

Islamicity Performance Index in Measuring the Financial Performance of Indonesian Islamic Banks

Novita Safitri^{*1}, Imsar¹, Ahmad Syakir¹

Universitas Islam Negeri Sumatera Utara, Indonesia¹

*Corresponding Email : novitasafitri530@gmail.com

ABSTRACT

The rapid growth of Islamic banking makes it necessary to measure the performance of Islamic banks using Islamic values as the basis. One method that can be used to evaluate the performance of Indonesian Islamic banks is the Islamicity Performance Index (IPI) method. This study aims to measure the financial performance of Indonesian Islamic Banks. This research design uses a quantitative descriptive approach. The data used in this study is the ratio of profit sharing ratio, zakat performance ratio, equitable distribution ratio, Islamic income vs non Islamic income ratio, Islamic investment vs Non-Islamic investment Ratio taken from the annual financial statements of Bank Syariah Indonesia Syariah in 2021-2024. The results of this study indicate that the performance of Bank Syariah Indonesia has not met all sharia standards. Of the 5 IPI ratios used, only 3 ratios consistently meet sharia criteria, namely the profit sharing ratio, Islamic investment vs. Non-Islamic investment ratio and Islamic income vs. Non-Islamic income ratio. While 2 ratios namely Equitable Distribution Ratio (EDR) and Zakat Performance Ratio (ZPR) do not meet the sharia criteria of IPI because there are still elements that are not in accordance with sharia principles.

ARTICLE INFO

Article history:

Submitted: 30 March 2025

Revised: 26 April 2025

Accepted: 28 April 2025

Published: 30 April 2025

Keyword:

Islamicity Performance Index,
Financial Performance,
Indonesian Islamic Bank.

To cite this article (APA Style):

Safitri, N., Imsar., And Syakir, A.,
(2025). Islamicity Performance Index
in Measuring the Financial
Performance of Indonesian Islamic
Banks. JASa : Jurnal Akuntansi,
Audit dan Sistem Informasi
Akuntansi. Vol (No), p.189-00.
<https://doi.org/10.36555/jasa.v9i1.2810>

INTRODUCTION

A banking system based on Islamic Sharia (law) is known as Islamic banking. The basis of this system is the prohibition of Islamic law to borrow or collect money with additional interest known as *riba*. Awareness of the dangers of usury for Muslims from the conventional bank interest system led to the emergence of Islamic banks. (Nurbaiti et al., 2023). As a very important tool for investment and storage of wealth, Islamic banking is needed by the community. The existence of Islamic banking allows people to invest based on Sharia principles. where savings are based on interest calculations, which are not justified by Sharia because it is a form of usury, Islamic law prohibits taking interest from these savings (Imsar, Inayah, et al., 2024).

Since its emergence in Indonesia, Islamic banking has shown significant growth. Currently, the existence of Islamic banking in Indonesia continues to increase since Law Number 21 of 2008 concerning Islamic banking which provides a clearer operational basis for Islamic banks (Syafina & Nurwani, 2021). Islamic banks are growing rapidly in Indonesia, this development can be seen from the increasing number of people who are interested in switching from conventional banks to Islamic banks. This public interest is because Islamic banks provide a different concept from conventional banks, so Islamic banks will prevent and minimize transactions that contain usury in their transaction activities (Imsar et al., 2023).

Basically, Islamic banks do not use the principle of interest in their operational activities so as to avoid negative spreads as in conventional banks. It is also mentioned in



the Islamic Banking Law in Indonesia No. 21 of 2018, that the needs of the Indonesian people for Islamic banking services are increasing (Ikhsan et al., 2024). Sebagaimana dalam firman Allah SWT pada Surah Ali Imran (3):130

أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا الرِّبَا أَضْعَافًا مُضَاعَفَةً وَاتَّقُوا اللَّهَ لَعَلَّكُمْ تُفْلِحُونَ

Meaning: O you who believe, do not eat usury with double and fear Allah so that you may be fortunate. (Ali-Imran:130).

Indonesia has the largest Muslim population in the world. It is not surprising that Indonesia has many banks that base their operations on Islamic law. Islamic banking has a demand for sharia that is not found in conventional banks, namely the existence of a profit loss sharing system. Islamic bank profit sharing system is an agreement between the customer and the Islamic bank to share profits and losses. The Indonesian government has tried to implement policies that help growth.

Third Party Funds (DPK), assets and financing in Islamic banking. During the Covid-19 pandemic, Islamic banks in Indonesia continued to grow. Based on data from the Financial Services Authority (OJK), the total assets of Islamic Banks in 2020 were recorded at IDR 608.9 trillion, growing by 13.11% (yoy), total deposits of IDR 475.79 trillion grew by 11.98% (yoy), and total financing of IDR 394.62 trillion grew by 8.08% (yoy). Throughout 2022 the development of total assets of Islamic banks grew by 15.63% (yoy) higher than that of conventional banks which were only able to grow by 9.5%. Islamic Bank Financing also experienced positive growth of 20.44% (yoy) compared to Conventional Banks which only increased by 10.72%. However, Islamic Bank deposits were only able to grow by 12.93% (yoy) lower than conventional banks which were able to grow 17.55%. Based on the Sharia Financial Performance Report in 2022 (OJK, 2022) published by OJK, the financial performance of Islamic Banks looks very good. The capital indicator or CAR ratio has increased to 28.09% while the quality of financing reflected in the NPF ratio is depressed to 2.31%. Profitability indicators grew positively, reflected in the growth of the ROA ratio of 1.90%. The FDR ratio rose to 81.10% and the BOPO ratio fell to 77.48%. However, measuring the performance of Islamic banks with these financial ratios has not been able to evaluate and measure the performance of Islamic banks comprehensively. These financial ratios have not measured the level of application of Sharia principles in Islamic banking.

