

The Performance Analysis of Bank Syariah Mandiri with Maqasid Sharia Index Approach in the 2013–2017 Period

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Abstract

This study aims to analyze the performance of Bank Syariah Mandiri based on maqasid sharia using the maqasid sharia index (MSI) approach. The data was collected based on the bank's reports from 2013-2017. Based on all performance indicators, the best performance of Bank Syariah Mandiri was in 2015, followed by 2017 and 2013. Maqasid sharia can be used as a reference in evaluating the performance of Bank Syariah Mandiri in the aspect of Islamic economics. The performance scoring effort can be maximized if the items or elements reported in Bank Syariah Mandiri financial statements can adjust to the maqasid sharia.

Keywords: *maqasid sharia index, Islamic bank, financial statement*

A. INTRODUCTION

Maqasid Sharia is a performance measurement method used in the research of financial institution performance to determine the benefits achieved by the company. According to Abu Zahrah (1995: 424-425), the

benefits that can be accepted are the benefits that are essential, which includes five basic guarantees. The five basic guarantees are the pillars of life of the world so that humanity can live safely and prosperously. The five basic guarantees are religious safety guarantees (*al-Muhafazhah alad-Din*), guarantees of soul safety (*al-Muhafazhah ala an-Nafs*), security guarantees of reason (*al-Muhafazhah alal-qAql*), guarantees of descendant safety (*al-Muhafazhah alan-Nasl*), and guarantees of the safety of property (*al-Muhafazhah alal-Mal*).

According to Imam al-Ghazali's theory (1997: 217), *masalahah* is: "to keep the sharia objectives". While the objectives of the sharia include five basic principles, which are to: 1) protect religion (*hifzh al in*); 2) protect the soul (*hifzh al nafs*); 3) protect reason (*hifzh al aql*); 4) protect human sustainability (*hifzh al nasl*); and 5) protecting property (*hifzh al mal*) (Andriani Syofyan, 2017: 147).

A complete understanding of *maqasid* index is taken from Islamic values (*maqasid sharia*) which is understood as the ultimate goal of sharia which promotes values of well-being and benefits (*Jalb al Masalih*) also eliminates suffering (Dar al-Mafasid) (Antonio, 2012: 14). The *maqasid sharia* index is understood as the ultimate goal of sharia which leads to values of well-being and benefits and eliminating suffering. The *maqasid sharia* index is a measurement of sharia banking performance in accordance with the objectives and characteristics of sharia banking. The *maqasid sharia* index was developed by Abu Zahrah into 3 Sharia objectives, namely (Omar, 2008: 4):

- 1) *Tahdhib al-Fard* (Individual Education), i.e. so that each individual becomes a source of good for his community rather than being a source of evil for every human being. So that the various kinds of worship that are prescribed to aim to train the soul so as not to tend to the ugliness that results in ruthless, cruel and unjust actions towards others so as to create harmony in society.

- 2) *Iqamah al'Adl* (Embodiment of Justice), which is to realize justice in all areas of human life, in the field of *muamalah* by respecting rights and carrying out obligations between parties that originate, because in the eyes of the law all human beings are the same there is no difference between rich and poor, the strong and the weak have the same obligation that is respecting the rights of others and carrying out their obligations.
- 3) *Jalb al-Maslahah* (Community Welfare), which generates general benefit, not special benefit for certain parties. Benefit based on sharia law and religious texts is the true benefit because it leads to the preservation of religion, life, wealth, reason, and descent.

The following is a model for measuring the performance of *maqasid* sharia in Islamic banks. The model is composed of the concept of the *maqasid* sharia which has been explained by various Islamic ulemas and scholars, especially the *maqasid* sharia described by Abu Zahra, namely (Ascarya, 2015: 5):

Table 2
Measurement Model of *Maqasid* Sharia Performance

Sharia Purpose	Dimension (D)	Element (E)	Performance Ratio (R)
I. <i>Tahzib al Fard</i> (Educating Individual)	D1. Advancement Knowledge	E1. Education Grant	R1. Education Grand/Total Expense
		E2. Research	R2. Research Expense/Total Expense
	D2. Instilling new skill and improvement	E3. Training	R3. Training Expense/Total Expense
		D3. Creating Awareness of Islamic Banking	E4. Publicity
II. <i>Iqamah al-Adl</i> (Establishing justice)	D4. Fair Returns	E5. Fair Returns	R5. Profit Equalization Reserves (PER)/Net or

