

# The Empirical Study on the Performance of Sharia Bank in Indonesia

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**Abstract:-** The aims of this study was to analyze the performance of state-owned Islamic banks in Indonesia. This study is a descriptive study that describes the performance of state-owned Islamic banks in Indonesia. In this study the authors used the variables contained in the maqoshid index Based on the analysis results showed that in 2019, Bank Rakyat Indonesia Syariah showed better performance than other Islamic banking. The assessment of Mudhrabah and Musharakah Modes/Total Investment Modes showed the results of the analysis that from this financing scheme, murabahah was a contract used by final customers and microfinance institutions, so it is not appropriate to say that Bank Rakyat Indonesia Syariah was the bank with the best level of performance.

**Keywords:-** Bank, performance, Maqoshid Index, Performance and Sharia

## I. INTRODUCTION

Until now, Indonesian Islamic banking continues to show positive growth, although there are still several strategic issues and challenges that still need to be resolved. Based on the Sharia Banking Transformation Study compiled by the Financial Services Authority (OJK) in 2019, there are several strategic issues that still hinder the acceleration of sharia banking business growth, including the absence of significant business model differentiation, suboptimal quality and quantity of human resources and low literacy and inclusion levels.

In addition, we are currently faced with global conditions that have forced us to enter the New Normal era as a result of the global Covid-19 pandemic. This new normal era has changed the pattern of social, community and economic life with increasing vigilance that requires maintaining physical distance in interacting. But on the other hand, concern in helping others is increasing, especially in economic problems. This is a challenge as well as an opportunity for Islamic banking to be able to provide digital-based services and meet the social needs of the community so that they can play a role in building the economy of the people after the pandemic.

According to Arifin (2012), Islamic banks are financial institutions that collect funds from the public and channel these funds (financing) to people who need funds. by Islamic banks from people who have surplus funds (Firdaus, 2015). The development of Islamic banks is explained by the increasing number of Islamic banks as shown in Figure 1.



Figure 1. Development of the Number of Sharia Bank Offices

In addition to the increasing number of offices, based on January 2021, Indonesia's total Islamic financial assets (excluding sharia shares) reached Rp1,823.13 trillion. This number grew by 24.54% year on year (yoy). The growth at the beginning of the year exceeded the annual growth of Islamic financial assets in the last three years. Total Islamic financial assets grew by 14.15% in 2019, then 13.84% in 2020, and 22.79% in 2020. With these total assets, the market share of Islamic finance reached 10%, while the rest was conventional finance.

The development of Islamic banks in Indonesia is currently experiencing significant progress. This is because the development of Islamic banks in Indonesia is still a big opportunity with the existence of segments in the banking system that are still wide so that Islamic banks become supporters of the economy. This is shown by the government's commitment to establish National Sharia Finance Committee (KNKS) in November 2016 then as a follow-up month In February 2020, the government implemented changes to the KNKS to strengthen the effectiveness and efficiency of national development in the field of Islamic finance and economics.

The development of Islamic banks is also based on the performance of several state-owned Islamic banks which can be used as benchmarks for the performance of Islamic banks as shown in Table 1.

Table 1. Performance of Islamic Banks, 2020

Bank	CAR/KPMM	ROE	NPL Gross	NPL NET	BOPO
Bank Syariah Mandiri	16.43%	16.39%	2.49%	0.95%	82.87%
BRI Syariah Bank	21.99%	6.30%	5.00%	2.95%	90.18%
BNI Syariah Bank	19.29%	17.95%	3.80%	1.72%	76.53%

Source: Data processed, Year 2020

Table 1 describes the performance of three state-owned Islamic banks in Indonesia. Based on a number of indicators, the performance of state-owned Islamic banks has not yet had a positive performance. In practice, the process of measuring the performance of a company generally uses financial ratios such as Capital, Asset, Management, Earning, Liquidity, Sensitivity Market Risk (CAMELS) and EVA (Economic Value Added). However, the use of financial benchmarks as the only measure of company performance has many weaknesses, including: First, the use of financial performance as the only determinant of company performance can encourage managers to take short-term actions at the expense of long-term interests. For example, to increase profits or Return on Investment (ROI), a manager may reduce his commitment to employee development or training, including investments in systems and technology for the benefit of the company's future. In the short term financial performance increases, but in the long term it will decline. Second, Ignoring the non-financial and intangible asset measurement aspects in general, both from internal and external sources, will give managers a wrong view of the company in the present, especially in the future and Third, financial performance that only relies on past performance is underprivileged. to guide the company towards the company's goals (Yuwono, 2004).