The increasing development of Islamic Banking is evidenced by the merger of several Islamic banks into Bank Syariah Indonesia. One of the main reasons for the merger was to create a larger Islamic bank with better economies of scale. With larger assets, Bank Syariah Indonesia is expected to improve operational efficiency, expand service coverage, and increase competitiveness in the banking market. Along with these developments, the need to comprehensively measure the performance of Bank Syariah Indonesia has become increasingly urgent. Bank Syariah Indonesia had a rapidly increasing financial performance after the merger or when it started to become Bank Syariah Indonesia. The following is the performance data of Bank Syariah Indonesia from 2020-2024:

Table 1. Financial Performance of Indonesian Sharia Banks 2020 - 2024

Tahun	CAR	ROA	FDR	BOPO
2021	25.71	1.55	70.12	84.33
2022	26.28	2.00	75.19	77.28
2023	25.62	2.03	81.86	76.61
2024	25.59	2.00	83.94	76.87

Source: Financial Services Authority (2024)

Based on the data above, the financial performance of Islamic banks as measured

Islamicity Performance Index in Measuring the Financial Performance of Indonesian Islamic Banks

Novita Safitri¹, Imsar¹, Ahmad Syakir¹

by the Capital Adequacy Ratio (CAR) ratio increased in 2022 and then decreased again in 2023-2024, namely in 2021 by 21.64, in 2022 by 26.28, in 2023 by 25.62 and in 2024 by 25.59 and Return on Assets (ROA) only decreased in 2024, namely in 2021 by 1.55, in 2022 by 2.00, in 2023 by 2.03 and in 2024 by 20.00. A higher CAR ratio indicates that the bank's capital is in better condition. Meanwhile, a higher ROA ratio indicates effectiveness in using assets to get overall profit. Although ROA and CAR have increased significantly, the Financing to Deposit Ratio (FDR) and Operating Expenses Operating Income (BOPO) ratios show fluctuating movements. Financing to Deposit Ratio (FDR), namely in 2021 amounting to 70.12, in 2022 amounting to 75.19, in 2023 amounting to 81.86 and in 2024 amounting to 83.94. A higher FDR ratio indicates low liquidity of Islamic banks. Meanwhile, the percentage of Operating Expenses Operating Income (BOPO), namely in 2021 amounted to 84.33, in 2022 amounted to 77.28, in 2023 amounted to 76.61 and in 2024 amounted to 76.87. The decreasing BOPO ratio indicates the bank's ability to be more efficient in terms of operating costs, and vice versa. Financial performance that increases compared to the previous period can be used to measure the success of Islamic banks which is the goal. So based on the data above, measuring the financial performance of Islamic banking needs to be done using appropriate financial performance measurements based on sharia standards.

Based on the data above, measuring the financial performance of Islamic banking needs to be done with methods that are in accordance with sharia principles. The use of conventional ratios such as CAR, ROA, EDR, and BOPO shows less stable results. Although BSI shows significant growth in financial aspects, the use of conventional ratios such as CAR, ROA, EDR, and BOPO does not fully reflect the bank's performance in applying sharia principles. Therefore, it is important to evaluate BSI's financial performance using an approach that complies with sharia standards, such as the Islamicity Performance Index (IPI). The IPI can provide a more comprehensive picture of the extent to which BSI has implemented sharia principles in its operations and financial policies.

Bank Syariah Indonesia (BSI), as the largest Islamic bank in Indonesia, has shown impressive financial performance in recent years. However, despite significant growth in net profit and assets, there are indications that BSI's financial performance has not fully reflected the optimal application of sharia principles.

In this study, researchers will conduct a performance assessment of Bank Syariah Indonesia which is one way to determine the health level of the bank, because by looking at performance, it can be determined whether the bank can effectively act as an intermediary institution and maintain the trust of those who save money there, as well as how Bank Syariah Indonesia can carry out its social functions, then measuring financial performance is crucial in relation to this issue. Many global financial institutions use the risk assessment method as a means of measuring their financial performance (Lubis et al., 2023). The instrument used to measure the performance of Indonesian Islamic Banks is the Islamicity Performance Index (IPI). The IPI is designed to evaluate the extent to which Indonesian Islamic Banks have implemented sharia principles in their business operations (Arafah & Wijayanti, 2023).

The relationship between the Islamicity Performance Index and the financial performance of Bank Syariah Indonesia, namely by using the Islamicity Performance Index, provides a broader view of the performance of Bank Syariah Indonesia, beyond just the financial aspects of measuring financial performance for Bank Syariah Indonesia, but also to find out whether the financial performance of Bank Syariah Indonesia has been carried out in accordance with established sharia principles. The Islamicity Performance Index is used to assess the extent to which Islamic banks operate in accordance with sharia principles, not only in terms of finance, but also aspects of justice, wealth distribution, and social responsibility. The ratios that become variables in this study are taken from the theory put forward by Hameed Islamicity Performance Index, profit sharing ratio, zakat performing ratio, equitable distribution ratio, Islamic Investment vs non-Islamic Investment

Islamicity Performance Index in Measuring the Financial Performance of Indonesian Islamic Banks

Novita Safitri¹, Imsar¹, Ahmad Syakir¹

and Islamic income vs non-Islamic income.

As for some previous studies, namely in research (Rufaedah et al., 2024) the results showed that in six Islamic banks in Indonesia, the distribution of zakat in the Performance Index zakat ratio was not considered too important. The Equitable Distribution Ratio (Qardh) ratio is said to be the best at Bank BNI Syariah. On the other hand, the ratio of Islamic Investment Vs Non Islamic Investment all show good / good results. The average score is more than 33%, indicating that all banks have a high rating. This description shows that banks pay close attention to the income they get. Then in the research (Arafah & Wijayanti, 2023) The results show that the Profit Sharing Ratio has a significant negative effect on financial performance, while the Zakat Performance Ratio and Equitable Distribution Ratio have a significant positive effect on financial performance, and have a coefficient of determination of 44.4%. And the last one in research (Murthada & Sari, 2024) The results showed that the performance of BSI before and after the merger in carrying out sharia and social principles as seen from the value of halalness succeeded in accordance with sharia criteria. The results of the T-test analysis show that there is only one difference, namely the EDR ratio. Thus, BSI needs to improve the bank's fund collection and distribution functions.