Sharia Purpose	Dimension (D)	Element (E)	Performance Ratio (R)
			Investment Income
	D5. Cheap Product and Service	E6. Functional Distribution	R6. <i>Mudharabah</i> and <i>Musyarakah</i> Modes/Total Investment Mode
	D6. Elimination of Injustice	E7. Interest free Product	R7. Interest free Income/Total Income
	D7. Profitability of Bank	E8. Profit ratios	R8. Net Income/Total Asset
III. <i>Jalb al-Maslahah</i> (Public Interest)	D8. Redistribution of Income & Wealth	E9. Personal Income	R9. Zakah Paid/Net Income
	D9. Investment in real sector	E10. Investment Ratios in Real Sector	R10. Investment in Real Sector/total Investment

Source: Mustofa Omar, 2008

The purpose of *maqasid* index 1 consists of three dimensions (D1-D3), namely:

- a. D1. Advancement Knowledge can be measured by two elements, namely element 1 (E1) of Education Grant and element 2 (E2) of Research.
- b. D2. Instilling New Skills and Improvement can be measured by element three (E3) of Training.
- c. D3. Creating Awareness of Islamic Banking can be measured by element four (E4) of Publicity.

The purpose of *maqasid* index 2 consists of three dimensions (D4-D6), namely:

- a. D4. Fair Returns can be measured by element five (E5) of Fair Returns.
- b. D5. Cheap Products and Services can be measured by element 6 (E6) of Functional Distribution.

- c. D6. Elimination of Injustice can be measured with element 7 (E7) of Interest Free Products.

The purpose of *maqasid* index 3 consists of three dimensions (D7-D9), namely:

- a. D7. The Profitability of Bank can be measured by the eight element (E8) of Profit Ratios.
- b. D8. Redistribution of Income and Wealth can be measured by element 9 (E9) of Personal Income.
- c. D9. Investment in Real Sector can be measured by element 10 (E10) of Investment Ratios in Real Sector

Maqasid index 1 consists of four ratios (R1-R4), namely:

- a. R1. Education grants are obtained from education grants divided by total expenses.
- b. R2. Research costs are obtained from research expenses divided by total expenses.
- c. R3. Training costs are obtained from the training expenses are divided by the total expenses.
- d. R4. Publicity costs are obtained from publicity expenses divided by total expenses.

These four ratios are included in individual education. If the budget allocated by the bank for the four indicators is high then the bank has been involved in an individual educator program. This proves that the bank shows its role in improving the quality of the source of human resources from both employees and stakeholders.

Through the advance knowledge dimension (R1 & R2) Islamic banks are required to participate in developing the knowledge of not only their employees but also the general public. This role can be measured through the element of how much the Islamic bank provides education grants and

conducts development research. The greater the scholarship funds and research costs incurred by Islamic banks the more attention to increasing public knowledge.

Dimensions of interesting new skills and improvement (R3) Islamic banks are required to have a large role in increasing the expertise and knowledge of its bodyguards. The greater the ratio of training costs incurred by Islamic banks shows that the bank's attention to the expertise and education of its employees is quite large.

The dimension of creating awareness of Islamic banking (R4), in this dimension, the role of Islamic banks in increasing public knowledge, especially about Islamic banking, is to conduct socialization and publication of Islamic banking in the form of information on Islamic banking products, operations and Islamic economic systems. The greater promotion and publication of Islamic banking, will have an impact on increasing public awareness of Islamic banking.

Maqasid index 2 consists of three ratios (R5-R7), namely:

- a. R5. Profit is the ratio obtained from Profit Equalization Reserves/PER divided by net investment income.
- b. R6. Functional distribution is the ratio obtained from *mudharabah* and *musyarakah* financing divided by total financing (Total Investment modes).
- c. R7. Non-free income (Interest-Free Product) is the ratio obtained from interest-free income divided by the total income.