There are various ways to assess the performance of an Islamic bank. One of them is by using Maqashid Syariah. Mohammed, Razak, and Taib (2008) show that the Maqasid Index approach can be used as a strategic alternative approach that can provide a more universal picture of Islamic banking performance and can be implemented in the form of comprehensive strategies and policies in order to achieve sharia goals from the existence of the Islamic bank. Performance appraisal with the maqashid index approach is one of the efforts to increase the trust of sharia bank stakeholders in Indonesia. Setiawan (2009) explains that only banks that are able to generate stakeholder trust can grow, develop and rise to make new history. He further explained that with stakeholder trust, banks will be able to mobilize deposits, attract investment, channel financing, invest, and be able to accelerate economic development properly. The purpose of this study is to analyze the performance of state-owned Islamic banks in Indonesia.

## II. LITERATURE REVIEW AND HYPOTHESES

### Islamic Bank

According to the provisions of Law No. 21 of 2008 article 1 paragraph 2, the definition of a bank is as follows "Bank" there is NS business yang collect fund from the community in the form of savings and distributes it to the

community in form credit and/ or bentuk other dain order to improve the people's standard of living."

Sharia bank is a bank that can carry out its activities in the provision of services and others based on Islamic sharia principles, such as avoiding the use of interest instruments (usury) and operating on the principle of profit sharing, while according to Law No. 21 of 2008 article 1 paragraph 7 it is stated that banks sharia are as follows:

"Sharia bank is a bank that carries out its business activities based on sharia principles and according to its type consists of a Sharia Commercial Bank and a Sharia People's Financing Bank.

According to Sudarsono, Islamic banks are financial institutions whose main business is providing credit or financing and other services in payment traffic and money circulation whose operations are adjusted to sharia principles (Sudarsono, 2012). Meanwhile, according to Ascarya, Islamic Banks are banks with profit-sharing patterns which are the main basis in all their operations, both in funding products, financing, and in other products. Sharia Bank is a financial institution that functions to facilitate the economy in the real sector through business activities (investment, buying and selling, or others) based on sharia principles, namely the rules of agreements based on Islamic law between banks and other parties to save funds or finance business activities or other activities in accordance with sharia values.

BaIslamic banks have different functions from conventional banks. The functions and roles of Islamic banks are listed in the opening of the accounting standards issued by AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) (Sudarsono, 2012), as follows:

- Investment managers, Islamic banks can manage customer fund investments.
- Investors, as Islamic bank investors, distribute funds through investment activities with the principle of profit sharing, buying and selling, or leasing.
- The terms of financial services and payment traffic, Islamic banks can carry out activities or banking services as usual.
- The implementation of social activities as an inherent feature of Islamic finance functions as a manager of social funds to collect and distribute zakat in accordance with applicable regulations.

Operational activities of Islamic banks must be based on sharia principles based on the Qur'an and Hadith, so that these banks do not rely on interest but for profit sharing. In Islamic finance, the provisions must also be fulfilled to avoid gharar,

maysir (activities such as gambling), objects and the entire investment process must be halal, and ensure the implementation of the concept of benefit starting from the investment process carried out in carrying out its activities. According to Yusdani, Islamic banks adhere to the following principles: (Yusdani, 2005).

a. Principles of Justice

This principle is reflected in the application of rewards on the basis of profit sharing and profit margins that are mutually agreed upon between the bank and the customer.

b. Principle of Equality

Sharia Banks place the position of depositors of funds, users of funds, and banks in the same and equal positions. This is reflected in the rights, obligations, risks, and benefits that are balanced between customers who deposit funds, customers who use funds and banks.

c. The Principle of Serenity

Islamic bank products are in accordance with the principles and rules of Islamic muamalah, among others, there is no element of usury and the application of zakat on assets.

