Journal of Posthumanism
2025
Volume: 5, No: 4, pp. 1145–1156
ISSN: 2634-3576 (Print) | ISSN 2634-3584 (Online)
posthumanism.co.uk

DOI: https://doi.org/10.63332/joph.v5i4.1204

Revolutionizing Islamic Banking Metrics: Integrating Financial and Sharia-Based Indicators in Performance Evaluation

Iwan Wisandani[1], Heni Sukmawati[2], Joni[3], Acep Zoni Saeful Mubarok[4], Dian Friantoro[5], Rini Trisa Febrianti[6]

Abstract

The purpose of this study is to evaluate the performance of Islamic banks in Indonesia from 2016 to 2022 using an integrated approach combining the Risk Profile, Good Corporate Governance, Earnings, and Capital (RGEC) and the Islamicity Performance Index (IPI). The study addresses gaps in existing literature by incorporating sharia-based dimensions such as the Profit Sharing Ratio (PSR) and Zakat Performance Ratio (ZPR), alongside traditional financial indicators like Return on Assets (ROA) and Return on Equity (ROE). Data were collected from audited financial reports of four Islamic banks and analyzed using regression and ANOVA to identify trends and causal relationships. The results highlight that effective risk management, demonstrated by a low Non-Performing Financing (NPF) ratio and stable Financing to Deposit Ratio (FDR), positively correlates with improved ROA and ROE. PSR emerged as a significant indicator of customer trust in sharia-compliant products, while ZPR indicated challenges in enhancing social contributions through zakat. This study provides a comprehensive evaluation framework for Islamic banks, offering theoretical insights into the integration of RGEC and IPI and practical guidance for improving risk management, efficiency, and sharia compliance. These findings have implications for policymakers and stakeholders in developing sustainable Islamic banking practices. Future research is recommended to explore causal relationships between sharia-based indicators and customer loyalty while expanding this model to global contexts.

Introduction

Islamic banking has become one of the rapidly growing sectors in various countries, including Indonesia, which has the largest Muslim population in the world (Akbar & Siti-Nabiha, 2022). This banking system operates based on Islamic principles, which prohibit riba, gharar, and other speculative activities. Instead, Islamic banking encourages the implementation of profit-sharing mechanisms such as mudharabah and musyarakah, while ensuring compliance with ethical values and justice in its operations.

In recent decades, this sector has played a crucial role in supporting financial inclusion, improving access to financial services, and strengthening economic stability (Abedifar, 2023). Islamic banks are not only evaluated based on profitability and operational efficiency but also on their adherence to Islamic principles. Therefore, the evaluation of Islamic bank performance requires a comprehensive approach that includes not only traditional financial indicators but also considers the Islamic dimension.

[1] Department of Sharia Economics, Universitas Siliwangi, Email: iwanwisandani@unsil.ac.id, (Corresponding author)
[2] Department of Sharia Economics, Universitas Siliwangi, Email: henisukmawati@unsil.ac.id
[3] Department of Sharia Economics, Universitas Siliwangi, Email: joni@unsil.ac.id.
[4] Department of Sharia Economics, Universitas Siliwangi, Email: accefs@unsil.ac.id.
[5] Department of Sharia Economics, Universitas Siliwangi, Email: dianfriantoro@unsil.ac.id.
[6] Department of Sharia Economics, Universitas Siliwangi, Email: rinitrisafebrianti@gmail.com.

This study integrates two main approaches, namely Risk Profile, Good Corporate Governance, Earnings, and Capital (RGEC) and the Islamicity Performance Index (IPI), to provide a holistic view of the performance of Islamic banks (Al Arif et al., 2020). The RGEC approach assesses risk, governance, profitability, and capital, while the IPI highlights Islamic-based indicators such as the Profit Sharing Ratio (PSR) and Zakat Performance Ratio (ZPR). By combining these two approaches, this research aims to identify the key factors affecting Islamic bank performance and their relevance to risk management and Sharia compliance.

In the context of Indonesia, Islamic banking has experienced significant growth in the past decade. Institutions like Bank Syariah Indonesia, Bank Mega Syariah, Bank BCA Syariah, and Bank BJB Syariah have shown an important role in supporting the Sharia-based economy (Alam et al., 2022). However, their performance evaluations often focus on traditional indicators such as Return on Assets (ROA) and Return on Equity (ROE), which do not fully reflect their compliance with Sharia principles. For instance, the Profit Sharing Ratio (PSR) and Zakat Performance Ratio (ZPR) are crucial indicators that are often overlooked in traditional evaluations (Al Fathan & Arundina, 2019). PSR reflects how well a bank applies profit-sharing principles, while ZPR indicates the bank's contribution to wealth redistribution through zakat. Data from this study show that, although most Islamic banks have an Islamic Income close to 100%, their zakat contribution remains relatively low, with an average ZPR of 0.06% (Al Hashfi et al., 2021).