The three ratios are included in the concept group building justice. The existence of the ratio of Profit Equalization Reserve (PER) in banks is a form of injustice because the right to receive profits has been canceled or postponed. In the PER ratio there are parentheses because it is a subtraction from number 1. Therefore, if the ratio is close to 1, it means fewer PER reserves. Value 1 indicates that there is no reserve allocated for PER. If the

ratio (1-PER) is high, it shows that the bank has reached a high level of justice. In fact, net investment income is a Profit Equalization Reserves (PER) account, which means a portion of the gross income from fund management revenues that is set aside before allocating it to *mudharib* (management) with the aim to provide a more equitable return/yield to account holders and shareholders. (Omar and Fauziah, 2015: 63). So in this study PER accounts are replaced by profit-sharing accounts which have not been shared with the consideration that PER rules have not been applied in Islamic banking in Indonesia. (IAI, 2011: 360). The ratio is contained in the dimension of fair return (R5). The high *Mudharabah* and *Musyarakah* ratios included in the functional distribution dimension (R6) indicate that banks have a role in improving social and economic justice as the contractual principle of both contracts is profit loss sharing. Likewise, the high ratio of interest free income to total income has a positive effect on reducing income inequality. In addition, Islamic banks are also required to run interest-free banking activities. The ratio is expressed in the dimension of element of injustices (R7). The higher the ratio of investment to total investment, it will have a positive impact on reducing the income and wealth gap in social life.

Maqasid index 3 consists of three ratios (R8-R10), namely:

- a. R8. Profit ratio is the ratio obtained from net income divided by total assets.
- b. R9. Personal Income is the ratio obtained from zakah paid divided by net assets.
- c. R10. Investment Ratio in Real Sector is the ratio obtained from Investment in Real Sector divided by the total investment.

These three ratios are included in the concept of *maslahah*. In the dimension of profitability of banks (R8), it shows that the higher net income/total assets shows the level of profitability achieved by banks, thus bringing problems to banks. While the problem for the community is shown

through the redistribution of income & wealth (R9) dimension, namely in the form of zakah/net assets and investment ratio in the real sector/total investment. In this case, Islamic banks play an important role in the distribution of zakah funds to the whole community which has an impact on improving the welfare of the community. In addition, Islamic banks have a role in encouraging the growth of the real sector. This ratio is expressed in the dimension of investment in real sector (R10).

1. Literature Review

Muhammed and Razak (2008) show that the performance of Islamic banking based on the highest *maqassid* sharia approach was obtained by Islamic Banks in Jordan, namely Islamic International Arab Bank. Antonio, Sangero, and Taufiq (2012) show that the performance of Islamic banking in Indonesia, namely Bank Syariah Mandiri and Bank Muamalat Indonesia, is better than the performance of Islamic banking in Jordan, namely Jordan Islamic Bank and International Arab Bank Jordan (IIABJ).

Hamid, Ubud, Djumahir D., and Siti (2016) show that financing based on trade principles does not significantly influence the performance of Islamic banking. Besides funding based on the principle of trade has a significant influence on sharia banking and sharia compliance has a significant influence on sharia banking performance.

Suhada and Pramono (2014) show that Bank Syariah Mandiri and Bank Muamalat Indonesia are sharia banks with the best contribution rate throughout the year compared to Bank Rakyat Indonesia Syariah, Bank Mega Syariah, Bank Bukopin Syariah, and Bank Panin Syariah. Prasetyowati and Handoko (2016) showed that the measurement of BUS performance in 2010-2014 using the *maqasid* index method showed varied results and the majority of BUS in Indonesia showed fluctuating performance with an index range between 0.16901-0.334297. The best

performance was achieved by BMI that consistently maintained performance with a total MI in the range of 0.29403-0.34031 and managed to reach rank 1 or two for four consecutive years. As for using the SCnP approach, during the years 2-10-2014 shows the distribution into four different quadrants each year, and appoint BMI as the BUS with the best performance.

