



## PERFORMANCE ASSESSMENT ANALYSIS OF SHARIA BANK USING THE SHARIA MAQASHID INDEX METHOD IN ACEH SHARIA BANK MEDAN

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### *Abstract*

*This study aims to determine the condition of the performance of Bank Aceh Syariah which uses the sharia system seen from the maqashid sharia aspect using the maqashid sharia index method approach. This study uses three performance indicators, namely tahzib al-fard, iqamah al-adl, and jalb al-mashlahah. The research method used is quantitative research which is the object of research, namely Bank Aceh Syariah. The data used in this study is secondary data from the 2016-2018 Bank Aceh Syariah annual report. The performance ratio used is the ten maqashid sharia performance ratio index. Based on the calculation results show the performance of maqashid sharia can be done with the maqashid sharia index approach. Research shows the overall performance of the maqashid sharia index in 2016 to 2018 has increased and decreased. The average increase in the performance of the maqashid sharia index occurred in 2017 compared to 2016 and 2018.*

**Keywords:** *Financial Statements, Financial Performance, Maqashid Syariah, Financial Ratios, Islamic Bank.*

### 1. INTRODUCTION

The number of Islamic banks in Indonesia, triggers increased competition between banks. The competition is not only between conventional banks and Islamic banks, but also with fellow Islamic banks which are currently also developing. Ismail (2011:31) explains in more detail that Islamic banks have an operational system that is different from conventional banks. Islamic banks provide interest-free services. In this way, Islamic banks are given challenges and demands to show excellence, be able to compete, and always pay attention to and improve performance based on sharia values.

The characteristics of the Islamic banking system that operates based on the profit-sharing principle provide an alternative banking system that is mutually beneficial for the public and banks, as well as highlighting the aspect of fairness in financial transactions. By providing a variety of banking products and services with varied financial schemes, Islamic banking is an alternative to a credible banking system that can be enjoyed by all classes of Indonesian society without exception.

Islamic banks as a company engaged in financial services, it is important to conduct a performance assessment as a benchmark for the company in the present and in the future. To control bank performance, banks are required to submit weekly, quarterly, semi-annual and annual financial reports. Measurement. This performance will be very helpful if done regularly so that banking performance can be monitored.

Asy Syatibi explained that Islamic sharia laws include considerations of human benefit. As stated in the Word of Allah SWT in Surah Al-Anbiya verse 107, which reads: "And we have not sent you except to (be) a mercy for the worlds". However, so far the performance of Islamic banking has only been measured using a financial approach that absolutely reflects the aims and objectives of Islamic banks.

The development of maqashid sharia which measures the performance appraisal of Islamic banks was originally developed by Mustafa Omar Mohammed and Dzuljastri Abdul



Razak. They developed a performance measurement in the form of the Maqashid Syariah Index (MSI) by dividing it into three objectives, namely: Tahzib al-fardh (educating individuals), Iqamah al-adl (enforcing justice), Jalb al-maslahah (creating benefit). This assessment is an indicator that can state that the performance assessment of Islamic banks can not only be assessed through financial performance with conventional assessments but also explains that an Islamic business entity can also be assessed in terms of the extent to which Islamic banks carry out Islamic values and the extent to which their objectives are Islamic banking is implemented by Islamic banking.

The use of the maqashid sharia index concept is considered important in the context of Islamic bank performance because most Islamic banks use financial ratios derived from conventional bank financial ratios so that they do not provide an evaluation of all the dimensions possessed by Islamic banks

## 2. RESEARCH METHODS

This research is a quantitative research with a descriptive study approach. The definition of quantitative research according to Sugiyono (2017: 8) is "a research method based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, data analysis is quantitative or statistical with the aim of testing hypotheses that have been applied". In this study, the type of data used is quantitative data. Quantitative data is research by obtaining data in the form of numbers or qualitative data that is numbered (Sugiyono, 2012: 14). In this study, the data source used is secondary data. Secondary data is data which does not directly provide data to data collectors, for example through other people or through documents. The secondary data used is in the form of data obtained from the bank in the form of the required account and from the annual report at Bank Aceh Syariah Medan. The method used in this study is a descriptive method, namely a method that collects, formulates and clarifies and interprets the data obtained by analyzing quantitative data presented in the form of numbers, namely those relating to the Performance Analysis of Bank Aceh Syariah Using the Maqashid Syariah Index Approach in 2016 until year 2018.

## 3. RESULTS AND DISCUSSION

### 1. Measuring the Financial Performance of Bank Aceh Syariah with the Maqashid Syariah Approach

Furthermore, in the research process, determining performance indicators (performance index) at Islamic banks can be calculated using the Simple Additive Weighting (SAW) method, namely by multiplying the ratio weight with the ratio. The following is the result of calculating the weight ratio of the maqashid sharia index for the period 2016 to 2018:

#### The Result of Calculation of the Weighting Ratio of the Islamic Maqashid Index for the 2016-2018 Period

Indicator	Element	Weight Ratio	2016		2017		2018	
			Ratio	IK	Ratio	IK	Ratio	IK
Educating Individuals	R1. Education Assistance	24%	0.16	0.04	0.04	0.01	0.11	0.03
	R2. Study	27%	-	-	-	-	-	-
	R3. Training	23%	2.23	0.60	2.16	0.56	5.11	1.33
	R4. Publicity	26%	2.32	0.53	0.76	0.17	1.82	0.42
	<b>First Total Indicator</b>	<b>100%</b>	<b>4.71</b>	<b>1.17</b>	<b>2.96</b>	<b>0.74</b>	<b>7.04</b>	<b>1.78</b>



