310
Z?	2.034376	1.119787	1.816753	0.0766
X1Z?	-0.187357	0.094610	-1.980300	0.0544
X2Z?	2.103269	0.593300	3.545034	0.0010
X3Z?	0.006366	0.008969	0.709721	0.4819
R-squared	0.532445	Mean dependent var	3.941044	
Adjusted R-squared	0.464022	S.D. dependent var	3.276429	
S.E. of regression	2.398691	Akaike info criterion	4.721761	
Sum squared resid	235.9025	Schwarz criterion	4.994645	
Log likelihood	-106.3223	Hannan-Quinn criter.	4.824884	
Durbin-Watson stat	0.341084			

Source: Eviews Data Processing Results, 2021

Based on the table above, there are two variables with an individual test (t-test probability) which looks significant with = 5% and the adjusted R^2 value is 0.464022. means that the model is significant. And the Durbin-Watson stat value is 0.341084 which is not close to the range of number 2. The disturbance variable is expected to explain the difference between the intercept and the slope if both are assumed to be constant over time using this estimation approach (error or residual).

4.6.2 Fixed Effect Models (FEM)

The following are the results of the fixed effect model (FEM), which are derived from the data processing results:

Table 7. Fixed Effect Model Estimation

Dependent Variable: Y?

Method: Pooled Least Squares

Date: 06/12/21   Time: 04:57

Sample: 2014 2019

Included observations: 6

Cross-sections included: 8

Total pool (balanced) observations: 48

Variable	Coefficient	Std. Error	t-Statistic	Prob.

C	-62.31898	24.30898	-2.563620	0.0151
X1?	5.199467	1.826034	2.847411	0.0075
X2?	-5.623478	2.972448	-1.891868	0.0673
X3?	-0.048830	0.049952	-0.977543	0.3354
Z?	0.759245	1.326755	0.572257	0.5710
X1Z?	-0.082869	0.100263	-0.826519	0.4144
X2Z?	0.644299	0.249059	2.586932	0.0143
X3Z?	0.006653	0.003988	1.668222	0.1047

Fixed Effects (Cross)	
_ACEH—C	2.557375
_MUAMALAT —C	-4.893591
_BRIS—C	-3.181403
_BNIS—C	3.712818
MANDIRIS—C	-5.364284

_MEGAS—C	-1.603273
_BCAS—C	7.911796
_BTPNS—C	0.860562

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.965800	Mean dependent var	3.941044
Adjusted R-squared	0.951291	S.D. dependent var	3.276429
S.E. of regression	0.723111	Akaike info criterion	2.439799
Sum squared resid	17.25537	Schwarz criterion	3.024550
Log likelihood	-43.55518	Hannan-Quinn criter.	2.660777
F-statistic	66.56538	Durbin-Watson stat	1.266682
Prob(F-statistic)	0.000000		

Source: Eviews Data Processing Results, 2021

In the table above, it can be seen that the t-stat test contains two variables that show significance ($\alpha = 5\%$). Next, the adjusted R2 value is 0.965800. The probability value of the f-stat of 0.000000 means that the model is significant. And the Durbin-Watson stat value of 1.266682 which is not close to the 2 range.

In this estimation approach, regardless of individual dimensions and time, it is assumed that the behavior of the data between regions is the same in various time periods

4.6.3 Random Effect Model (REM)

The following are the outcomes of the random effect model (REM) model, which are derived from the data processing results:

Table 8. Random Effect (REM) Model Test Results

Dependent Variable: Y?

Method: Pooled EGLS (Cross-section random effects)

Date: 06/12/21 Time: 04:57

Sample: 2014 2019

Included observations: 6

Cross-sections included: 8

Total pool (balanced) observations: 48

Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-55.19706	8.976103	-6.149334	0.0000
X1?	5.185815	0.682177	7.601863	0.0000
X2?	-33.65592	2.426674	-13.86916	0.0000
X3?	-0.186245	0.029695	-6.271891	0.0000
Z?	5.579926	0.668126	8.351602	0.0000
X1Z?	-0.458508	0.052515	-8.731061	0.0000
X2Z?	2.640635	0.199063	13.26533	0.0000

X3Z?	0.004405	0.002723	1.618060	0.1135

Random Effects (Cross)	
_ACEH—C	8.96E-10
_MUAMALAT—C	-1.18E-09
_BRIS—C	-3.70E-10
_BNIS—C	4.73E-09
_MANDIRIS—C	-1.65E-09
_MEGAS—C	-5.31E-10
_BCAS—C	2.01E-09
_BTPNS—C	-3.91E-09

Effects Specification		
	S.D.	Rho
Cross-section random	1.14E-05	0.0000
Idiosyncratic random	0.723111	1.0000

