

Performance Evaluation of Sharia Rural Banks: Maqashid Shariah Index Approach (Case Study: Sharia Rural Banks in West Java, Indonesia)

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ABSTRACT

This study aims to measure the performance of Sharia Rural Banks in West Java using the maqashid sharia approach by Abdul Majid Najjar. The sample used in this study consists of 9 rural banks spread across West Java. The research data employed are secondary data in the form of financial reports for the year 2023 sourced from the Indonesia Financial Services Authority (OJK) website and governance reports for the year 2023 sourced from the official websites of each Sharia Rural Banks. The results of the study indicate that BPRS Al Salaam Amal Salman achieved the highest maqashid sharia score, followed by BPRS PNM Mentari and BPRS Almadinah Tasikmalaya Perseroda as the top three Sharia Rural Banks in West Java with the highest maqashid sharia index scores. Further analysis at the consequence level reveals that "Self" is the consequence with the highest average score compared to other consequences. Meanwhile, the consequence "Intellect" shows the lowest maqashid performance score. This study is expected to serve as a foundation for sharia banks to enhance the implementation of sharia values in their operational practices. Additionally, this study can contribute to a deeper understanding of the compliance of sharia financial institutions with the principles of maqashid sharia at the regional level.

Keywords: Maqashid Sharia Index; Sharia Rural Banks; Indonesia

INTRODUCTION

The role of the financial sector in real growth has become a primary focus of the global economy (Abduh & Azmi Omar, 2012; Abduh & Chowdhury, 2012; Furqani & Mulyany, 2009; Grassa & Gazdar, 2014; Masrizal et al., 2023). The financial sector aids in channeling funds to industries with promising growth prospects. The ability to better allocate financial resources to productive projects and foster economic growth improves as the financial sector develops (Zarrouk et al., 2017). The more effectively a financial system performs its functions, the greater its contribution to economic growth. This implies that the financial sector plays a vital role in both national and regional economic growth (Adriani & Wiksuana, 2018; Supartoyo et al., 2018). The financial sector serves as the main intermediary institution and source of financing for developing countries, including Indonesia (Agustina et al., 2019). Therefore, a country's financial sector must be managed carefully to support economic advancement. Consequently, the performance of a healthy banking sector remains a primary concern for researchers and policymakers responsible for ensuring an inclusive and economically sustainable country (Sharma et al., 2013).

Sharia Rural Banks (BPRS) are a significant component of the banking sector that contribute substantially to the economy (Hosen & Muhari, 2013). This is because BPRS serve as an alternative financial provider for individuals who are unbankable (Wasiaturrahma et al., 2020). With the enactment of Law Number 21 of 2008 concerning Islamic banking, banking institutions, including BPRS, officially began operations. This law states that Rural Banks (BPR), which operate conventionally or based on sharia principles, do not provide payment traffic services. Consequently, BPRS have several differences compared to Commercial Banks. First, Sharia Rural Banks have much smaller capital requirements than Commercial Banks. Second, their target market includes farmers, fishermen, small traders, employees, retirees, and other segments of society that have not been

reached by formal banking services, thereby preventing them from falling into the hands of loan sharks (Iswandari & Anan, 2017).

The existence of Sharia Rural Banks (BPRS) in supporting national economic resilience can be observed through their provision of financing to the community, enabling individuals to access funds to cover expenses and achieve savings goals. Additionally, these micro-scale banks can enhance economic resilience during crises by increasing loans to small businesses and households (Berger et al., 2022).

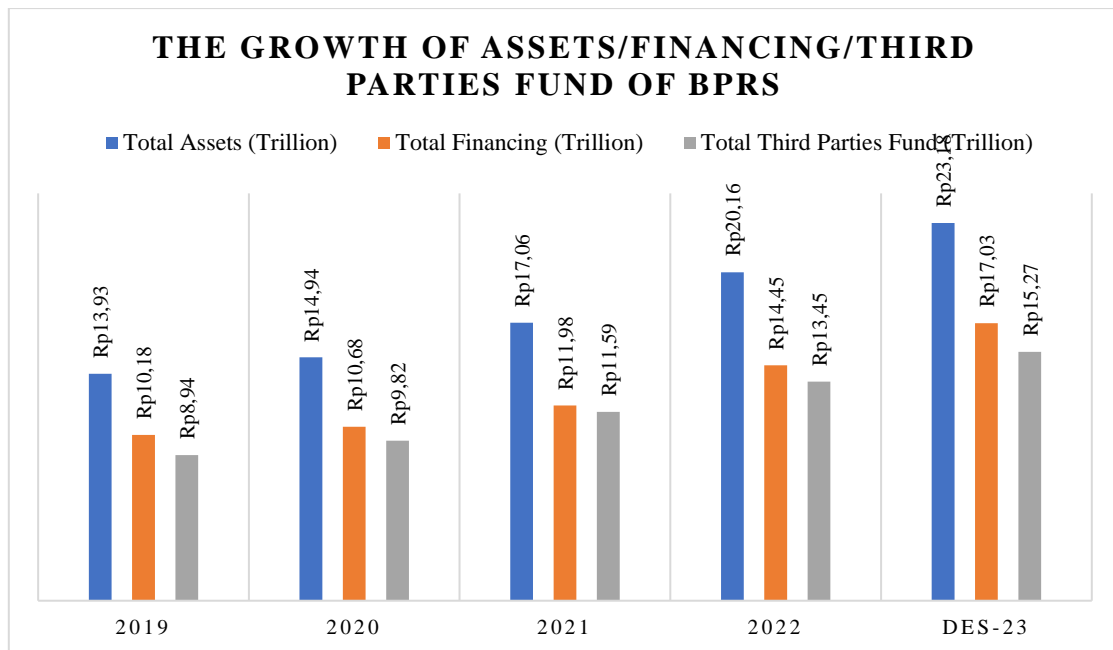


Figure 1 Development of BPRS Assets/Financing/DPK

Source: (OJK, 2023a)

The significant increase in the Sharia Rural Banks (BPRS) industry in Indonesia reflects the rapid development of the Islamic financial sector within the national banking scope. Data from the OJK (2023b) indicates a continuous rise in the number of BPRS, reaching 173 banks by November 2023. Furthermore, based on the graph above, it is evident that BPRS asset growth has been consistently increasing over the past 5 years, reaching a total asset of Rp. 23.18 trillion by December 2023, with a growth rate of 14.01% year-on-year (yoy). This asset growth is supported by the growth of Third-Party Funds (DPK) in BPRS, reaching Rp. 15.27 trillion or growing by 11.74% yoy, with a total disbursed financing of Rp. 17.03 trillion or growing by 16.75% yoy (OJK, 2023a). This data reflects the positive contribution of BPRS in supporting the Islamic economy in Indonesia. The significant increase in assets, Third-Party Funds, and financing demonstrates that BPRS plays an increasingly important role in providing Sharia-based financial services to the community. Consequently, this sustainable growth provides an impetus to further expand and improve the quality of services and compliance with Sharia principles.

The importance of measuring financial performance based on Sharia principles in the Islamic banking industry is increasingly recognized with the development and growing demand for Sharia banking services. Thus far, performance measurement in the Islamic banking industry has primarily relied on financial ratio measurements (Antonio et al., 2012; Saoqi, 2017). While financial ratio measurements are necessary, they are often insufficient because Sharia banks, as one of the Sharia-compliant business entities, differ from conventional banks. Therefore, they are not only required to measure performance financially but also to assess the achievement of Sharia objectives, known as *maqashid syariah*. This enables an evaluation of whether the banking performance aligns with Sharia values and principles (Cakhyaneu et al., 2020). Today, the *maqashid syariah* index has become a crucial evaluation instrument, especially for assessing the performance of financial institutions. This index is utilized as a tool to assess company performance, such as in the Islamic banking sector (Lesmana & Haron, 2019), and Sharia-compliant fintech (Saad & Fisol, 2019). The *maqashid syariah* index aids in evaluating the extent to which an institution adheres to Sharia principles and achieves Sharia objectives (Maulida & Ali, 2023).

According to Chapra (1985), Islamic banking possesses unique characteristics not only in avoiding usury practices but also in enhancing economic prosperity, upholding social and economic justice, and promoting fair income distribution. Therefore, it is relevant to examine whether Islamic banking has consistently adopted Sharia objectives over time, with the aim of enhancing their unique features such as social justice and economic welfare (Alhammadi et al., 2022). Mergaliyev et al. (2021) emphasize that Islamic banking is expected to prioritize socio-economic performance, social aspects, ethics, and environmental sustainability as moral economic institutions within the framework of Islam. The concept of the triple bottom line, which encompasses economic, social, and environmental aspects, aligns with the concept of *maqashid syariah* proposed by Ibn Qayyim Al-Jauziyah, which states that the foundation of Sharia is to realize benefits for society (Antonio et al., 2012).

Furthermore, the role of Islamic banking extends beyond being mere providers of Sharia-compliant financial products and services; it also entails a responsibility to advance public interests. This involves recognizing the importance of prioritizing public interests over personal interests, avoiding solely profit maximization, and considering the positive and negative consequences of each transaction (Julia & Kassim, 2020). Without considering all these aspects, Islamic banking transactions may be perceived as mere formalities without any distinct purpose from conventional transactions (Lesmana & Haron, 2019). The operationalization of the Islamic banking system must also be aligned with *Maqashid Shariah*. In the context of Islamic banking, realizing *Maqashid Shariah* requires collaborative awareness and commitment to moral responsibility from all stakeholders, especially management and Sharia supervisory boards. They play a key role in advancing transactions that comply with Sharia provisions for the common good (Saad & Fisol, 2019).

Several studies have developed models for measuring the *Maqashid Shariah* index, such as Mohammed et al. (2008), who formulated the *Maqashid Shariah* index measurement using the Abu Zahrah concept. Bedoui (2012) proposed measuring the *Maqashid Shariah* index using the Abdul Majid Najjar approach. Ascarya & Sukmana (2017) suggested a method for measuring Shariah performance in Islamic banks based on Shariah objectives known as the Islamic Bank Maqashi Index (IBMI). Firdaus (2014) proposed measuring performance based on *maslahah*, called the *Maslahah Performance (MaP)*. However, in this study, the measurement method of the *Maqashid Shariah* index using the Abdul Majid Najjar approach by Bedoui (2012). Several previous studies have utilized the concept of the *Maqashid Shariah* index by Abdul Majid Najjar. For instance, Asutay & Harningtyas (2015) conducted an empirical investigation, sampling 13 Islamic commercial banks from 6 countries over a 5-year period (2008-2012). Mutia & Musfirah (2017) analyzed the performance of Islamic commercial banks in Southeast Asian countries using the *Maqashid Shariah* index by Abdul Majid Najjar. Setiyobono et al. (2019) measured *Maqashid Shariah* performance in Islamic commercial banks in Indonesia using both the Abu Zahrah and Abdul Majid Najjar approaches.