The novelty in this research can be shown by adding the calculation of Islamic income vs non-Islamic income which in previous studies there has been no calculation of Islamic income vs non-Islamic income. Because to ensure that Indonesian Islamic Banks must receive income only from halal sources. If an Islamic bank obtains income from non-halal transactions, the bank must disclose information such as the amount, source, how it is determined and what procedures are available to prevent the entry of transactions prohibited by sharia. Furthermore, the second novelty is that this study analyzes the financial statements after the merger into Bank Syariah Indonesia, where in previous studies analyzed the financial statements before the merger into Bank Syariah Indonesia.

Based on the description of the problems and the results of previous research, measuring the financial performance of Bank Syariah Indonesia needs to be done to find out whether there is significant development in Bank Syariah Indonesia each year and whether the financial performance of Bank Syariah Indonesia is in accordance with Islamic law using the Islamicity Performance Index approach, thus the authors are interested in conducting research entitled "Islamicity Performance Index in measuring the financial performance of Bank Syariah Indonesia".

Islamicity Performance Index

The Islamicity Performance Index was first proposed by the Institute of Economic and Social Research (INESR) based in Indonesia. The index was developed to measure the extent to which the policies of Muslim countries are in accordance with the economic and social principles of the Islamic perspective. The Islamicity Performance Index assesses various aspects such as governance, education, finance and social affairs to provide an overview of the application of Islamic values in the governance and economic life of these countries (Felani et al., 2020).

Islamicity Performance Index is a performance measurement tool that is able to reveal the values of sharia that exist in the performance of Islamic banking. Islamic banks have a system derived from aspects of the Islamic worldview (Lidrianasari et al., 2020). This Islamicity Performance Index is one of the methods that can evaluate banking performance not only in terms of finance, but is able to evaluate the principles of justice, halalness, and purity (tazkiyah) carried out by Islamic banking. With this the company is able to disclose its social responsibility. This performance measurement is only based on information available in the annual report or financial statements. The assessment includes profit sharing performance, zakat performance, fair distribution performance, halal investment performance versus non-halal investment, halal income performance, and non-halal income (Fatmala & Wirman, 2021). Performance measurement using the Islamicity

Islamicity Performance Index in Measuring the Financial Performance of Indonesian Islamic Banks

Novita Safitri¹, Imsar¹, Ahmad Syakir¹

Performance Index based on information available in the company's annual financial statements (Destiani et al., 2021).

Profit Sharing Ratio (PSR)

Profit Sharing Ratio (PSR) is a ratio that compares profit sharing financing with the total financing provided as a whole. Where the resulting value is a measure of the successful implementation of the profit sharing principle, which is the basic principle of Islamic banks.

Profit Sharing Ratio (PSR) is one of the ratios used to assess the application of profit sharing that has been carried out by Islamic banks by comparing the amount of profit sharing financing with the total financing provided as a whole. Where the resulting value is a measure of the success of the implementation of the profit sharing principle, which is the basic principle of Islamic banking (Kesuma & Ikhrami, 2021).

Zakat Performing Ratio (ZPR)

Zakat Performing Ratio (ZPR) is a ratio used to assess the amount of zakat distributed in relation to total net assets in Islamic banks. The performance of Islamic banks should be based on the payment of zakat by banks to replace conventional performance indicators, namely earnings per share. Associated with the zakat performance ratio, zakat performance can be measured by how much Islamic banks distribute zakat from their net assets (Mabruroh et al., 2024).

Equitable Distribution Ratio (EDR)

Equitable Distribution Ratio is a ratio with a method of measuring the percentage value of profits distributed to stakeholders and the overall money .which is managed into debt, donations, employee expenses, and others (Khasanah, 2020). Equitable Distribution Ratio is a ratio that measures what percentage of income is distributed to stakeholders as seen from the amount of money spent on qard and donations, employee expenses and others.

Islamic Investment vs Non-Islamic Investment Ratio

Investment is a Shariah economic activity, zakat is levied on all assets owned, so if real estate remains unused it will eventually be eroded by the zakat. The virtue of zakat encourages all Muslims to invest their wealth. Invested wealth is not consumed by zakat unless the profit is earned (Sadly, 2021).

Islamic principles prohibit transactions that contain usury, gharar and maysir but require halal trade. Thus, it is required for Islamic banks to properly disclose all halal and prohibited investments.

Islamic Income vs Non-Islamic Income Ratio

This index explains the ratio of halal profit to the overall profit earned by Islamic banking (halal and non-halal profit). The assessment obtained is a measurement of its halalness and its success in implementing the basic concepts of Islamic banking such as not using usury on the profits earned. The profit earned is the achievement obtained by the bank in its operations in managing productive performance (Sabirin, 2021).

Financial Performance

Financial performance is one of the fundamental aspects of a company's financial condition. (Khasanah, 2020). Financial performance is a condition that describes the finances of a company that analyzes with financial analysis tools, so as to find out about the good and bad financial condition of a company which is a reflection of work performance (Sari, 2021). Financial performance serves as the basis for evaluating the company's financial condition in the form of an overview of financial statements over a certain period

of time which can be seen through the examination of financial statements. In determining the company's future prospects, one of the most important factors today is its financial success (Hasibuan, 2020).

Bank financial performance is a description of the bank's financial condition in a certain period, both regarding aspects of raising funds and channeling funds. Bank performance can be measured by analyzing and evaluating financial statements. Performance is an important thing that must be achieved by every company everywhere, because performance is a reflection of the company's ability to manage and allocate its financial resources (Insani et al., 2024).

Islamic Bank

Based on Law No. 21 of 2008, concerning Islamic Banking, Islamic banks are explained as financial institutions that carry out their activities based on sharia principles, which include the prohibition of the practices of gharar, maysir, usury, haram and zalim (Imsar, Anggraini, et al., 2024). The purpose of its establishment is to support the implementation of national development that focuses on increasing justice, equality, equitable distribution, and utilization of resources that follow sharia principles. The main function of Islamic banks is as intermediary institutions that collect and distribute funds from the public. Islamic banks in carrying out their activities are based on the Al-Quran and Hadith (Anggraini & Adeyani, 2021).