2. Research Method

The data used in this research is secondary data. Secondary data is data obtained or collected by people/data collection agencies and published to the data user community (Sunyoto, 2011: 194). Secondary data used in the form of bank financial statements published and obtained from the official website of the FSA, Bank Indonesia and Bank Syariah Mandiri annual report.

Data analysis is to describe and analyze a phenomenon by describing the focus of research related to the problem under study. The data are analyzed quantitatively to achieve clarity of the problem discussed. In this research, the *maqasid* sharia index approach method. The *maqasid* index approach method is used to analyze the achievement of sharia objectives from one of the Sharia Commercial Banks (BUS) in Indonesia, namely PT Bank Syariah Mandiri. The following is the performance of Bank Syariah Mandiri seen from the Comprehensive Income Statement and the Financial Position Report.

To get results with better measurements, it can be verified from the weighting model on each component of the measurement element through interviews with 16 sharia experts in Asia and the Middle East (weighting based on research results from Mustafa Omar (2008) as presented in the following table:

B. RESULTS

1. Calculating the 2013-2017 *Maqasid* Sharia Index Performance Ratio

The process for calculating and analyzing the *maqasid* sharia index is obtained from financial report data that has been published by Bank Syariah Mandiri through its official website. The results of the analysis that have been carried out will be presented in the form of the following table:

The following is an explanation of the table above:

a. First *Maqasid* Sharia Index (*Tahdzib al-Fard*)

1) Educational Grants/Total Expenses (R1)

The performance ratio of the *maqasid* sharia index is the first of the first indicator namely education *tahdzib al-fard* is the percentage of the amount of fund allocation that is used by independent Islamic banks (BSM) in channeling education funds through scholarships or assistance in educational infrastructure. Scholarships are given to underprivileged families that are carried out thoroughly both in the head office environment in Jakarta and branch offices throughout the country.

The 2013 annual report data of Bank Syariah Mandiri has channeled educational grant funds amounting to 2,182 billion rupiah from a total burden of 4,457 billion rupiah. In 2014, Bank Syariah Mandiri did not list the amount of education grant funds. In 2015 Bank Syariah Mandiri distributed education grants totaling 76.7 billion rupiah from a total burden of 5.577 billion rupiah. Then in 2016 Bank Syariah Mandiri distributed educational grant funds amounting to 2,360 billion rupiah from a total burden of 5,732 billion rupiah. In 2017 the Islamic bank channeled 2,182 educational grants from a total burden of 4,457 billion rupiah.

Based on the calculation of the performance ratio of Bank Syariah Mandiri, the elements of educational grants for five years in a row

namely from 2011 to 2017 amounted to 0.002%, 0%, 0.014%, 0.412% and 0.489%. Based on the data that has been presented, the aim of the first *maqasid sharia (tahdzib al-fard)* is the first element of the highest ratio achieved in 2017, followed by 2016, 2015, 2013, and finally 2014. The data shows that in 2017 Bank Syariah Mandiri has a large contribution in the effort to achieve the first goal of the *maqasid sharia*. Whereas in 2014 the Sharia Bank showed no signs of striving to achieve the first goal of the *maqasid sharia*.

The allocation of educational grant funds channeled by Bank Syariah Mandiri (BSM) is a form of BSM's commitment in realizing better Indonesian education. Sharia banks should have played a role in building an economy based on Islamic principles by contributing in the field of education so that the sustainability of Islamic banks in the future will be well preserved. More than ever better product innovations are also expected to emerge from educational institutions so that the application of sharia principles in life can be prescribed.

2) Training Expense/Total Expense (R3)

The first three *maqasid sharia* index ratios are training expenses. Bank Syariah Mandiri (BSM) has provided competency improvement programs which are carried out in an integrated manner to encourage a culture of continuous learning. In 2013 the total training costs incurred by BSM amounted to 39 billion rupiah from a total burden of 5.118 billion rupiah. Then in 2014 BSM spent 25 billion rupiah out of a total burden of 5,544 billion rupiah. In 2015 BSM spent 49 billion rupiah out of a total burden of 5,577 billion rupiah. In 2016 the training costs incurred were 59 billion rupiah out of a total burden of 5,732 billion rupiah. And in 2017 BSM spent 53 billion rupiah out of a total burden of 4,457 billion rupiah.