Based on the outlined background issues, there is a need for research to evaluate the implementation of the *Maqashid Shariah* index to assess the extent to which Islamic Rural Banks (BPRS) adhere to Shariah principles. The research focus will be on BPRS scattered across West Java. The theoretical framework of the *Maqashid Shariah* index used in this study is based on the concept proposed by Abdul Majid Najjar, which is broader and more comprehensive compared to the concept previously proposed by Abu Zahrah (Mutia & Musfirah, 2017). According to this theory, the performance measurement of Islamic banking is evaluated in terms of *Maqashid Shariah* or its Shariah objectives, which are elaborated into four objectives: securing the value of human life, divided into two elements, faith and human rights; securing human self, divided into two elements, self and intellect; securing society, divided into two elements, lineage and human entity; securing the environment, divided into two elements, wealth and the environment. The expected outcome of this research is to provide a clearer picture of the extent to which BPRS in West Java have adhered to the principles of *Maqashid Shariah*. The implications can serve as a basis for these BPRS to enhance the implementation of Shariah values in their operational practices. Additionally, this research can contribute to a deeper understanding of the compliance of Islamic financial institutions with the principles of *Maqashid Shariah* at the regional level.

LITERATURE REVIEW

Maqashid Sharia Index

The *Maqashid Shariah* index, defined as the ultimate goals of Shariah principles (Saoqi, 2017; Wira et al., 2018), primarily focuses on advancing well-being and maximizing benefits while eliminating hardship (Al-Zuhaily, 1994; Jauziyah, 1973). *Maqashid Shariah*, encompassing the objectives of divine law (Shariah) and all aspects of human life, is a broader concept than just legal aspects. It also involves the general welfare, reflecting Islam's holistic view of life (Abdullah & Furqani, 2012). In the context of *Maqashid al-shariah*, Muslims are entrusted to practice high levels of morality not only in their own actions but also in their daily interactions with society and others. This aims to preserve and uphold the five fundamental aspects of Shariah, namely the

protection of religion, life, intellect, progeny, and property (Rabe et al., 2018). These elements form a clear framework for achieving ultimate goals, involving efforts to promote community welfare, eradicate corruption, responsibly utilize natural resources, and enhance lifestyles in accordance with Islamic principles (Muhamad et al., 2022).

Many scholars discuss Maqashid Shariah, for instance, Chapra (2008) develops human development and well-being using Al-Ghazali's classification. Al-Ghazali divides welfare (maslaha) into three categories: necessities (daruriyyat), complementary (hajjiyyat), and embellishments (tahsiniyat). Al-Ghazali elaborates on necessities into five essential elements, namely the preservation of al-din (religion), al-nafs (life), al-aql (intellect), al-nasl (progeny), and al-mal (wealth). Thus, according to Al-Ghazali, Maqashid Shariah advances human welfare by safeguarding these five crucial aspects. This framework is widely used in related literature.

In seeking a clear index related to Maqashid Shariah, (Bedoui, 2012) articulates the concept of Maqashid Shariah according to Abdul Majid Najjar, which is broader and more effective, with four objectives and eight consequences. As depicted in Table 1.

Table 1 The Concept of Maqashid Shariah According to Abdul Majid Najjar

	Objectives	Consequences
(i)	Safeguard the value of human life	i. Faith ii. Human rights
(ii)	Safeguarding the Human self	i. Self ii. Intellect
(iii)	Safeguarding the society	i. Posterity ii. Social
(iv)	Safeguarding physical environment	i. Wealth ii. Ecology

Theoretical Basis

This study employs the Maqashid Shariah index measurement model developed by Abdul Majid Najjar. This model serves as the primary framework for evaluating the performance of BPRS based on Shariah principles. Several theories adopted in this research refer to Islamic performance measurement aligned with the Maqashid Shariah concept by Abdul Majid Najjar, ensuring that the analysis and evaluation conducted are in line with comprehensive Shariah objectives and principles. This approach allows the research to assess in-depth the extent to which BPRS implements Shariah values in its operations, focusing on key dimensions of Maqashid Shariah such as the protection of faith, human rights, societal well-being, and environmental sustainability.

1. Constructing Maqashid al-Shari'ah Index

Mohammed et al. (2008) proposed a theory of Maqashid Shariah measurement with the Abu Zahrah approach. There are three main objectives: education for every individual (tahdzibul fardh), establishing justice (iqamah al-'adalah), and maslahah (public interest). These three objectives are then derived into 10 elements and measurement ratios as shown in Table 2. Testing was conducted on six Shariah banks from Sudan, Jordan, Bahrain, Indonesia, Bangladesh, and Malaysia. This research utilized the Simple Additive Weighting (SAW) method, where the evaluation and ranking of these banks were conducted through three stages based on performance ratios, performance indicators, and overall Maqashid index. The research findings indicate variations in performance among these Shariah banks. None of the banks were able to achieve high performance in all seven performance ratios, alternatives, and performance indicators. These variations depict the inconsistency of each Shariah bank in focusing comprehensively on Shariah objectives.

Table 2 Abu zahrah Maqashid Syariah Index Measurement Model by Mohammed et al. (2008)

Concept (Objectives)	Dimension	Elements	Performance Ratio	Sources of Data
Tahdzib Al Fard (Educating Individual)	D1. Advancement Knowledge	E1. Education Grand	R1. Education grant or scholarship/Total Income	Annual Report
		E2. Research	R2. Research Expense/Total Expenses	Annual Report
	D2. Instilling new skill and improvement	E3. Training	R3. Training Expense/Total Expenses	Annual Report

	D3. Creating awareness of islamic banking	E4. Publicity	R4. Publicity Expense/ Total Expenses	Annual Report
Iqamah Al Adl (Establishing Justice)	D4. Fair Returns	E5. Fair Returns	R5. Profit Equalization Reserves (PER)/Net or Investment Income	Annual Report
	D5. Cheap Products and service	E6. Fungsional Distribution	R6. Mudharabah and Musyarakah Modes/Total Investment Modes	Annual Report
	D6. Elimination of injustices	E7. Interest Free Product	R7. Interest free income/Total Income	Annual Report
Jalb Al Masalahah (Public Interest)	D7. Profitability of bank	E8. Profit Ratios	R8. Net Income/Total Assets	Annual Report
	D8. Redistribution of income & wealth	E9. Personal Income	R9. Zakah/Net Asset	Annual Report
	D9. Invesment in real sector	E10. Invesment in real sector	R10. Investment in real economic sector/Total Investment	Annual Report

Source: (Mohammed et al., 2008)

2. Shari'ah-Based Ethical Performance

The theory of performance measurement with the Maqashid Shariah approach was further developed by Bedoui (2012). This research presents a new framework for measuring both financial and non-financial performance. The model is based on the concept of Maqashid Shariah by Abdul Majid Najjar. It emphasizes on strategic ethical objectives selected based on Shariah principles. There are four Maqashid considered as primary objectives: safeguarding the value of life, self-protection, preserving societal values, and preserving the physical environment. Subsequently, these four objectives are derived into eight Maqashid, which can be referred to as their consequences: faith, human rights, self, intellect, prosperity, social entity, wealth, and environment (ecology). This research utilizes calculations with a new geometric (graphical) and mathematical (numerical) approach to assess performance and evaluate the implementation of objectives. The weight of each performance depends on the company. Thus, this approach is quite versatile for organizations to assess their diverse performances.

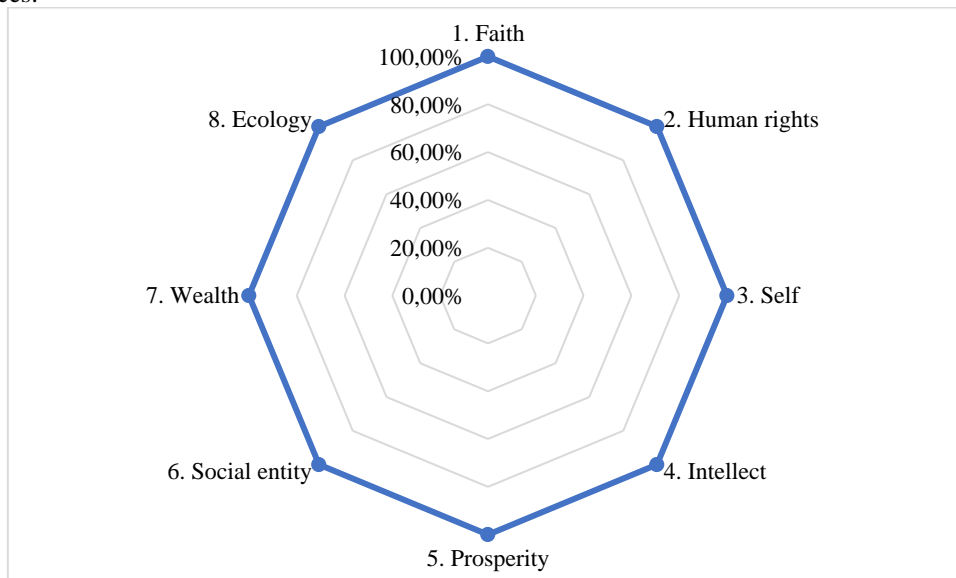


Figure 2 Visualisation of Najjar's Maqashid al-Shariah Concept
Source: (Bedoui, 2012)

The performance of all consequences is visualized in a spider graph. If an institution can maintain balanced performance and is in an ideal condition (perfect), or in other words, has achieved Shariah objectives (Maqashid Shariah) (Bedoui, 2012), the result will reach the outer limits of the network as shown in Figure 1.

3. Islamicity Disclosure Index

The measurement proposed by Hameed et al. (2004) focuses on the dimensions of Corporate Governance (GCG), social compliance, and environmental compliance. The assessment used in this research is qualitative, with indicators as shown in the Table 3.

Table 3 Islamicity Disclosure Index

Items	
1. Shari'ah compliance Indicator	
1.1.	Shari'ah Supervisory Board
	a. The appointment of SSB
	b. The report of SSB
	c. Identification the actual activity conducted
	d. The SSB members' background (Name, Educational background, experiences)
1.2.	Basic of Information
	a. The Vision, mission and objectives
	b. Principal activity
1.3.	Financial Statement
	a. Identification of Islamic investment
	b. Identification of non-Islamic investment
	c. Identification of Islamic revenue
	d. Identification of non-Islamic revenue
	e. Provide the statement of sources and uses of funds in Zakat and charity
	f. Provide the statement of sources and uses of funds in the qard funds
	g. Identification sources of revenue :
	i. excluded revenue attributable to depositors
	ii. excluded revenue attributable to Murabaha financing
	h. The adoption of current value whenever it is possible
	i. Value added statement
2. Corporate Governance Indicator	
2.1.	Composition of board of directors
	a. The board of directors comprises at least one- third of independent non-executive director
	b. The board of directors has representative from Shari'ah board
2.2.	Appointment and Re-appointment
	a. The directors retire by rotation once in three years and subsequently eligible for reappointment
	b. The reappointment of non-executive directors is not automatic
	c. The terms of appointment of the non- executive directors are disclosed
2.3.	Board meetings
	a. Board meetings were conducted at least four times a year
	b. Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed
	c. Directors attend at least 75% of meeting on average
2.4.	Directors' fees and remuneration
	a. Directors remuneration is disclosed

