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## **THE COMPARATIVE OF PERFORMANCE MANDIRI SYARIAH BANK AND MAYBANK BERHAD WITH CONCEPT OF MAQASHID SYARIAT**

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### **Abstrak**

The purpose of this research is to analyze and compare the performance Bank Syariah Mandiri and Maybank Islamic Berhad based on the concept of Maqashid Syariah using Maqashid Syariah Index during the period 2011 to 2015.

This research uses secondary data on financial statements or annual reports that have been published by research samples. This research is a descriptive quantitative research using an approach *sekarang* method is Operationalization Method dan Maqashid Sharia Index (MSI) model. The sample used in this research is Bank Syariah Mandiri dan Maybank Islamic Berhad. The research method used is descriptive and statistical analysis.

Based on the descriptive analysis, Bank Syariah Mandiri have shariah better performance compared with Maybank Islamic Berhad based on the concept of Maqashid Syariah. On the statistical analysis showed that second shariah objectives called "Iqamah al-Adl (Establishing Justice)" and third shariah objectives called "Jalb al-Maslahah (Public Interest)" is not significant differences between Bank SyariahMandiri and Maybank Islamic Berhad, but the first shariah objectives called "Tahzib al-Fardi (Educating Individual)" is significant differences.

**Keywords:** Maqashid Syariah, Banking Performance, Islamic Banking, Maqashid Syariah Index (MSI)

## Conference Paper

# The Comparative Performance of Mandiri Syariah Bank and Maybank Berhad with the Concept of Maqashid Syariat

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## Abstract

The purpose of this research is to analyze and compare the performance of the Bank Syariah Mandiri and Maybank Islamic Berhad based on the concept of Maqashid Syariah using Maqashid Syariah Index during the period of 2011 to 2015. This research uses secondary data on financial statements or annual reports that have been published by research samples. This research is a descriptive quantitative research using an Sekaran approach method, that is, Operationalization Method dan Maqashid Sharia Index (MSI) model. The sample used in this research is Bank Syariah Mandiri dan Maybank Islamic Berhad. The research method used is descriptive and statistical analysis. Based on the descriptive analysis, Bank Syariah Mandiri have Shariah better performance compared to Maybank Islamic Berhad based on the concept of Maqashid Syariah. The statistical analysis showed that there is no significant differences between Bank Syariah Mandiri and Maybank Islamic Berhad in the second Shariah objective called 'Iqamah al-Adl (Establishing Justice)' and the third Shariah objective called 'Jalb al-Maslahah (Public Interest)', but the first Shariah objective called 'Tahzib al-Fardi (Educating Individual)' is significantly different.

**Keywords:** Maqashid Syariah, banking performance, Islamic banking, Maqashid Syariah Index (MSI)

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## 1. Background

The assessment of performance of Sharia banks is generally fixed on the basis of assessments that only look from the financial aspect assessed with various methods such as RGEK (Risk profile, Good governance, Earning, Capital), CAMELS (Capital, Asset, Management, Earning, Liabilities, Sensitivity market) and EVA (Economic Value Added). Assessment of financial performance is used as information for the public in

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seeing the management of good funds by providing maximum profit, so they can take decisions in investing.

However, the Sharia bank information needed by the public is different from the conventional banks that are only fixated on the profit. This is based on public awareness that Islamic banks are developed as financial institutions that conduct business activities in line with the basic principles of Islamic economics by considering the role of Islamic banks as implementers of social functions, namely, to provide welfare widely for the public.

The information needed by the public is the extent to which Sharia banks carry out Sharia values and the extent to which Sharia objectives (Maqashid Shariah) are carried out properly. However, such information is not available in the annual report of Sharia banks. It becomes public questions, what is the difference between Sharia banks and the conventional banks? Is it different only from the interest rate which is replaced with the revenue share. Because of this, it is necessary for Sharia banks to assess the performance from the aspect of Sharia itself.

The issue of Shariah bank performance assessment from the aspect of Sharia has been the concern of some Sharia economic researchers, although the numbers are limited. Mustafa, O. M and Dzuljastri Abdul Razak through their research have made measurement of maqashid performance of Syaria banking in the form of Maqashid Syariah Index (MSI). This MSI model is a model of measuring the performance of Sharia banking in accordance with the objectives and characteristics of Sharia banking (Mustafa, O. M and Dzuljastri Abdul Razak: 20008).

Maqashid Shariah measured in this study is based on the concept of Maqashid Shariah described by Muhammad Abu Zahrah in his book *Ushul Fiqh*, explaining the concept of Maqashid Sharia more broadly and commonly, that there are three purposes of the existence of Islamic Sharia: Tahzib al-Fardi (Educating Individual), Iqamah Al-adl (Establishing Justice) and Jalb Masahah (Public Interest) that are measured through several parameters based on these three aspects (Muhammad Abu Zahrah, *Ushul al-fiqh*: 1997).

Indonesia and Malaysia are countries that follow conventional bank system and Sharia bank system. The Malaysian government provides very strong policy support to Sharia banks, so the progress of Sharia banks in Malaysia is growing rapidly compared to Indonesia. In addition, Malaysia is also implementing the Islamic economic system in banking nine year faster than Indonesia. No wonder, according to the Islamic Finance Country Index, Malaysia's Islamic banking is ranked the second in the world while Indonesia is ranked seventh in the world.

However, Indonesia is a country with the largest Muslim population in the world with the total population of Muslims as much as 88 percent. The advancement of the financial system and banking, as well as the increasing welfare and the needs of the people, especially Muslims, lead to an increasing need for banks in accordance with Sharia principles (Halim Alamsyah: 2015). It is proper that Indonesia can be a pioneer of Islamic financial development in the world.

## 2. Library Resources

### 2.1. Maqashid Syariah

According to Abdul Wahab Khalaf, knowing and understanding about Maqashid Shariah can be used as a tool in understanding the Qur'an and Sunnah, helping to resolve conflicting arguments (ta'arud al-adillah), and the most important thing is to establish a law in a case where legal provisions are not contained in the Qur'an and Sunnah when using semantic studies (Isa Anshori: 2009).

### 2.2. al-kuliyyat al-khams

that the benefit of dharuriyah is covered in five things that are considered as the basic and general purpose of the Sharia that must be maintained: Maintaining Religion, Maintaining the Soul, Maintaining the Mind, Maintaining Ancestry and Maintaining Property (Muhammad Abu Zahrah: 1997).