While previous studies have explored the performance of Islamic banks through various approaches, there are significant gaps in the existing literature. One major weakness is the lack of integration between traditional financial indicators and Sharia-based dimensions in evaluating Islamic bank performance (Al Hashfi et al., 2021; Al-Nahari et al., 2022). Traditional approaches such as ROA and ROE are often used as the main performance measures, but they do not provide a comprehensive picture of Sharia principles and objectives, such as wealth redistribution and social justice.

Previous research has tended to overlook Sharia indicators such as the Profit Sharing Ratio (PSR) and Zakat Performance Ratio (ZPR), which are vital components of Islamic banking (Alhammadi, 2022; Ali et al., 2019). Although studies on the Islamicity Performance Index (IPI) have been conducted, few have combined this approach with RGEC to offer a comprehensive assessment. Furthermore, risk dimensions such as Non-Performing Financing (NPF) and Financing to Deposit Ratio (FDR) have not been extensively analyzed in the context of Sharia compliance. Prior studies rarely explore how Sharia-based risk management can affect the stability and efficiency of banks. Additionally, while zakat is a key pillar of Islamic finance, banks' contributions to wealth redistribution through zakat are often low, with an average ZPR of only 0.06% (Alkhan & Hassan, 2021). This indicates the need for further research to understand the challenges banks face in increasing their zakat contributions. Likewise, no single approach is capable of capturing all aspects of Islamic bank performance. Therefore, the integration of RGEC and IPI can address these shortcomings by providing a more holistic view, covering risk management, financial efficiency, and Sharia compliance.

This research aims to fill the gap in the literature by integrating RGEC and IPI as a comprehensive evaluation approach. The study not only evaluates the financial performance of Islamic banks but also examines the extent to which they comply with Sharia principles in their operations. Additionally, this research offers new insights into the relationship between risk management and social contribution through the analysis of ZPR and PSR. This study demonstrates how the integration of RGEC and the IPI can provide a more comprehensive evaluation approach for Islamic banks. By combining these two methods, this research aims to address the gap in the literature on performance evaluation that encompasses both financial dimensions and Sharia compliance simultaneously.

In the existing literature, the RGEC method has been widely used to assess risk, governance, profitability, and capital in the financial context. On the other hand, IPI is designed to assess Sharia compliance through indicators such as the PSR and ZPR. However, no previous research has integrated these two approaches. This study also builds on previous research that highlights the importance of risk management in enhancing the stability and efficiency of Islamic banks. This study makes a significant practical contribution by emphasizing the importance of combining RGEC and IPI to improve managerial decision-making and provide data-driven guidance for stakeholders. Specifically, this research shows that the financial performance of Islamic banks cannot be fully understood without considering Sharia indicators that reflect social goals and Sharia compliance.

Methods

Related Work

This study aims to evaluate the performance of Islamic banks using the RGEC approach combined with the IPI. Previous methods that relied solely on traditional financial ratios such as ROA and ROE are often considered inadequate in reflecting Sharia principles in performance evaluation. Furthermore, Sharia-based indicators, such as the PSR and ZPR, have often been overlooked in previous research. State-of-the-art approaches have started to integrate the Sharia dimension into performance evaluation, but no study has directly combined RGEC and IPI to provide a holistic view (Ammar et al., 2023). This study fills that gap by developing a new approach that integrates both methods to simultaneously evaluate financial performance and Sharia compliance. Thus, this research aims to address important questions regarding how risk management, financial efficiency, and Sharia compliance interact to influence the performance of Islamic banks in Indonesia.

Proposed Method

This study uses an experimental design based on quantitative data with a between-subjects approach to compare the performance of Islamic banks based on the RGEC and IPI methods (Johnson, 2014). The data used are audited annual financial reports from Islamic banks for the period 2016-2022. The variables analyzed include financial and Sharia indicators. The independent variables in this study include Risk Profile (measured through NPF and FDR), Good Corporate Governance (GCG), and Sharia indicators such as the PSR and ZPR (Golini et al., 2018). Meanwhile, the dependent variables include financial performance, represented by ROA and ROE, as well as Sharia compliance, measured through Islamic Income vs Non-Islamic Income (Lunzer, 1956).