Weighted Statistics			
R-squared	0.571634	Mean dependent var	3.941044
Adjusted R-squared	0.496670	S.D. dependent var	3.276429
S.E. of regression	2.324488	Sum squared resid	216.1298
F-statistic	7.625437	Durbin-Watson stat	0.502550
Prob(F-statistic)	0.000008		

Unweighted Statistics			
R-squared	0.571634	Mean dependent var	3.941044
Sum squared resid	216.1298	Durbin-Watson stat	0.502550

Source: Eviews Data Processing Results, 2021

In the table above, it can be seen that the t-stat test contains two variables that show significance ($\alpha = 5\%$). The adjusted R2 value is 0.496670. The probability value of the f-stat of 0.000008 means that the model is significant. As well as the Durbin-Watson stat value of 0.502550 which is not close to the 2 range. In this estimation approach, panel data is based on differences in intercept and slope as a result of differences between individuals or objects.

4.6.4 Chow Test

The following are the findings of the Chow test, which are derived from the data processing results:

Table 9. Chow Test

Redundant Fixed Effects Tests			
Pool: DATAPOOL			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	54.333863	(7,33)	0.0000
Cross-section Chi-square	121.332278	7	0.0000

Source: Eviews Data Processing Results, 2021

Based on the findings of the Chow test, which yielded a chi-square cross-section probability value of 0.0000, and the results of $0.0000 < 0.05$, it can be concluded that Ho is rejected and Ha is accepted, indicating that the fixed effect model was chosen correctly. On the basis of the Chow test findings, it is determined that the fixed effect (FEM) model is the best model, and the Hausman test is used to determine the best model for the following step.

4.6.5 Hausman Test

Based on the results of data processing, the results of the Hasuman test are obtained, as follows:

Table 10. Hausman Test

Correlated Random Effects - Hausman Test			
Pool: DATAPOOL			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	380.337044	7	0.0000

Source: Eviews Data Processing Results, 2021

4.6.6 Panel Data Regression Equation

Islamic commercial banks in Indonesia are more stable if their total assets, revenue diversification, and financial inclusion are taken into account, as shown in the following estimation findings.

Table 11. Estimation of Panel Data Regression Equation (FEM)

Dependent Variable: Y?

Method: Pooled Least Squares

Date: 06/12/21   Time: 04:57

Sample: 2014 2019

Included observations: 6

Cross-sections included: 8

Total pool (balanced) observations: 48

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-62.31898	24.30898	-2.563620	0.0151
X1?	5.199467	1.826034	2.847411	0.0075
X2?	-5.623478	2.972448	-1.891868	0.0673
X3?	-0.048830	0.049952	-0.977543	0.3354
Z?	0.759245	1.326755	0.572257	0.5710
X1Z?	-0.082869	0.100263	-0.826519	0.4144
X2Z?	0.644299	0.249059	2.586932	0.0143
X3Z?	0.006653	0.003988	1.668222	0.1047
Fixed Effects (Cross)				
_ACEH—C	2.557375			
_MUAMALAT— C	-4.893591			
_BRIS—C	-3.181403			
_BNIS—C	3.712818			
_MANDIRIS—C	-5.364284			
_MEGAS—C	-1.603273			
_BCAS—C	7.911796			
_BTPNS—C	0.860562			
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.965800	Mean dependent var		3.941044
Adjusted R-squared	0.951291	S.D. dependent var		3.276429
S.E. of regression	0.723111	Akaike info criterion		2.439799
Sum squared resid	17.25537	Schwarz criterion		3.024550
Log likelihood	-43.55518	Hannan-Quinn criter.		2.660777
F-statistic	66.56538	Durbin-Watson stat		1.266682
Prob(F-statistic)	0.000000			

Source: Eviews Data Processing Results, 2021

The following equation model for the panel data regression in this study is derived from the data in table 11 above:

Y = -62.31898 + 5.199467X1 Total Assets + (-5.623478)X2 Income Diversification + (-0.048830)X3 Financial Inclusion + 0.759245Z Capital Buffer + (-0.082869)X1*Z Total Assets * Capital Buffer + 0.644299X2*Z Income Diversification *Capital Buffer + 0.006653 Financial Inclusion*Capital BufferX3*Z + e

4.6.7 Coefficient of Determination

Based on the results of data processing, the results of the coefficient of determination are obtained, as follows:

Table 12. Coefficient of Determination

R-squared	0.965800	Mean dependent var	3.941044
Adjusted R-squared	0.951291	S.D. dependent var	3.276429
S.E. of regression	0.723111	Akaike info criterion	2.439799
Sum squared resid	17.25537	Schwarz criterion	3.024550
Log likelihood	-43.55518	Hannan-Quinn criter.	2.660777
F-statistic	66.56538	Durbin-Watson stat	1.266682
Prob(F-statistic)	0.000000		

Source: Eviews Data Processing Results, 2021

Based on Table 12 above, the coefficient of determination is shown with a value of Rsqure of 0.965800 or 96.58%, this shows that the contribution of the influence of total assets, income diversification, financial inclusion, capital buffer, interaction between total assets* capital buffer, interaction between income diversification* capital buffer and the interaction between financial inclusion* The impact of a capital buffer on the stability of Islamic banks is estimated to be 3.42 percent, with the remaining 3.42 percent resulting from factors beyond the scope of this study.