	b. Separate figures for salary and performance-related elements, and the basis on which performance is measured are be explained
	c. Shareholder approve directors aggregate pay
2.5.	Nomination committee
	a. The company has nomination committee
	b. The committee should exclusively consists of non-executive directors which majority are independent
2.6.	Remuneration Committee
	a. There is a Remuneration Committee
	b. Remuneration consisting wholly or mainly of non-executive directors
	c. Membership of the remuneration committee should appear in the directors' report
2.7.	Audit Committee
	a. There is an audit committee
	b. T he Audit Committee consists of at least three non-executive directors, whom majority are independent
	c. Audit committee include someone with expertise in accounting
	d. Audit committee recommends the external auditor at the annual shareholders meeting
	e. At least, once a year the committee met with the external auditors without executive board members present, to review financial statement
	f. Details of the activities of audit committees, the number of audit meetings held in a year and details of attendance of each individual director in respect of meetings are disclosed
	g. Audit committee members attend at least 75% of meetings on average
2.8.	Shari'ah Supervisory Board
	a. Include someone with expertise in accounting
	b. SSB meets with audit committee and/or external auditor to review financial statement
	c. Details of the activities of SSB, the number of board meetings held in a year and details of attendance of each individual member in respect of meetings are disclosed
	d. SSB committee members attend at least 75% of meetings on average
	e. SSB is independent body
2.9.	Others
	a. Directors, senior management are qualified persons in terms of educational background, working experience etc
	b. Chairman and CEO are different persons
	c. There is a Risk Management Committee
	d. English disclosure exists
	e. There is a statement on Corporate Governance
	f. The maintenance of an effective system of internal controls is disclosed
	g. There is director's report
3. Social & Environmental Indicator	
3.1.	Policy and objective
	a) Mission statement/statement of environmental policy
	b) Mission statement/statement of social policy
	c) Environmental target and objective
	d) Social target and objective
3.2.	Community issues
	a) Consumer care
	b) Community involvement
3.3.	Employees issues
	b) Health and safety
	b) Employee training
	c) Reporting on other issues
3.4.	Environmental issues
	a) Environmental protection

	c) View on environmental issues
	d) Environmental Management System
	e) Energy saving
	f) Environmental indicators and target
4. Financial Index*	
4.1.	Profit Sharing Ratio (Mudarabah + Musharakah) / Total Financing
4.2.	Zakat Performance Ratio Zakat / Net Asset
4.3.	Equitable Distribution Ratio Distributed Income to Stakeholders / (Total Revenue - Zakat and lax)
4.4.	Directors-Employee Welfare Ratio Average Directors' Remuneration / Average Employees' Welfare
4.5.	Islamic Investment vs Non-Islamic Investment Islamic Investment / (Islamic + Non Islamic Investment)
4.6.	Islamic Income vs Non-Islamic Income Islamic Income / (Islamic + Non-Islamic Income)
4.7.	AAOIFI Index Number of AAOIFI Principles implemented / Total Accounting Principles applied

* Excluded from the composite index computation for Islamicity Disclosure Index and evaluated separately per each of ratio.

Source: (Hameed et al., 2004)

4. Ethical Identity Index

The subsequent theory used is the Ethical Identity Index by Haniffa & Hudaib (2007). The dimensions and measurement elements used are as attached in Table 4.

Table 4 Dimensions and Elements of Ethical Identity Index

Theme	Dimension	Instrument
1. Underlying Philosophy and Values	A. Vision and Mission Statement	i. Commitments in operating within Shari'ah principles/ideals
		ii. Commitments in providing returns within Shari'ah principles
		iii. Focus on maximising shareholders returns
		iv. Current directions in serving the needs of Muslim community
		v. Future directions in serving the needs of Muslim community
		vi. Commitments to engage only in permissible investment activities
		vii. Commitments to engage only in permissible financing activities
		viii. Commitments to fulfil contracts via 'contract (uqud) statement'
		ix. Appreciation to shareholders and customers
	B. BOD and Top	i. Names of Board Members
		ii. Positions of Board Members
	C. Management	iii. Pictures of Board Members
		iv. Profile of Board Members
		v. Shareholdings of Board Members
		vi. Multiple-directorships exist among Board Members
		vii. Membership of Audit Committees

		viii. Board Composition: Executive vs Non-Executive
		ix. Role Duality: CEO is Chairman of Board
		x. Names of Management Team
		xi. Positions of Management Team
		xii. Pictures of Management Team
		xiii. Profile of Management Team
2 & 3. interest tree and Islamically Acceptable Deals	D. Product	i. No involvement in non-permissible activities
		ii. Involvement in non-permissible activities-% of Profit
		iii. Reason for involvement in non-permissible activities
		iv. Handling of non-permissible activities
		v. Introduced new product
		vi. Approval ex ante by SSB for new product
		vii. Basis of Shari'ah concept in approving new product
		viii. Glossary/definition of products
		ix. Investment activities-general
		x. Financing projects-general
4. Developmental and Social Goals	E. Zakah, charity and benevolent loans	i. Bank liable for zakah
		ii. Amount paid for zakah
		iii. Sources of zakah
		iv. Use/beneficiaries of zakah
		v. Balance of zakah not distributed-amount
		vi. Reasons for balance of zakah
		vii. SSB attestation that sources and uses of zakah according to Shari'ah
		viii. SSB attestation that zakah has been computed according to Shari'ah
		ix. Zakah to be paid by individuals-amount
		x. Sources of charity (saddaqa)
		xi. Uses of charity (saddaqa)
		xii. Sources of qard al-hassan
		xiii. Uses of qard al-hassan
		xiv. Policy for providing qard al-hassan
		xv. Policy on non-payment of qard al-hassan
	F. Employees	i. Employeess appreciation
		ii. Number of employees
		iii. Equal opportunities policy
		iv. Employees welfare
		v. Training: Shari'a awareness
vi. Training: Other		
vii. Training: Student/recruitment scheme		
viii. Training: Monetary		
ix. Reward for employees		
G. Debtors	i. Debt policy	
	ii. Amount of debts written off	
	iii. Type of lending activities-general	
	iv. Type of lending activities-detailed	
H. Community	i. Women branch	
	ii. Creating job opportunities	
	iii. Support for org. that provide benefits to society	
	iv. Participation in govt. social activities	

		v. Sponsor community activities
		vi. Commitment to social role
		vii. Conferences on Islamic economics
5. Reviews by Shariah Supervisory Board	I. Shari'ah Supervisory Board (SSB)	i. Names of members
		ii. Pictures of members
		iii. Remuneration of members
		iv. Report signed by all members
		v. Number of meetings held
		vi. Examination of all business transactions ex ante and ex post
		vii. Examination of a sample of business transactions ex ante and ex post
		viii. Report defects in product: specific and detailed
		ix. Recommendation to rectify defects in product
		x. Action taken by management to rectify defects in product
		xi. Distribution of profits and losses comply to Shari'ah

Source: (Haniffa & Hudaib, 2007)

The approach used in measuring the Ethical Identity Index is dichotomous, where a score of 1 is given if the indicator is disclosed, and a score of 0 if the indicator is not disclosed in the annual reports and websites of each bank (Haniffa & Hudaib, 2007). This method is then applied to several indicators in this study.

5. CAMEL Ratios

In this study, financial performance evaluation is also conducted by calculating CAMEL ratios, as in the research by Jaffar & Manarvi (2011). However, not all financial ratios are used in this study. Several ratios are selected considering their impact on the overall performance score (Asutay & Harningtyas, 2015).

Table 5 CAMEL Ratios

Parameters	Ratios
Capital Adequacy	Debt to Equity
	Capital to Risk Assets
Asset Quality	Non-performing loan
	Loan loss average
Management Quality	Operating expense
	Cost per money lent
Earning Ability	Return on asset
	Return on equity
Liquidity	Loan to asset
	Deposit to asset

Source: (Jaffar & Manarvi, 2011)

Performance measurement framework

The framework is developed based on the research by Asutay & Harningtyas (2015). It is structured according to the maqashid shariah model by Abdul Majid Najjar, comprising 4 objectives and 8 consequences. Dimensions, elements, and indicators are allocated to each relevant consequence in line with the aforementioned theories regarding the performance measurement of Islamic banks. Not all reference indicators are implemented, as only relevant indicators are utilized and determined based on their consequences.

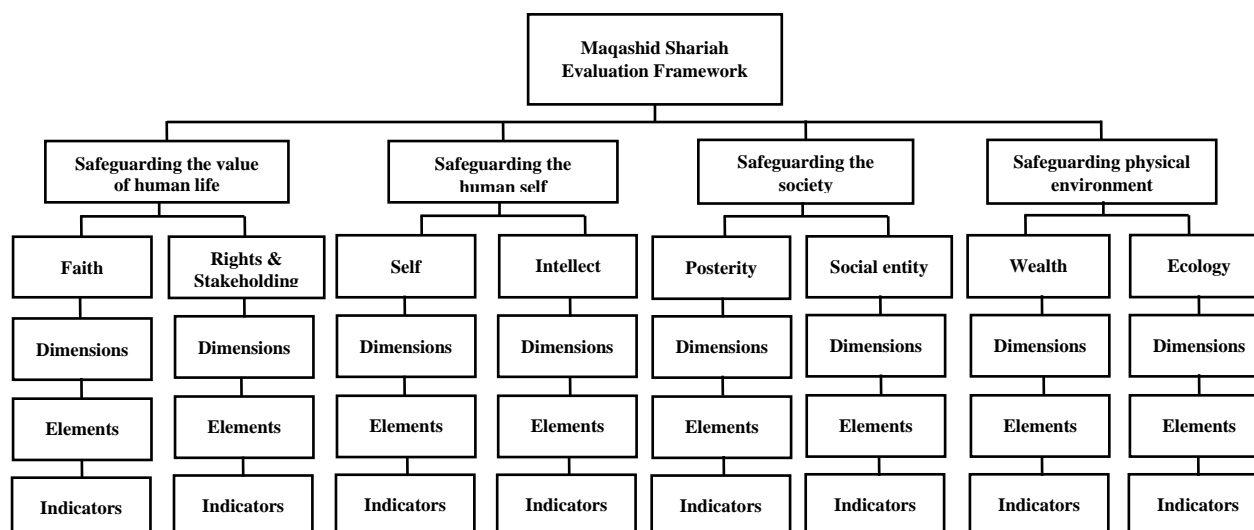


Figure 3 Constructing the Evaluation Framework

Source: (Asutay & Harningtyas, 2015)

RESEARCH METHOD

This research employs a mixed-method approach with a descriptive method. It is a comparative study, which compares the evaluation of financial performance using the analysis of the maqashid shariah index concept. The unit of analysis in this research is a group of Sharia Rural Banks (BPRS) in West Java. Secondary data is utilized, sourced from financial reports available on the official website of the Financial Services Authority (OJK) and governance reports from the respective BPRS websites. Several criteria applied in selecting the research objects involve: (1) being officially registered and licensed, (2) availability of financial reports and governance reports for each bank in the year 2023.

Table 6 Sample Selection

No	Sharia Rural Banks	District/City
1	BPRS Al Salaam Amal Salman	Depok
2	BPRS Almadinah Tasikmalaya Perseroda	Tasikmalaya
3	BPRS AlMasoem	Bandung
4	BPRS Baiturridha Pusaka	
5	BPRS Artha Madani	Bekasi
6	BPRS Patriot Bekasi	
7	BPRS Harta Insan Karimah Insan Cita	Bogor
8	BPRS Botani Bina Rahmah	
9	BPRS PNM Mentari	Garut

The Maqashid Shariah index variables used in this study refer to the concept of Maqashid Shariah by Abdul Majid Najjar, as developed by Bedoui (2012). Bedoui (2012) proposed a visual graph based on the performance of Maqashid Shariah, measured through geometric and mathematical approaches. Since this research applies the model of Abdul Majid Najjar, it does not use four axes for the main objectives of Maqashid, but instead uses eight axes to represent the consequences derived from the main objectives. This is because the realization of the main objectives cannot be achieved without consequences (Bedoui, 2012).