According to Sudarsono, Islamic banking has several objectives including the following: (Sudarsono, 2012)

- a. Directing the economic activities of the people to convert to Islam, especially Muamalah related to banking, in order to avoid the practices of usury or other types of business that contain elements of gharar (deception).
- b. To create justice in the economic field by distributing income through investment activities, so that there is no huge gap between the owners of capital and those who need funds.
- c. To improve the quality of life of the people by opening up greater business opportunities, especially the poor, which is directed to productive business activities towards the creation of business independence.
- d. To tackle the problem of poverty, which is generally the main program of developing countries.
- e. To maintain economic and monetary stability. With the activities of Islamic banks will be able to avoid economic warming due to inflation) To save the dependence of Muslims on non-Islamic banks
- f. According to Sudarsono, there are characteristics of Islamic banks which of course are not contained in the characteristics of conventional banks, here are the differences: (Ascarya, 2008).

### Performance Assessment With MAQOSHID INDEX

Al-Ghazali put religion first in the list of maqashid. Because in the Islamic perspective, faith (religion) is a very important content for human happiness. Muhammad Abu Zahrah is divided into three categories tahdzib al-fard (education for individuals), iqamah al-adl (enforcing justice), and maslahah (benefit/welfare). This concept is transformed into a measurement to evaluate the performance of Islamic banking. This is because the Islamic banking system is very different from conventional banking. The most basic

difference is related to the reference value (Islamic Worldview) for each of these financial institutions.

This basic difference will have implications for the different formulation or product creation of the two banking models, including their respective performance evaluation models. Umar Chapra concluded that the difference between the economic system and other economic systems lies in three main things: (1) Islamic Worldview (2) Objectives (3) Strategy or policy (Chapra, 2005). A world view that is different from the conventional one will have an impact on the formulation of different objectives of Islamic banks. The formulation of different objectives will also have an impact on the process of formulating strategies or different evaluation models. These values are not only expressed in the form of the legality of fiqh of a particular product, but more than that it must have a broad impact on economic and social aspects as a consequence of efforts to achieve maqasid sharia (Rosly, 2010).

Mohammed and Taib formulated a performance evaluation for Islamic banking by referring to the maqashid sharia concept. The variables used refer to Abu Zahrah's Maqashid Syariah theory which includes Tahdzib al-Fard (Educating the individual), Iqamah Al-Adl (Establishing justice), and Maslahah (Welfare). Through the Sekaran Concept, the three maqashids are translated into dimensions and then classified into several elements (Taufik and Nugraha, 2012). The three maqashid can be transformed into 9 dimensions and 10 elements. These ten elements are transformed into performance ratios. Educating the individual in the first Maqashid is the development of knowledge and expertise in individuals so that spiritual values increase.

Banks must also provide information to stakeholders that the products offered are in accordance with sharia. The ratios in the first Maqashid are education grants, research, training, and publicity (promotions (Mohammed, Razak, and Taib, 2008). The second Maqashid is fairness, Islamic banking must ensure honesty and fairness in every transaction and business activity that is covered. in product, pricing, and contract terms. In addition, all contracts must be free from elements of injustice such as maysir, gharar, and usury. The ratio in this second Maqashid is the PER ratio (Profit Equalization Reserve), the portion Mudharabah and Musyarakah financing schemes (functional distribution) and the ratio of interest free income. The Third Maqashid is called Maslahah, in this case the bank must develop investment projects and social services to improve people's welfare. This can be seen from the ratio of zakat issued by banks and investment in the real sector. The ratios in the third Maqashid are Profit Returns, Personal Income Transfer (Zakah), and Investment Ratios in Real Sector (Mohammed, Razak, and Taib, 2008).

