

Financial performance analysis of sharia banking with maqashid shariah index method

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Saiful Muchlis^{1*}, Munir², & Rimi Gusliana Mais³

Case Study
Financial Management

¹Universitas Islam Negeri Alauddin Makassar, Indonesia

²Sekolah Tinggi Ilmu Syari'ah Al-Manar Jakarta, Indonesia

³Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta, Jakarta, Indonesia

Abstract

This study aims to determine the financial performance of Islamic banking using the Maqashid Shariah Index financial approach. This study uses a type of descriptive research with a quantitative approach. The population of this study is Islamic commercial banks in Indonesia operating from 2015 to 2020. The sample was determined based on the purposive sampling method, with a total sample of 10 Islamic commercial banks with six years of observation. Data was used in this study in the form of secondary data. The data collection technique uses the documentation method in the form of annual financial reports (annual reports) on the official website of each Islamic commercial bank. The results of the study prove that 1) Bank Muamalat Indonesia (BMI) ranks first in calculating the performance of the maqashid sharia index, and Bank BTPN Syariah (BTPNS) ranks lowest. 2) In general, Islamic banks in Indonesia have fulfilled the three objectives of sharia well, so in the future, this good achievement needs to be developed and improved. Management may be made to determine and implement a reasonable and also appropriate strategy, such as increasing the knowledge and capabilities of the company's human resources, optimizing capital, developing various financing products, and maintaining a spirit of cooperation between Islamic financial institutions with related customers

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Corresponding Author:

Saiful Muchlis

Universitas Islam Negeri Alauddin Makassar

Email: saiful_putramuchlis@yahoo.com

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INTRODUCTION

The growth of Islamic banks in line with Indonesia's high population growth is an advantage. According to the Central Statistics Agency (BPS), Indonesia's population reaches 260 million people, with the majority being Muslim (above 80%) is a market share for Islamic banks. It is also primarily supported by the increasing awareness that Muslims are religious, including managing their money. Aprilia (2020), applying a management control system in Islamic banks will improve the quality of information obtained. Information obtained from investors/funders is followed up by management/fund recipients based on operational banking procedures.

Banks are one of the drivers of the economy, and their existence has a significant impact on the development of a country. In Indonesia, the presence of Islamic banks with financial and investment product offerings that are different from conventional banks has become a new attraction for the Indonesian people, especially for the Muslim community who want the application of sharia in the banking industry. The development is also quite significant; even conventional banks in Indonesia are now participating in establishing sharia institutions or sharia business units to attract many customers who are more interested in the advantages of Islamic banks (Utami, Cakhyanu, & Rohmana, 2018). Islamic commercial banks are Islamic banks that, in their activities, provide services in payment traffic; in Law Number 21 of 2008 concerning Islamic Banking, the only legal form allowed is limited liability companies.

The goal of Islamic economics is the achievement of maqashid sharia by realizing justice and social balance. Islamic banking is a sub-system of Islamic economics. So the objectives of Islamic banks should be to uphold social goals, promote Islamic values to all stakeholders, contribute to social welfare, support economic sustainability, and try to reduce poverty. Nevertheless, in reality, many criticisms are directed at Islamic banks, which tend to be profit-oriented rather than based on social goals when viewed from the perspective of maqashid sharia (Mutia & Musfirah, 2017). The benchmark for improving or not banking performance can be seen from its profitability. This kind of financial performance is also still applied by Islamic banking, even though it is very different when viewed from the type of banking. Islamic banking is looking for profit and must prioritize Islamic principles in its business processes. The Islamic principle must be free from usury, maysir, and gharar.

The characteristics of the sharia banking system operate based on providing an alternative banking system that is mutually beneficial for the public and the bank, as well as highlighting the aspect of fairness in financial interactions. By providing various banking services with varied profit schemes, Islamic banking is an alternative to a credible banking system that all groups of people can enjoy without collateral. Bank performance is one of the bank's efforts to increase efforts through profits, assets, and prospects. The fundamentals of performance are profitability and risk. To assess the performance of bank profitability are return on equity (ROE) and return on assets (ROA). Other factors that affect bank performance include operational efficiency (BOPO), credit risk (NPL), market risk (NIM), capital (CAR), and liquidity (LDR) (Fazrian & Mais, 2019; Utami et al., 2018).

However, Islamic commercial banks usually only use ROA in assessing bank profitability. Measurement of the performance of Islamic banks by using financial ratios adapted from conventional banking. Islamic banks as a sub-system of the Islamic economy which aims to realize justice and balance in society as the embodiment of the objectives of sharia (Maqashid Syariah). Islamic banking goals seem impressive on profit (profit-oriented) rather than based on social; the problem that often occurs in the field is how the performance of Islamic banks must be able to provide optimal benefits for the community (Sulfiani & Mais, 2019).