Table 7 Measurement Model of Maqashid Shariah Index

No.	Objectives	Consequences	References	References	Dimensions	Elements	Indicator
A	Safeguard the value of human life	Faith	Mohammed et al. (2008)	Maqashid Index 2. Establishing Justice (D5)	Cheap product and	Functional Distribution	Mudharabah and Musharakah Modes/Total Investment Modes
			Mohammed et al. (2008)	Maqashid Index 2. Establishing Justice (D6)	Elimination of negative elements that breed injustices	Interest free Product	Interest free income/total revenue
			Haniffa & Hudaib (2007)	Ethical Identity Index	Underlying Philoshopy and Values	Vission and Mission Statement Disclosure	Commitments in operating within Shari'ah principles/ideals
		Interest-free and Islamically Acceptable Deals - Product Aspects			Product	No involvement in non-permissible activities	
		Human rights	Haniffa & Hudaib (2007)	Ethical Identity Index	Interest-free and Islamically Acceptable Deals - Employee Aspects	Employees	Employees welfare
			Hameed et al. (2004)	Islamicity Disclosure Index	Corporate Governance Indicator (Fairness and Transparency) - BOD aspects	BOD (Composition, Appointment and Reappointment, Board meetings, and Director's fees)	Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed
					Corporate Governance Indicator (Fairness and Transparency) - Committees aspects	Nomination, Remuneration and Audit Committees	At least, once a year the committee met with the external auditors without executive board members present, to review financial statement
					Corporate Governance Indicator (Fairness and Transparency) – SSB aspects	SSB	SSB meets with audit committee and/ or external auditor to review financial statement
					Corporate Governance Indicator (Fairness and Transparency) – Other aspects	Others	The maintenance of an effective system of internal controls is disclosed
		B	Safeguard of Human self	Self	Mohammed et al. (2008)	Maqashid Index 3. Public Interest	Investment in vital real sector
Intellect	Maqashid Index 1. Educating Individual			Advancement of Knowledge		Education grant	Education grant or scholarship/total expenses
				Installing new skills and		Research	Research expense/total expenses
					Training	Training expense/total expenses	

					improvement		
					Creating Awareness of Islamic Banking	Publicity	Publicity expense/total expenses
C	Safeguard the value of society	Prosperity	Hameed et al. (2004)	Islamicity Disclosure Index	Rasio Islamic Quantitative Index Equitable Distribution	Qard & Donation to obligation	Qard & Donation/ (Total Revenue-Zakat & Tax Paid)
						Employee welfare obligation	Employess Expenses/ (Total Revenue-Zakat & Tax Paid)
						Shareholder welfare obligation	Dividend to Shareholders/ (Total Revenue-Zakat & Tax Paid)
						Net Profit to obligation	Net Profit/ (Total Revenue-Zakat & Tax Paid)
		Social entity	Mohammed et al. (2008)	Maqashid Index 3. Public Interest	Redistribution of income & wealth	Personal Income	Zakat / Net asset
	Hameed et al. (2004)		Islamicity Disclosure Index	Social Indicators	Policy Objectives and Environmental Issues	Mission statement/ statement of social policy social target and objective, consumer care, community involvement	
D	Safeguard physical environment	Wealth	Mohammed et al. (2008)	Maqashid Index 2. Establishing Justice (D4)	Fair Returns	Fair Returns	PER (Profit Equalization Reserve)/ Net or Investment Income
			Jaffar dan Marnavi (2011)	CAMEL	Capital Adequacy	Struktur Pendanaan	Capital to Risk Assets Ratio
					Asset Quality	Loan loss ratio	Loan loss provision/total loans
					Management Quality	Operational efficiency	Operating Expenses/operating revenue
					Earning Ability	Return on Asset	Net income/total assets
			Return on Equity	Net income/total equities			
		Liquidity	Loan to asset ratio	Loan/total assets			
			Deposit to asset ratio	Deposits/total assets			
		Environment (Ecology)	Hameed et al. (2004)	Disclosure of the Islamity Index	Environmental Indicators	Policy Objectives and Environmental Issues	Mission statement/statement of environmental policy, Environmental protection
			Bedoui (2012)	Maqashid Index 4. Safeguard physical environment D8	Contribution to the Environment	Allocation of fund in CSR to environmental issues	Ecological donation/Qard and total donation

In this study, the first step involves calculating the average of each indicator using a quantitative method. Meanwhile, for indicators assessed qualitatively, which consist of disclosures in financial reports and governance reports, the assessment approach is derived from the research by Haniffa & Hudaib (2007), where a value of 1 is assigned if disclosure is made and a value of 0 if disclosure is not made.

The next step involves multiplying the weights of each variable by the average value for each indicator. Systematically, the calculation model for performance indicators to generate values for each dimension, according

to the Simple Additive Weighting (SAW) concept and Multiple Attribute Decision Making (MADM) method, is as follows:

$$V(A_i) = V_i = \sum_{j=1}^n W_j V_j(X_{ij}), i = 1, \dots, m$$

where,

- V_i = The value of each dimension
- W_j = Weight for each element
- $V_j(X_{ij})$ = Performance ratio for each element

Once the values are obtained, the ranking of BPRS is determined by calculating the average of all performance indicators from the four variables of the Maqashid Sharia Index.

RESULT AND DISCUSSION

This research measures the performance of Maqashid at the level of BPRS in West Java in 2023. Here are the findings of this study.

Findings at Bank Level

Table 8 Maqashid Shariah Index

No	BPRS	Safeguard the value of human life		Safeguard of Human self		Safeguard the value of society		Safeguard physical environment		Overall Performance	Rank
		Faith	Human rights	Self	Intellect	Prosperity	Social entity	Wealth	Ecology		
1	BPRS Al Salaam Amal Salman	74,15%	93,33%	100,00%	0,76%	18,83%	50,02%	28,01%	59,60%	53,09%	1
2	BPRS Almadinah Tasikmalaya Perseroda	71,88%	73,33%	100,00%	0,97%	16,54%	50,00%	23,44%	54,54%	48,84%	3
3	BPRS AlMasoem	68,30%	73,33%	100,00%	0,04%	16,54%	50,00%	35,19%	0,00%	42,93%	8
4	BPRS Artha Madani	58,72%	93,33%	100,00%	0,28%	10,08%	50,00%	24,66%	0,00%	42,13%	9
5	BPRS Baiturridha Pusaka	73,99%	93,33%	100,00%	0,03%	25,90%	50,07%	21,63%	0,00%	45,62%	5
6	BPRS Botani Bina Rahmah	77,00%	93,33%	100,00%	0,01%	16,66%	50,00%	19,96%	0,00%	44,62%	6
7	BPRS Harta Insan Karimah Insan Cita	74,05%	93,33%	100,00%	1,86%	14,19%	50,02%	22,21%	0,00%	44,46%	7
8	BPRS Patriot Bekasi	82,46%	93,33%	100,00%	1,41%	15,83%	50,00%	27,48%	0,00%	46,31%	4
9	BPRS PNM Mentari	74,59%	93,33%	100,00%	20,20%	16,14%	50,00%	36,58%	0,00%	48,86%	2

Based on the results of the Maqashid Shariah index measurement as shown in Table 8, it is found that BPRS Al Salaam Amal Salman obtained the highest Maqashid Shariah score with an overall performance of 49.79%, followed by BPRS PNM Mentari, and BPRS Almadinah Tasikmalaya Perseroda, as the top 3 Sharia Rural Banks with the highest Maqashid Shariah index performance scores.

BPRS Al Salaam Amal Salman Maqashid Performance

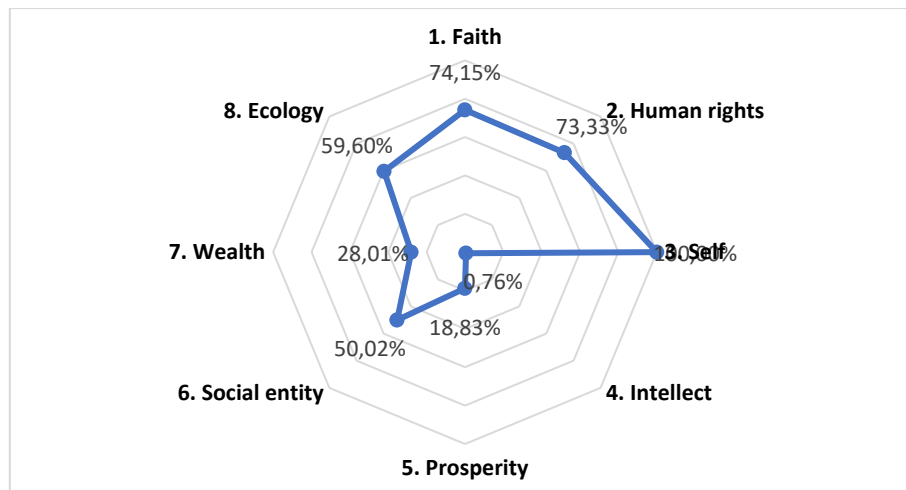


Figure 4 BPRS Al Salaam Amal Salman Maqashid Performance

Based on Figure 4, BPRS Al Salaam Amal Salman demonstrates high performance in the first three critical consequences: "Faith," "Human rights," and "Self." This indicates that BPRS Al Salaam Amal Salman has optimally implemented securing the value of human life dimension. What stands out in this finding is also the very high score in the "Ecology" consequence compared to other BPRS. BPRS Al Salaam Amal Salman has allocated a significant portion of its CSR funds for environmental care. This commitment is evidenced in the governance reports of BPRS Al Salaam Amal Salman, which has contributed to the development of clean well water in Bogor. On the other hand, BPRS Al Salaam Amal Salman achieved the lowest performance in the fourth objective, "Intellect." Based on the calculation results as shown in Appendix 1, the "Intellect" score is very low because BPRS Al Salaam Amal Salman has not allocated funds for the education and training of its employees.

BPRS PNM Mentari

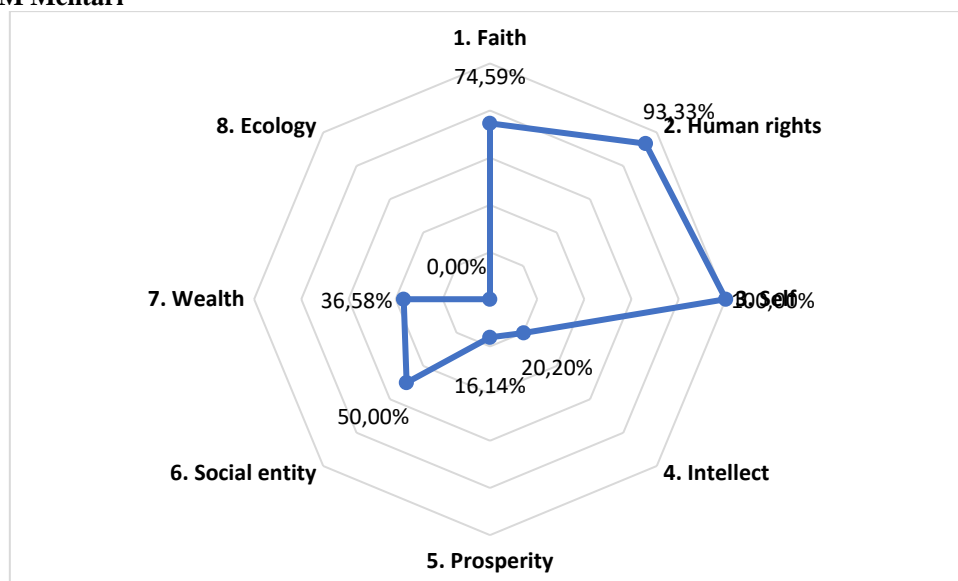


Figure 5 BPRS PNM Mentari Maqashid Performance

From the overall scores, BPRS PNM Mentari ranks second after BPRS Al Salaam Amal Salman. Each performance consequence of BPRS PNM Mentari shows performance that is close to that of BPRS Al Salaam Amal Salman. As shown in Appendix 9, the scores of dimensions are dominated by the "Self" indicator with a perfect/ideal score. Meanwhile, the lowest score is achieved by the "Ecology" consequence. This is because BPRS PNM Mentari has not yet allocated financial resources for environmental purposes.