There are several studies on the performance assessment of Islamic banking. Mohammed and Taib (2009) examined the Testing of The Performance Measured Based on Maqasid al Shariah (PMMS) Model on 24 Selected Islamic and found that Islamic banking performance was better. Uppusamy, Saleha and Samudhram (2010) researched the Measurement

of Islamic Banks Performance Using a Shariah Conformity and Profitability Model The majority of Islamic banks are able to achieve high profitability and good shariah compliance. Muhamad Taufik and Hilman (2012) examined the Islamic Banking Health Level Assessment model: Implementation of Maqasid Index in Indonesia and Jordan). The results showed that Muamalat Indonesia had a better performance.

### III. RESEARCH METHODS

This study is a descriptive study that describes the performance of state-owned Islamic banks in Indonesia. In this study, the authors use the variables contained in the maqoshid index which have been studied by Muhameed, Dzuljastri and Taib, 2008) and (Mohammed, Dzuljastri, and Taib (2008), Mohammed and Taib (2009), Hameed, et.al (2004) , Shaukat (2009) and Taufik and Antonio (2012).The Maqashid Index model developed has been researched by experts in the Middle East and Malaysia who are experienced in Conventional and Islamic Banks with the SAW (The Simple Additive Weighting) method approach. requires the decision maker to determine the weight for each attribute/reference. The total score for an alternative is obtained by adding up all the multiplication results between ratings (which can be compared across attributes) and the weights of each individual. The rating of each attribute must be dimension-free in the sense that it has gone through the previous normalization process. The research variable used is Educating Individual (Tahdzibul Fardh) consisting of four ratios (R1 to R4), namely the Education grant variable (R1) is the ratio obtained from 1) Education grant or scholarship

divided by Total Expenses; 2) Research variable (R2) is a ratio variable obtained from Research Expense divided by Total Expenses; 3) Instilling new skills and improvement (R3) is the ratio obtained from Training Expense divided by Total Expenses; Creating Awareness of Islamic banking (R4) is the ratio obtained from Publicity Expense divided by Total expenses. Performance assessment with Establishing Justice Maqasid Index II (Establishing Justice) consisting of three ratios Fair Returns (R5), Functional Distribution (R6) the ratio obtained from the total financing of Mudharabah and Musharakah Modes divided by Total Investment Modes and Interest free Product (R7) is the ratio obtained from Interest free income divided by Total income.

Maqasid Index III consists of three ratios (R8 to R10) which are represented by ratios, namely Profitability (R8) is the ratio obtained from Net income divided by total assets, Redistribution of income & wealth (R9) is the ratio obtained from Zakat divided by total assets and Investment in vital real sector (R10) is the ratio obtained from Investment in Real Sector divided by total investment. These ratios are included in the concept of Maslahah. The high net income divided by total assets shows the high level of profitability achieved by the bank so that this brings problems for banks.

### IV. RESULTS AND DISCUSSION

The samples were Bank Syariah Mandiri, Bank Rakyat Indonesia Syariah, Bank Negara Indonesia Syariah, Bank Bukopin Syariah. The results of the analysis of the performance of Islamic banks with the Maqoshid Index are as shown in Table 1.

Table 1. Results of Performance Assessment of Islamic Banks with Maqoshid Index (%) in 2019

Bank name	Maqoshid Index 1 (MI 1)				Maqoshid Index 2 (MI2)	Maqoshid Index 3 (MI 4)		
BMI	0.39	0.189	0.39	2.69	40.95	0.31	0.24	74.50
BNIS	1.84	0.07	1.84	4.05	29.76	1.27	0.10	72.33
BRIS	1.28	0.01	1.28	7.61	24.94	1.27	0.10	72.33

Source: Data processed

Table 2. Results of Performance Assessment of Islamic Banks with Maqoshid Index (%) in 2020

Bank name	Maqoshid Index 1 (MI 1)				Maqoshid Index 2 (MI2)	Maqoshid Index 3 (MI 4)		
BMI	0.84	0.43	0.84	4.55	31.51	0.84	0.12	70.75
BNIS	1.22	0.13	1.22	4.66	25.12	1.11	0.11	92.55
BRIS	1.51	0.00	1.51	4.10	16.06	0.10	0.02	84.25