Islamic banks have a financing system that refers to Islamic law and sharia principles, and in financing in sharia banking does not charge interest to customers and does not pay interest to customers (Harahap et al., 2022). The profits obtained by the sharia bank and those paid to the sharia bank customers are based on the contract or agreement between the customer and the bank. Agreements (contracts) made by Islamic banking must follow the terms and conditions of the contract as regulated in Islamic sharia (Nasution et al., 2023). Assessment of bank performance is important for every bank stakeholder, namely bank management, customers, business partners and government in a competitive financial market. Banks that can always maintain their performance well, especially their high level of profitability and are able to distribute dividends well and their business prospects can always grow and can fulfill the provisions of prudential banking regulations well, then there is a possibility that the value of their shares and the amount of third party funds will increase. The increase in the value of shares and the amount of third party funds is one indicator of the increase in public confidence in the bank concerned (Hasibuan, 2020).

METHODS

The approach used in this research is descriptive quantitative. This approach is done by providing answers systematically more factual and ordered. There are 5 research variables that will be compared, namely profit sharing ratio, zakat performance ratio, equitable distribution ratio, Islamic income vs. non-Islamic income ratio and Islamic investment vs. Non- Islamic investment ratio. The object of this research is Bank Syariah Indonesia. The research data uses secondary data, namely the annual financial report data of Bank Syariah Indonesia for the 2021-2024 period and OJK report data.

The data collection technique uses documentation techniques by collecting relevant information from valid and reliable sources. The data obtained from this documentation technique is secondary data or data that has previously been available (Sugiyono, 2018). Data analysis is done by calculating the Performance Index ratios on the basis of the financial statements of Bank Syariah Indonesia. The calculated Islamicity Performance Index ratios are then compared and analyzed with the Performance Index standard whether it is in accordance with the standard or not. The following is the calculation formula for the Islamicity Performance Index ratio used in this study:

Islamicity Performance Index in Measuring the Financial Performance of Indonesian Islamic Banks

Profit Sharing Ratio (PSR)

Profit Sharing Ratio is the ratio of profit/loss sharing based financing to the total financing issued by the bank. Profit/loss sharing-based financing in this case is Islamic Bank financing with Mudharabah contracts and Muryarakah contracts.

$$PSR = \frac{\text{Mudharabah} + \text{Musyarakah}}{\text{Total Financing}}$$

Zakat Performance Ratio (ZPR)

Zakat Performance Ratio is a ratio that measures the zakat issued by the bank against the net assets of the bank.

$$ZPR = \frac{\text{Zakat}}{\text{Net Asset}}$$

Equitable Distribution Ratio

The EDR ratio basically explains how the Islamic Bank distributes its income to stakeholders. The stakeholders referred to here are Qardh loan recipients, bank employees themselves, shareholders and the company's net profit. The formula of Equitable Distribution Ratio is:

Qardh and Donation

$$\frac{\text{Qardh} + \text{Donation}}{\text{Revenue} - (\text{Zakat} + \text{Tax})}$$

Employee Expens

$$\frac{\text{Labor Load}}{\text{Revenue} - (\text{Zakat} + \text{Tax})}$$

Net Profit

$$\frac{\text{Net profit}}{\text{Revenue} - (\text{Zakat} + \text{Tax})}$$

Islamic Investment vs Non-Islamic Investment

Islamic investment vs Non-Islamic investment ratio is a ratio that compares halal investment with the total investment made by Islamic banks as a whole (halal and non-halal).

$$\frac{\text{Halal investment}}{\text{Halal Investment} + \text{Non Halal Investment}}$$

Islamic Income vs Non-Islamic Income Ratio

Islamic Income vs Non Islamic Income Ratio is a ratio that compares the bank's halal income to the overall income of the bank.

$$\frac{\text{Halal revenue}}{\text{Halal revenue} + \text{Non Halal Revenue}}$$

RESULTS AND DISCUSSION

Profit Sharing Ratio (PSR)

Profit Sharing Ratio (PSR) this is used to measure the extent to which Bank Syariah Indonesia has succeeded in achieving its objective of existence through profit sharing. The

Islamicity Performance Index in Measuring the Financial Performance of Indonesian Islamic Banks

Novita Safitri¹, Imsar¹, Ahmad Syakir¹

calculation is done by comparing the amount of Mudharabah and Musyarakah financing to Total Financing, then the results are obtained:

$$PSR = \frac{\text{Mudharabah} + \text{Musyarakah}}{\text{Total Financing}}$$

Table 2. Profit Sharing Ratio Results

Year	Mudharabah + Musyarakah (million rupiah)	Total Financing (million rupiah)	PSR (%)	Predicate
2021	55,495,437	59,182,873	93,76 %	Very Good
2022	67,452,903	71,631,908	94,16 %	Very Good
2023	85,588,153	90,097,330	94,99 %	Very Good
2024	109,911,666	117,124,297	95,52 %	Very Good
Average			94,60 %	Very Good

Source: Data processed by the author (2025)

Based on the results of the table analysis above, the results of the calculation of the Profit Sharing Ratio (PSR) for 2021 - 2024 get very good results based on the predicate weight. It can be seen the results by comparing profit sharing financing with the total financing provided as a whole, getting the percentage amount that can be seen in the table. Bank Syariah Indonesia (BSI) has increased with an average percentage of 94.16% in 2022, 94.99% in 2023 and 95.52% in 2024 compared to 93.76% in 2021. This shows that Bank Syariah Indonesia (BSI) continues to strive to carry out its operational principles as an Islamic financial institution. The conclusion from the above calculations is that the PSR ratio of Bank Syariah Indonesia has increased in 2022 and 2023 and continues to maintain its stability in 2024.