BPRS Almadinah Tasikmalaya Perseroda

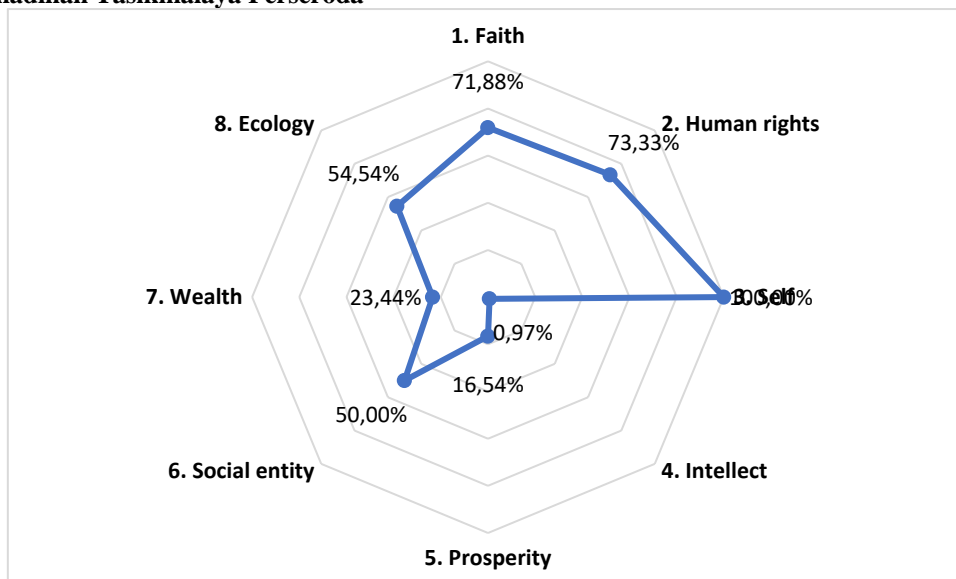


Figure 6 BPRS Almadinah Tasikmalaya Perseroda Maqashid Performance

Based on the calculation of the Maqashid Shariah Index score for BPRS Almadinah Tasikmalaya Perseroda, the "Self" consequence shows a perfect result, indicating that BPRS Almadinah Tasikmalaya Perseroda has optimally invested in the real sector. Meanwhile, the consequence with the lowest value is in "Intellect". This is because BPRS Almadinah Tasikmalaya Perseroda has not allocated funds for education and training for its employees.

BPRS Patriot Bekasi

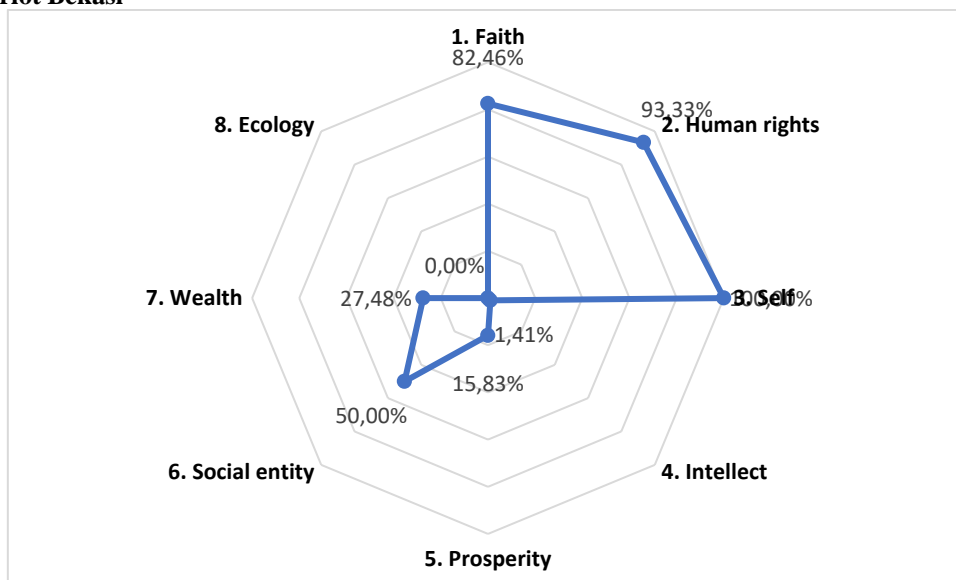


Figure 7 BPRS Patriot Bekasi Maqashid Performance

Based on the calculation of the Maqashid Shariah Index score for BPRS Patriot Bekasi as shown in Figure 7, the "Self" consequence shows a perfect result of 100%, followed by the "Human Rights" and "Faith" consequences. Meanwhile, the consequence with the lowest value is in "Ecology", which is because BPRS Patriot Bekasi has not allocated funds for environmental care.

BPRS Baiturridha Pusaka

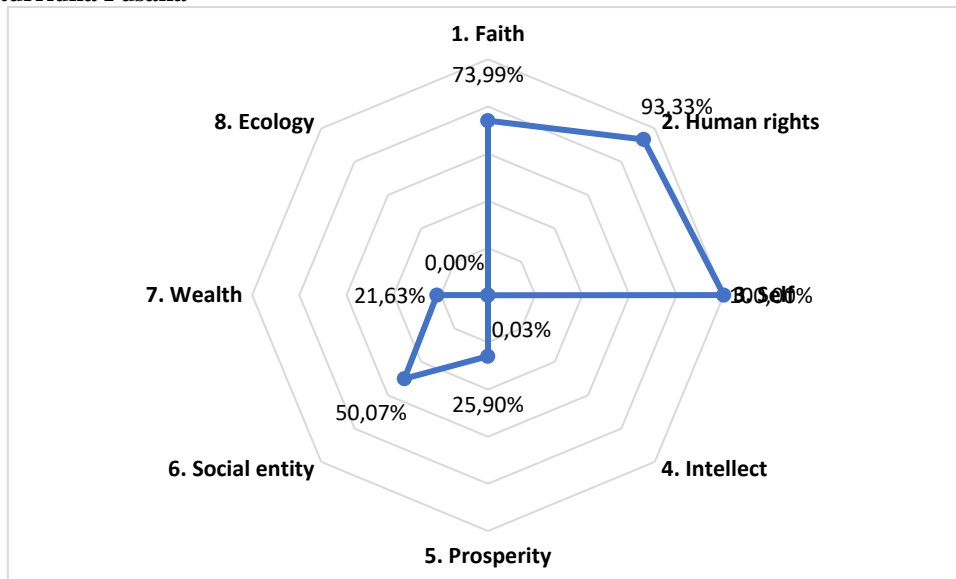


Figure 8 BPRS Baiturridha Pusaka Maqashid Performance

BPRS Baiturridha Pusaka ranks fifth with the highest Maqashid score achieved by the "Self" consequence with a perfect score. This indicates that BPRS Baiturridha Pusaka has optimally implemented one of the main objectives of Maqashid Shariah, which is securing the value of human life. Meanwhile, the lowest score for the consequence is achieved by "Ecology". Like other BPRS, BPRS Baiturridha Pusaka has not allocated its CSR funds for environmental purposes.

BPRS Botani Bina Rahmah

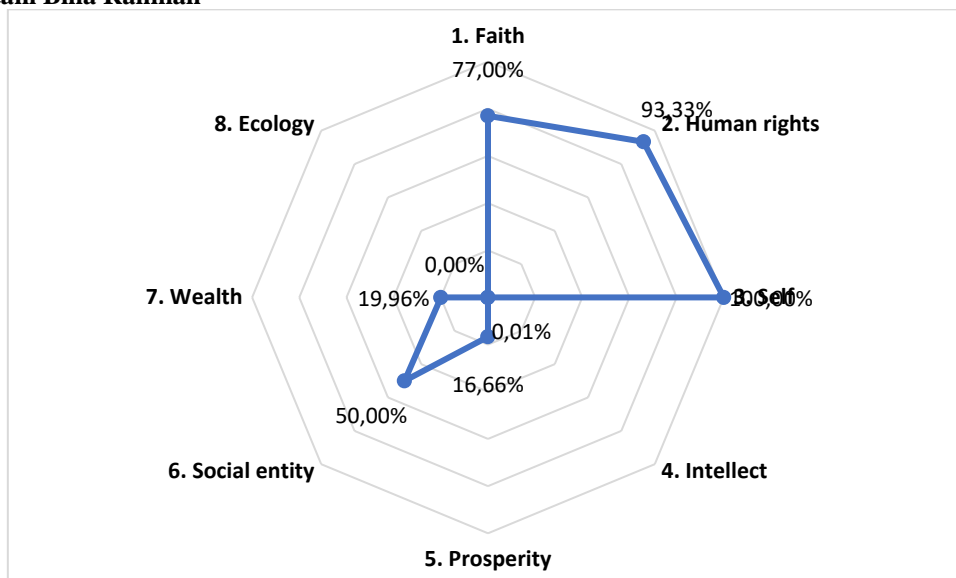


Figure 9 BPRS Botani Bina Rahmah Maqashid Performance

Based on the overall score, BPRS Botani Bina Rahmah has implemented the "Self" consequence perfectly, like other BPRS. However, special attention is needed for the "Ecology" and "Intellect" consequences because BPRS Botani Bina Rahmah has not yet implemented these consequences.

BPRS Harta Insan Karimah Insan Cita

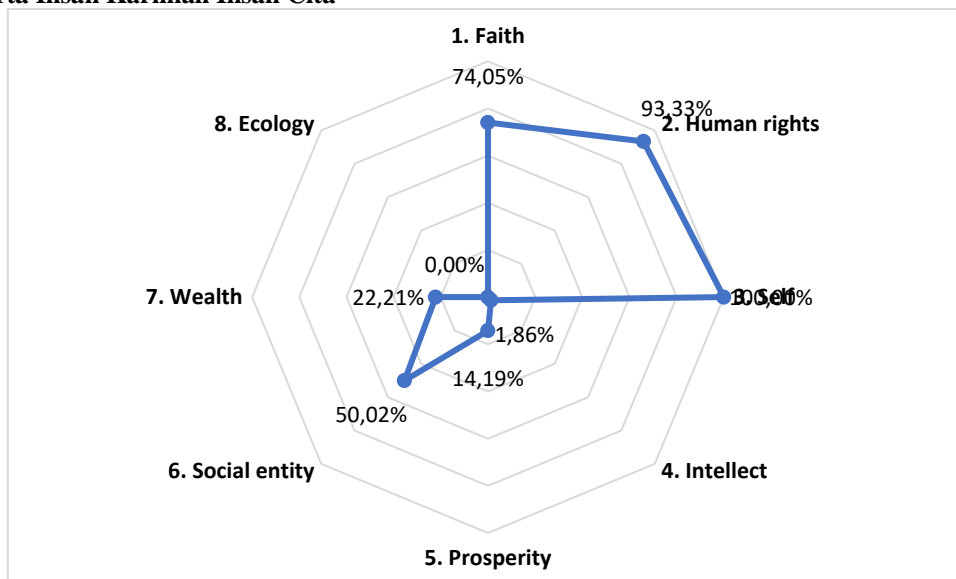


Figure 10 BPRS Harta Insan Karimah Insan Cita Maqashid Performance

BPRS Harta Insan Karimah Insan Cita ranks seventh with the highest Maqashid Sharia performance score obtained from the "Self" consequence. Meanwhile, the lowest score is for the "Ecology" consequence. As shown in Appendix 7, BPRS Harta Insan Karimah Insan Cita has not allocated CSR funds to environmental issues.