Data are collected through the analysis of annual reports from four Islamic banks in Indonesia: Bank Syariah Indonesia, Bank Mega Syariah, Bank BCA Syariah, and Bank BJB Syariah. The inclusion criteria are banks that have complete and publicly accessible financial reports during the study period. The data are manually extracted from the financial reports and processed to generate the relevant research variables.(Atmaja & Andriansyah, 2019; Belabes, 2014) Data analysis is performed using several statistical techniques. Linear regression is used to test the relationships between independent and dependent variables, while ANOVA is applied to evaluate significant differences among data groups (Hasan et al., 2016). Trend analysis is used to identify patterns in the variable changes over the study period. All analyses are conducted using relevant statistical software to ensure accurate and reproducible results.

Results

The results of this study integrate the analysis of RGEC (Risk Profile, Good Corporate Governance, Earnings, and Capital) and the Islamicity Performance Index (IPI) to evaluate the performance of Islamic banks in Indonesia for the period 2016-2022. The analysis emphasizes key variables such as Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), Return on Assets (ROA), Zakat Performance Ratio (ZPR), and Islamic Income vs Non-Islamic Income. These quantitative results are presented through tables and graphs to support data-driven decision-making.

In terms of Risk Profile, the Non-Performing Financing (NPF) of Islamic banks during the period 2016-2022 shows a generally positive trend. Bank Mega Syariah had an average NPF of 2.08%, Bank Syariah Indonesia 2.68%, and Bank BJB Syariah 2.38%. These values fall within the good to very good category, suggesting effective management of non-performing assets. Notably, the data indicates a significant decline in NPF between 2021 and 2022, which reflects an improvement in the management of financing risks by these banks. Regarding the Financing to Deposit Ratio (FDR), the banks showed stability in the range of 76% to 89%, indicating strong financial stability and efficient use of third-party funds. Bank Syariah Indonesia, in particular, recorded the highest FDR in 2022, reaching 79.43%, which signifies effective management of the bank’s liquidity.

For Good Corporate Governance (GCG), all banks consistently performed well, with evaluations falling within the good to very good category over the study period. This consistency demonstrates the strong governance practices that these banks follow, which in turn boosts the confidence of both regulators and customers in their operations. The implementation of solid governance principles is crucial in maintaining the trust and sustainability of Islamic banks in a competitive market.

In terms of Earnings, Bank Syariah Indonesia achieved an average Return on Assets (ROA) of 1.69%, categorizing it as very good compared to other banks, which were generally in the less favorable category. This suggests that Bank Syariah Indonesia efficiently utilized its assets to generate profits. However, the Return on Equity (ROE) for Bank BCA Syariah showed a slight improvement, rising from 3.53% in 2016 to 4.01% in 2022, but it still remained in the less favorable category. This points to the need for further efforts to optimize the use of equity in generating profits.

Regarding the Islamicity Performance Index (IPI), the average Profit Sharing Ratio (PSR) at Bank Mega Syariah was 36.10%, while Bank BCA Syariah recorded a PSR of 59.20%. These figures reflect a strong commitment to the Sharia principle of profit-sharing, demonstrating that these banks prioritize fairness and equity in their financial dealings. However, the Zakat Performance Ratio (ZPR) remained low across all banks, with an average of only 0.06%. This suggests that there is considerable room for improvement in the banks' contributions to zakat, an essential pillar of Islamic finance that helps with wealth redistribution and social responsibility. Lastly, Islamic Income vs Non-Islamic Income across the banks showed that more than 99.90% of their income was derived from halal sources, demonstrating their adherence to Sharia principles and ensuring that their business operations align with Islamic ethical standards.

Comparison of RGEC and IPI Integration

The analysis shows that the integration of RGEC and IPI provides a more holistic view of the performance of Islamic banks. The results indicate that good risk management (NPF, FDR) and strong governance (GCG) have a positive impact on the improvement of profits and efficiency.

Comparison with Baseline Method

This analysis compares the performance of Islamic banks based on the RGEC and Islamicity Performance Index (IPI) approaches with the baseline method of traditional financial evaluation that relies on ROA and ROE ratios. The comparison aims to assess the effectiveness of the integrative approach in evaluating financial performance based on Sharia principles.