4.6.8 F Statistic Test (F Test)

The f statistic test (f test) results are derived from the data processing results, as follows:

Table 13. F Statistic Test

R-squared	0.965800	Mean dependent var	3.941044
Adjusted R-squared	0.951291	S.D. dependent var	3.276429
S.E. of regression	0.723111	Akaike info criterion	2.439799
Sum squared resid	17.25537	Schwarz criterion	3.024550
Log likelihood	-43.55518	Hannan-Quinn criter.	2.660777
F-statistic	66.56538	Durbin-Watson stat	1.266682
Prob(F-statistic)	0.000000		

Source: Eviews Data Processing Results, 2021

On the basis of the findings of simultaneous hypothesis testing and the f test in Table 13, the f-statistical results of 66.56538 were obtained for the study., with a probability (sig) of 0.000000, then compared with ftable with df1 = k = 7 and df2 n = 48-2 = 46, then the results of fcount are obtained of 2.216, due to the results of statistic>ftable (66.56538>2.216) and probability (sig) 0.000000<0.05, it can be stated that together total assets, income diversification, financial inclusion, capital buffer, interaction between total assets* capital buffer, the interaction between income diversification * capital buffer and the interaction between financial inclusion * capital buffer has a significant effect on the stability of Islamic banks.

4.6.9 Statistical t Test (t Test)

Based on the results of data processing, the results of partial hypothesis testing are obtained with the t statistical test (t test), as follows:

Table 14. Uji t

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-62.31898	24.30898	-2.563620	0.0151
X1?	5.199467	1.826034	2.847411	0.0075
X2?	-5.623478	2.972448	-1.891868	0.0673
X3?	-0.048830	0.049952	-0.977543	0.3354
Z?	0.759245	1.326755	0.572257	0.5710
X1Z?	-0.082869	0.100263	-0.826519	0.4144
X2Z?	0.644299	0.249059	2.586932	0.0143
X3Z?	0.006653	0.003988	1.668222	0.1047

Source: Eviews Data Processing Results, 2021

Based on Table 14 above, it can be concluded that hypothesis testing with t test, by comparison with t table obtained from the results of probability 5% and df n = 48-2 = 46, then the results are 2,013.

5. Conclusion

The following conclusions were reached as a consequence of the findings of the analysis and discussion that was conducted by the researchers:

1. In Indonesia, total bank assets have a statistically significant impact on the stability of Islamic banks. This is based on hypothesis testing with the t test, which yielded tcount (tstatistics)> ttable (2.847411>2.013), and probability (sig) of 0.0075 0.05, after which Ho is rejected and Ha is accepted, respectively.

2. According to the results of hypothesis testing with the t test obtained tcount (tstatistics) t table (-1.891868 2.013) and probability (sig) 0.0673> 0.05, Ho is accepted and Ha is rejected, based on the findings of the study.

3. There is no statistically significant effect of financial inclusion on the stability of Islamic banks in Indonesia, as determined by hypothesis testing with the t test, which yielded tcount (tstatistics) t table (-0.977543 2.013) and probability (sig) 0.3354> 0.05, after which Ho is accepted and Ha is rejected, according to the findings.

4. The capital buffer cannot moderate the effect of total assets on the stability of Islamic banks in Indonesia, this is based on hypothesis testing with t test obtained tcount (tstatistics) < ttable (-0.826519 <2.013) and probability (sig) 0.4144> 0.05, then Ho accepted and Ha rejected.

5. Capital buffer can moderate the effect of income diversification on the stability of Islamic banks, this is based on hypothesis testing with t test obtained tcount (tstatistics)> ttable (2.586932>2.013) and probability (sig) 0.0143<0.05, then Ho is rejected and Ha is accepted .

6. The capital buffer cannot moderate the effect of financial inclusion on the stability of Islamic banks, this is based on hypothesis testing with t test obtained tcount (tstatistics) < ttable (1.668222 <2.013) and probability (sig) 0.1047> 0.05, then Ho is accepted and Ha rejected.

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