### 2.3. Maqashid Syariah

Measured in the research of Mustafa, O.M and Dzuljastri Abdul Razak based on the concept of Maqashid Shariah described by Muhammad Abu Zahrah in his book *Ushul Fiqh*. Muhammad Abu Zahrah explains the concept of Maqashid Shariah more broadly and commonly that there are three purposes of the existence of Islamic Shari'ah: Tahzib al-Fardi (Educating Individual), Iqamah Al adl (Establishing Justice) and Jalb Masahah (Public Interest) measured through several parameters based on these three aspects.

### 3. Statistical analysis

This research uses statistical technique of different mean test (independent sample *t*-test). This test is conducted to analyze the performance comparison of Bank Syariah Mandiri and Maybank Islamic Berhad with the concept of Maqashid Syariah on the results of data processing. The purpose of hypothesis test in the form of two different mean test in this research is to determine whether to accept or reject the hypothesis that have been made as follows:

If *F* on *Levene's Test for Equality of Means* has a sig value of  $> 0.05$ , then it is stated that both variants are equal. If both variants are the same, then it is better to use the base *Equal variance assumed* (assumed both variants are the same) for *T*. If *T* has sig value of  $< 0.05$ , it can be said that there is a significant difference in the performance of Bank Syariah Mandiri and Maybank Islamic Berhad with the concept of Maqashid Shariah, on the contrary if *T* has sig value of  $> 0.05$ , it can be said that there is no significant difference in the performance of Bank Syariah Mandiri and Maybank Islamic Berhad with the concept of Maqashid Shariah.

If *F* on *Levene's Test for Equality of Means* has a sig value of  $< 0.05$ , it can be said that both the variants are different. If both variants are different, then to compare both populations with the *t*-test should use the basis of *Equal variance, not assumed* (assumed both variants are not equal) for *T*. If *T* with *Equal variance not assumed* has a sig value of  $> 0.05$ , it can be said that there is no significant difference in the performance of Bank Syariah Mandiri and Maybank Islamic Berhad with the concept of Maqashid Shariah, but if the sig value is  $< 0.05$ , it can be said that there is a significant difference in the performance of Bank Syariah Mandiri and Maybank Islamic Berhad with the concept of Maqashid Shariah.

### 4. Performance Analysis of Bank Syariah Mandiri and Maybank Islamic Berhad With the Concept of Maqashid Syariah

This research data is obtained from the annual report and GCG report of Bank Syariah Mandiri (BSM) and Maybank Islamic Berhad during the period 2011–2015. Following is the performance ratio of Maqasid Syariah for each objective:

#### 4.1. First objective: Tahzib al-Fard (Educating individual)

In this first objective, there are four elements measured to know how big is the concern of Sharia banks in advancing education and training for stakeholders, research and development and promotion.

TABLE 1: Performance ratios of *Maqasid Syariah*, the first objective of Bank Syariah Mandiri.

Performance Ratio		Bank Syariah Mandiri			
Objective 1	2011	2012	2013	2014	2015
Education Grant (%)	0.297	0.159	0.143	0.193	0.11
Research (%)	0.127	0.207	0.055	0.06	0.045
Training (%)	2.444	1.763	1.174	0.681	1.202
Publicity (%)	4.676	3.851	2.223	1.362	1.373
Source: Data processed					

From Table 1, the ratio of education grant of Bank Syariah Mandiri (BSM) fluctuated during the period 2011–2015. BSM has the highest education grant ratio in 2011 of 0.297 percent of total revenues for education grant but fluctuated every year. This indicates that BSM fluctuates funding for education. BSM distributes education grants through scholarships as well as educational infrastructure facilities used as a program to improve the quality of education to poor families that are implemented thoroughly.

Bank Syariah Mandiri's research ratio has the highest ratio in 2012 of 0.207 percent of total expenditure for research fund, with an increase of 0.08 percent from the previous year. But in the following years, the ratio of research has decreased. This indicates that BSM is reducing its research funding due to other costs such as outsourcing and lease costs that have swelled in the past two years.

Bank Syariah Mandiri training ratio fluctuates annually. In 2011, BSM has the highest ratio, but decreased in 2014 by 1.77 percent and then increased in the following year by 0.52 percent. This increase occurred because the number of participants and the number of training and allocation of funds are increased. BSM has provided an integrated program of competency enhancement to promote a culture of learning on an ongoing basis. Some of the Bank Syariah Mandiri staffing training includes Orientation and Development Program, Banking Academy and Enhancement Program.

The ratio of publicity of Bank Syariah Mandiri has the highest ratio in 2011 amounting to 4.676, but it has decreased during the last four years. But by 2015, this ratio has increased by 0.01 percent. Promotion strategy is conducted by BSM through printed



and electronic media and BTL program (Below the Line) such as sponsorship event, business gathering, ATM structure, brochure, exhibition and event outlet at mall, office, car free day and so on.

TABLE 2: Performance ratios of *Maqasid Syariah*, the first objective of Maybank Islamic Berhad.

Performance Ratio		Maybank Islamic Berhad				
Objective 1		2011	2012	2013	2014	2015
Education (%)	Grant	0.219	0.258	0.241	0.242	0.216
Research (%)		0.317	0.181	0.11	0.283	0.205
Training (%)		29.031	15.465	13.61	12.572	10.067
Publicity (%)		1.44	0.90	1.743	1.65	1.255

Source: Data processed.

From Table 2, it can be seen that the ratio of education grants of Maybank Islamic Berhad has fluctuated during the period 2011–2015. Maybank Islamic Berhad had the highest ratio in 2012 of 0.258 percent with an increase of 0.04 percent, but it decreased each year. Maybank Islamic Berhad allocates education grants through its education programs, including: Maybank foundation scholarship, Promote Education Excellence in Rural School (PEERS) and CashVille Kidz.

The ratio of research of Maybank Islamic had the highest ratio in 2011 of 0.317 percent, which subsequently decreased each year. However, in 2014, the ratio of research increased by 0.17 percent from the previous year, then decreased in 2015 by 0.08 percent. This shows that Maybank Islamic Berhad has fluctuated in allocating funds for research. The research conducted by Maybank Islamic Berhad includes not only the research and development of banking products and services but also the evaluation of banking research as a form of improvement done by the Sharia banking in the future.

