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Determination of Firm Value with Dividend Policy as Moderation Variable: Evidence Islamic Banking in the World

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Abstract:
Islamic banking is a company sector that dominates the global Islamic economic industry. To hold it, Islamic banking has to do a lot. One of which is to grow the value of the company. This research aims to identify factors that have an effect on company value in Islamic banking companies in the world. The company value factors studied are profitability (ROE), leverage (DER), company size, and dividend policy (DPR) as moderating variables. To determine the sample, researchers used purposive sampling by selecting 20 Islamic banks registered with the Islamic Financial Service Board (IFSB). Descriptive statistical analysis and moderated regression analysis are used as analysis methods. The results of this research show that profitability and company size have a significant effect on the value of Islamic banking companies. Leverage does not have a significant effect on the price of Islamic banking agencies. Dividend policy as a moderating variable does now not show significant results so it cannot moderate the connection between profitability, leverage and company size on the value of Islamic banking firms. Simultaneously, the variables profitability, leverage, firm size and dividend policy significantly impact the value of Islamic banking companies.

1. Introduction

A few years ago, we were shocked by unexpected conditions that affected global finances. The COVID-19 pandemic and Russia-Ukraine war in 2022 became a worrying condition for global finance. According to the Islamic Financial Service Industry (IFSI) stability report (2023), the global economy in 2022 experienced a Post-COVID-19 recovery, where global economic growth slowed from 6.0% (2021) to 3.2% (2022) against an increase in the global inflation rate to 8.8%. Despite slowing economic growth, the Islamic finance industry is believed to survive under all conditions and will become a sector that continues to exist. According to State of the Global Islamic Economy (SGIE) Report (2022), the world's Islamic finance industry will continue to grow and is expected to grow from US$3.6 trillion in 2021 to US$4.9 trillion in 2025.

The Islamic banking sector dominates the global Islamic financial industry. Based on the Islamic Financial Service Board (IFSB) Stability Report, Islamic banking experienced an asset growth of 6.9% y-o-y, which amounted to USD 2.25 trillion by the end of 2022 from USD 2.10 trillion in 2021. Islamic banking is an intermediary institution that collects and distributes funds between two parties (Sultoni & Basuki, 2020) The parties in question are those who

provide funds to banks and those who need funds. For the Islamic banking sector to remain global, it must increase its value.

Firm value can be the main indicator investors consider in investment decision making (Fuad & Wandari, 2018). The company's value, which is a benchmark for investors' prosperity, is its main goal. The higher the company value, the more investors' welfare increases (Rohmah et al., 2019). For companies listed on the capital market, a company's value can be reflected in its share price. High share prices can go hand in hand with increasing company value. Several factors affect company value, such as profitability, leverage, and company size.

Profitability describes a company's potential to generate profit or earnings. The value of profitability is important for investors to make investment choices. A profitable company's condition is its goal. Profitability is a measure of company performance based on income or profit (Sudana, 2011). If the company can increase profits, it is considered to have appropriate enterprise performance and excellent potential, and vice versa.

The company's potential to generate profits is influenced by management's decisions to use debt (Kasmir, 2014). Leverage is one of the benchmarks used by the company's financial management and investors to determine how much debt is used so that the company's financial statements are not solvable (Sutama & Lisa, 2018). Solvency is a company's condition in which the assets owned are sufficient to pay all debts.

Another factor that affects company value is company size, where the reference or reflection of company size is the total assets. This means that the larger the company, the greater the value of the company's assets. A company's size will affect corporate governance practices, increasing the company's value (Qulyubi et al., 2023). As assets are an indicator, the size of the bank will have a significant influence on increasing banking profits (Fitriyah et al., 2024). In addition, the size of the company affects management's funding decisions. The greater the assets investors own, the easier it is to obtain funding. Thus, company management must be vigilant to maintain its liquidity value so that the company is at a safe level to optimize its value (Pratama & Jaharuddin, 2016).