The roles and responsibilities of Islamic banks as Islamic financial institutions are not limited to financial needs. Currently, researchers overuse the ratios used in conventional banks, not based on Islamic law contained in the elements of the Maqashid Syariah Index. So it still needs to be applied to Islamic Commercial Banks (BUS) because Islamic Commercial Banks (BUS) has solid Islamic values as a foundation in everyday life. The Maqashid Syariah Index has three objects and ten elements that can measure the financial performance of Islamic Commercial Banks (BUS) based on predetermined provisions that can support the desired results (Dori & Indah, 2016).

Maqashid sharia consists of two words, namely maqashid and sharia. The word maqashid is the plural form of the singular form maqashid and maqashid, both in the form of mashdar mimi, which has the form of fi'il madhi qoshada. In language, this maqashid has several meanings, including al- 'itimad, ityanasy syai', at-tawajjuh, and also istiqomatu at-tariq, while sharia means addin, al- millah, al-Minhaj, at-tariqah, and as-sunnah. Understanding maqashid and al-Shari'ah in language can help us explain the meaning contained in the terms, namely the goals and secrets that Allah has placed and contained in every law to fulfill the benefits of the people or the purpose of Allah sending down Shari'a, which according to Al- Syatibi is to realize the benefit of humans in the world and the hereafter. The relationship between sharia banking performance and the maqashid sharia index is in the extent to which the highest level of sharia goals has been achieved and the extent to which the quality of sharia values is applied in bank welfare with the ratio of profit measurement for the public interest, which is not only looking for profit or profit in the community (Dori & Indah, 2016) in operating products in Islamic banks. Measure the performance of Islamic banks can be done through the mechanism of financial statement analysis. Financial statement analysis is a way of analyzing the condition of a company based on data taken from financial statements.

Utami et al. (2018) reveal that measuring the financial performance of Islamic banking using the Maqashid Syariah Index approach obtains the average value of most Islamic commercial banks that have carried out their operational activities and have met performance measurement standards based on Islamic maqashid. Likewise, the research results of Mutia and Musfirah (2017) find that performance measurement using the Maqashid Syariah Index is essential to the development of Islamic law. This can be used as an answer to how to measure the performance of Islamic banking, which is not limited to measuring financial ratios. However, there is a development in measuring its social function, as well as showing that Islamic law can adapt to social changes that occur in society.

Today, Islamic banking is still influenced by profit (profit-oriented) alone and not based on goals. Ideally, Islamic banking is more oriented to the principles of ta'awun, which is a principle that is more ready to help if there are creditors who are late in paying without imposing fines. Islamic banking is more on humanist and emancipatory values in its financial performance. The problem in the field is how the quality of Islamic bank performance must provide optimal benefits for the community in a broader sense. The present study adds a new insight into financial performance analysis using the Maqashid Syariah Index method based on this phenomenon.

CASE DESCRIPTION

Syariah banking

Nurjannah et al. (2020) stated that, in Article 1 of Law no. 21 of 2008, Islamic banking is everything that concerns Islamic Banks and Sharia Business Units, including institutions, business activities, as well as methods and processes in carrying out sharia activities.

In the same vein, Setiyobono et al. (2019) stated Law no. 21 of 2008 concerning Islamic Banking; the principle is that Islamic Banks are banks that carry out business activities based on sharia principles, or Islamic legal principles as regulated in the fatwa of the Indonesian Ulema Council (Hidayat et al., 2021). The Islamic financial services industry, especially Islamic banking, is one of the lines that play a role in the progress of the Indonesian economy and the real sector because banking is an intermediary institution. However, due to this pandemic, Islamic banks feel a significant challenge to survive due to shifts in consumption patterns, lifestyles, and policies. Widiasmara and Retnowati (2020), the growth of Islamic banking encourages high competitiveness in the financial services industry. Islamic banking is also able to maintain its performance well so that it can compete with other industries, domestic and Islamic banking from other countries.