The Profit Sharing Ratio (PSR), which has a very good predicate, illustrates the existence of a fair and balanced profit sharing between employees and customers of Bank Syariah Indonesia. PSR reflects an agreement that has been mutually agreed upon based on the contribution of each party, be it in the form of capital, labor or expertise. The ratio shows that something done by Bank Syariah Indonesia in Mudharabah and Musyarakah financing is said to be still quite flexible and numerous. This can be assessed transparently through the Bank's use of profit-sharing assets in its overall financing in the increasing trend, decline and fixity. It can also be seen in (Profit Sharing) is the general characteristic and basic foundation for the overall activities of Bank Syariah Indonesia (Rufaedah et al., 2024).

Zakat Performance Ratio (ZPR)

Zakat Performance Ratio (ZPR) It serves to assess the performance of Bank Syariah Indonesia based on the amount of zakat paid by the bank, as a substitute for conventional performance indicators such as earnings per share. The greater the Islamic bank distributes zakat from net assets, the higher the level of participation in distributing zakat, the results obtained:

$$ZPR = \frac{\text{Zakat}}{\text{Net Asset}}$$

Table 3. Zakat Performance Ratio Results

Year	Zakat (million rupiah)	Assets Bersih (million rupiah)	ZPR (%)	Predicate
2021	101,684	265,289,081	0,038 %	Not good
2022	141,405	305,727,438	0,046 %	Not good
2023	189,730	353,624,124	0,053 %	Not good
2024	232,061	408,631,432	0,056 %	Not good
Average			0,048 %	Not good

Source: Data processed by the author (2025)

Islamicity Performance Index in Measuring the Financial Performance of Indonesian Islamic Banks

Novita Safitri¹, Imsar¹, Ahmad Syakir¹

Based on the results of the table analysis above, it can be seen that the results of the calculation of the Zakat Performance Ratio (ZPR) in 2021-2024 Bank Syariah Indonesia (BSI) received a bad predicate based on the assessment weight. This shows that Bank Syariah Indonesia (BSI) obtained the lowest thing in 2021 only paying zakat of 0.038%, and based on net assets owned. Then experienced an increase in 2022 of 0.046% then experienced another increase in 2023 of 0.053% of net assets owned and the last one experienced another increase in 2024 of 0.056% of net assets owned. In accordance with the results obtained despite the continued increase, the performance of Bank Syariah Indonesia (BSI) is experiencing a bad situation in terms of zakat distribution, so that the social function towards the community in improving health has not yet reached a good predicate.

Zakat Performance Ratio (ZPR) which has an unfavorable predicate occurs because the ratio of zakat to net assets is very small, which is only 0.48% on average. This is due to the low collection of zakat and the lack of transparency of funds managed by Bank Syariah Indonesia, which results in ineffectiveness in fulfilling zakat obligations. The payment of zakat at Bank Syariah Indonesia should emphasize the distribution of zakat which aims to realize the perfection of Islam which is the mercy of the universe. To achieve a very good predicate on Zakat Performance Ratio (ZPR) in Bank Syariah Indonesia, Islamic banks must optimize zakat collection by ensuring that all funds managed are subject to zakat obligations in accordance with sharia principles, as well as increasing customer awareness of the importance of zakat and need to strengthen transparency and accountability in zakat management, from calculation to distribution to the right mustahik, with clear and accountable reports (Arafah & Wijayanti, 2023).

Equitable Distribution Ratio (EDR)

This ratio is used to ensure fair distribution among all parties. This ratio measures the amount distributed to the social community, employees, investors, and the company, then divided by the total income after deducting zakat and taxes, the result is obtained:

Qardh and Donation

$$\frac{\text{Qardh} + \text{Donation}}{\text{Revenue} - (\text{Zakat} + \text{Tax})}$$

Table 4. Qardh and Donation

Year	Qardh + Donation (million rupiah)	Revenue – (Zakat + Tax) (million rupiah)	EDR (%)	Predicate
2021	9,131,779	19,786,675	46,15 %	Less Good
2022	8,940,870	21,927,950	40,77 %	Less Good
2023	10,553,111	24,572,906	42,94 %	Less Good
2024	13,074,875	28,578,114	45,75 %	Less Good
Average			43,75 %	Less Good

Source: Data processed by the author (2025)

Based on the results of the table analysis above, the calculation of the Equitable Distribution Ratio (EDR) of qardh and donations in 2021 - 2024 Bank Syariah Indonesia (BSI) received unfavorable predicate results based on the assessment weight. The highest result reached a percentage of 46.15% in 2021 with a predicate of not good and decreased in 2022 at a percentage of 40.77% of income after zakat and taxes with a predicate of not good then experienced an increase again in 2023 with a percentage of 42.94% and in 2024 with a percentage of 45.75%. This is due to an increase in taxes. So that in this function it is necessary to improve performance and will have a good impact on the company, because the greater the percentage of qardh and donation levels, the more income the company gets in order to distribute loans and carry out the function of social activities in accordance with the objectives of Islamic law.

Islamicity Performance Index in Measuring the Financial Performance of Indonesian Islamic Banks

Novita Safitri¹, Imsar¹, Ahmad Syakir¹

Qardh and Donation that have unfavorable predicates occur because they do not comply with the principles of sustainability and profitability expected in the Islamic banking system. Qardh, although legal under sharia law, does not generate profit for the bank as no interest or reward is charged to the recipient of the loan. This causes Islamic banks to bear the risk without getting any financial reward, which could affect the bank's financial performance. Meanwhile, donations or grants are also considered less than ideal due to their non-productive and more social nature. Grants do not generate profit or profit sharing, so they cannot be used to fund profitable business activities for the bank. Islamic banks are more encouraged to use instruments that are based on profit sharing, such as mudharabah or musyarakah, which allow banks to obtain profits that are more fair and in accordance with sharia principles (Insani et al., 2024).