In addition to profitability, leverage, and firm size, this research uses the dividend policy variable as a moderating variable. Dividend policy is considered to strengthen or weaken the effects of profitability, leverage, and company size on firm value. The relationship between profitability, leverage, and firm size and firm value will be stronger if the value of dividends distributed is also high, and vice versa.

The company can decide on a dividend policy that relates to the net profit after tax that will be given to investors as dividends (Pratama & Nurhayati, 2020). The purpose of dividend policy is to determine the profit to be distributed to investors, some of which can be retained in the form of retained earnings by the company as reinvestment. According to Mayogi and Fidiana (2016), the impact of dividend policies is enormous, especially for investors. Dividends are

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one of the reasons why investors make investment decisions; dividends are referred to as returns or wages that investors will receive for their investments. From the background that has been described, this research intends to determine the effect of profitability, leverage and company size on firm value with dividend policy as a moderating variable in Islamic banking in the world. The main section of an article should begin with an introductory section that provides more details about the paper's purposes, motivation, research gap, state of the art, research methods, and findings. The introduction should be relatively nontechnical, yet sufficiently clear for an informed reader to understand the manuscript's contribution and novelty.

2. Literature Review

All companies aim to optimize their value, which will prosper company owners. Thus, this can lead to an agency theory perspective, which is the basis for understanding company value. Agency theory can be expressed as the relationship between the principal and the agent (Sudana, 2011). The relationship is intended as a form of contract that involves the company's owner with another person (manager) whose purpose is to decide on the company. The two parties between the manager and the company owner have different objectives, which leads to agency conflicts (principal agent problem).

If the two parties (owners and managers) have different goals to maximize their respective welfare, then the agent (manager) can take deviant actions from the company owner (principal) (Selvy & Esra, 2022). Agency problems do not arise between company owners and managers but can also occur between shareholders and managers. Agency theory is a way to overcome problems or conflicts of interest that often occur in companies. Agency theory explains that financial statements balance the interests of two different parties (Sulistyanto, 2018).

Agency theory appears in Islamic banking institutions and can be found in mudharabah contracts. In the mudharabah contract, there is a relationship between the bank and the customer, in which there is a contract or contractual agreement between the investor who owns the funds as the principal and the fund manager as an agent who cooperates to carry out the productivee business (Lubis, 2016). The financial contract in mudharabah that occurs in Islamic banks can be called an agency relationship that requires transparency from both parties. If one party, especially the customer, does not transparently convey information in the obtained results, there will be adverse selection problems and moral hazards. Both problems include asymmetric information.

Signalling theory provides signals to investors regarding company information to consider and make a company's investment decisions. The purpose of signal theory is to determine financial management. Signal theory is part of company management to provide clues regarding a company's prospects

for investors (Muharramah & Hakim, 2021). The information or instructions conveyed to investors can be in the form of financial statements that companies use to provide both positive and negative signals to users (Sulistyanto, 2018).

Signalling theory can be the success or failure of management (agent) conveyed to the owner of the capital (principal). It is connected to the mudharabah contract in Islamic banks, where there are two parties as principals: agents and investors. The fund manager must provide information to the investor as the owner of the funds, which will show whether it can perform according to the contract.
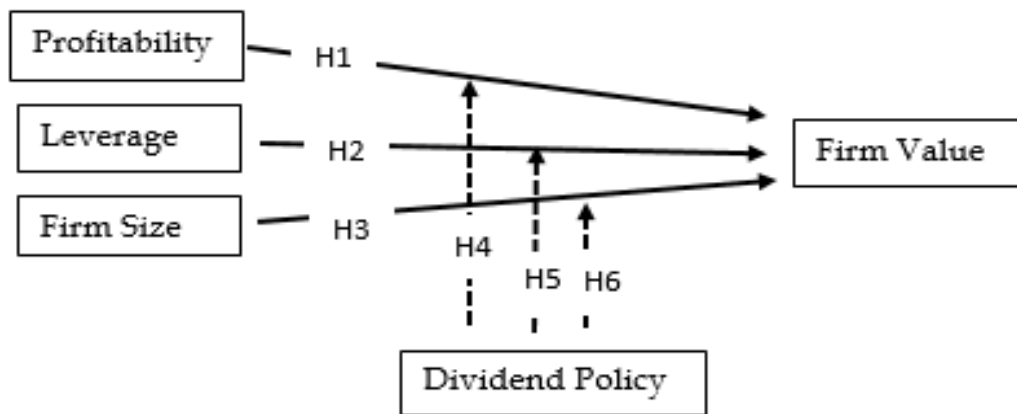