According to Krismiaji (2011: 23), information systems have four general objectives. 21 of 2008 concerning Islamic Banking, Islamic banking is everything related to Islamic banks and Sharia Business Units (UUS), including institutions, business activities, and methods and processes in carrying out their business activities. Meanwhile, a *sharia bank* based on the law is defined as a bank that carries out its business activities based on sharia principles and, by type, consists of a Sharia Commercial Bank (BUS) and a Sharia People's Financing Bank (BPRS). Islamic commercial banks are Islamic banks that, in their activities, provide services in payment traffic, while BPRS does not provide services in payment traffic. The Sharia Business Unit (UUS) is a work unit. From a conventional commercial bank office that functions as the main office of an office or unit that carries out business activities based on sharia principles. Alternatively, a unit at a branch office of a bank domiciled abroad carries out conventional business activities that function as the main office of a branch office sharia assistant and or sharia unit.

Measurement of Islamic Banking Financial Performance

Sudrajat and Sodik (2016) state that measuring the performance of Islamic banks using financial ratios adapted from conventional banking has yet to show the actual performance assessment of Islamic banks. Fauzan (2011) states that company performance can be measured by analyzing and evaluating financial statements. Information on the financial position and past financial performance is often used as a basis for predicting future financial position and performance and other matters of immediate interest to users, such as dividend payments, wages, security price movements, and the company's ability to meet its commitments when the due date. It is essential to measure banking performance because performance measurement is a description of the achievements that have been made in their operational activities, so with these measurements, it can be seen the health condition of a bank can be. The larger the company, the higher the supply of information within the company. The bigger the company, the bigger the expenditure to realize the company's legitimacy Dahlifah & Sunarsih, (2020). To measure a bank's performance, an assessment method that has been commonly used is used, namely by using financial ratio analysis which then the results are interpreted to make decisions in the future period.

Maqashid Al-Shari'ah

Maqashid sharia means the purpose of Allah Subhanahu Wata'ala and His Messenger in formulating Islamic law. According to Wahbah al Zuhaili, maqashid sharia means the values and goals of syara', which are implied in the most significant part of its laws (Muchlis, 2018).

Maqashid sharia in Islamic banking is not only to abolish usury but also has other goals, namely wealth in society, continuing investment in people's wealth, and providing welfare for all people by fulfilling basic needs (Amin, 2020). Maqashid al-Syariah in Islamic institutions (including Islamic banks) is not only an institution that pursues profit alone but must pay attention to socio-economic aspects, the natural environment, and other Islamic values (Chapra, 2008). Imam Al-Ghazali put religion first in the list of maqashid. From the Islamic perspective, faith (religion) is an effective content for human happiness. The treasure is in the last order because it is not an end. It is only an intermediary (tool), although it is essential for realizing human happiness. Property can only achieve this goal if it is allocated and distributed equitably. The three goals in the middle (soul, reason, and offspring) are related to humans themselves, and their happiness is the primary goal of maqashid (Suhada & Pramono, 2014). The Maqashid Shariah Index is a method of measuring the performance of Islamic banking developed by Omar Mohammed & Md Taib (2015) in their research entitled: The Performance Measures of Islamic Banking Based on the Maqashid Framework. The performance evaluation of Islamic banking has been formulated, referring to the maqashid sharia concept.

METHODS

This research uses quantitative descriptive research. Descriptive research describes all data or the state of the research subject/object, then analyzes and compares based on the current ongoing reality, and then tries to provide a solution to the problem. Quantitative descriptive research can also examine the same object, but the objectives differ. This study analyzes the financial performance of Islamic banking in Indonesia in 2015-2020.

The population is a generalization area consisting of objects or subjects with specific quantities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiyono, 2017). The population in this study was all Islamic commercial banks in Indonesia. The sample for this study used the purposive sampling method. Purposive Sampling is a sampling technique with specific considerations. The considerations in determining the sample in this study are as follows: (a) Sharia Commercial Banks (BUS) operating nationally in Indonesia during the 2015-2020 period; (b) Islamic Commercial Banks (BUS) which have published their annual reports for the 2015-2020 period on their respective official websites.

Data and data collection method

In this study, the data used is secondary data. Secondary data is research data obtained by researchers indirectly through intermediary media. Secondary data are generally in the form of evidence, historical records, or reports compiled in both published and unpublished archives. The secondary data used is in the form of financial reports (Annual Reports) published in the 2015-2020 period on the official website of each Islamic commercial bank. The data collection method in this research is the documentation method. The documentation in this study is in the form of annual report data published by Islamic Commercial Banks (BUS) in the 2015 – 2020 period through the websites of each bank. Data was collected by tracing the annual reports of Islamic Commercial Banks (BUS), which were selected as research samples.