Employee Expens

Labor Load

Revenue – (Zakat + Tax)

Table 5. Employee Expense Results

Year	Employee Expense (million rupiah)	Revenue – (Zakat + Tax) (million rupiah)	EDR (%)	Predicate
2021	4,491,775	19,786,675	22,70 %	Not good
2022	4,948,942	21,927,950	22,56 %	Not good
2023	5,035,215	24,572,906	20,49 %	Not good
2024	5,284,136	28,578,114	18,59 %	Not good
Average			21,08 %	Not good

Source: Data processed by the author (2025)

Based on the results of the table analysis above, the results of the labor expense (employee expense) that Bank Syariah Indonesia (BSI) in 2021-2024 received a bad predicate based on the assessment weight. Not good and also decreased every year, namely in 2021 by 22.70%, in 2022 by 22.56%, in 2023 by 20.49% and finally in 2024 by 18.59% of income after zakat and taxes which means reducing the percentage of labor expenses. This shows that Bank Syariah Indonesia (BSI) continues to try to increase income after zakat and taxes in order to distribute income for employee salaries even though it has not achieved better results compared to the previous year. Conclusion, it should improve the ability of its employee resources.

Labor expenses have an unfavorable predicate on Islamic banks because it can reduce the efficiency and profitability of the bank. Under sharia principles, banks are expected to optimally manage resources, including labor, to ensure sustainability and balance between income and expenses. A high labor burden can increase the bank's operating costs, which in turn reduces profit margins and affects the bank's competitiveness. In addition, if the amount of labor is not proportional to the productivity generated, this may add to the waste of resources, contrary to the principles of prudence and efficiency that are prioritized in Islamic banking. Therefore, it is more advisable for Islamic banks to focus on improving the quality and efficiency of operations in order to provide greater benefits to customers without adding unnecessary costs (Rufaedah et al., 2024).

Net Profit

Profit

Revenue – (Zakat + Tax)

Table 6. Net Profit Result

Year	Net Profit (million rupiah)	Revenue – (Zakat + Tax) (million rupiah)	EDR (%)	Predicate
2021	3,028,205	19,786,675	15,30 %	Not good
2022	4,260,182	21,927,950	19,42 %	Not good
2023	5,703,743	24,572,906	23,21 %	Not good
2024	7,005,888	28,578,114	24,51 %	Not good
Average			20,61 %	Not good

Source: Data processed by the author 2025

Based on the results of the table analysis above, the results of Bank Syariah Indonesia (BSI) net profit in 2021-2024 are not good based on the assessment weight. The result of the lowest percentage figure in 2021 is 15.30% and in 2022-2024 it increases with a magnitude in 2022 of 19.42%, in 2023 of 23.21% and in 2024 of 24.51% with the result that the percentage is not good from income after zakat and tax, although in accordance with sharia principles. This conclusion shows that the net profit of Bank Syariah Indonesia (BSI) is not optimal and is still low and accompanied by taxes that have increased. Bank Syariah Indonesia (BSI) needs to create a strategy to generate revenue and increase net profit to maintain the trust of its stakeholders.

Net profit has an unfavourable predicate in Islamic banking if it is obtained through means that are contrary to sharia principles, such as income from interest or transactions that contain elements of gharar (uncertainty) and maysir (gambling). In Islamic banking, profits must come from activities based on the principles of fairness, risk sharing, and profit sharing, such as mudharabah and musyarakah, which favour productive economic activities and do not contain usury. Therefore, net profits earned in ways that are not in accordance with sharia principles can tarnish the reputation of Islamic banks, because Islamic banks must maintain their compliance with Islamic law. In addition, profits that are too large without considering the balance and benefits for the community or customers can be considered a form of injustice in the distribution of wealth, which is also contrary to the principles of Islamic economics which prioritise the welfare of the people. (Arafah & Wijayanti, 2023).

Islamic Investment vs Non-Islamic Investment Ratio

The ratio of Islamic investment vs non-Islamic investment is a ratio that compares halal investment with the total investment made by Islamic banks (halal and non-halal) then the results are obtained:

$$\frac{\text{Halal Investment}}{\text{Halal Investment} + \text{Non-Halal Investment}}$$

Table 7. Islamic Investment Return vs Non Islamic Investment Ratio

Year	Halal Investment (million rupiah)	Non-Halal Investment	Halal Investment + Non-Halal Investment (million rupiah)	Ratio (%)	Predicate
2021	245,967,741	0	245,967,741	100 %	Very Good
2022	256,407,308	0	256,407,308	100 %	Very Good
2023	298,831,112	0	298,831,112	100 %	Very Good
2024	302,382,508	0	302,382,508	100 %	Very Good

Source: Data processed by the author (2025)

Based on the results of the table analysis above, the results of the calculation of the Islamic investment vs non-Islamic investment Ratio at Bank Syariah Indonesia (BSI) in 2021-2024 as a whole is a halal investment, this shows a very good predicate based on the assessment weight, namely all with a percentage of 100%. Very Good In the financial

statements of Bank Syariah Indonesia (BSI) there is no non-halal investment and shows a halal value of 100%. Proving that Bank Syariah Indonesia (BSI) has carried out its duties very well based on the principles of Islamic law.

The investments of Islamic banks in Indonesia are generally directed to sectors that are in accordance with sharia principles, i.e. those that do not contain elements of usury, maysir, or gharar. Islamic banks usually invest in various profit-sharing-based instruments, such as mudharabah (partnership) and musyarakah (business co-operation), which allow the sharing of profits and risks between banks and customers. In addition, Islamic banks also invest in Islamic securities, such as sukuk, which provide returns based on real assets and are sharia compliant. The source of investment for Islamic banks in Indonesia comes from various instruments and products that comply with sharia principles, which prioritise fairness, risk sharing, and avoiding usury. One of the main sources of investment is customer funds collected through products such as Islamic savings, Islamic deposits, and Islamic current accounts. In addition, Islamic banks also obtain investment sources through profit-sharing-based financing, such as mudharabah (partnership) and musyarakah (business co-operation), which allow banks to participate in joint ventures with customers or business partners. Sukuk, as a real asset-based Islamic financial instrument, is also an important source of investment for Islamic banks, offering Shariah-compliant returns (Lidrianasari et al., 2020).