Figure 1: Conceptual Framework

The ratio that reflects a company's ability to generate profit or net income is defined as profitability. The high profitability ratio proxied by Return on Equity (ROE) shows the extent to which the company generates profits from the equity used for each sale. Thus, a high level of profitability indicates that the company has good prospects for obtaining high profits (Agustino & Dewi, 2019). Therefore, profitability is closely related to firm value or Price Earnings Ratio (PER). Wardana and Barlian (2022) argue that banks with high earnings usually have very high-value PERs, and the results of research conducted by Fitriyah and Wardana (2023), Martono (2019), Rismayanti and Aisyah (2023), and Melliana et al. (2022) state that profitability affects firm value.

Leverage quantifies the use of corporate debt. Many investor types respond to corporate debt. One of them is investors who pay attention to the size of the debt because the use of funds affects investors' perceptions of the firm. As a result, it affects firm value. Based on research by Sijabat and Suarjaya (2018), and Mulyani and Pitaloka (2017), leverage has a significant effect on firm value.

Company size can be defined as the size of a firm that is to be seen from various aspects, one of which is total assets. A company's total assets tend to adopt better governance practices than small companies (Qulyubi et al., 2023). In addition, a large company will issue many shares due to an increase in sales, thereby increasing the company's income and value (Masruroh & Wardana,

2022). Good governance will influence the value of the company in the investor's eyes. This is consistent with research conducted by Anggraini and Tjahjono (2019), Anggreini and Oktaviana (2020), and Rohmah et al. (2019), who state that company size has a significant effect on firm value.

One piece of information that investors need when making investment decisions is the dividend policy. Dividend distribution information increases investor interest, which affects the company's stock price. Investors will also see whether the company is profitable or not (Pratama & Nurhayati, 2020). Thus, dividend policy can moderate the effect of profitability on firm value. This means that the dividend policy variable that can increase firm value when profitability is high and vice versa when profitability is lower will reduce the value of the company (Ulya & Sudiyatno, 2023). The research conducted by Pratama and Nurhayati (2020) state that dividend policies moderate the relationship between profitability and firm value.

Dividend policies can provide investors with positive signals. Positive signals are related to information in a company's mechanism for distributing dividends. However, investors are not only concerned with dividend distribution. One factor that investors pay attention to is leverage or the use of corporate debt. Company management must be able to control the use of corporate debt so that it can properly maintain the company's cash flow (Pratama & Nurhayati, 2020). With leverage information, investors assume that the company does not have a significant debt burden to attract more investors to invest in their shares. The demand for shares will increase the share price of the company, which means that the company's value will also increase.

The size of the company, proxied by total assets, affects its operational activities. The larger the company, the more operational needs increase when using the company's external funds. Thus, the company will pay a small number of dividends, so investors' perceptions will reduce the company's value. This is in line with research conducted by (Ulya & Sudiyatno, 2023), who state that dividend policy can strengthen firm value. This means that a dividend policy can increase firm value when the company size is large, and vice versa.

Hypothesis

H1: Profitability has a significant effect on firm value.
H2: Leverage had a significant effect on firm value.
H3: Company size has a significant effect on firm value.
H4: Dividend policy can moderate the relation in between profitability and firm value.
H5: Dividend policy can moderate the relationship between leverage and firm value.
H6: Dividend policy can moderate the relationship between firm size and firm value.