Source: Data processed

Based on the results of the calculation of the first Maqasid Index performance ratio regarding the expenditure of education costs for human resources in the form of education grants from the Islamic banking industry in 2019, Bank Syariah Mandiri has the highest value of 1.84% compared to other Islamic banks. Meanwhile, successively below them are Bank Rakyat Indonesia Syariah with a score of 1.28%, Meanwhile, the ranking of the first Maqasid Index performance ratio regarding expenditure on education costs

for human resources in the form of education grants in 2020 is as follows, Bank Syariah Mandiri is still consistent with remaining the highest portion of education costs compared to other Islamic banks with a ratio value of 1.21%, although this portion is smaller when compared to 2020 with a decrease in the ratio of 0.63%. Furthermore, in second and third place, there are Bank Rakyat Indonesia Syariah with a lower portion than the previous year, which was 1.14% or decreased by



0.14% and Bank Mega Syariah with a higher portion than the previous year, which was 0.74% or an increase of 0.08%.

Year 2020, Bank Syariah Mandiri was in second place with 1.22% or an increase of 0.01%. Based on the results of data analysis, Bank Syariah Mandiri and Bank Rakyat Indonesia Syariah are the most concerned Islamic banks in terms of improving the quality of employees through education. With this figure, Bank Syariah Mandiri and Bank Rakyat Indonesia Syariah are considered to have a better level of sustainability compared to other banks because they have tried to apply the formulation of corporate sustainability assurance from the educational aspect by contributing scholarships, donations, and donations to employees.

Based on the results of the calculation of the first Maqasid Index performance ratio regarding expenditure on human resource training in the form of employee training in the Islamic banking industry in 2019, Bank Syariah Mandiri had the highest score of 1.84% compared to other Islamic banks. Meanwhile, successively below it is Bank Rakyat Indonesia Syariah with a value of 1.28%, While the ranking of the first Maqasid Index performance ratio on human resource training expenditures in 2020, Bank Syariah Mandiri is still consistent by allocating the highest portion of training costs compared to Islamic banks, others with a ratio value of 1.21%, although this portion is smaller when compared to 2019 with a decrease in the ratio of 0.63%. Furthermore, in second and third place, there is Bank Rakyat Indonesia Syariah with a lower portion than the previous year, which was 1.14% or decreased by 0.14%. In the last observation year (2020), almost all Islamic banks increased the portion of their employee training costs. Indonesia Syariah with a ratio portion of 1.51% or an increase of 0.23%. Bank Syariah Mandiri was in second place with 1.22% or an increase of 0.01%.

Bank Syariah Mandiri and Bank Rakyat Indonesia Syariah are Islamic banks that are most concerned with improving the quality of employees through training. With this figure, Bank Syariah Mandiri and Bank Rakyat Indonesia Syariah are considered to have a better level of sustainability compared to other banks because they have tried to apply the formulation of corporate sustainability assurance from the training aspect. In the maqashid sharia framework, the allocation of funds for employee training is also included in the aspects of *hifzhul aql* (guarding the mind) and *hifzhun nafs* (guarding the soul). Care in this aspect is very important because when banks try to improve the capabilities and expertise of employees, it indirectly contributes to continuous performance improvement in the long term. In relation to the current human resources of Islamic banking, this training is very urgent to be carried out considering that most of the employees of Islamic banking have non-muamalah educational backgrounds. With this training, it is hoped that all employees can understand the characteristics and work patterns of sharia banking, so that compliance with work procedures and compliance with sharia is maintained. This is intended so that Islamic banks have different work characteristics from conventional banks and it is hoped that people will feel more comfortable in transacting with Islamic

banks. With this training, it is expected that all employees can understand the characteristics and work patterns of sharia banking, so that compliance with work procedures and compliance with sharia is maintained. It is intended that Islamic banks have different work characteristics from conventional banks and it is hoped that people will feel more comfortable in transacting with Islamic banks. With this training, it is expected that all employees can understand the characteristics and work patterns of sharia banking, so that compliance with work procedures and compliance with sharia is maintained. This is intended so that Islamic banks have different work characteristics from conventional banks and it is hoped that people will feel more comfortable in transacting with Islamic banks.