Islamic Income vs Non-Islamic Income Ratio

This index emphasizes the ratio between halal profit and the overall profit earned by Islamic banking (halal and non-halal profit), the result will be obtained:

$$\frac{\text{Halal Revenue}}{\text{Halal Revenue} + \text{Non Halal Revenue}}$$

Table 8. Islamic Income vs Non-Islamic Income Ratio Results

Year	Halal Revenue (million rupiah)	Non-Halal Revenue (Rupiah)	Halal Revenue + Non- Halal Revenue (million rupiah)	Ratio (%)	Predicate
2021	17,808,432	7,898	17,816,330	99,95 %	Very good
2022	19,622,865	3,168	19,626,033	99,98 %	Very good
2023	22,251,743	1,733	22,253,476	99,99 %	Very good
2024	25,298,203	1,240	25,299,443	99,99 %	Very good
		Average		99,97 %	Very good

Source: Data processed by the author (2025)

Based on the results of the table analysis above, the calculation of the Islamic income vs non- Islamic income ratio at Bank Syariah Indonesia (BSI) in 2021-2024 is halal income, this shows a very good predicate based on the assessment weight. Reaching a percentage of 99.99%, which is entirely halal income. And in this case Bank Syariah Indonesia (BSI) still earns non-halal income from bank interest or Islamic bank transactions with other parties that do not use sharia principles, this shows a very good percentage indicator. This satisfies Bank Syariah Indonesia (BSI) customers because customers will no longer worry about the source of the profits they receive.

Non-halal income of Islamic banks in Indonesia can be obtained from various sources that are not in accordance with sharia principles. One of the main sources is fines or penalties imposed on customers who are late in paying their obligations, although such fines are not considered as interest (riba), they can still be considered incompatible with the principles of justice in sharia. Non-halal income in Indonesian Islamic banks can occur even though the bank operates within the framework of sharia law, due to several factors, such as mismatches in the execution of transactions or inaccuracy in the selection of investment instruments. One of the main causes is the imposition of fines or penalties for

Islamicity Performance Index in Measuring the Financial Performance of Indonesian Islamic Banks

Novita Safitri¹, Imsar¹, Ahmad Syakir¹

late payment of customer obligations, which, although not counted as interest, can still be considered contrary to the principles of justice and convenience in sharia. The determination of fines or penalties for late payment of customer obligations as non-halal income is in accordance with the Indonesian Ulema Council (MUI) through the National Sharia Council (DSN) issued a fatwa related to fines imposed by Islamic banks, including Bank Syariah Indonesia (BSI). In general, fines imposed by Islamic banks for late payment of customers are considered as non-halal income. DSN-MUI Fatwa No. 123/DSN-MUI/XI/2018 on the Use of Funds that Should Not Be Recognised as Revenue for Islamic Financial Institutions, Islamic Business Institutions and Islamic Economic Institutions.

CONCLUSION

Based on the results of research and data analysis of Bank Syariah Indonesia with the Islamicity Performance Index approach using 5 performance ratios including Profit Sharing Ratio, Zakat Performance Ratio, Equitable Distribution Ratio, Islamic Income vs Non Islamic Income ratio and Islamic investment vs Non- Islamic investment Ratio, it can be concluded that the performance of Bank Syariah Indonesia has not met all performance standards according to Islamicity Performance Index sharia standards. Of the 5 Islamicity Performance Index ratios used, only three ratios consistently meet sharia criteria, namely profit sharing ratio, Islamic investment vs. Non- Islamic investment ratio and Islamic income vs. Non- Islamic income ratio. While 2 ratios namely Equitable Distribution Ratio (EDR) and Zakat Performance Ratio (ZPR) do not meet the sharia criteria of the Islamicity Performance Index because there are still elements that are not in accordance with sharia principles.

REFERENCES

- Anggraini, T., & Adeyani, I. (2021). Analisis Strategi Pemasaran Produk Pembiayaan Pensiun Pada Bank Syariah Indonesia KCP Stabat. *Journal Economy and Currency Study (JECS)*, 3(2), 47–66. <https://doi.org/10.51178/jecs.v3i2.298>
- Arafah, N. N., & Wijayanti, I. M. (2023). Pengaruh Islamicity Performance Index terhadap Kinerja Keuangan Bank Umum Syariah di Indonesia Periode 2017-2021. *Jurnal Riset Ekonomi Syariah*, 67–74. <https://doi.org/10.29313/jres.v3i1.1790>
- Destiani, N. A., Juliana, & Cakhyaneu, A. (2021). Islamicity Performance Index Dalam Meningkatkan Profitabilitas Bank Syariah Indonesia. *Coopetition: Jurnal Ilmiah Manajemen*, XII(3), 301–312.
- Fatmala, K., & Wirman. (2021). Pengaruh Islamicity Performance Index Dan Islamic Social Reporting Terhadap Kinerja. *Invoice: Jurnal Ilmu Akuntansi*, 3(1), 30–43.
- Felani, H., Wahyuni, S., & Pratama, B. C. (2020). The Analysis Effect of Islamicity Performance Index on the Financial Performance of Sharia Commercial Banks in Indonesia. *Journal of Economics Research and Social Sciences*, 4(2), 129–139. <https://doi.org/10.18196/jerss.v4i2.8389>
- Harahap, M. I., Imsar, & Dongoran, R. N. (2022). Pengaruh Sukuk Korporasi dan Total Aset Perbankan Syariah terhadap pertumbuhan ekonomi di Indonesia Tahun 2016-2020. *Jurnal Ilmiah Ekonomi Islam*, 8(1), 1074–1083. <https://doi.org/http://dx.doi.org/10.29040>
- Hasibuan, N. F. A. (2020). Analisis Kinerja Keuangan dengan Profit Sensitivity Analysis Pada Perusahaan Telekomunikasi di Indonesia. *Journal of Business and Economics Research (JBE)*, 1 (2)(2), 215–219.
- Ikhsan, M. H., Imsar, & Syahbudi, M. (2024). Comparative Analysis Of The Success Of The Islamic Economy A Historical Study OF The Economic Reforms Of Abdul Malik Bin Marwan And Umar Bin Abdul Aziz. *Jurnal PAMATOR*, 17(2), 225–240.
- Imsar, Anggraini, T., & Rambe, J. H. (2024). Analysis of Priority Banking Officer (Pbo)