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3. Research Methods

The research included quantitative research using a descriptive approach. Islamic bank financial reports for 2019-2022 are the data used in this research. The research population consisted of 187 Islamic banks in the world that are members of the Islamic Financial Services Board (IFSB). Data were collected using secondary source data collection techniques, with indirect observations through financial reports on the website of each Islamic bank.

The purposive sampling technique is one of the sampling techniques used in research with several criteria. The sampling criteria were as follows.

Table 1: Sampling Criteria

No	Sampling Criteria	Total Sample
1	Member of the IFSB in 2022	187
2	Regulatory authorities, supervisors, as well as international intergovernmental organizations, takaful institutions, stock exchanges, etc.	(131)
3	Islamic banks that are included in the 100 largest Islamic banks in the world according to GBO International Financial Services in 2022	(20)
4	Islamic banks that provide financial reports in the research period and distribute dividends to investors	(16)
	Total sample	20

Note: Data processed by authors

From the criteria above, 20 Islamic banks in 11 countries spread across the world were used as research samples.

Table 2: Research Samples

No.	Country	Islamic Banking
1	Bahrain	Al Salam Bank
		Bahrain Islamic Bank
2	Egypt	Al Baraka Bank
		Faisal Islamic Bank
3	Indonesia	Bank BTPN Syariah
4	Jordan	Islamic International Arab Bank
		Jordan Islamic Bank
5	Kuwait	Boubyan Bank
		Kuwait Finance House
6	Malaysia	Bank Islam Malaysia Berhad
		RHB Islamic Bank
7	Nigeria	Jaiz Bank

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8	Oman	Bank Nizwa
9	Qatar	Qatar Islamic Bank
		Qatar International Islamic Bank
10	Saudi Arabia	Bank Al Jazira
		Al Rajhi Bank
11	UAE	Abu Dhabi Islamic Bank
		Dubai Islamic Bank

Note: Data processed by authors

Independent variables can be defined as variables that determine specific changes in the dependent variable or dependent variable, where the location of the independent variable is independent of the influence of the dependent variable (Sugiyono, 2017). Profitability (X1), leverage (X2), and company size (X3) are the three independent variables in this research.

Profitability can be proxied using several calculations, one of which is the ROE ratio. ROE is one type of ratio from profitability that aims to show the ability of a company to make a net profit to return equity to investors or shareholders (Martono, 2019).

$$ROE = \frac{Return}{Equity}$$

Leverage uses the debt-to-equity (DER) ratio. The DER ratio measures a company's ability by assessing its debt with equity or capital (Martono, 2019).

$$DER = \frac{Debt}{Equity}$$

Company size is an indicator of the total assets. Companies with more significant assets are likely to have more diversified capital sources (Heryatno, 2019).

$$SIZE = LN\ (Total\ Assets)$$

The opposite of the independent variable is the dependent variable. The dependent variable is defined as the variable that is controlled or, which is the result of the independent variable (Sugiyono, 2017). Firm value is the dependent variable affecting the three independent variables.

Company value uses PER ratio. PER is the ratio of firm value, which is intended to compare the share price in the market with the income received by the company (Heryatno, 2019).

$$PER = \frac{Market\ Value\ Per\ Share}{Earning\ Per\ Share}$$

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One type of variable that influences the relationship between independent and dependent variables is called a moderating variable. A moderating variable is a research variable that aims to determine whether a variable can strengthen or weaken independent and dependent relationships. The moderating variable used in the research was dividend policy (Z).

The Dividend Payout Ratio (DPR) is the dividend policy calculation ratio used in this research. The ratio shows the amount of dividends distributed by calculating the percentage of earnings per share paid to investors (Setiawan & Riduwan, 2015).

$$DPR = \frac{Dividend\ Per\ Share\ (DPS)}{Earning\ Per\ Share\ (EPS)} \times 100\%$$