Upholding Justice	R5. Returns that Fair (PER)	30%	79.1	23.73	28.72	8.62	80.1	24.03
	R6. Distribution Function	32%	35.11	11.24	35.5	11.36	39.7	12.70
	R7. Non-Bank Products Flower	38%	100	38.00	100	38.00	100	38.00
	<b>Second Total Indicator</b>	<b>100%</b>	<b>214.21</b>	<b>72.97</b>	<b>164.22</b>	<b>57.98</b>	<b>219.8</b>	<b>74.73</b>
Creating Benefit	R8. Profit Ratio	30%	2.48	0.82	2.51	0.83	2.83	0.93
	R9. Income Operational	33%	0.41	0.12	0.53	0.16	0.40	0.12
	R10. Investment Ratio on Real Sector	37%	10.67	3.95	10.15	3.75	8.52	3.15
	<b>Total Third Indicator</b>	<b>100%</b>	<b>13.56</b>	<b>4.89</b>	<b>13.19</b>	<b>4.74</b>	<b>11.75</b>	<b>4.2</b>

### 1. Maqashid Sharia First Index (Educating Individuals)

In the first Islamic maqashid indicator, there is one indicator, namely Educating Individuals with four elements in it, namely R1 for Education Assistance, R2 for Research, R3 for Training and R4 for Publicity. These elements will be used to measure financial performance based on Islamic maqashid. In this study, the researcher only used three of the four available elements because from the source of the data, these three elements could be calculated. From 2016 to 2018 the performance indicators on elements R1 to R4 based on the calculated maqashid sharia index can be seen that the achievement of performance indicators is still very low.

In the maqashid sharia indicator, the first objective index is only the performance indicator on the Training element in 2018 which has reached 1. Although in 2018 the performance indicator in the Training element has reached 1, the other performance indicators have not yet reached the maqashid sharia index category.

### 2. Maqashid Sharia Second Index (Enforcing Justice)

In the second Islamic maqashid indicator, there is one indicator, namely Enforcing Justice with three elements in it, namely R5 Fair Returns, R6 Distribution Functions and R7 Non-Interest Bank Products. These elements will be used to measure financial performance based on the maqashid sharia index. From 2016 to 2018 for the second index of maqashid sharia, it is known that the performance indicators of these three elements can be said to be in the very high category. Because in 2016 to 2018 the performance indicators of each element have met the category. For the second Islamic maqashid index indicator, Bank Products Non-Interest is the highest score for the three performance indicators because Bank Aceh Syariah for each of its products is free from usury.

### 3. Maqashid Sharia Second Index (Creating Benefit)

In the third Islamic maqashid indicator, there is one indicator, namely Creating Benefit with three elements in it, namely R8 Profit Ratio, R9 Operating Income and R10 Investment Ratio in the Real Sector. From 2016 to 2018 for the third Islamic maqashid index, it is known that the value of the Investment Ratio in the Real Sector performance indicator is very high for 2016 to 2018 compared to the performance indicator values for the other two elements.

In determining the performance of Islamic banking using the maqashid sharia approach is



to add up all performance indicators to make it easier to see the development of Islamic banking performance. Bank Aceh Syariah in 2016 to 2018 has carried out various activities that support the achievement of the objectives of Islamic banks in terms of the performance indicators that have been achieved in the last three years. The maqashid syariah index measures all the performances of the maqashid syariah of Bank Aceh Syariah for all three objectives. The maqashid sharia index is obtained by adding up the performance indicators (IK) of Islamic banks from the first goal to the third goal.

Based on research data, the value of the maqashid sharia index performance indicators for these three years has been unstable every year (fluctuating). Judging from 2016, the value of maqashid sharia index only reached however, when viewed from the financial performance of the first indicator, it can be categorized as good. Although the value of financial performance indicators in 2016 was not good, the value of maqashid sharia in 2016 could be categorized as good.

Furthermore, in 2017 the maqashid sharia index value reached 83.46. This year the value of maqashid sharia index is very high compared to the previous and following years. When compared between the value of the performance indicator in that year and the value of the maqashid sharia index in the same year, both are categorized as good. Because, both the value of the financial performance indicator and the value of the sharia maqashid index both reach the expected value, which is more than 1.

Then, in 2018 the value of the maqashid sharia index reached 4.01 although it was lower than the previous year but the value of the maqashid sharia index this year has reached a value of 1. both in good category. The results of this study are also relevant to previous research conducted by Nikmah Karunia Sari (2016) which concluded that through the Maqashid Syariah Approach, the performance conditions of one BPRS with another can be assessed using the Maqashid Syariah index. The results of this study are also relevant to previous research conducted by Mohammad Taufik Azis (2018) which concluded that financial performance measurement can be done using the IMS model approach.

#### 4. CONCLUSION

The conclusion that the value of maqashid sharia with the value of financial performance indicators can be categorized as good. In 2016, the value of the financial performance indicators of Bank Aceh Syariah when compared to the value of maqashid sharia in the same year with the value obtained was 1.1, it was categorized as good. In 2017, the value of the financial performance indicators of Bank Aceh Syariah when compared with the value of maqashid sharia in the same year is categorized as good, the value of maqashid sharia in 2017 is very high compared to the year before and after. In 2017, the value of maqashid sharia at Bank Aceh Syariah reached 84.36 and has exceeded what was expected. In 2018, the value of the financial performance indicators of Bank Aceh Syariah when compared to the value of maqashid sharia which in that year obtained a value of 4.01 then it can be categorized with good category. It can be concluded that, Bank Aceh Syariah as a whole experienced an increase in 2017 compared to 2016 and 2018. Overall. Maqashid sharia performance indicators index there are several reports that are not included in the Annual Report which must be added including the amount of education costs, research costs and the value of zakat that has been issued by Bank Aceh Syariah every year



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