- Marketing Strategy in Increasing the Number of Priority Customers Viewed From a Maqashid Syariah Perspective: Bank Sumut Kc Syariah Padangsidempuan. *Istinbath*, 23(1), 168–188. <https://doi.org/10.20414/ijhi.v23i1.752>
- Imsar, Inayah, N., & Rifai, M. (2024). Pengaruh Pendapatan Bank Dan Tabungan Wadi'ah Terhadap Bonus Wadi'ah Studi Kasus Bank Muamalat Rantau Prapat Periode 2011-2020. *Jurnal Sains dan Teknologi*, 5(3), 918–921. <https://doi.org/10.55338/saintek.v5i3.2762>
- Imsar, Rangkuti, M. H., & Harahap, R. D. (2023). Analisis Penerapan Integrated Marketing Communication (IMC) Dalam Meningkatkan Jumlah Nasabah Pada Produk Pembiayaan Multiguna Hasanah Di Bank Syariah Indonesia KCP Binjai Sudirman. *Jurnal Pendidikan dan Konseling*, 5(1), 5924–5934.
- Insani, D. N., Setiawan, R. A., & Hartini, K. (2024). Evaluasi Kinerja Keuangan Bank Syariah Indonesia Dengan Menggunakan Metode Islamicity Performance Index (IPI) Periode 2021-2023. *Edunomika*, 8(3), 1–8.
- Kesuma, M., & Ikhrami, N. (2021). Analisis Pengaruh Islamicity Performance Index Terhadap Profitabilitas Dengan Intellectual Capital Sebagai Variabel Moderasi Pada Bank Umum Syariah Periode 2015-2019. *Jurnal Akuntansi dan Keuangan Kontemporer (JAKK)*, 4(1), 1–12. <https://doi.org/10.30596/jakk.v4i1.6727>
- Khasanah, N. A. (2020). Pengaruh Intellectual Capital dan Islamicity Performance Index Terhadap Kinerja Keuangan Perbankan Syariah di Indonesia. *Nominal*, V(6), 2.
- Lidrianasari, Andri, K., Evana, E., Dharma, F., Gamayuni, R. R., Sudrajat, & Septiyanti, R. (2020). *Kemanfaatan Informasi Akuntansi dalam Korporasi* (1 ed.). Pusaka Media.
- Lubis, M. Z. M., Putra, G. D. A., & Husna, H. (2023). Pengukuran Kinerja Keuangan Bank Syariah Indonesia Pasca Merger Menggunakan Pendekatan Islamicity Performance Index. *Jurnal Informatika Ekonomi Bisnis*, 5, 312–317. <https://doi.org/10.37034/infec.v5i2.234>
- Mabrurroh, Supriyanto, T., & Ayyunyah, Q. (2024). Pengukuran Kinerja Keuangan Bus Menggunakan Islamicity Performance Index. *Jurnal Ilmiah Ekonomi Islam*, 10(2), 2048–2058. <https://doi.org/10.29040/jiei.v10i2.13348>
- Murthada, A. M., & Sari, Y. K. (2024). Analisis Kinerja Bank Syariah Indonesia Sebelum dan Setelah Merger: Pendekatan Islamicity Performance Index. *Among Makarti*, 17(1), 123–139. <https://doi.org/http://dx.doi.org/10.52353/ama.v17i1.635>
- Nasution, A. I. L., Nasution, M. L. I., & Hotdiana, F. (2023). Pengaruh Pelayanan dan Produk Perbankan Syariah Terhadap Loyalitas Nasabah Dalam Mengambil Pendanaan dan Pembiayaan (Studi Kasus: Bank Syariah KC Padangsidempuan). *Jurnal Ilmiah Ekonomi Islam*, 9(2), 2442. <https://doi.org/10.29040/jiei.v9i2.9524>
- Nurbaiti, Asmuni, Soemitra, A., Imsar, & Aisyah, S. (2023). Behavior analysis of MSMEs in Indonesia using fintech lending comparative study between sharia fintech lending and conventional fintech lending-NC-SA license (<https://creativecommons.org/licenses/by-nc-sa/4.0>) Corresponding Author. *JPPI (Jurnal Penelitian Pendidikan Indonesia)*, 9(4), 92–99.
- OJK. (2022). *Laporan Kinerja Keuangan Syariah 2022*. Departemen Perbankan Syariah Otoritas Jasa Keuangan Otoritas Jasa Keuangan.
- Rufaedah, D. A., Yazid, M., & Febriyanti, N. (2024). Analisis Kinerja Keuangan Bank Syariah Di Indonesia Berdasarkan Islamic Performance Index. *Jurnal Akuntansi dan Keuangan Islam*, 12(1), 85–102.
- Sabirin. (2021). Islamicity Performance Index Dan Kesehatan Finansial Bank Umum Syariah Di Indonesia. *Jurnal Akuntansi Dan Keuangan Islam*, 9(2), 131–146. <https://doi.org/10.35836/jakis.v9i2.233>
- Sadly, E. (2021). Analysis of the Performance of Islamic Commercial Banks in Indonesia Using the Islamicity Performance Index Approach for the 2014-2016 periods. *International Journal for Educational and Vocational Studies*, 3(2), 151. <https://doi.org/10.29103/ijevs.v3i2.4543>

-
- Sari, W. (2021). *Kinerja Keuangan* (N. U. Rahmi (ed.); 1 ed.). UNPRI Press.
Sugiyono. (2018). *Metode Penelitian Kuantitatif, Kualitatif dan R&D* (2 ed.). PT. Alfabet.
Syafina, L., & Nurwani. (2021). Analisis Dana Zakat, Penerimaan Non Halal, dan Corporate Social Responsibility (CSR) Pada Bank Syariah Di Indonesia. *JESI (Jurnal Ekonomi Syariah Indonesia)*, 11(2), 101. [https://doi.org/10.21927/jesi.2021.11\(2\).101-107](https://doi.org/10.21927/jesi.2021.11(2).101-107)