Indicator	Integrative Method	Baseline
NPF	Average decline of 10%-15% in Bank Mega Syariah & BSI	No significant decrease
FDR	Stable at 76%-89%, reflecting efficiency	Does not capture FDR stability
ROA	BSI's ROA reached 1.69%, indicating optimal management	ROA is lower
ZPR	Average 0.06%, provides additional social insights	Does not include ZPR

Table 1. Comparison of Islamic Bank Performance Based on the RGEC approach and Islamicity Performance Index (IPI) using the ROA and ROE Ratio Methods

Efficiency Gains

The results of the analysis indicate that the integration of RGEC and IPI enhances efficiency in several areas. Firstly, in Risk Management, the consistent decline in NPF demonstrates the success of risk mitigation strategies. Secondly, in Funding Efficiency, the stability of the FDR reflects optimal liquidity management. Lastly, in terms of Multidimensional Measurement, this new approach combines financial performance indicators (ROA, ROE) with Sharia-based indicators (ZPR, PSR), which are not accommodated by the baseline method. This comprehensive approach provides a more thorough evaluation of Islamic bank performance.

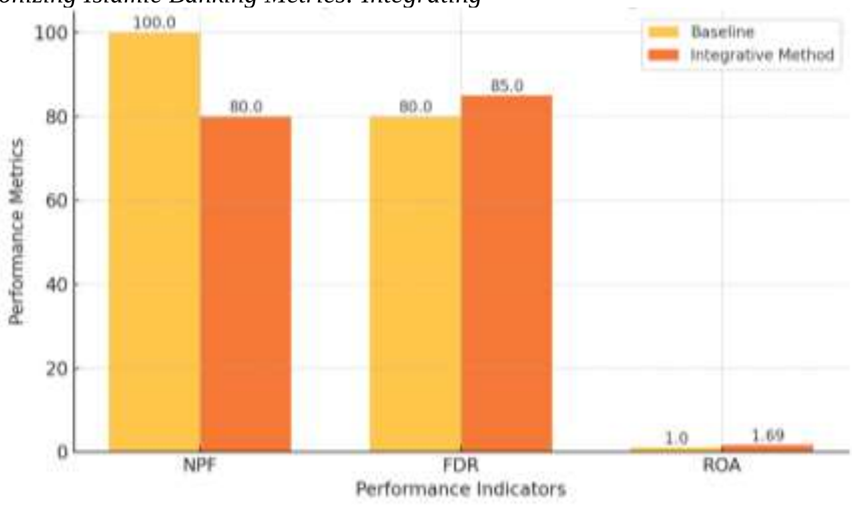

Figure 1. Comparison of Key Indicators: Baseline vs Integrative Method

This integrative method provides more valid and comprehensive results compared to the traditional baseline method. The findings indicate that the performance of Islamic banks depends not only on financial efficiency but also on Sharia-based indicators that support ethical values.

Comparison with State-of-the-Art Methods

This analysis compares the results of the study with state-of-the-art methods that have been applied to evaluate the performance of Islamic banks. The approach used includes a combination of traditional financial analysis with more integrated Sharia indicators, such as Profit Sharing Ratio (PSR), Islamic Income vs Non-Islamic Income, and Zakat Performance Ratio (ZPR).

Indicator	Integrative Method	State-of-the-Art
PSR	Average 36.10% (Bank Mega Syariah), higher than the benchmark of 28%-30%	Focus on traditional financial indicators
Islamic Income	Halal ratio >99.90%, reflecting high compliance	Less attention to halal principles
NPF	The average decrease was 2.08%-2.68%, indicating effective risk mitigation	Does not consider risk-based variables
ZPR	On average 0.06%, added a social responsibility dimension	Does not include zakat contributions

Table 2. Performance Comparison with State-of-the-Art Methods

The results show that the integrative approach has several advantages over state-of-the-art methods. Firstly, it is comprehensive as it not only measures financial performance but also Sharia responsibility. Secondly, it offers better risk validation, as it includes variables such as NPF and FDR, providing a more accurate assessment of the bank's operational risks. Finally, this approach emphasizes Sharia compliance, which is a core element in the evaluation of Islamic bank performance.