Data processing in the panel data regression analysis tests classical assumptions and hypothesis testing. Before doing so, data testing was conducted. The data testing process to select the best model from the data regression equation was tested. There are several tests for choosing the best model, including the Chow, Hausman, and Lagrange Multiplier (LM) tests. A chow test was conducted to determine the best model between the FEM and CEM models. If the probability result is <5%, then the null hypothesis is rejected, or hypothesis one is accepted. The null hypothesis in the Chow test is the Common Effect Model (CEM) model, while the Fixed Effect Model (FEM) is the model of hypothesis one (Basuki & Nano, 2016). The Hausman test was conducted to test between the FEM and REM models to find the best model for estimating panel data. If the probability is <5%, then the null hypothesis is rejected, or hypothesis one is accepted. The null hypothesis of the Hausman test is the FEM model, while REM is hypothesis one. The Lagrange Multiplier test is performed after performing the Chow and Hausman tests to determine the model between CEM and REM to obtain the best panel data model. If the probability value is <5%, the null hypothesis is rejected or the hypothesis is accepted. The null hypothesis of the LM test is the REM model, and that of the CEM model is hypothesis one. After testing, the feasibility of the model was tested using the classical assumption test. The data in this research must pass the classical assumption test so that it can be considered feasible and meet requirements. The regression model is said to be feasible if the Best Linear Unbiased Estimator (BLUE) requirements are met (Ghozali, 2021).

The model feasibility test is carried out with the aim of assessing the regression model that has been formed, and whether there is a significant influence between the independent and dependent variables. The model feasibility test is used in two ways: hypothesis testing and coefficient of determination test (Sakti, 2018). Hypothesis testing was conducted to test the significance of the regression coefficient by comparing the t-statistic value with the t-table or with a significant probability value. The ability of the independent

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variable to explain the dependent variable can be seen from the coefficient of determination. Because there were moderating variables in the research, the Moderated Regression Analysis (MRA) test was conducted. The MRA tests the regression model equation for moderating variables (Ghozali, 2021). The MRA model can determine whether this moderating variable can reinforce or weaken the relationship between independent and dependent variables.

4. Finding and Discussion

Based on a total of 20 Islamic Banks tested in the 2019-2022 duration, 80 samples were used. This observation uses descriptive statistical analysis, as displayed in this table.

Table 3: Descriptive Statistics

Test	PER	ROE	DER	SIZE	DPR
Mean	16.4889	0.2053	5.6314	29.7226	0.4456
Maximum	59.7000	0.9100	13.9500	35.6800	1.2600
Minimum	2.7000	-0.1300	0.9900	19.0700	0.0000
Std. Deviation	11.5331	0.2386	3.0480	4.56113	0.2867

Note: Data processed by Eviews

Table 3 shows that the PER data show a mean value of 16.48888, while the standard deviation value is 11.53308. The PER data distribution was even or homogeneous because the standard deviation value was smaller than the mean value. The maximum value of PER is 59.70000, which explains why the bank has a high company value compared to the others. The minimum value is 2.7000, which indicates that the company has a low company value, or that the company's share price is cheaper than that of other banks.

The ROE variable has a mean value of 0.205375, whereas the standard deviation is 0.2385981. The standard deviation value is greater than the mean, which means that the ROE data are heterogeneous or that the statistics are distributed inconsistently. The maximum value is 0.9100, which explains why the company earns the highest income among the different organizations because it can make use of equity or capital to generate profits. The minimum value is -0.13, which indicates that the company is experiencing a loss because banks have not used their equity to earn net income. In addition, pandemic conditions have resulted in weakened global finance.

Table 3 shows that the DER ratio has a mean value of 5.6314 while the standard deviation fee is three.048027. This means DER data is homogeneous or evenly distributed, because the standard deviation cost is smaller than the mean value. The maximum DER value is 13.9500, this explains that the bank makes use of debt as company capital. The minimal value is 0.9900, this explains that the company does not use debt completely for company capital.

Table 3 show that the mean value of the size was 29.7226. The standard deviation is 4.561127. This means that the data size is homogeneous or evenly distributed, because the usual deviation price is smaller than the implied cost. The maximum price is 35.6800, which explains why the company has the highest number of assets. A minimal value of 19.0700 indicates that the enterprise has small assets or is a small company.