BPRS AlMasoem

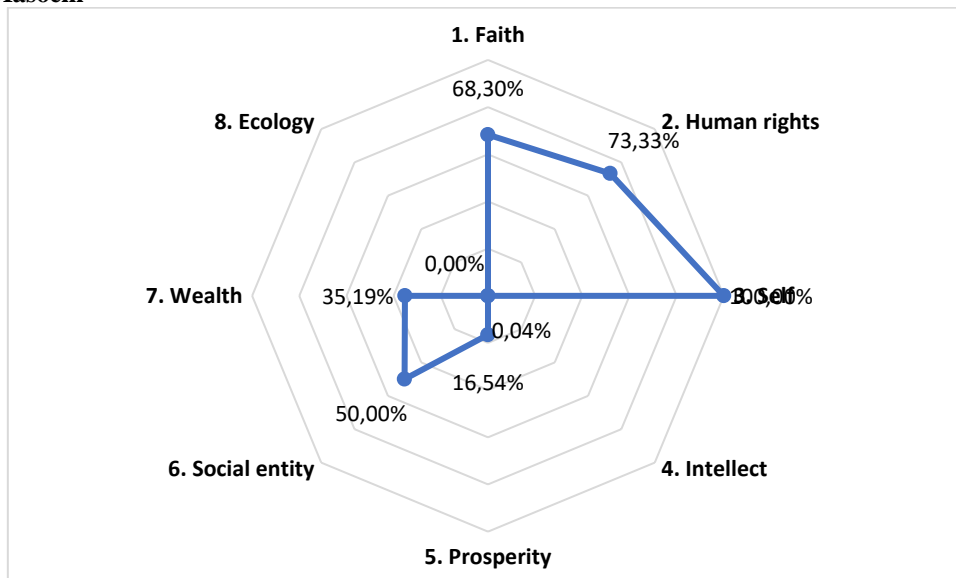


Figure 11 BPRS AlMasoem Maqashid Performance

Based on the Maqashid performance score, BPRS AlMasoem has a performance score that is almost similar to other BPRS, with the highest score in the "Self" consequence, followed by "Human rights" and "Faith." Meanwhile, the lowest score is in the "Ecology" consequence, which has not been implemented at all in BPRS AlMasoem.

BPRS Artha Madani

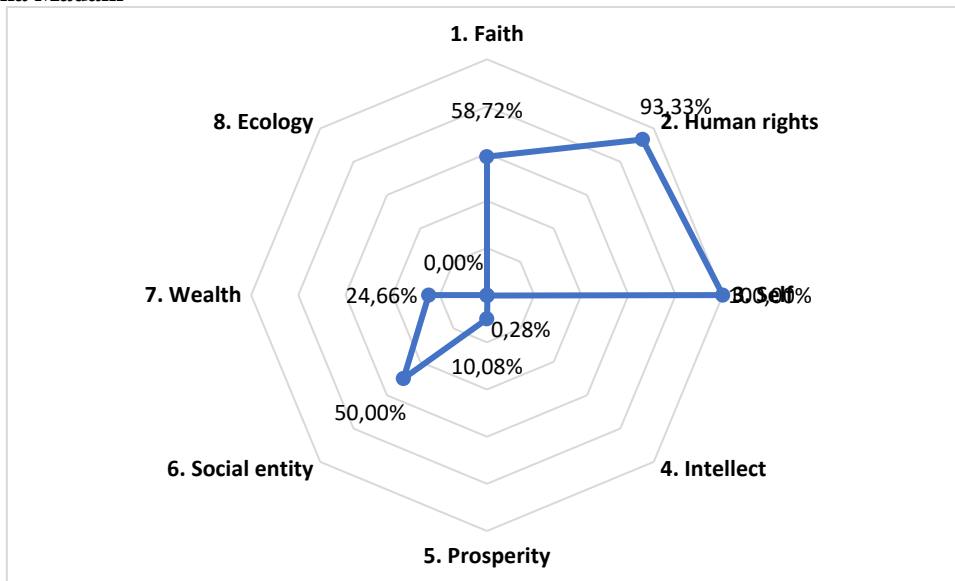


Figure 12 BPRS Artha Madani Maqashid Performance

BPRS Artha Madani has the lowest Maqashid performance score among BPRS, although the difference in performance scores is very minimal when compared to other BPRS. The "Self" consequence contributes significantly to the performance score with a perfect score. However, the "Ecology" consequence has a score of 0 because BPRS Artha Madani has not yet implemented commitments to environmental issues.

Findings at Objectives Level

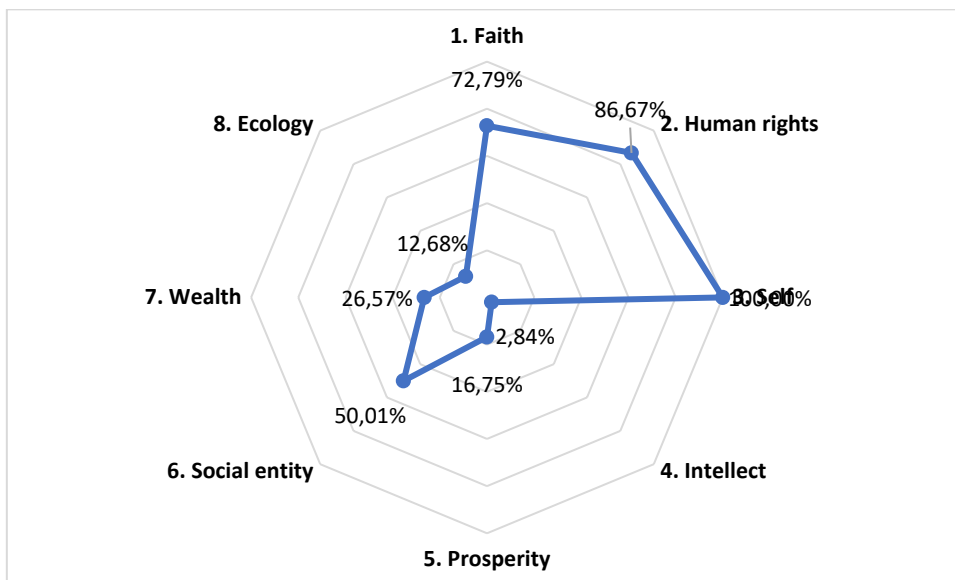


Figure 13 Performance of Maqashid Shariah Shariah Rural Banks in West Java

Based on the analysis of Maqashid Sharia performance measurement in BPRS in West Java, on average, the "Self" consequence dominates the operational performance of Islamic banks. This indicates that BPRS in West Java prioritizes investment aspects in the real sector over other aspects. Generally, the main function of banks is as a financial intermediary, collecting funds from the public with excess funds and channeling them back to the public for various purposes (Antonio et al., 2012). The ability of banks to channel financing depends largely on their ability to mobilize third-party funds from the public. This condition depends on the level of competition among the banking industry, both Islamic and conventional banks, in mobilizing third-party funds and channeling

them to profitable business sectors. However, to achieve Maqashid Shariah, Islamic banks also need to consider other aspects of Maqashid in their operations. The "Intellect" consequence shows the lowest Maqashid performance score. This indicates that Islamic banks in West Java have not optimally implemented activities that support intellectual development and public education. The lack of focus on this aspect could be due to various factors, including resource constraints, lack of awareness, or different priorities in the bank's business strategy.

Safeguard the value of human life

In the first objective of the Maqashid Shariah Index, there are two main consequences divided into several indicators. These two main consequences are faith and human rights. In the first consequence, "Faith," as shown in Table 8, BPRS Patriot Bekasi achieved a high performance score of 82.46%. In Figure 13, the overall performance of BPRS in West Java indicates a fairly high score for the "Faith" consequence, at 72.79%. The weighted average score of the entire sample shows that Islamic banks are beginning to ensure they provide affordable banking products to their customers and demonstrate commitment from Islamic banking in conducting operational activities in accordance with predetermined Shariah principles.

In the second consequence, "Human rights," it is divided into several indicators to assess whether the company has effectively implemented corporate governance aspects such as interest-free products, employees, directors, committees, SSB, and other aspects. For the human rights consequence, BPRS Artha Madani, BPRS Baiturridha Pusaka, BPRS Botani Bina Rahmah, BPRS Harta Insan Karimah Insan Cita, BPRS Patriot Bekasi, and BPRS PNM Mentari achieved the highest scores of 93.33%. The "Human rights" consequence also emerges as the second most widely applied consequence in BPRS in West Java, with an average score of 86.67%. This indicates that as financial institutions operating on Shariah principles, Islamic banks must ensure that all activities conducted adhere to Shariah objectives to guarantee the rights of their customers, especially by providing interest-free products, and ensuring the rights of employees, directors, committees, SSB, and other aspects.

Safeguard of Human self

In the second objective, which is to secure human life, it is divided into two consequences: self and intellect. Under the "Self" consequence, the contribution of Islamic banking to society is examined by providing financing not only in the financial sector but also in the real sector. Overall, the Shariah maqashid performance scores of BPRS in West Java are highest in the "Self" consequence with a perfect score. The "Self" consequence is measured by investments in the real sector. This means that BPRS in West Java has effectively carried out investment activities in the real sector. Investments in the real sector can be observed in the financing provided by banks in agriculture, fisheries, mining, and other sectors that can help communities in their business endeavors. This includes financing modes such as mudharabah, musyarakah, murabahah, and ijarah (Mutia & Musfirah, 2017).

Under the "Intellect" consequence, the focus is on the extent of care provided by Islamic banks in enhancing the knowledge and education of their employees, as well as raising awareness among the public regarding the presence of Islamic banking. For the "Intellect" consequence, BPRS PNM Mentari emerges as the Islamic bank with the highest score, which is 20.20%. Looking at the percentages obtained by Islamic banks in each BPRS in West Java, it can be observed that Islamic banks contribute very little to the improvement of intellectual capacity, both among the general public and their employees. However, this is crucial for enhancing the quality of future generations and as employees are the ones executing all operational activities of Islamic banks, the quality of employees can significantly impact their performance.

Safeguard the value of society

For the third objective, which is to maintain societal welfare, it is divided into two consequences: descendants and social entities. The Islamic Quantitative Index Equitable Distribution ratio is utilized to assess the contribution of Islamic banking to the element of descendants. This ratio is calculated to examine the company's obligation to ensure the welfare of the community, employees, and shareholders, thereby ensuring the well-being of their descendants. This directly influences the existence and future development of Islamic banking. For the "Prosperity" consequence, BPRS Baiturridha Pusaka obtains the highest score of 25.90%. As depicted in Figure 13, overall, BPRS in West Java demonstrates a performance in the "Prosperity" consequence of only 16.75%. This highlights the need for all BPRS to enhance fund allocation in this aspect.