Measurement

A variable that will be the research topic is needed in a study. The research variable is a construction, attribute, or nature or value of a person, object, or activity that chooses a specific variation determined by the researcher to be studied and draw conclusions. Disclosure of sharia information as a form of propaganda is urgent to be carried out by Islamic banks as a form of accountability to the public, especially stakeholders. Therefore, Islamic banks need to disclose sharia information about their operational activities in financial statements because they have a responsibility to shareholders to explain and ensure that their product services and operational activities follow sharia principles Dahlifah and Sunarsih (2020). Here are three main concepts in the maqashid sharia index:

Table 1.

Measurement

Object	Element	Performance Ratio
Education	E1. Education Grant	R1. Education grant /TotalCost
	E2. Study	R2. Research fee /TotalCost
	E3. Training	R3. Training fee /Total cost
	E4. Publication	R4. Publication fee /Total cost
	E5. Fair return	R5. Profit /Total revenue
	E6. Functional distribution	R6. Musyarakah and mudharabah financing/Total financing
	E7. Free product	R7. Interest free income /Total revenue
	E8. Profit ratio	R8. Net profit/Total assets
	E9. Personal income	R9. Zakat/Net profit
	E10. Investment in real sector	R10. Investment in real sector /Total investment

RESULTS AND EVALUATION

This study aims to look at the performance of Islamic commercial banks using the Maqashid Shariah Index approach to determine the extent to which Islamic banks carry out each sharia objective in running their business related to the performance ratio of the Maqashid Shariah Index. These sharia objectives can be measured through the performance ratio of the Maqashid Shariah Index, which has been divided into three objectives based on Abu Zahrah, including individual education (Tahdib al-Fardh); upholding justice (Iqamah al-Adl); and realizing welfare (Jaib al-Maslahah).

Individual Educational Goals (Tahdib al-Fardh)

Education Grants (R1¹)

The first performance ratio and the first objective in the Maqashid Shariah Index are the Education Grant. Education grants are expenditures made by Islamic banks in the field of education for the community. Educational grants issued by Islamic banks in the form of scholarships and assistance to educational institutions as a form of social responsibility and concern for the community. Based

on Table 4.1, it can be seen that 10 Islamic banks explain the educational grants distributed to the public. Bank Mega Syariah and Bank Bukopin Syariah did not disclose education grants. The highest distribution for education grants is Bank BTPN Syariah (BTPNS), with a total education grant of 213 trillion and a percentage of 2.07% from 2015- 2020. The funds that have been allocated are intended for educational grants.

Table 2.

Individual Education Performance Ratio Maqashid Shariah Index for Islamic Commercial Banks for the 2015-2020 period

No	BUS	First Goal Performance Ratio			
		R1 ¹ (%)	R2 ¹ (%)	R3 ¹ (%)	R4 ¹ (%)
1	BMI	0,16	0,28	1,33	2,02
2	BRIS	0,03	0,00	0,37	1,44
3	BJBS	0,01	0,00	0,00	0,00
4	BNIS	0,13	0,00	1,88	3,87
5	BSM	0,22	0,01	0,98	1,48
6	BMS	0,00	0,00	0,57	0,00
7	BCAS	1,44	0,00	0,00	0,49
8	BTPNS	2,07	0,00	2,14	0,50
9	BBS	0,00	0,00	1,44	1,74
10	BPDS	0,65	0,00	0,65	2,04

Research (R2¹)

The second performance ratio and the first objective in the Maqashid Shariah Index describe the allocation of funds spent for research and development purposes for Islamic banks. This research is expected to assist the development of new products that follow sharia principles to strengthen their position in the Islamic banking industry. It can be seen in the research ratio from 10 Islamic banks that were sampled that only 3 Islamic banks allocated their funds for research and development, namely Bank Muamalat Indonesia (BMI), Bank BJB Syariah (BJBS) and Bank Syariah Mandiri (BSM). The highest distribution in the research ratio is Bank Muamalat Indonesia (BMI), with a percentage of 0.28%, and the total allocation of funds reaches 31 billion from 2015-2020. They were followed by Bank Syariah Mandiri (BSM) with a percentage of 0.01% of the total allocation of funds of 3 billion from 2015- 2020. Then the lowest distribution is Bank BJB Syariah (BJBS), with a percentage of 0.0048%, and the total allocation of funds for research and development was 417 million from 2015-2020. Although Bank BJB Syariah (BJBS) has a minimal total allocation compared to other Islamic banks, Bank BJB Syariah (BJBS) continues to allocate funds for research and development costs, aiming to develop product variety and features, such as products offered to customers

Training (R3¹)

The third performance ratio and the first objective in the Maqashid Shariah Index describe the funds; Islamic banks spend on training and providing further education to employees. This training is carried out to increase knowledge or understanding as well as soft skill and hard skill for employees so that banks can operate optimally.