Based on the calculation of the performance ratio of Bank Syariah Mandiri, the training element for five years in a row namely from 20113 to 2017 is 0.007%, 0.004%, 0.008%, 0.01%, and 0.012%. Based on the data that has been presented, the goal of the first *maqasid sharia (tahdzib al-fard)* is the third highest ratio element achieved in 2017, followed by 2016, 2014, 2013, and finally 2015. The data shows that in 2017 Bank Syariah Mandiri has a large contribution in the effort to achieve the first goal of the *maqasid sharia*. Whereas in 2015 the purpose of the third element of *maqasid sharia* was not achieved properly.

The Islamic banking industry is an industry that relies on trust and prioritizes service in competing so it is very dependent on the ability of employees to carry out their duties. Therefore, training for employees is very important because it can directly improve the performance of the Islamic bank.

b. Second *Maqasid sharia* Index (Al-Adl)

1) *Mudharabah* and *musyarakah* financing/Total financing
(R6)

The second ratio of the second *maqasid sharia* index is functional distribution, which is assessed from the amount of *mudharabah* and *musyarakah* financing divided by total financing. This ratio is used to determine the function of the distribution of Islamic banks whether it can run well or vice versa. The higher the financing of Islamic banks using the *mudharabah* and *musharakah* financing models, the Islamic banks are considered capable of carrying out their functions properly.

In 2013 Bank Syariah Mandiri (BSM) related to *mudharabah* and *musyarakah* products amounted to 20,628 billion rupiah from a total financing of 60,584 billion rupiah. Then in 2014 amounted to 10,337 billion rupiah from a total of 49,133 billion rupiah in funding. In 2015, there were 13,111 billion rupiah of the total financing of 51,090 billion

rupiah, 16,087 of the total burden of 55,580 billion rupiah. Furthermore in 2016 amounted to 16,087 of the total burden of 55,580 billion rupiah. In 2017 amounted to 20,628 of a total financing of 60,584 billion rupiah.

Based on the calculation of the performance ratio of Bank Syariah Mandiri, functional distribution elements for five years in a row namely from 2013 to 2017 amounted to 0.213 %%, 0.21%, 0.256%, 0.289% and 0.34%. Based on the data that has been presented, the aim of the second *maqasid* sharia (*al-adl*) sixth element of the highest ratio was achieved in 2017, followed by 2016, 2015, 2013 and finally 2014. The data shows that in 2017 Bank Syariah Mandiri has a large contribution in the effort to achieve the second goal of the *Maqasid* sharia. Whereas in 2014 the goal of the sixth *maqasid* sharia was not achieved properly.

2) Interest-free income/Total income (R7)

The third ratio in the second *maqashid* sharia index shows the level of bank income which is free from interest or usury. Interest-free income can be seen from the operational income of Islamic banks. From the analysis of Bank Syariah Mandiri (BSM) financial statements in 2013-2017, no income was found containing usury. This was seen from a variety of product distribution and fund collection conducted by BSM. The income from the bank's operations comes from *murabahah*, *istisna*, *ijarah*, revenue-sharing income such as *mudharabah*, *musyarakah* and other business income. So in this case Bank Syariah Mandiri can be said to have fulfilled the second goal of the seventh element of *maqasid*.

c. Third *Maqasid* Sharia Index (*Al-Maslahah*)

1) Net profit/Total assets (R8)

This ratio is used to measure the level of profitability of Islamic banking. During the last five years, namely 2013-2017, the biggest profitability was in 2013 at 1.53%, in 2014 at 0.17%, in 2015 at 0.56%, in 2016 at 0.59%, and in 2017 at 0.59%. BSM's profitability in 2014 was

very low due to the swelling of total expenses in the year amounted to 3.9 trillion and also the number of bad loans experienced by BSM.