The training ratio of Maybank Islamic Berhad had the highest ratio in 2011 and had the lowest value in 2015, it decreased every year. In 2015, the training ratio decreased by 2.5 percent from the previous year. This shows that Maybank Islamic Berhad reduced funds for the training of its employees. Maybank Islamic Berhad distributes training costs through its program, including the High Potential Performer Integrated (HIP), the Global Maybank Apprentice Program (GMAP), the Branch Management Entry Level Program (BMELP), the Maybank Internship Program under the Skim Latihan 1Malaysia (SL1M), Maybank Learning & Training Center (TLC) and the ASEAN Internship Program that leverages on the ASEAN Economic Community.

The ratio of publicity had the highest ratio in the 2013 of 1.743 percent but decreased in the following year. This shows that Maybank Islamic Berhad allocated funds for publication with fluctuations.

## 4.2. Second objective: Iqamah al-Adl (Establishing justice)

In this second objective, there are three elements that are assessed to know the extent of the commitment of Sharia banks in achieving Sharia values in the form of justice to each stakeholder.

TABLE 3: Performance ratios of *Maqasid Syariah*, the second objective of Bank Syariah Mandiri.

Performance Ratio		Bank Syariah Mandiri			
Objective 2	2011	2012	2013	2014	2015
Fair Returns (%)	15.677	19.219	13.535	1.525	5.362
Functional distribution (%)	27.50	23.708	21.422	22.891	26.384
Interest-free Product (%)	99.987	99.992	99.997	99.993	99.994

Source: Data processed.

From Table 3, it can be seen that the ratio of fair return of Bank Syariah Mandiri (BSM) fluctuated during the period of 2011–2015. This ratio had the highest value in 2012 of 19.219 percent of BSM's total revenue, with an increase of 3.4 percent from the previous year. However, it decreased in the following year. The ratio of fair return in 2014 decreased significantly by 12.01 percent from the previous year, but then increased in 2015. This shows that BSM is trying to increase the profit earned in order to increase the profit-sharing to customers and banks.

The ratio of functional distribution is reflected through the ratio of profit-sharing (mudharabah and musyarakah) financing schemes to total financing. BSM had the highest value ratio in 2011 of 27.5 percent, however, followed by a decrease in each subsequent year. However, by 2015, it had increased by 3.5 percent. This shows that BSM annually seeks to improve its function in realizing socio-economic justice by increasing Islamic bank financing using mudharabah and musyarakah models.

The interest-free income ratio is reflected through interest-free income compared to total revenue. BSM had the highest ratio value in 2013 of 99.997 percent, but it decreased significantly in the following year. However, in 2015, the interest-free

income ratio increased by 0.001 percent. This shows that BSM seeks to earn interest-free income by minimizing interest income from placement of funds and current accounts at conventional banks.

TABLE 4: Performance ratios of Maqasid Syariah, the second objective of Maybank Islamic Berhad.

Performance Ratio	Maybank Islamic Berhad				
Objective 2	2011	2012	2013	2014	2015
Fair Returns (%)	33.136	32.741	29.821	27.435	24.095
Functional distribution (%)	5.607	6.768	5.425	4.274	3.344
Interest free Product (%)	93.81	97.53	97.33	93.18	96.23
Source: Data processed					

From Table 4, it can be seen that the ratio of fair returns of Maybank Islamic Berhad had the highest ratio in 2011 of 33.136 percent profits derived from total revenue. However, in each subsequent year, this ratio decreased significantly. This shows that Maybank Islamic Berhad is experiencing a decline every year on the profit earned, which will have an impact on the decline of profit-sharing to customers and banks.

The ratio of functional distribution of Maybank Islamic Berhad has the highest ratio in 2012 of 6.768 percent of profit-sharing financing (mudharabah and musyarakah) of total financing, with an increase of 1.2 percent from the previous year. However, in each subsequent year, this ratio decreases. Maybank Islamic Berhad uses the financing of *bai*, *murabaha*, *musharaka*, *Al-Ijarah Thumma al-Bai*, *ijarah*, and *istishna*, whereas in financing the proceeds only use financing with *musyarakah* model.

The ratio of interest-free income of Maybank Islamic Berhad was the highest in 2012 with 97.53 percent interest-free income from total revenue, but it decreased over the next two years. However, by 2015, this ratio had increased by 3.05 percent. This shows that Maybank Islamic Berhad seeks to earn interest-free income by minimizing interest income from the placement of funds and current accounts in conventional banks.

### 4.3. Third objective: *Jalb al-Maslahah* (Public interest)

This objective is described by measurement of three ratios, that is, profitability ratios, personal income ratios and real-sector investment ratios to determine the extent to which Sharia banks are able to achieve Sharia values in the form of fulfillment of Sharia bank rights related to the bank's own interests and the fulfillment of rights for the public.



TABLE 5: Performance ratios of *Maqashid Syariah*, the third objective of Bank Syariah Mandiri.

Performance Ratio	Bank Syariah Mandiri				
	2011	2012	2013	2014	2015
<i>Profit Ratio (%)</i>	1.132	1.486	1.018	0.107	0.411
<i>Personal income (%)</i>	3.481	3.491	3.48	3.922	3.313
<i>Investment ratios in real sector (%)</i>	82.564	88.963	86.741	79.516	79.095

Source: Data processed

From Table 5, it can be seen that Bank Syariah Mandiri has the highest Profit Ratio in 2012 of 1.486 that increased by 0.35 percent from the previous year, and decreased in the following year. However, by 2015, Profit Ratio increased by 0.3 percent from the previous year. This shows that BSM seeks to increase the net profit earned annually, which will impact on the improvement of the public-interest function of not only the owners and employees of Sharia banks but also all the stakeholders of Sharia banking.

Personal income ratio is reflected through the level of public interest earned by the community through zakat paid by the Islamic banks. BSM had the highest ratio value in 2014 with an increase of 0.4 percent from the previous year, which, however, decreased by 0.6 percent in 2015. BSM routinely pays at least 2.5 percent of the total profit to pay zakat. This shows that BSM consistently pays zakat every year with the achievement of the objective for the benefit of the society.