Table 3 shows that the mean value of the DPR data is 0.4456, even when the standard deviation value is 0.286722. The standard deviation value is smaller than the mean value, indicating that the DPR data are homogeneous or that the data are evenly distributed. The maximum value is 1.2600, which explains why the company distributes the highest dividends among other companies. The minimum value is 0.0000, which explains why the company does not pay dividends because it has decided not to do so.

Table 4: Regression Models

Test	Result	Criteria	Selected Model
Chow Test	0.0000	Probability less than 0.05 (prob<0.05)	Fixed Effect Model
Hausman Test	0.0755	Probability less than 0.05 (prob<0.05)	Random Effect Model
Lagrange Multiplier (LM) Test	0.0001	Probability less than 0.05 (prob<0.05)	Random Effect Model

Note: Data processed by Eviews

In this research, REM was chosen after performing three exams based on three checks. The next stage is the classical assumption test, which includes four tests performed in the research: the normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test. The purpose of accomplishing a classical assumption test is to determine the feasibility of REM to meet the requirements of BLUE (Sakti, 2018).

Table 5: Classic Assumption

Test	Indicator	Prob.	Note
Normality	Jarque-Bera	0.911918	Significant
Autocorrelation	Chi-square	0,7847	Significant
Heterskedasticity	Chi-square	0,3233	Significant
Multicolinearity	**VIF**		
	ROE	1.072593	Significant
	DER	1.094727	Significant
	SIZE	1.022963	Significant

Note: Data processed by Eviews

Table 5 show that the jarque-bera probability value in this research is more than 0.05. Thus, the data is said to be normally distributed. The test was carried out in this research to test autocorrelation. If the Prob value is less than the significance level or 0.05, it means there is autocorrelation in the residuals, but if

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the Prob value is > 0.05, the test results concluded that the research data does not have autocorrelation. In addition, the test results have been more than 0.05, heteroscedasticity was not identified in the research data. And then, the test results can be concluded that the research statistics do not contain multicollinearity or there is no linear relationship between variables that is not biased because the VIF value is much smaller than 10.

The next step was to conduct a feasibility test on the model. This aims to test or assess whether the regression model that has been formed can provide an explanation for the influence of the independent variable on the dependent variable. Model feasibility testing was performed using two methods: hypothesis testing and coefficient of determination testing.

Table 6: T-Test

Variable	Coefficient	Std. Error	T-Statistic	Prob.	R-squared	F-statistic	Prob.
C	25.33535	2.225626	11.38347	0.0000			
ROE (X1)	-1.995417	0.265662	-7.511110	0.0000			
DER (X2)	0.405119	0.242354	1.671597	0.0989			
SIZE (X3)	-0.003500	0.000639	-5.476115	0.0000	0.953216	209.5688	0.00000
ROE*DPR	-0.007061	0.445182	-0.015862	0.9874			
DER*DPR	-0.156806	0.351963	-0.445520	0.6573			
SIZE*DPR	4.66E-06	5.32E-06	0.876029	0.3839			

Note: Data processed by Eviews

The probability value obtained from the profitability variable (X1) is 0.0000, indicating that the value is less than the significance rate of 0.05. This shows that profitability (ROE) has a significant influence on the value of Islamic banking companies. The results of this research are supported by studies by Fitriyah and Wardana (2023), Martono (2019), Rismayanti and Aisyah (2023), and Melliana et al. (2022). which states that profitability affects the value of the company. Based on the findings obtained, Islamic banks globally should increase profits so that the price of shares in the global Islamic bank market will rise. Investors will be attracted to trust because they are believed to have good company performance. Thus, investors will implant their modalities and impact the rise in the price of the stock alongside the value of the Islamic bank. It can be concluded that the Islamic banking industry can grow globally and sustainably as profitability increases and bank values rise.