Based on the results of the calculation of the first Maqasid Index performance ratio regarding the issuance of Islamic banking publication costs in 2019, Bank Rakyat Indonesia Syariah received the highest portion with a ratio value of 7.69%, followed by Bank Syariah Mandiri with a ratio value of 4.05%. In 2020, based on the author's calculations, Bank Rakyat Indonesia Syariah is still the bank with the largest portion of publication fees compared to other Islamic banks. However, the percentage of publication costs decreased from the previous year by 0.82% to 6.79% in 2020. In the second and subsequent years, it was still the same as the previous year, namely Bank Syariah Mandiri with a ratio of 5.33% or an increase of 1.28%. Bank Rakyat Indonesia Syariah was in third place with a ratio of 4.10% each or down 2.69%. Bank Rakyat Indonesia Syariah is the bank that is most concerned with product introduction in the community, followed by Bank Syariah Mandiri. This is because Bank Rakyat Indonesia Syariah is still relatively new when compared to other banks, it requires a large budget for introduction in the community.

Evaluation *maqashid indexyan* Second, in this study the author only uses one ratio of three ratios, namely the ratio of Mudharabah and Musyarakah Modes / Total Investment Modes. From the results of calculations in 2019, Bank Syariah Mandiri with a ratio of 29.76%, followed by Bank Rakyat Indonesia Syariah with a ratio of 24.94%. Bank Syariah Mandiri with a ratio value of 27.36% or a decrease of 2.40%. Bank Rakyat Indonesia Syariah with a value of 20.03% or a decrease of 4.91%.

Based on the performance analysis, it can be seen that there is a downward trend for mudharabah musyarakah financing. This decrease is not good for public image, this is because people think Islamic banks are profit-sharing banks. In the future, Islamic banks must focus more on mudharabah and musyarakah schemes, so that good opinions are formed in the community.

The ratio of Mudharabah and Musyarakah financing is still dominated by the two largest and oldest banks, namely, Bank Muamalat Indonesia and Bank Syariah Mandiri with the highest portion each year. Bank Syariah Mandiri is better at improving risk sharing (equity based) products than Risk Avoidance (Debt Based) products. This is in accordance with the vision and main objective of Islamic banking which states that Islamic banking should not only focus on avoiding the

practice of interest, but also the need to apply all sharia principles in the economy in a balanced manner. Therefore, the balance between maximizing profits, fulfilling sharia principles and achieving benefits is fundamental to the operational activities of Islamic banks.

There is the Maqasid Performance Ratio Index. The third objective is about *maslahah* which is the main element in the fundamentals of the Islamic financial system. This can also be interpreted as the extent to which the existence of the Islamic banking industry can be felt by the community. *Maslahah* referred to here is not only felt by people who are directly involved with the bank but all stakeholders can feel the benefits of the existence of Islamic banks. In the third maqashid index, the first ratio is about the profitability ratio or the level of profit obtained by Islamic banking. The calculation results in 2019, Bank Rakyat Indonesia Syariah with a ratio of 0.51% and 0.31%. Bank Syariah Mandiri also stayed in second position with a ratio value of 1.29% or an increase of 0.02%. Bank Rakyat Indonesia Syariah with a ratio value decreased by 0.309%. In 2020 or the last year of observation, Bank Syariah Mandiri managed to maintain its performance by becoming the best Islamic bank in posting profits for that year. Bank Syariah Mandiri's ratio in 2020 was 1.11%, decreased by 0.18%.

With this large profit, it means that Islamic banks have at least provided benefits to customers, capital owners, and the community as far as it can be seen through company zakat. With large profits, customers and owners of capital will get a large profit share and the security of their money is also maintained. The security in question is with large profits, Islamic banks can ensure that they can return customers' money with additional profit sharing and capital owners will not worry that their capital will decrease or run out. In relation to maqosid sharia, it means that banks have participated in safeguarding assets (*hifzhu mal*). It doesn't stop there, with large profits, it means that Islamic banks have also managed to record large zakat.