The ratio of investment in real sector is reflected through the investment of Sharia banks in the real sector compared to the overall investment of Sharia banks. BSM has the highest ratio value in 2012 of 88.963 percent, which, however, decreased for the following year. BSM selects several products in real sector distribution through *musyarakah*, *murabahah*, *mudharabah*, *qard* and other Sharia products.

TABLE 6: Performance ratios of *Maqashid Syariah*, the third objective of Maybank.

Performance Ratio	Maybank Islamic Berhad				
	2011	2012	2013	2014	2015
<b>Objective 3</b>					
<i>Profit Ratio (%)</i>	0.52	0.97	0.84	0.82	0.77
<i>Personal income (%)</i>	1.357	1.718	2.046	1.71	0.741
<i>Investment ratios in real sector (%)</i>	71.42	70.63	65.561	73.143	78.93

Source: Data processed

From Table 6 it can be seen that the profit ratio of Maybank Islamic Berhad was the highest in 2012 with 0.97 percent of net profit obtained from total assets owned by

banks, with an increase of 0.45 percent from the previous year. But in each subsequent year, this ratio decreases. This shows that Maybank Islamic Berhad has decreased the net profit earned during the last three years, which will also affect the decline in public-interest function of not only the owners and employees of Sharia banks but also of all the stakeholders of Sharia banking.

Personal income ratio of Maybank Islamic Berhad was the highest in 2013 with 2.046 percent of zakat paid by banks from net income, which increased by 0.33 from the previous year. However, in 2014 and 2015, it decreased. This shows that Maybank Islamic Berhad is paying zakat less than 2.5 percent so that the achievement of the value of *maslahat* and social sensitivity of Islamic banks to the community is still lacking.

The ratio of investment in real sector Maybank Islamic Berhad fluctuated for five years. Maybank Islamic Berhad had the highest ratio in 2015 of 78.93 percent for investments disbursed in the real sector. This shows that Maybank Islamic Berhad seeks to increase investment in the real sector every year, so it can increase the achievement of *maslahat* values.

## 5. Performance Indicator of Bank Syariah Mandiri and Maybank Islamic Berhad with the Concept of Maqashid Syariah

Having known the results of the calculation of the performance ratio of Maqashid Syariah, subsequently the multiplication of each weight of each attribute and performance ratio of each element is performed. The following are the performance indicators of each Syariah bank based on the objectives of Maqashid Syariah:

### 5.1. The objective of Tahzib al-Fard (Educating individual)

In the achievement of the first objective of individual education, Bank Syariah Mandiri (BSM) and Maybank Islamic Berhad have run all the ratios that become indicators of the Maqashid Sharia Index (MSI). The four ratios include education/scholarship grants, research, training to employees and publications or promotions.

From Table 7, it can be seen that the element of education grant for independent Sharia bank has the highest performance indicator in 2011 of 0.021 in distributing donation with the purpose of education for the public, while the lowest performance indicator occurred in 2015 of 0.08. There is a decrease every year for a period of five

TABLE 7: Performance indicator of *Maqashid* Syariah, the first objective of Bank Syariah Mandiri.

Performance Indicator	2011	2012	2013	2014	2015
<b>Objective 1</b>					
<i>Education</i>	0.021	0.011	0.011	0.014	0.008
<i>Grant</i>					
<i>Research</i>	0.011	0.017	0.004	0.005	0.004
<i>Training</i>	0.191	0.137	0.092	0.053	0.094
<i>Publicity</i>	0.323	0.266	0.153	0.094	0.095
Source: Data processed					

years. For the element of research, Bank Syariah Mandiri had the highest performance indicators in 2012 of 0.017 for research grants, while the lowest is in 2013 and 2015 of 0.004.

For the training element, Bank Syariah Mandiri had the highest performance indicator in 2012 of 0.191 for training fund for employees, while the lowest in 2014 was 0.053. There is a decrease every year in the period of four years, but in 2015, there was an increase of 0.041 percent. For the element of publicity, Bank Syariah Mandiri had the highest performance indicators in 2011 of 0.323, while the lowest was in 2014 of 0.094. There is a decrease every year in the period of four years, however, in 2015, there was an increase of 0.001 percent.

TABLE 8: Performance indicator of *Maqashid* Syariah, the first objective of Maybank Islamic Berhad.

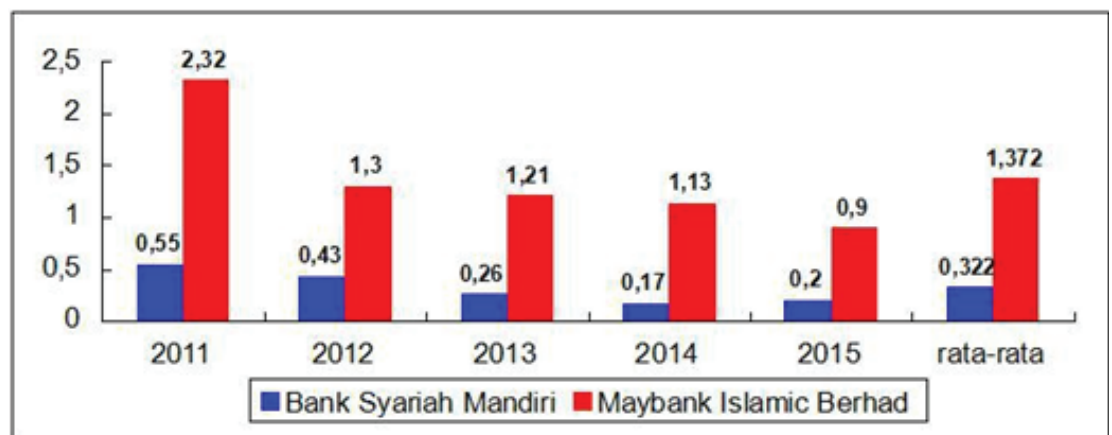
	Maybank Islamic Berhad				
Performance Indicator	2011	2012	2013	2014	2015
<b>Objective 1</b>					
<i>Education Grant</i>	0.016	0.018	0.017	0.017	0.015
<i>Research</i>	0.026		0.009	0.023	0.016
<i>Training</i>	2.264		1.062	0.981	0.785
<i>Publicity</i>	0.01		0.12	0.114	0.086
Source: Data processed					

From Table 8, it can be seen that the education grant element for Maybank Islamic Berhad has the highest performance indicator in 2012 of 0.018 in distributing donations for educational purposes for the public, while the lowest performance indicator occurred in 2015 by 0.015. The education grant element fluctuated over a five-year



period. For the element of research, Maybank Islamic Berhad had the highest performance indicator in 2011 of 0.026 for research funds, while the lowest was in 2012 of 0.009. The research elements fluctuated over a five-year period.