Based on the calculation of the performance ratio of Bank Syariah Mandiri, the profit ratio element for five years in a row that is from 2013 to 2017 is 1.53%, 0.17%, 0.56%, 0.59%, 0.59%. Based on the data that has been presented, the goal of the third sharia *maqasid* (*al-maslahah*) element of the eighth highest ratio is achieved in 2016 and 2017, followed by the years, 2015, 2013, and finally 2014. The data shows that in 2016 and 2017 Bank Syariah Mandiri has a large contribution in the effort to achieve the goals of the three *maqasid* sharias. Whereas in 2014 the goal of the eighth *maqasid* sharia was not achieved properly.

Profitability ratios imply that the greater profits derived by Islamic banks will have an impact on increasing public interest not only the owners and employees of Islamic banks but also all stakeholders of Islamic banking. This is a consideration in measuring the performance of Islamic banking using the *maqasid* sharia index approach.

2) Zakah/Profit (R9)

The second ratio on the third *maqasid* sharia index illustrates the level of public interest obtained by the public through the existence of banks through zakah paid by banks. Bank Syariah Mandiri routinely pays zakah from the total profits. In 2013 BSM paid zakah of 24.26 billion rupiah from a total income of 1,193.42 billion rupiah. In 2014 amounted to 50.79 of total revenue 1,002.09. In 2015, there were 31.28 billion rupees out of a total revenue of 938.86 billion rupiah. In 2016 BSM paid zakah of 22.77 billion of total revenue of 860.07 billion rupiah. And in 2017 BSM issued zakah of 24.64 billion rupiah from a total revenue of 934.25%.

Based on the calculation of the performance ratio of Bank Syariah Mandiri, the element of personal income for five years in a row that is

from 2013 to 2017 is 0.020%, 0.051%, 0.033%, 0.026%, 0.026%. Based on the data that has been presented, the goal of the third *maqasid* sharia (*al-maslahah*) element of the ninth highest ratio was achieved in 2014, followed by 2015, 2016, 2017, and finally 2013. The data shows that in 2014 Bank Syariah Mandiri had a great contribution in the effort to achieve the third goal of the *maqasid* sharia. Whereas in 2013 the ninth element of *maqasid* sharia objectives was not achieved properly.

3) Real sector investment (R10)

The last ratio in the third *maqasid* sharia index illustrates how much investment is being channeled to the real sector in Indonesia. Bank Syariah Mandiri in 2013 channeled funds amounting to 50.46 billion rupiah from a total investment of 47,574 billion rupiah. Then in 2014 Bank Syariah Mandiri channeled investment funds in the real sector amounting to 49,133 billion rupiah from a total investment of 53,175 billion rupiah. In 2015 Bank Syariah Mandiri distributed funds amounting to 51,090 billion rupiah from a total investment of 54,373 billion rupiah. Furthermore, in 2016 Bank Syariah Mandiri channeled funds into real sector investment of 55,580 billion rupiah from a total investment of 60,831 billion rupiah. Then in 2017 the Islamic Bank channeled investment funds to the real sector amounting to 60,694.91 billion rupiah from a total investment of 66,719 billion rupiah.

Based on the calculation of the performance ratio of Bank Syariah Mandiri, the real sector investment element for five years in a row that is from 2013 to 2017 is 0.001%, 0.942%, 0.940%, 0.914%, 0.909%. Based on the data that has been presented, the goal of the third *maqasid* sharia (*al-maslahah*) element of the ten highest ratios was achieved in 2014, followed by 2015, 2016, 2017, and finally 2013. The data shows that in 2014 Bank Syariah Mandiri had a great contribution in the effort to achieve the third goal of the *maqasid* sharia. Whereas in 2013 the tenth element of *maqasid* sharia objectives was not achieved properly.

Investment in the real sector is one element of achieving the *maqasid* sharia index. Despite the fact on the ground many banking industries are more interested in investing in the monetary sector as in the form of securities, but Bank Syariah Mandiri is trying to focus on real sector investment. Some of the products selected in the distribution of the real sector such as *musyarakah*, *murabahah* and *mudharabah* financing.