The *Maqashid ratio index* second category (*maslahah*) talks about zakat divided by net assets. This ratio illustrates the contribution of Islamic banking to the welfare of society as far as it can be seen that. Bank Syariah Mandiri in the next order with a ratio value of 0.10%. Bank Syariah Mandiri has the best contribution from other banks. In terms of consistency, Bank Syariah Mandiri has a performance that tends to be stable from 2019 to 2020 than Bank Muamalat Indonesia. This means that Bank Syariah Mandiri is more consistent in providing benefits to the community as far as it can be seen than other banks. In terms of the lowest performance, there are two banks whose performance is quite low from 2019 to 2020, not more than 0.02%. This is indicated by the bookkeeping of zakat funds which is better than other Islamic banks. With the zakat funds, it means that Islamic banks can carry out social activities, such as providing educational scholarships, providing medical expenses to the poor and many other social activities. With the existence of zakat funds in the view of maqosid sharia, Islamic banks have participated in safeguarding the five

elements of maqosid sharia through the empowerment program for zakat funds.

Based on the results of the calculation of the ratio of total placement of funds in the real sector divided by total investment, in 2019, Bank Rakyat Indonesia Syariah became the bank that was most concerned with increasing the real sector, this was indicated by the highest ratio value of 83.15%. Bank Syariah Mandiri is in fourth and fifth place with a value of 72.33% and 69.58%, respectively. In 2020, Bank Rakyat Indonesia Syariah in achieving this ratio. Bank Rakyat Indonesia Syariah with a ratio value of 83.84% or a slight decrease of 0.31% Bank Rakyat Indonesia Syariah with a ratio value of 71.53% and became the only bank under observation that experienced a decline in performance, while its performance decreased by 5.48%.

In year 2020 there was a very large increase in the ratio at Bank Syariah Mandiri, which was 17.29% so that the ratio of Bank Syariah Mandiri became 92.55%. With this extraordinary achievement, Bank Syariah Mandiri has become a Sharia bank that has the best performance in terms of placing funds in the real sector. Bank Rakyat Indonesia Syariah became the second best bank with a ratio value of 84.25% or an increase of 1.41%. According to Bank Rakyat Indonesia Syariah, Bank Rakyat Indonesia Syariah is the best bank in terms of allocation to the real sector and with a stable portion from 2019 to 2011. This indicates that Bank Rakyat Indonesia Syariah is the bank that contributes the most to the development of the real sector in Indonesia, which in turn will increase domestic production and of course the economy will grow.

Bank Syariah Mandiri achieved an extraordinary achievement of 92.55% and was the best achievement as far as the researchers observed. Not only that, Bank Syariah Mandiri is also one of the banks whose performance has continued to increase in terms of this ratio. With this achievement, Bank Syariah Mandiris are expected to continue to maintain this achievement, so that the development of the real sector continues to increase and in turn can provide benefits to economic development in Indonesia.

## V. CONCLUSIONS AND SUGGESTIONS

Based on the analysis results show that tIn 2019, Bank Rakyat Indonesia Syariah showed better performance than other Islamic banking with a ratio value of 0.72%. In 2020 again, Bank Rakyat Indonesia Syariah showed better performance than other Islamic banking with a ratio value of 0.64%.

The assessment of Mudhrabah and Musharakah Modes/Total Investment Modes shows the results of the analysis that from this financing scheme, murabahah is a contract used by final customers and microfinance institutions, so it is not appropriate to say that Bank Rakyat Indonesia is the bank with the best level of performance. Based on the measurement in the Maqashid Index, it is Welfare with indicators of Net Profit/Total Assets, Zakah/Net Income, Investment In Real Sector/Total Investment showing

the results of the analysis that in 2019-2020 Bank Rakyat Indonesia Syariah showed better performance than other Islamic banking with a ratio value of 8.97% and a ratio value 8.90%.

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