For the training element, Maybank Islamic Berhad had the highest performance indicator in 2011 of 2.264 for training fund for employees, while the lowest in 2015 was 0.075. There is a decrease every year for a period of five years. For the element of publicity, Maybank Islamic Berhad had the highest performance indicator in 2013 of 0.12, while the lowest was in 2011 of 0.01. The publicity element fluctuates over a five-year period.



**Figure 1:** Comparison of performance indicators of educating individual. Source: Data processed.

From Figure 1, it can be seen that the implementation of the objectives of Shariah Tahzib al-Fardi (educating individual) is well performed by Bank Syariah Mandiri in 2011 of 0.546, but it decreased during the period 2011–2014, which was accompanied by an increase in 2015. For Maybank Islamic Berhad, the well-performed objective was conducted in 2011 of 2.316, but there was a decline for five years.

Maybank Islamic Berhad has an average value of better performance indicators in achieving the first objective of tahzib al-fardi (educating individual) compared to Bank Syariah Mandiri. This is because Maybank Islamic Berhad is superior in providing educational assistance in conducting research and development and providing training to its employees, while Bank Syariah Mandiri is only superior in doing publicity or promotion of Islamic banks to the public.

## 5.2. The objective of Iqamah al-Adl (Establishing justice)

In achieving the second objective, establishing justice, Bank Syariah Mandiri (BSM) and Maybank Islamic Berhad has run all ratios indicators of Maqashid Sharia Index (MSI).

These three ratios include fair returns, distribution functions and interest-free bank products.

TABLE 9: Performance indicator of *Maqashid* Syariah, the second objective of Bank Syariah Mandiri.

		Bank Syariah Mandiri			
Performance Indicator	2011	2012	2013	2014	2015
<b>Objective 2</b>					
<i>Fair Returns</i>	1.928	2.236	1.665	0.187	0.66
<i>Functional distribution</i>	3.608	3.111	2.811	3.003	3.462
<i>Interest-free Product</i>	11.47	11.48	11.48	11.48	11.48
Source: Data processed					

From Table 9, it can be seen that the element of fair return of Bank Syariah Mandiri has the highest performance indicators in 2012 of 2.236 profits derived from total revenue. While the lowest performance indicator occurred in 2014 of 0.187. There were fluctuations every year for a period of five years.

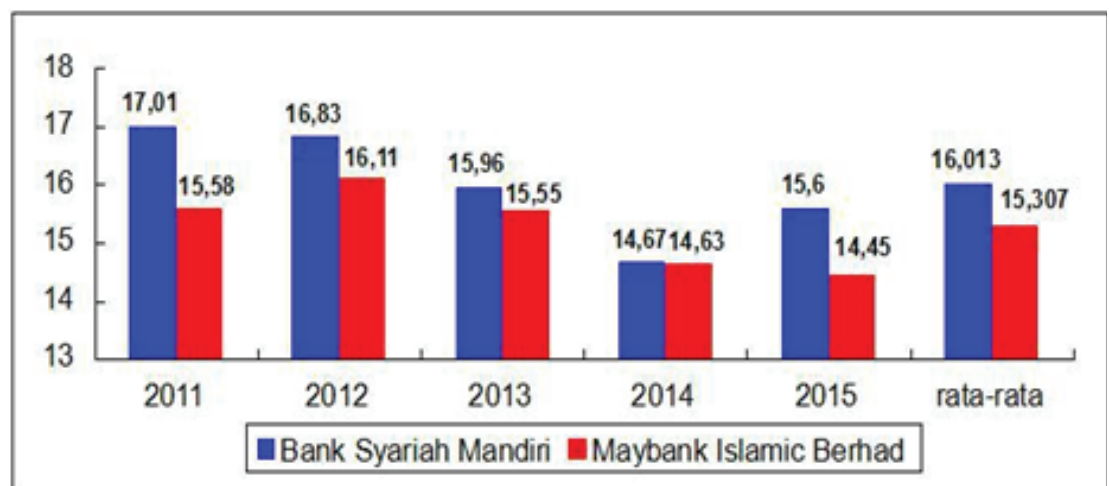
For the functional distribution element, Bank Syariah Mandiri has the highest performance indicator in 2011 of 3.608 distribution function that is seen from the percentage of financing for profit-sharing conducted by Syariah bank to customers, while the lowest is in 2013 of 2.811. There are fluctuations every year for a period of five years. For the interest-free product element, Bank Syariah Mandiri has the lowest performance indicators in 2011 of 11.47 that increased in the next four years by 0.01 percent.

TABLE 10: Performance indicator of *Maqashid* Syariah, the second objective of Maybank Islamic Berhad.

		Maybank Islamic Berhad			
Performance Indicator	2011	2012	2013	2014	2015
<b>Objective 2</b>					
<i>Fair Returns</i>	4.076	4.027	3.668	3.374	2.964
<i>Functional distribution</i>	0.736	0.888	0.712	0.561	0.439
<i>Interest-free Product</i>	10.77	11.196	11.173	10.7	11.05
Source: Data processed					

From Table 10, it can be seen that the element of fair return of Maybank Islamic Berhad had the highest performance indicator in 2011 of 4.076 earnings derived from total revenue. While the lowest performance indicator occurred in 2015 of 2.964. There is a decrease every year for a period of five years.

For elements of functional distribution, Maybank Islamic Berhad had the highest performance indicator in 2012 of 0.888 distribution function seen from the percentage of financing for profit-sharing conducted by Sharia banks to the customers, while the lowest is in 2015 of 0.439 percent. There is a decline every year from 2012 to 2015. For elements of interest-free product, Maybank Islamic Berhad had the highest performance indicator of 11.196 percent, while the lowest was in 2014 of 10.7. Fluctuations occur in the element of interest-free product every year.