Based on Table 2, only BJB Syariah Bank (BJBS) does not allocate funds for education and training. Moreover, it can be seen that Bank BTPN Syariah (BTPNS) is the highest ranked in the training ratio, with a percentage of 2.14%, and the total funds allocated for training are 213 billion. Bank BTPN Syariah (BTPNS) continues to improve training for its employees, and it is evident that from 2015-2020 there is always an increase. In second place is Bank BNI Syariah (BNIS) with a percentage of 1.88% and followed by Bank Bukopin Syariah (BBS) and Bank Muamalat Indonesia (BMI) with percentages of 1.44% and 1.33%. Meanwhile, in the lowest order, Islamic banks are owned by BRI Syariah Bank (BRIS), with a percentage of 0.37% of the total funds allocated for training of 39 billion in 2015-2020. These results make BRIS the lowest rank, but this result is quite reasonable compared to BJBS and BCAS, which do not spend their funds on training costs.

Publication/Promotion (R4¹)

The fourth performance ratio in the Maqashid Shariah Index describes the allocation of funds spent to publicize or promote Islamic banks to the public. Some Islamic banks do not allocate their funds for publication, namely Bank BJB Syariah (BJBS) and Bank Mega Syariah (BMS). It can be seen that the highest publication ratio is owned by Bank BNI Syariah (BNIS), with a percentage of 3.87% and the total allocation of funds for publications amounted to 446 billion from 2015- 2020. The following are Bank Panin Dubai Syariah (BPDS) and Bank Muamalat Indonesia (BMI), with a percentage of 2.04% and 2.02%, respectively. At the same time, the lowest ratio is owned by Bank BCA Syariah (BCAS), with a percentage of 0.49%, with the allocated funds for the publication of 5 billion. These results make BCAS the lowest rank, but this result is quite reasonable compared to BJBS and BMS, which do not spend their funds on publication costs.

The Purpose of Upholding Justice (Iqamah al-Adl)

Fair Return (R1²)

The first performance ratio and the second objective in the Maqashid Shariah Index describe the amount of profit generated by Islamic banks. The greater the profit generated by Islamic banks, the greater the profit sharing that can be given to customers and stakeholders. Based on Table 4.2, it can be seen that the one with the highest percentage ratio is Bank BTPN Syariah (BTPNS) with a percentage of 29.89% of total revenue, with a total profit of 6 trillion. BTPNS has increased operating profit every year from 2015-2020. The next order is Bank BNI Syariah (BNIS) and Bank BCA Syariah (BCAS) with each ratio percentage of 14.75% and 12.84% of total revenue. Meanwhile, the Islamic bank that has the lowest order is Bank Panin Dubai Syariah (BMI) with a percentage of -16.64%. Thus, these results can be used as motivation for Islamic banking, especially BPDS to continue to improve and improve the performance of Islamic banking in the future so that the goal of fair returns can be carried out as well as possible.

Functional Distribution (R2²)

The second performance ratio and the second objective in the Maqashid Shariah Index describe the distribution of mudharabah and musyarakah to the total of all financing models issued by Islamic banks. Based on Table 4.2, it can be seen that the one with the highest percentage ratio is the Panin Dubai Syariah Bank (BPDS), with a percentage of 81.00% of the total financing with the amount of mudharabah and musyarakah financing of 34 trillion from 2015-2020. Although mudharabah and musyarakah financing fluctuate yearly, BPDS has the highest ratio compared to other Islamic banks.

The second and subsequent sequences were occupied by Bank BCA Syariah (BCAS) and Bank Muamalat Indonesia (BMI), with respective percentage ratios of 55.23% and 51.64%. Meanwhile, the Islamic bank with the lowest ratio is Bank Bukopin Syariah (BBS), with a percentage of 0.59% with a total mudharabah and musyarakah financing of 15 trillion from 2015- 2020.

Interest-Free Product (R3²)

The third performance ratio and the second objective in the Maqashid Shariah Index describe usury. Riba is prohibited in the Islamic banking and finance system. This is because usury has a negative impact on the economy and causes injustice in economic transactions. Islamic banks are required to carry out banking activities, especially investment activities, to be free from usury. In this ratio, in general terms, the income of Islamic commercial banks that were sampled in the study did not come from interest-bearing activities.

The Purpose of Upholding Justice (Iqamah al-Adl)

Fair Return (R1²)

The first performance ratio and the second objective in the Maqashid Shariah Index describe the amount of profit generated by Islamic banks. The greater the profit generated by Islamic banks, the greater the profit sharing that can be given to customers and stakeholders. Based on Table 4.2, it can be seen that the one with the highest percentage ratio is Bank BTPN Syariah (BTPNS) with a percentage of 29.89% of total revenue, with a total profit of 6 trillion. BTPNS has increased operating profit every year from 2015-2020.