2. Calculating the *Maqasid* Sharia Index Ratio Weight

a. First *Maqasid* (*Tahdzib al-Fard*)

Based on the calculation of the *maqasid* sharia performance index the first objective is individual education by Bank Syariah Mandiri in 2013 of 0.069%, then in 2014 amounted to 0.031% this year there was a decline in value because in that year the performance of Bank Syariah Mandiri experienced problems. In 2015 the calculation results showed 0.016%, in 2015 Bank Syariah Mandiri returned to channel education grand funds in amounts greater than in 2014. Then in 2016 the calculation results obtained showed a figure of 0.078%. Then in 2017 it was 0.362%.

b. Second *maqasid* (*Al-Adl*)

Based on the calculation of the second *maqasid* sharia index performance ratio, namely Justice by Bank Syariah Mandiri in 2013, amounted to 18.4%. Then in 2014 it was 18.3%. Then in 2015 it was 18.9%. In 2016 the calculation results showed a figure of 19.4%. Then in 2017 the results showed 20.04%.

c. Third *maqasid* (*Wal-Maslahah*)

Based on the results of the calculation of the performance ratio of the third *maqasid* sharia index, namely by Bank Syariah Mandiri in 2013 showed a result of 14.8%. Then in 2014 it was 12.12%. Then it

was followed in 2015 by 22.2%. In 2016 it was 8.14%. Finally in 2017 it was 15.6%.

3. Calculating *Maqasid Sharia* Ranking

Finally in this study the authors describe the performance of Bank Syariah Mandiri based on the *maqasid sharia* index five years in a row namely in 2013-2017. From the research results obtained as follows, 2015 was the year with the best performance conducted by Bank Syariah Mandiri last night in the last five years with the acquisition value of 4.27%. The second ranking is in 2017 with the acquisition value of the ratio of 3.92%. In third place in 2013 with a ratio value of 3.389%. The fourth ranking is 2014 of 3.36%. And the last ranking is 2016 with a ratio value of 2.828%.

2014 and 2016 were the performance with the worst ratio during the last five years, namely 2013-2014. The contributing factor to the low performance of independent Islamic banks in 2014 was that the objectives of the second objective (*al-adl*) of *maqasid sharia* were not optimally achieved when compared to other years. Then in the year the factor causing the low performance ratio of Bank Syariah Mandiri in 2016 was the non-optimal achievement of the objectives of the first objective *maqasid sharia* (*tahdzib al-fard*) and the third goal (*al-maslahah*).

For certain ratios, calculations cannot be made due to the unavailability of data needed in the financial statements. The ratios that cannot be calculated because of these obstacles include the research element, the publicity element, the three elements are components of the purpose of sharia *maqasid tahdzib al-fard* and the fair return element which is a component of the purpose of sharia *maqasid al-adl*. The element that shows the result of the ratio as big as 0% causes the

maqasid of sharia *tahdzib al-fard* and *maqasid* of sharia *al-adl* not to be maximally reached.

C. CONCLUSION

This study aims to determine how the performance of Bank Syariah Mandiri based on *maqasid* sharia using the *maqasid* sharia index (MSI) approach. Continued to find out the results of comparative measures of performance conditions and rank them from the calculation of the *maqasid* sharia index (MSI), the conclusions can be drawn: The performance of Islamic financial institutions, one of which is Bank Syariah Mandiri, can be measured in terms of *maqasid* sharia, namely by applying the *maqasid* sharia Index (MSI). The implementation of *maqasid* sharia is an obligation for every individual and organization related to the livelihood of many people such as Islamic financial institutions.

Assessment of performance indicators at Bank Syariah Mandiri (BSM) using the *maqasid* sharia index approach is to assess all performance indicators determined. All performance indicators, the best performance of Bank Syariah Mandiri was in 2015, with a total of 4.27%. Then it was positioned second in 2017 with a total of 3.92%, the third rank was occupied in 2013 with a total of 3.389%. In the fourth and fifth ranks were 2014 with a total of 3.36% and 2016 with a total of 2.828%. In 2015, Bank Syariah Mandiri showed its best performance in terms of *maqasid* sharia.

Maqasid sharia can be used as a reference in evaluating the performance of Bank Syariah Mandiri in the aspect of Islamic economics. The performance scoring effort can be maximized if the items or elements reported in Bank Syariah Mandiri financial statements can adjust to the *maqasid* sharia.

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