**Figure 2:** Comparison of performance indicators of justice objectives. Source: Data processed.

From Figure 2, it can be seen that the achievement of *Iqamah al-Adl's* (Establishing Justice) was well performed by Bank Syariah Mandiri in 2011 of 17.006. However, there was a decrease during the period of 2011 to 2014, accompanied by an increase in 2015. For Maybank Islamic Berhad, the well-performed objective was in 2012 of 16.11, but there was a decline during the period of 2012 to 2015.

Bank Syariah Mandiri has an average value of better-performance indicators in achieving the second objective of *Iqamah al-Adl* (Establishing Justice) compared with Maybank Islamic Berhad. This is because Bank Syariah Mandiri is superior in channeling the financing in the form of *mudharabah* and *musyarakah* and in achieving interest-free income, while Maybank Islamic Berhad is superior only in returning earnings fairly.

### 5.3. The objective of *Jalb al-Maslahah* (Public interest)

In the achievement of the third objective of public interest, Bank Syariah Mandiri (BSM) and Maybank Islamic Berhad have run all the ratios that become indicators of *Maqashid*



Sharia Index (MSI). These three ratios include profitability, zakat payments and real sector investment.

TABLE 11: Performance indicator of *Maqashid Syariah*, the third objective of Bank Syariah Mandiri.

		Bank Syariah Mandiri			
Performance Indicator	2011	2012	2013	2014	2015
<b>Objective 3</b>					
<i>Profit Ratio</i>	0.108	0.142	0.097	0.011	0.039
<i>Personal income</i>	0.303	0.304	0.303	0.341	0.288
<i>Investment in real sector</i>	8.859	9.546	9.307	8.532	8.487
Source: Data processed					

From Table 11, it can be seen that the profit ratio element of Bank Syariah Mandiri had the highest performance indicator in 2012 of 0.142 profit earned, while the lowest performance indicator occurred in 2014 of 0.011. There are fluctuations every year for a period of five years.

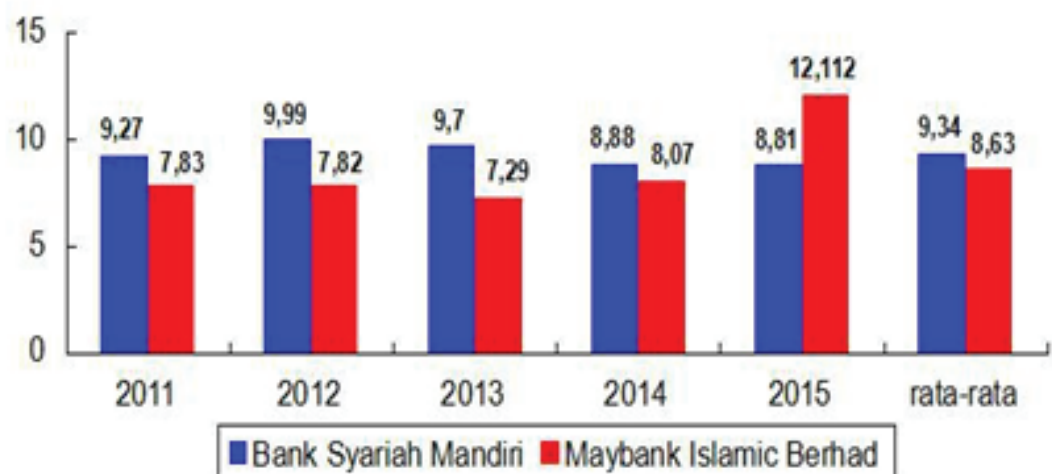
For personal income element, Bank Syariah Mandiri had the highest performance indicator in 2014 of 0.341 zakat paid by the bank, while the lowest performance indicator is in 2015 of 0.288. There are fluctuations every year for a period of five years. For investment element in real sector, Bank Syariah Mandiri had the highest performance indicator in 2012 of 9.546 investment disbursed in real sector, while the lowest performance indicator was in 2015 of 8.487. There is a decrease every year from 2012 to 2015.

TABLE 12: Performance indicator of *Maqashid Syariah*, the third objective of Maybank Islamic Berhad.

		Maybank Islamic Berhad			
Performance Indicator	2011	2012	2013	2014	2015
<b>Objective 3</b>					
<i>Profit Ratio</i>	0.051	0.093	0.081	0.078	0.074
<i>Personal income</i>	0.118	0.15	0.178	0.149	0.064
<i>Investment in real sector</i>	7.663	7.578	7.035	7.848	11.974
Source: Data processed					

From Table 12, it can be seen that the profit ratio element of Maybank Islamic Berhad had the highest performance indicator in 2012 of 0.093 earnings obtained, while the lowest performance indicator occurred in 2011 of 0.051. There was a decrease every

year during the period 2012 to 2015. For personal income elements, Maybank Islamic Berhad had the highest performance indicator in 2013 of 0.178 zakat paid by the bank, while the lowest performance indicator is in 2015 of 0.064. There are fluctuations every year for a period of five years.



**Figure 3:** Comparison of performance indicators of *Public Interest*. Source: Data processed.

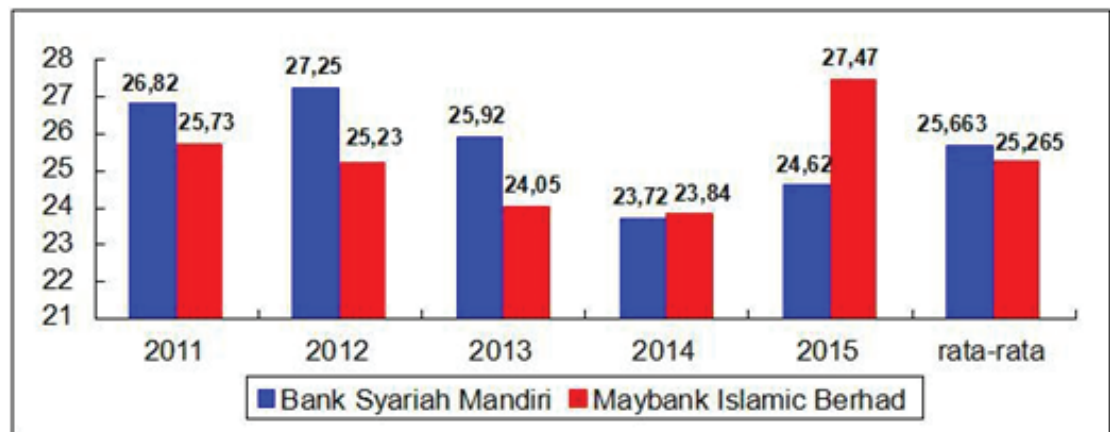
For the element of investment in real sector, Maybank Islamic Berhad had the highest performance indicator in 2015 of 11.974 investments disbursed in the real sector, while the lowest performance indicator was in 2013 of 7.035. There were fluctuations every year for a period of five years.