The leverage variable has a probability value of more than 0.05, which is 0.0989. Thus, leverage (DER) has no significant influence on the value of Islamic banking companies. The results of this research are in line with the research carried out by Fitriyah and Wardana (2023), Melliana et al. (2022), and Sudaryanti and Sahroni (2016), who concluded that leverage does not affect the value of the company. The findings show that investors pay more attention to factors that are more critical than leverage or debt policies. According to Mayogi

and Fidiana (2016), some investors do not pay attention to debt, because it is more important how the use of funds can be used effectively and efficiently by management so that it will add value to the value of the bank. It can be concluded that the world's Islamic banks should pay more attention to factors other than debt so that Islamic banks' value will increase and continue to exist in the Islamic industry globally.

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This research found that dividend policies cannot moderate the relationship between profitability and company value. The statement is derived from a probability value of 0.9874 or more than 0.05, and it can be concluded that dividend policies are not capable of raising the value of the company at a time of low profitability, and neither can they lower the company's value at times of high profitability. The findings revealed that Islamic banks in the world in 2019-2022 suffered from unstable financial conditions due to the COVID-19 pandemic that hit several countries. The pandemic caused most Islamic banks to not distribute dividends for some time. Therefore, Islamic banks globally cannot deliver dividends optimally to shareholders, so dividend policies cannot moderate the relationship between profitability and company value. This research was conducted by Antoro & Hermuningsih, (2017) which stated that dividend policies cannot moderate profitability against the value of Islamic banking companies.

The results suggest that dividend policies cannot moderate the relationship between leverage and the value of Islamic banking companies. This is because the probability value is 0.6573 or more than 0.05, which means that the dividend policy is not capable of raising the value of the company at a low leverage, and neither can it lower the company's value at a high leverage. Dividend policy is unable to moderate the influence of leverage on the value of Islamic banking corporations because, as far as the management of Islamic banks is concerned, dividend policy will not affect investors because investors do not pay attention to leverage in assessing Islamic banks in the world. According to investors, many other factors are more important and should be considered to

increase bank value. The results of this research are in line with the research conducted by Nofika and Nurhayati (2022), Khasanah and Aryati (2019), and Antoro and Hermuningsih (2017), who stated that dividend policies cannot moderate the relationship between leverage and company value.

The relationship between the size of a company and the value of an Islamic banking company cannot be moderated by dividend policy. The statement is derived from the probability value exceeding 0.05 or 0.3839, which indicates that the dividend policy is not capable of raising the value of a bank when the size of the bank is low, and neither can it lower the bank's value when the bank size is high. In this research, a sample of banks with high assets or large corporations is used. That is, the larger the size of the Islamic bank globally, the more likely they are to expand, invest, or undertake new innovations in order for the bank to flourish than to choose a large dividend distribution to prosper investors. Therefore, it will affect investor perception, so that the dividend policy is unable to moderate the relationship between the size of the company and the Islamic bank's value. The results of this research are in line with the research carried out by Nofika & Nurhayati (2022) and Khasanah & Aryati (2019) which stated that dividend policies cannot moderate the relationship of company size to company value.

The results show that the variables profitability, leverage, company size, and dividend policy together have an effect on company value. In testing the coefficient of determination, the results of this research concluded that profitability, leverage, company size, and dividend policy, as moderating variables to explain the company value variable, were 95.3%. Meanwhile, different variables outside the model explain 4.7% of the company value variable.

5. Conclusions

Several conclusions were drawn from this research. First, profitability and company size have a partially significant effect on the value of Islamic banking companies. Second, leverage has no significant impact on Islamic banking companies' value. Third, dividend policy cannot moderate the relationship between profitability, leverage, and company size on the value of Islamic banking companies. Finally, profitability, leverage, company size, and dividend policy significantly affect the value of Islamic banking companies. This research has some limitations that can be used as suggestions for future research. This research uses only the Islamic banking sector, and the number of research periods can be extended. Future researchers should use other sectors to expand the research object and obtain new findings. Second, the variables used in research that affect firm value are still limited. Therefore, future researchers should use other variables such as liquidity and capital structure.

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