For the "Social entity" consequence, it is divided into several indicators: income and wealth redistribution, development and social welfare, as well as social indicators. The overall average score for BPRS in the "Social entity" consequence is 50.01%. BPRS Baiturridha Pusaka contributes the highest score of 50.07% in this consequence. In this consequence, society will ascertain how Islamic banks fulfill their responsibilities

regarding zakat funds, alms, and charitable funds, including the amount, source, utilization, or beneficiaries of the funds, and the endorsement of the Sharia Supervisory Board (SSB) regarding these funds.

Safeguard physical environment

For the fourth objective, which is to preserve the environment, it is divided into two consequences: wealth and environment. In the wealth consequence, it is divided into six indicators covering various financial aspects, including fair returns, capital adequacy, asset quality, management quality, income capability, and liquidity. On average, BPRS in West Java shows a relatively low figure of 26.57%. For the "Wealth" consequence, BPRS PNM Mentari achieved the highest ranking with a score of 36.58%.

In the second consequence, which is ecology, it is divided into two indicators: environmental indicators and contributions to the environment. As it is known, the success of any activity depends on the level of support from the surrounding environment. This should encourage Islamic banks to contribute to the environment, where human activities take place. For the "Ecology" consequence, the average score is 12.68%. In this consequence, only 2 BPRS have implemented it: BPRS Al Salaam Amal Salman and BPRS Almadinah Tasikmalaya Perseroda.

CONCLUSION

The measurement of Sharia aspects has become an urgent need for Islamic financial institutions, especially in the Islamic banking sector. This is due to their role as intermediaries between depositors (owners of funds) and borrowers (clients), where the validity and compliance of transactions with Sharia principles are key. In this context, the use of the Maqasid Sharia index becomes a valuable tool in evaluating the extent to which banks apply Sharia principles in their operations. The Maqasid Sharia index measures the performance of banks in achieving the goals or maqasid desired in Islam, such as safeguarding religion, life, intellect, progeny, and wealth. By using this index, Islamic financial institutions can assess the consistency and suitability of their practices with the Sharia values that underpin their operations.

The research findings indicate that BPRS Al Salaam Amal Salman achieved the highest Maqasid Sharia score, followed by BPRS PNM Mentari, and BPRS Almadinah Tasikmalaya Perseroda as the top three Sharia Rural Banks in West Java with the highest Maqasid Sharia performance index scores. This suggests that these banks have successfully implemented most of the principles of Maqasid Sharia in their operations effectively. However, further analysis at the consequence level reveals that "Self" is the consequence with the highest average score compared to other consequences. This indicates that BPRS in West Java prioritizes investment in the real sector, which is closely related to the welfare of individuals and communities directly. The focus on the real sector is crucial as it helps create job opportunities, increases production, and generally supports sustainable economic growth. On the other hand, the "Intellect" consequence shows the lowest Maqasid performance score. This indicates that Sharia banks in West Java have not optimally implemented activities that support the intellectual development and education of the community. The lack of focus on this aspect could be due to various factors, including resource limitations, lack of awareness, or different priorities in the bank's business strategy.

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APPENDIX

1. Maqashid al-Shari'ah Performance of BPRS Al Salaam Amal Salman

No.	Objectives	Consequences	Indicator	Realization	Average
A	Safeguard the value of human life	Faith	Mudharabah and Musharakah Modes/Total Investment Modes	6,26%	74,15%
			Interest free income/total revenue	90,35%	
			Commitments in operating within Shari'ah principles/ideals	100,00%	
			No involvement in non-permissible activities	100,00%	
		Human rights	Employees welfare	66,67%	93,33%
			Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed	100,00%	
			At least, once a year the committee met with the external auditors without executive board members present, to review financial statement	100,00%	
			SSB meets with audit committee and/ or external auditor to review financial statement	100,00%	
			The maintenance of an effective system of internal controls is disclosed	100,00%	
B	Safeguard of Human self	Self	Investment in Real Economic Sector/Total Investment	100,00%	100,00%
		Intellect	Education grant or scholarship/total expenses	0,00%	0,76%
			Research expense/total expenses	0,00%	
			Training expense/total expenses	0,00%	
			Publicity expense/total expenses	3,05%	
C	Safeguard the value of society	Prosperity	Qard & Donation/ (Total Revenue-Zakat & Tax Paid)	0,62%	18,83%
			Employess Expenses/ (Total Revenue-Zakat & Tax Paid)	84,85%	
			Dividend to Shareholders/ (Total Revenue-Zakat & Tax Paid)	0,00%	
			Net Profit/ (Total Revenue-Zakat & Tax Paid)	8,64%	
		Social Entity	Zakat / Net asset	0,03%	50,02%
			Mission statement/ statement of social policy social target and objective, consumer care, community involvement		

D	Safeguard physical environment	Wealth	PER (Profit Equalization Reserve)/ Net or Investment Income	12,25%	28,01%
			Capital to Risk Assets Ratio	24,85%	
			Loan loss provision/total loans	0,00%	
			Operating Expenses/operating revenue	89,36%	
			Net income/total assets	0,89%	
			Net income/total equities	14,98%	
			Loan/total assets	0,03%	
			Deposits/total assets	81,73%	
		Ecology	Mission statement/statement of environmental policy	100,00%	59,60%
			Ecological donation/Qard and total donation	19,20%	

2. Maqashid al-Shari'ah Performance of BPRS Almadinah Tasikmalaya Perseroda

No.	Objectives	Consequences	Indicator	Realization	Average
A	Safeguard the value of human life	Faith	Mudharabah and Musharakah Modes/Total Investment Modes	45,92%	71,88%
			Interest free income/total revenue	41,61%	
			Commitments in operating within Shari'ah principles/ideals	100,00%	
			No involvement in non-permissible activities	100,00%	
		Human rights	Employees welfare	66,67%	73,33%
			Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed	0,00%	
			At least, once a year the committee met with the external auditors without executive board members present, to review financial statement	100,00%	
			SSB meets with audit committee and/ or external auditor to review financial statement	100,00%	
			The maintenance of an effective system of internal controls is disclosed	100,00%	
B	Safeguard of Human self	Self	Investment in Real Economic Sector/Total Investment	100,00%	100,00%
		Intellect	Education grant or scholarship/total expenses	0,00%	0,97%
			Research expense/total expenses	0,00%	
			Training expense/total expenses	0,00%	
			Publicity expense/total expenses	3,90%	

C	Safeguard the value of society	Prosperity	Qard & Donation/ (Total Revenue-Zakat & Tax Paid)	16,80%	16,54%
			Employess Expenses/ (Total Revenue-Zakat & Tax Paid)	42,72%	
			Dividend to Shareholders/ (Total Revenue-Zakat & Tax Paid)	0,00%	
			Net Profit/ (Total Revenue-Zakat & Tax Paid)	6,65%	
		Social Entity	Zakat / Net asset	0,00%	50,00%
			Mission statement/ statement of social policy social target and objective, consumer care, community involvement	100,00%	
D	Safeguard physical environment	Wealth	PER (Profit Equalization Reserve)/ Net or Investment Income	13,07%	23,44%
			Capital to Risk Assets Ratio	1,93%	
			Loan loss provision/total loans	0,00%	
			Operating Expenses/operating revenue	87,39%	
			Net income/total assets	0,79%	
			Net income/total equities	5,44%	
			Loan/total assets	31,95%	
			Deposits/total assets	46,92%	
		Ecology	Mission statement/statement of environmental policy	100,00%	54,54%
			Ecological donation/Qard and total donation	9,07%	

3. Maqashid al-Shari'ah Performance of BPRS AIMasoem

No.	Objectives	Consequences	Indicator	Realization	Average
A	Safeguard the value of human life	Faith	Mudharabah and Musharakah Modes/Total Investment Modes	0,92%	68,30%
			Interest free income/total revenue	72,30%	
			Commitments in operating within Shari'ah principles/ideals	100,00%	
			No involvement in non-permissible activities	100,00%	
		Human rights	Employees welfare	66,67%	73,33%
			Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed	100,00%	
At least, once a year the committee met with the external auditors without executive board members present, to review financial statement	100,00%				

			SSB meets with audit committee and/ or external auditor to review financial statement	0,00%	
			The maintenance of an effective system of internal controls is disclosed	100,00%	
B	Safeguard of Human self	Self	Investment in Real Economic Sector/Total Investment	100,00%	100,00%
		Intellect	Education grant or scholarship/total expenses	0,00%	0,04%
			Research expense/total expenses	0,00%	
			Training expense/total expenses	0,00%	
			Publicity expense/total expenses	0,17%	
C	Safeguard the value of society	Prosperity	Qard & Donation/ (Total Revenue-Zakat & Tax Paid)	47,87%	21,17%
			Employess Expenses/ (Total Revenue-Zakat & Tax Paid)	21,97%	
			Dividend to Shareholders/ (Total Revenue-Zakat & Tax Paid)	0,00%	
			Net Profit/ (Total Revenue-Zakat & Tax Paid)	14,85%	
		Social Entity	Zakat / Net asset	0,00%	50,00%
			Mission statement/ statement of social policy social target and objective, consumer care, community involvement	100,00%	
D	Safeguard physical environment	Wealth	PER (Profit Equalization Reserve)/ Net or Investment Income	3,48%	35,19%
			Capital to Risk Assets Ratio	9,80%	
			Loan loss provision/total loans	0,00%	
			Operating Expenses/operating revenue	74,91%	
			Net income/total assets	10,44%	
			Net income/total equities	96,52%	
			Loan/total assets	7,21%	
			Deposits/total assets	79,20%	
		Ecology	Mission statement/statement of environmental policy	0,00%	0,00%
			Ecological donation/Qard and total donation	0,00%	

4. Maqashid al-Shari'ah Performance of BPRS Artha Madani

No.	Objectives	Consequences	Indicator	Realization	Average
A	Safeguard the value of human life	Faith	Mudharabah and Musharakah Modes/Total Investment Modes	3,59%	58,72%
			Interest free income/total revenue	72,57%	

			Commitments in operating within Shari'ah principles/ideals	100,00%	93,33%
			No involvement in non-permissible activities		
		Human rights	Employees welfare	66,67%	
			Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed	100,00%	
			At least, once a year the committee met with the external auditors without executive board members present, to review financial statement	100,00%	
			SSB meets with audit committee and/ or external auditor to review financial statement	100,00%	
			The maintenance of an effective system of internal controls is disclosed	100,00%	
B	Safeguard of Human self	Self	Investment in Real Economic Sector/Total Investment	100,00%	100,00%
		Intellect	Education grant or scholarship/total expenses	0,00%	0,28%
	Research expense/total expenses		0,00%		
	Training expense/total expenses		0,00%		
	Publicity expense/total expenses		1,11%		
C	Safeguard the value of society	Prosperity	Qard & Donation/ (Total Revenue-Zakat & Tax Paid)	1,22%	10,08%
			Employess Expenses/ (Total Revenue-Zakat & Tax Paid)	32,38%	
			Dividend to Shareholders/ (Total Revenue-Zakat & Tax Paid)	0,00%	
			Net Profit/ (Total Revenue-Zakat & Tax Paid)	6,72%	
		Social Entity	Zakat / Net asset	0,00%	50,00%
			Mission statement/ statement of social policy social target and objective, consumer care, community involvement	100,00%	
D	Safeguard physical environment	Wealth	PER (Profit Equalization Reserve)/ Net or Investment Income	8,28%	24,66%
			Capital to Risk Assets Ratio	1,34%	
			Loan loss provision/total loans	0,00%	
			Operating Expenses/operating revenue	85,99%	
			Net income/total assets	0,78%	
			Net income/total equities	23,56%	
			Loan/total assets	43,16%	