From Figure 3, it can be seen that the achievement of *Jalb al-Maslahah* (Public Interest) is well performed by Bank Syariah Mandiri in 2012 with 9.992, but there was a decline during the period of 2012 to 2015. For Maybank Islamic Berhad, the performance was well in 2015 with 12.112, but fluctuations occurred during the period 2012 to 2015.

Bank Syariah Mandiri had an average value of better-performance indicators in achieving the third objective of *Jalb al-maslahah* (Public Interest) compared to Maybank Islamic Berhad. This is because Bank Syariah Mandiri is superior in having better overall performance indicators, both in the aspects of profitability, paying zakat from profit earned and channeling financing to the real sector compared to Maybank Islamic Berhad.

## 6. Maqashid Syariah Index of Bank Syariah Mandiri and Maybank Islamic Berhad

Maqashid Syariah Index measures all the performance of Sharia banks with the concept of Maqashid Shariah for all three purposes. Maqashid Syariah Index is obtained by summing the performance indicators (IK) of Sharia banks from the first objective up to the third objective.



**Figure 4:** Comparison of the Performance of *Maqashid Syariah Index*. Source: Data processed.

Figure 4 shows that Bank Syariah Mandiri had the highest MSI value of 27.25 for all objectives in 2012 with fluctuations for five years, while Malaysia Islamic Berhad has the highest MSI value of 27.47 for all objectives in 2015 with fluctuations for five years.

Bank Syariah Mandiri has better average-value Maqashid Syariah index than Maybank Islamic Berhad in Maqashid Syariah concept. This is because the Bank Syariah Mandiri is more superior in the implementation of establishing justice and public interest, while Maybank Islamic Berhad is superior in the implementation of educating individual).

## 7. Comparison of Bank Syariah Mandiri's Performance with Maybank Islamic Berhad with the concept of Maqashid Syariah

This study uses statistical techniques of independent sample *t*-test to determine whether there is a difference between Bank Syariah Mandiri with Maybank Islamic Berhad with the concept of Maqashid Shariah. This research uses SPSS 22 program so that the following results can be obtained:



## 7.1. The Sharia objective of Tahzib al-Fard

TABLE 13: Comparison of performance of *Tahzib al-Fard*.

		Levene's Test for Equality of Variances		t-test for Equality of Means					
		<i>F</i>	Sig.	<i>t</i>	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
<b>Tahzib al-Fard (Educating Individuals)</b>	Equal variances assumed	2.355	0.163	-4.117	0.003	-1.051600	0.255442	1.640650	0.462550
	Equal variances not assumed			4.117	0.011	1.051600	0.255442	1.721332	0.381868

Table 13 shows that the *F* for the objective of Tahzib al-Fard (Educating Individuals) on equal variance assumed (assumed both variants are the same) is 2.355 with probability of 0.163, because the probability of the aforementioned data is greater than 0.05, there is no difference of variant in comparison data of performance of Bank Syariah Mandiri and Maybank Islamic Berhad with the concept of Maqashid Syariah for the objective of Tahzib al-Fard (Educating Individual).

If both variants are equal, then Equal Variances Assumed for *t* for the purpose of Tahzib al-Fard (Educating Individual) using Equal Variances Assumed is -4.117 with significant ( $0.003 < 0.005$ ), then it can be said that there are significant differences in Sharia objective of Tahzib al-Fard (Educating Individual) between Bank Syariah Mandiri and Maybank Islamic Berhad in the period of 2011–2015.

This difference occurs because the funding budget from education fund, research cost, training cost and publication cost of Bank Syariah Mandiri decreases every year, while in case of Maybank Islamic Berhad, it increases every year.

This is in accordance with the theory of Maqashid Shariah, ss explained by Muhammad Abu Zahrah, that the objective of Tahzib al-Fardi is that every Muslim should gain knowledge and ability through the efforts of Sharia banks in designing education and training program for society and employees. However, the results of Bank Syariah Mandiri in performing the objective of Tahzib al-Fardi is still not well performed, so it can be said that Maybank Islamic Berhad is better in performing the objective of Tahzib al-Fardi.

## 7.2. The Sharia objective of Iqamah al-Adl

TABLE 14: Comparison of the performance of *Iqamah al-Adl*.

		Levene's Test for Equality of Variances		t-test for Equality of Means					
		<i>F</i>	Sig.	<i>t</i>	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence interval of the difference	
								Lower	Upper
<b>Tahzib al-Fard (Educating Individual)</b>	Equal variances assumed	0.329	0.582	1.413	0.195	0.746000	0.528057	-0.471702	1.963702
	Equal variances not assumed			1.413	0.199	0.746000	0.528057	-0.491021	1.983021

Table 14, the *F* for the objective of Iqamah al-Adl (Establishing Justice) on equal variance assumed (assumed both variants are equal) is 0.329 with probability of 0.582 because the aforementioned data probability is greater than 0.05, it can be said that there is no difference of variant on data comparison of performance of Bank Syariah Mandiri and Maybank Islamic Berhad with the concept of Maqashid Syariah for the objective of Iqamah al-Adl (Establishing Justice).

When both the variants are equal, then Equal Variances Assumed for *T* for Iqamah al-Adl (Establishing Justice) using Equal Variances Assumed is 1.413 with significant ( $0.195 > 0.005$ ), it can be said that there is no significant difference in Sharia objective of Iqamah al-Adl (Establishing Justice) between Bank Syariah Mandiri and Maybank Islamic Berhad from 2011 to 2015.

In this study, Bank Syariah Mandiri is superior in the distribution of mudharabah and musharaka financing as well as interest-free product, although Maybank Islamic Berhad also excels in providing fair and equal results through total profit and total financing which is increasing every year. This shows that Maybank Islamic Berhad is working better in implementing Iqamah al-Adl's objectives, so there is no significant difference.