Table 3.

Performance Ratio Upholding Justice Maqashid Shariah Index For Islamic Commercial Banks for the 2015-2020 period

No	BUS	Second Goal Performance Ratio		
		R1 (%)	R2 (%)	R3 (%)
1	BMI	1,56	51,64	100,00
2	BRIS	6,31	42,27	100,00
3	BJBS	9,93	24,54	100,00
4	BNIS	14,75	26,35	100,00
5	BSM	11,84	35,00	100,00
6	BMS	8,02	20,69	100,00
7	BCAS	12,48	55,23	100,00
8	BTPNS	29,89	0,97	100,00
9	BBS	3,17	0,59	100,00
10	BPDS	-16,64	81,00	100,00

Source: Data processed 2021

The next order is Bank BNI Syariah (BNIS) and Bank BCA Syariah (BCAS) with each ratio percentage of 14.75% and 12.84% of total revenue. Meanwhile, the Islamic bank that has the lowest order is Bank Panin Dubai Syariah (BMI) with a percentage of -16.64%. Thus, these results can be used as motivation for Islamic banking, especially BPDS to continue to improve and

improve the performance of Islamic banking in the future so that the goal of fair returns can be carried out as well as possible.

Functional Distribution ($R2^2$)

The second performance ratio and the second objective in the Maqashid Shariah Index describe the distribution of mudharabah and musyarakah to the total of all financing models issued by Islamic banks. Based on Table 4.2, it can be seen that the one with the highest percentage ratio is the Panin Dubai Syariah Bank (BPDS) with a percentage of 81.00% of the total financing with the amount of mudharabah and musyarakah financing of 34 trillion from 2015-2020. Although mudharabah and musyarakah financing fluctuates every year, BPDS has the highest ratio compared to other Islamic banks. In the second and subsequent sequences occupied by Bank BCA Syariah (BCAS) and Bank Muamalat Indonesia (BMI) with the respective percentage ratios of 55.23% and 51.64%. Meanwhile, the Islamic bank that has the lowest ratio is Bank Bukopin Syariah (BBS) with a percentage of 0.59% with a total mudharabah and musyarakah financing of 15 trillion from 2015- 2020.

Interest-Free Product ($R3^2$)

The third performance ratio and the second objective in the Maqashid Shariah Index describe usury. Riba is prohibited in the Islamic banking and finance system. This is because usury has a negative impact on the economy and causes injustice in economic transactions. Islamic banks are required to carry out banking activities, especially investment activities carried out to be free from usury. In this ratio, in general terms, the income of Islamic commercial banks that were sampled in the study did not come from interest-bearing activities

The Purpose of Realizing Welfare (Jaib al-Maslahah)

Profitability ($R1^3$)

The first performance ratio and the third objective in the Maqashid Shariah Index describe the success of a company in carrying out its functions from the profits it earns. The greater the profits obtained by Islamic banks, the more they will have an impact on increasing the welfare of not only owners and employees of Islamic banks but also have an impact on all stakeholders of Islamic banking, it can be seen that Bank BTPN Syariah (BTPNS) is the highest ranked compared to other Islamic banks with a percentage of 6.42% of the total net profit reaching 4.4 trillion from 2015-2020. BTPNS has increased net profit every year. This, can be used as motivation for other Islamic banks to continue to increase net profit every year. In the second and subsequent sequences occupied by Bank BJB Syariah (BJBS) and Bank BNI Syariah (BNIS) with their percentages of 1.66% and 1.00%, respectively. Meanwhile, Panin Dubai Syariah Bank (BPDS) experienced the lowest percentage of -1.15%. This is a concern for BPDS so that it will affect the profitability ratio.