		Deposits/total assets	34,20%	
	Ecology	Mission statement/statement of environmental policy	0,00%	0,00%
		Ecological donation/Qard and total donation	0,00%	

5. Maqashid al-Shari'ah Performance of BPRS Baiturridha Pusaka

No.	Objectives	Consequences	Indicator	Realization	Average
A	Safeguard the value of human life	Faith	Mudharabah and Musharakah Modes/Total Investment Modes	5,39%	73,99%
			Interest free income/total revenue	90,55%	
			Commitments in operating within Shari'ah principles/ideals	100,00%	
			No involvement in non-permissible activities	100,00%	
		Human rights	Employees welfare	66,67%	93,33%
			Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed	100,00%	
			At least, once a year the committee met with the external auditors without executive board members present, to review financial statement	100,00%	
			SSB meets with audit committee and/ or external auditor to review financial statement	100,00%	
			The maintenance of an effective system of internal controls is disclosed	100,00%	
B	Safeguard of Human self	Self	Investment in Real Economic Sector/Total Investment	100,00%	100,00%
		Intellect	Education grant or scholarship/total expenses	0,00%	0,03%
			Research expense/total expenses	0,00%	
			Training expense/total expenses	0,00%	
			Publicity expense/total expenses	0,11%	
C	Safeguard the value of society	Prosperity	Qard & Donation/ (Total Revenue-Zakat & Tax Paid)	26,27%	25,90%
			Employess Expenses/ (Total Revenue-Zakat & Tax Paid)	50,63%	
			Dividend to Shareholders/ (Total Revenue-Zakat & Tax Paid)	0,00%	
			Net Profit/ (Total Revenue-Zakat & Tax Paid)	26,70%	

		Social Entity	Zakat / Net asset	0,14%	50,07%
			Mission statement/ statement of social policy social target and objective, consumer care, community involvement	100,00%	
D	Safeguard physical environment	Wealth	PER (Profit Equalization Reserve)/ Net or Investment Income	17,97%	21,63%
			Capital to Risk Assets Ratio	10,07%	
			Loan loss provision/total loans	0,00%	
			Operating Expenses/operating revenue	60,53%	
			Net income/total assets	17,45%	
			Net income/total equities	3,77%	
			Loan/total assets	7,19%	
			Deposits/total assets	56,03%	
		Ecology	Mission statement/statement of environmental policy	0,00%	0,00%
			Ecological donation/Qard and total donation	0,00%	

6. Maqashid al-Shari'ah Performance of BPRS Botani Bina Rahmah

No.	Objectives	Consequences	Indicator	Realization	Average
A	Safeguard the value of human life	Faith	Mudharabah and Musharakah Modes/Total Investment Modes	22,52%	77,00%
			Interest free income/total revenue	85,49%	
			Commitments in operating within Shari'ah principles/ideals	100,00%	
			No involvement in non-permissible activities	100,00%	
		Human rights	Employees welfare	66,67%	93,33%
			Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed	100,00%	
			At least, once a year the committee met with the external auditors without executive board members present, to review financial statement	100,00%	
			SSB meets with audit committee and/ or external auditor to review financial statement	100,00%	
			The maintenance of an effective system of internal controls is disclosed	100,00%	
B	Safeguard of Human self	Self	Investment in Real Economic Sector/Total Investment	100,00%	100,00%
		Intellect	Education grant or scholarship/total expenses	0,00%	0,01%

			Research expense/total expenses	0,00%	
			Training expense/total expenses	0,00%	
			Publicity expense/total expenses	0,05%	
C	Safeguard the value of society	Prosperity	Qard & Donation/ (Total Revenue-Zakat & Tax Paid)	5,38%	16,66%
			Employess Expenses/ (Total Revenue-Zakat & Tax Paid)	38,67%	
			Dividend to Shareholders/ (Total Revenue-Zakat & Tax Paid)	0,00%	
			Net Profit/ (Total Revenue-Zakat & Tax Paid)	22,57%	
		Social Entity	Zakat / Net asset	0,00%	50,00%
			Mission statement/ statement of social policy social target and objective, consumer care, community involvement	100,00%	
D	Safeguard physical environment	Wealth	PER (Profit Equalization Reserve)/ Net or Investment Income	2,54%	19,96%
			Capital to Risk Assets Ratio	1,74%	
			Loan loss provision/total loans	0,00%	
			Operating Expenses/operating revenue	63,80%	
			Net income/total assets	7,63%	
			Net income/total equities	1,16%	
			Loan/total assets	41,65%	
			Deposits/total assets	41,16%	
		Ecology	Mission statement/statement of environmental policy	0,00%	0,00%
			Ecological donation/Qard and total donation	0,00%	

7. Maqashid al-Shari'ah Performance of BPRS Harta Insan Karimah Insan Cita

No.	Objectives	Consequences	Indicator	Realization	Average
A	Safeguard the value of human life	Faith	Mudharabah and Musharakah Modes/Total Investment Modes	8,72%	74,05%
			Interest free income/total revenue	87,49%	
			Commitments in operating within Shari'ah principles/ideals	100,00%	
			No involvement in non-permissible activities	100,00%	
		Human rights	Employees welfare	66,67%	93,33%
			Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed	100,00%	

			At least, once a year the committee met with the external auditors without executive board members present, to review financial statement	100,00%	
			SSB meets with audit committee and/ or external auditor to review financial statement	100,00%	
			The maintenance of an effective system of internal controls is disclosed	100,00%	
B	Safeguard of Human self	Self	Investment in Real Economic Sector/Total Investment	100,00%	100,00%
		Intellect	Education grant or scholarship/total expenses	7,12%	1,86%
			Research expense/total expenses	0,00%	
			Training expense/total expenses	0,00%	
			Publicity expense/total expenses	0,32%	
C	Safeguard the value of society	Prosperity	Qard & Donation/ (Total Revenue-Zakat & Tax Paid)	1,80%	14,19%
			Employess Expenses/ (Total Revenue-Zakat & Tax Paid)	45,60%	
			Dividend to Shareholders/ (Total Revenue-Zakat & Tax Paid)	0,00%	
			Net Profit/ (Total Revenue-Zakat & Tax Paid)	9,36%	
		Social Entity	Zakat / Net asset	0,05%	50,02%
	Mission statement/ statement of social policy social target and objective, consumer care, community involvement	100,00%			
D	Safeguard physical environment	Wealth	PER (Profit Equalization Reserve)/ Net or Investment Income	6,07%	22,21%
			Capital to Risk Assets Ratio	3,74%	
			Loan loss provision/total loans	0,00%	
			Operating Expenses/operating revenue	82,60%	
			Net income/total assets	7,40%	
			Net income/total equities	1,46%	
			Loan/total assets	22,05%	
			Deposits/total assets	54,34%	
		Ecology	Mission statement/statement of environmental policy	0,00%	0,00%
			Ecological donation/Qard and total donation	0,00%	

8. Maqashid al-Shari'ah Performance of BPRS Patriot Bekasi

No.	Objectives	Consequences	Indicator	Realization	Average
A		Faith	Mudharabah and Musharakah Modes/Total Investment Modes	32,32%	82,46%

	Safeguard the value of human life		Interest free income/total revenue	97,50%	93,33%
			Commitments in operating within Shari'ah principles/ideals	100,00%	
			No involvement in non-permissible activities	100,00%	
		Human rights	Employees welfare	66,67%	
			Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed	100,00%	
			At least, once a year the committee met with the external auditors without executive board members present, to review financial statement	100,00%	
			SSB meets with audit committee and/ or external auditor to review financial statement	100,00%	
The maintenance of an effective system of internal controls is disclosed	100,00%				
B	Safeguard of Human self	Self	Investment in Real Economic Sector/Total Investment	100,00%	100,00%
		Intellect	Education grant or scholarship/total expenses	0,00%	1,41%
			Research expense/total expenses	0,00%	
			Training expense/total expenses	0,00%	
			Publicity expense/total expenses	5,63%	
C	Safeguard the value of society	Prosperity	Qard & Donation/ (Total Revenue-Zakat & Tax Paid)	3,28%	15,83%
			Employess Expenses/ (Total Revenue-Zakat & Tax Paid)	47,29%	
			Dividend to Shareholders/ (Total Revenue-Zakat & Tax Paid)	0,00%	
			Net Profit/ (Total Revenue-Zakat & Tax Paid)	12,76%	
		Social Entity	Zakat / Net asset	0,00%	50,00%
			Mission statement/ statement of social policy social target and objective, consumer care, community involvement	100,00%	
D	Safeguard physical environment	Wealth	PER (Profit Equalization Reserve)/ Net or Investment Income	7,65%	27,48%
			Capital to Risk Assets Ratio	3,74%	
			Loan loss provision/total loans	0,00%	

			Operating Expenses/operating revenue	78,08%	
			Net income/total assets	9,35%	
			Net income/total equities	64,23%	
			Loan/total assets	10,21%	
			Deposits/total assets	46,59%	
		Ecology	Mission statement/statement of environmental policy	0,00%	0,00%
			Ecological donation/Qard and total donation	0,00%	

9. Maqashid al-Shari'ah Performance of BPRS PNM Mentari

No.	Objectives	Consequences	Indicator	Realization	Average
A	Safeguard the value of human life	Faith	Mudharabah and Musharakah Modes/Total Investment Modes	12,39%	74,59%
			Interest free income/total revenue	85,99%	
			Commitments in operating within Shari'ah principles/ideals	100,00%	
			No involvement in non-permissible activities	100,00%	
		Human rights	Employees welfare	66,67%	93,33%
			Number of board meetings held in a year and the details of attendance of each individual director in respect of meetings held are disclosed	100,00%	
			At least, once a year the committee met with the external auditors without executive board members present, to review financial statement	100,00%	
			SSB meets with audit committee and/ or external auditor to review financial statement	100,00%	
			The maintenance of an effective system of internal controls is disclosed	100,00%	
B	Safeguard of Human self	Self	Investment in Real Economic Sector/Total Investment	100,00%	100,00%
		Intellect	Education grant or scholarship/total expenses	80,78%	20,20%
			Research expense/total expenses	0,00%	
			Training expense/total expenses	0,00%	
			Publicity expense/total expenses	0,00%	
C	Safeguard the value of society	Prosperity	Qard & Donation/ (Total Revenue-Zakat & Tax Paid)	3,26%	16,14%
			Employess Expenses/ (Total Revenue-Zakat & Tax Paid)	49,16%	

			Dividend to Shareholders/ (Total Revenue-Zakat & Tax Paid)	0,00%	
			Net Profit/ (Total Revenue-Zakat & Tax Paid)	12,14%	
		Social Entity	Zakat / Net asset	0,00%	50,00%
			Mission statement/ statement of social policy social target and objective, consumer care, community involvement	100,00%	
D	Safeguard physical environment	Wealth	PER (Profit Equalization Reserve)/ Net or Investment Income	5,80%	36,58%
			Capital to Risk Assets Ratio	2,82%	
			Loan loss provision/total loans	0,00%	
			Operating Expenses/operating revenue	77,71%	
			Net income/total assets	9,59%	
			Net income/total equities	113,49%	
			Loan/total assets	28,29%	
			Deposits/total assets	54,97%	
		Ecology	Mission statement/statement of environmental policy	0,00%	0,00%
			Ecological donation/Qard and total donation	0,00%	