This result is in line with the theory of Maqashid Shariah described by Muhammad Abu Zahrah that justice should be applied to ensure honesty and fairness in all transactions, as well as business activities on the product and all activities based on free interest through the implementation of the objective of Iqamah al-Adl.

### 7.3. The Sharia objective of Jalb al-Maslahah

TABLE 15: Comparison of the performance of *Jalb al-Maslahah*.

		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	t	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
<b>Tahzib al-Fard (Educating Individual)</b>	Equal variances assumed	3.216	0.111	0.777	0.460	0.706600	0.909878	-1.391583	2.804783
	Equal variances not assumed			0.777	0.476	0.706600	0.909878	-1.705658	3.118858

From table 15 the F for the sharia objective of Jalb al-Maslahah (Public Interest) on equal variance assumed (assumed both variants are equal) is 3.216 with probability 0.111 because the probability of the above data is greater than 0.05, it can be said that there is no difference of variant in comparison data of performance of Bank Syariah Mandiri and Maybank Islamic Berhad with the concept of maqashid syariah for the objective of Jalb al-Maslahah (Public Interest).

If the two variants are equal, then Equal Variances Assumed for *T* for the objective of Jalb al-Maslahah (Public Interest) using Equal Variances Assumed is 0.777 with significant (0.460 > 0.005), then it can be said that there is no significant difference in the objective of Jalb al-Maslahah (Public Interest) between Bank Syariah Mandiri and Maybank Islamic Berhad during the period of 2011–2015.

In this study, Bank Syariah Mandiri is superior in giving zakat from the profit earned and total investment as a whole, although Maybank Islamic Berhad also excels in the acquisition of net profit and financing distribution budget in real sector that increases every year. This shows that Maybank Islamic Berhad is working better in implementing the objective of Jalb al-Maslahah, so there is no significant difference.

This result is in line with the theory of Maqashid Shariah that, as explained by Muhammad Abu Zahrah, focuses on providing benefits for the public by fulfilling the rights of Sharia banks related to the interests of the bank itself and the public through the implementation of the objective of Jalb al-Maslahah.

## 7.4. Performance of Maqashid Syariah Index (MSI)

TABLE 16: Comparison of performance of *Maqashid Syariah Index* (MSI).

		Levene's Test for Equality of Variances		t-test for Equality of Means					
		<i>F</i>	Sig.	<i>t</i>	Sig. (2-tailed)	Mean difference	Std. Error Difference	95% Confidence interval of the difference	
								Lower	Upper
<b>Tahzib al-Fard (Educating Individual)</b>	Equal variances assumed	0.078	0.787	0.431	0.678	0.401000	0.931223	-1.746404	2.548404
	Equal variances not assumed	0.431	0.678	0.40100	0.931223	-1.746484	2.548484	0.431	0.678

Table 16 shows that the *F* for Maqashid Syariah Index (MSI) on equal variances assumed (assumed both variants are equal) is 0.078 with probability 0.787 because the probability of the aforementioned data is greater than 0.05, it can be said that there is no difference of variants on the comparison of performance data of Bank Syariah Mandiri and Maybank Islamic Berhad with the concept of Maqashid Syariah.

When both variants are equal, then Equal Variances Assumed for *T* for Maqashid Syariah using Equal Variances Assumed is 0.431 with significant (0.678 > 0.005), then it can be said that there is no significant difference of performance of Bank Syariah Mandiri and Maybank Islamic Berhad with the concept of Maqashid Syariah during the period of 2011–2015.

In this study, Bank Syariah Mandiri is superior in the objective of Iqamah al-Adl and Jalb al-Maslahah, while Maybank Islamic Berhad excels in the objective of Tahzib al-Fardi. Even so in 2014 and 2015, Maybank Islamic Berhad excelled on the implementation of these three Sharia objectives. This shows that Maybank Islamic Berhad is better at implementing the goals of Tahzib al-Fardi, Iqamah al-Adl and Jalb al-Maslahah every year, so there is no significant difference.

This is in line with the theory of Maqashid Syariah that is explained by Muhammad Abu Zahrah that the objectives of Tahzib al-Fardi, Iqamah al-Adl and Jalb al-Maslahah is to be achieved for the human welfare in order to implement Sharia objectives in the Sharia banks.



## 8. Conclusion

Based on the data management and the results of data analysis descriptively and statistically, the following conclusions can be taken:

1. Measuring the performance of Islamic Bank Syariah Mandiri and Maybank Islamic Berhad on the implementation of the first objective of Tahzib al-Fardi (Educating Individual) during the period 2011–2015, descriptively, Maybank Islamic Berhad is found to be better than Bank Syariah Mandiri. The hypothesis test shows that there is a significant difference in the Sharia objective of Tahzib al-Fardi (Educating Individual) between Bank Syariah Mandiri and Maybank Islamic Berhad in the concept of Maqashid Shariah.
2. Measuring the performance of Islamic Bank Syariah Mandiri and Maybank Islamic Berhad on the implementation of the second objective of Iqamah al-Adl (Establishing Justice) during the period of 2011–2015, overall Bank Syariah Mandiri is found to be better than the Maybank Islamic Berhad. The hypothesis test shows that there is no significant difference in the Sharia objective of Iqamah al-Adl (Establishing justice) between Bank Syariah Mandiri and Maybank Islamic Berhad in the concept of Maqashid Shariah.
3. Measuring the performance of Shariah Maqashid Bank Syariah Mandiri and Maybank Islamic Berhad on the implementation of the third objective of Jalb al-Maslahah (Public Interest) during the period 2011–2015, overall Bank Syariah Mandiri is found to be better than Maybank Islamic Berhad. The hypothesis test shows that there is no significant difference in the Sharia objective of Jalb al-Maslahah (Public Interest) between Bank Syariah Mandiri and Maybank Islamic Berhad in the concept of Maqashid Shariah.
4. Measuring the performance of Shariah Maqashid Bank Syariah Mandiri and Maybank Islamic Berhad on the implementation of all the objectives during the period of 2011–2015, there is no significant difference between Bank Syariah Mandiri and Maybank Islamic Berhad in the concept of Maqashid Shariah.