Table 4

Performance Ratio Realizing Welfare Maqashid Shariah Index for Islamic Commercial Banks for the 2015-2020 period

No	BUS	Third Goal Performance Ratio		
		R1 (%)	R2 (%)	R3 (%)
1	BMI	0,07	4,08	69,23
2	BRIS	0,39	5,72	63,12
3	BJBS	1,66	0,00	71,50
4	BNIS	1,00	3,35	73,90
5	BSM	0,69	3,41	70,78
6	BMS	0,85	3,39	82,70
7	BCAS	0,74	0,00	0,62
8	BTPNS	6,42	0,00	0,49
9	BBS	0,21	0,00	0,42
10	BPDS	-1,15	1,21	1,19

Personal Income (R2³)

The second performance ratio and the third objective in the Maqashid Shariah Index describe the level of community welfare with the existence of Islamic banks through zakat paid by banks. Zakat distributed to recipients of zakat who are entitled to receive it can improve the welfare of the community. It can be seen that the one with the highest percentage ratio is BRI Syariah Bank (BRIS) with a percentage of 5.72% of the zakat paid by banks of 39 trillion. Zakat funds obtained from BRIS are channeled to the National Amil Zakat Agency (BAZNAS) and other social institutions. In second place was occupied by Bank Muamalat Indonesia (BMI) with a percentage of 4.08% and Bank Syariah Mandiri (BSM) at 3.41%. Meanwhile, Bank Panin Dubai Syariah (BPDS) has the lowest rank with a percentage of 1.21%. Although BPDS is the lowest rank, it is quite good when compared to BJB Syariah (BJBS), Bank BCA Syariah (BCAS), Bank BTPN Syariah (BTPNS) and Bank Bukopin Syariah (BBS) which do not issue zakat.

Real Sector Investment (R3³)

The third performance ratio and the third objective in the Maqashid Shariah Index describe the allocation of funds used for investment to the total investment made by Islamic banks. Islamic banking is expected to prioritize its business activities, which ones provide greater benefits to society. The real sector activity is believed to have a positive direct impact on the community's economy compared to investment activity in the financial sector. Based on Figure 4.10.

It can be seen that the one with the highest percentage ratio is Bank Mega Syariah (BMS) with a percentage of 82.70% with a total investment in the real sector of 29 trillion. BMS has experienced an increase in real sector investment every year. In the second and subsequent sequences occupied by Bank BNI Syariah (BNIS) and Bank BJB Syariah (BJBS) with a percentage of 73.90% and 71.50% respectively and the lowest order is Bank Panin Dubai Syariah (BPDS).) with a percentage of 1.19%.

Performance of Islamic commercial banks from individual education goals during 2015-2020

In this study, to obtain the Performance Indicators (IK) the maqashid sharia index, namely multiplying each performance ratio on the objective weight (variable) and the weight ratio of the Maqashid Shariah Index. The first performance indicator of the Maqashid Shariah Index is individual education which has four ratios, namely the ratio of education (R1¹), research (R2¹), training (R3¹) and publications (R4¹). In the concept of the sharia maqashid index, the expenditure of education and training funds is included in protecting the soul (hifdzu aql). The following is a table that presents performance indicators for Islamic commercial banks with the Maqashid Shariah Index seen from individual education during 2015-2020.

Table 5

Individual education performance indicators maqashid shariah index for Islamic commercial banks for the 2015-2020 period

No	BUS	Individual Educational Goals				
		R1 ¹	R2 ¹	R3 ¹	R4 ¹	IK 1
1	BMI	0.00	0.00	0.01	0.01	0.03
2	BRIS	0.00	0.00	0.00	0.01	0.01
3	BJBS	0.00	0.00	0.00	0.00	0.00
4	BNIS	0.00	0.00	0.01	0.03	0.04
5	BSM	0.00	0.00	0.00	0.00	0.00
6	BMS	0.00	0.00	0.00	0.00	0.00
7	BCAS	0.00	0.00	0.00	0.00	0.00
8	BTPNS	0.00	0.00	0.00	0.00	0.00
9	BBS	0.00	0.00	0.00	0.00	0.00
10	BPDS	0.00	0.00	0.00	0.00	0.00

Source: Data processed 2021

Performance of Islamic commercial banks from the goal of realizing welfare

The third performance indicator of the Maqashid Shariah Index is realizing prosperity. Welfare reflects the ability of Islamic banks in realizing the welfare of stakeholders. In the concept of the sharia maqashid index, the profitability ratio can be included as protecting against assets (hifdzu maal) where Islamic banks are able to increase high profits allowing Islamic banks to contribute more in improving the welfare of the community and sharia banking stakeholders. The goal of realizing this welfare has three ratios, namely the ratio of profitability (R1³), personal income (R2³) and real sector investment (R3³). The following is a table that presents performance indicators for Islamic commercial banks with the Maqashid Shariah Index seen from realizing prosperity during 2015-2020.

Based on table 6, it can be seen in general that among the 10 Islamic commercial banks that became the research sample, the highest Performance Indicator was BCA Syariah (BCAS) with an index of 0.243620 from 2015-2020. The lowest performance indicator is owned by Bank Bukopin Syariah (BBS) with an index of 0.160469. The low index was caused by the distribution of functional (R2²) and interest-free products (R3²) with indexes of 0.000775 and 0.155800. Overall, Islamic commercial banks are quite good in upholding social and economic justice, this goal is to create a mutually beneficial relationship between Islamic banks and their customers.

Table 6

Performance indicators for realizing welfare maqashid shariah index for Islamic commercial banks for the 2015-2020 period

No	BUS	Purpose of Upholding Justice			
		R1 ²	R2 ²	R3 ²	IK 2
1	BMI	0,00	0,07	0,15	0,22
2	BRIS	0,01	0,05	0,15	0,22
3	BJBS	-0,01	0,03	0,15	0,17
4	BNIS	0,02	0,03	0,15	0,21
5	BSM	0,01	0,04	0,15	0,27
6	BMS	0,01	0,03	0,15	0,19
7	BCAS	0,02	0,07	0,15	0,24
8	BTPNS	0,04	0,00	0,15	0,19
9	BBS	0,00	0,00	0,15	0,16
10	BPDS	-0,02	0,11	0,15	0,24

Source: Data processed 2021

Performance of Islamic commercial banks from the goal of realizing welfare

The third performance indicator of the Maqashid Shariah Index is realizing prosperity. Welfare reflects the ability of Islamic banks in realizing the welfare of stakeholders. In the concept of the sharia maqashid index, the profitability ratio can be included as protecting against assets (hifdzu maal) where Islamic banks are able to increase high profits allowing Islamic banks to contribute more in improving the welfare of the community and sharia banking stakeholders. The goal of realizing this welfare has three ratios, namely the ratio of profitability (R1³), personal income (R2³) and real sector investment (R3³). The following is a table that presents performance indicators for Islamic commercial banks with the Maqashid Shariah Index seen from realizing prosperity during 2015- 2020.

Based on table 7, it can be seen in general that among the 10 Islamic commercial banks that became the research sample that had the highest Performance Indicators, namely Bank Mega Syariah (BMS) with an index of 0.092 from 2015-2020. BMS has the highest index of 9 other Islamic commercial banks, because it excels in the real sector investment ratio (R3³) with an index of 0.088732. The lowest index on this performance indicator is Bank Bukopin Syariah (BBS) with an index of 0.000653. This lowest position was due to the low ratio of personal income (R2³) and real sector investment (R3³) compared to other Islamic banks with indexes of 0.000 and 0.000449, respectively.

Table 7

Performance Indicators for Realizing Welfare Maqashid Shariah Index For Islamic Commercial Banks for the 2015-2020 period

No	BUS	The Purpose of Realizing Welfare			
		R1	R2	R3	IK 3
1	BMI	0,00	0,00	0,07	0,08
2	BRIS	0,00	0,00	0,07	0,07
3	BJBS	-0,00	0,00	0,08	0,07

4	BNIS	0,00	0,00	0,08	0,08
5	BSM	0,00	0,00	0,07	0,08
6	BMS	0,00	0,00	0,09	0,09
7	BCAS	0,00	0,00	0,00	0,00
8	BTPNS	0,01	0,00	0,00	0,01
9	BBS	0,00	0,00	0,00	0,00
10	BPDS	-0,00	0,00	0,00	0,00

CONCLUSION

Based on the results of the analysis and discussion carried out, based on the results and discussion and calculation of the performance of the Maqashid Syariah Index, it can be concluded that Bank Muamalat Indonesia (BMI) is in the first place. The second place is Bank Syariah Mandiri (BSM), followed by Bank BNI Syariah (BNIS). Moreover, the following order is Bank BRI Syariah (BRIS), Bank Mega Syariah (BMS), and Bank BJB Syariah (BJBS). Moreover, Bank BCA Syariah (BCAS), Panin Dubai Syariah Bank (BPDS), and Bank BTPN Syariah (BTPNS) are in the middle rank. The last place is Bank Bukopin Syariah (BBS). Based on the results of research and discussion, it is suggested in the results of the Maqashid Syariah Index that it is proven that Bank Bukopin Syariah (BBS) is the lowest rank, that it is recommended for banking management to continue to increase income in order to allocate funds for personal income and real sector investment which in order to able to encourage the existence of better banking.

This study has limitations that future researchers can consider to get better results. (1) This study only used a sample of 10 Islamic Commercial Banks (BUS) in 2015- 2020; (2) The sample taken is only Islamic Commercial Banks (BUS) in Indonesia. For further research may : (1) to increase the number of research samples that can improve research results; (2) Further researchers are advised to add samples of Islamic Commercial Banks (BUS) outside Indonesia.

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