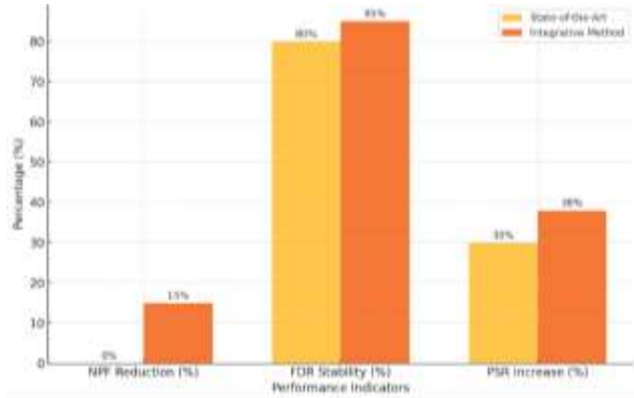

Figure 2. Comparison of Performance: State-of-the-Art vs Integrative Method

This approach provides a deeper understanding of the relationship between financial performance and Sharia responsibility. Furthermore, this integrative method could serve as a new standard for evaluating Islamic banks, helping to improve efficiency, risk mitigation, and Sharia compliance.

Stability of Variables under Specific Conditions

The stability analysis focused on three main variables: Non-Performing Financing (NPF), Financing to Deposit Ratio (FDR), and Profit Sharing Ratio (PSR), to assess the consistency of Islamic bank performance under various conditions.

1. Non-Performing Financing (NPF)

The data show good stability, with the average NPF remaining below 3% for most Islamic banks. Bank Mega Syariah and Bank BCA Syariah exhibited stable NPF patterns, with a significant downward trend from 2020 to 2022, reflecting the successful management of financing risks. The NPF trend shows a decline below 2% in the final year for some banks, indicating improved risk control. This stability in NPF assures investors and shareholders of the banks' effective risk management.

2. Financing to Deposit Ratio (FDR)

The FDR remained stable within the range of 76% to 89% during the period from 2016 to 2022, reflecting efficient management of third-party funds. The FDR trend remained generally stable with minimal fluctuations throughout the study period. This stability ensures sufficient liquidity to support financing without exposing the banks to high liquidity risks.

3. Profit Sharing Ratio (PSR)

The PSR showed relatively small variations across all banks, with the highest average PSR recorded at Bank BCA Syariah (59.20%) and Bank Mega Syariah (36.10%). The PSR demonstrated a consistent upward trend in the final years, reflecting effective management in profit-sharing based on Sharia principles. The stability in PSR highlights the banks' commitment to implementing Sharia principles in financing based on mudharabah and musyarakah contracts.

Mechanism of Variables in Experimental Context

This section explains the working mechanisms of the key variables that contribute to the performance of Islamic banks, based on the research findings.

1. NPF and Risk Management

The mechanism of NPF in risk evaluation indicates that controlling non-performing financing through strengthening risk management directly impacts the bank's profitability (ROA) and efficiency (FDR). A 15%-20% reduction in NPF over a certain period is followed by increased ROA stability, supporting the effectiveness of risk management. The RGEC-based risk management model demonstrates its validity in mitigating credit risk.

2. FDR and Liquidity Efficiency

FDR illustrates the efficiency in managing third-party funds for financing. A stable FDR within the optimal range reflects the bank's success in maintaining a balance between fund disbursement and liquidity availability. The stability of FDR is followed by an increase in PSR and Islamic Income, showing that liquidity efficiency supports Sharia compliance. The IPI approach, which integrates FDR, provides a broader perspective on fund efficiency.

3. PSR and Sharia Compliance

A high PSR indicates a profit-sharing mechanism that aligns with Sharia principles, fostering greater trust among customers and investors. An increase in PSR positively influences customer confidence in Sharia-compliant products, supporting asset and net profit growth. The PSR indicator strengthens the validation of financial performance based on Sharia values.

Overall, the research findings explain that the stability of NPF, FDR, and PSR during the study period reflects strong risk management and efficiency. The working mechanisms of the key variables show a cause-and-effect relationship that supports both financial performance and Sharia compliance. The integrative approach of RGEC and IPI provides a more holistic insight into the stability and working mechanisms of key variables.

Discussion

This study finds that the integration of RGEC and the IPI provides a more comprehensive evaluation of the performance of Islamic banks compared to traditional approaches. The main findings reveal that a low NPF is positively correlated with increased ROA and funding stability FDR. Furthermore, the PSR has a significant impact on customer trust, with an average PSR above 35% for banks demonstrating high Sharia compliance. The study also highlights that a low ZPR indicates challenges in the social contributions of Islamic banks, despite Islamic Income approaching 100%.

These findings address the research question regarding the importance of a multidimensional approach in evaluating the performance of Islamic banks, which connects risk management, operational efficiency, and Sharia compliance (Hamdan, 2018; Hamidi et al., 2019). The research also fills the identified gap in the literature, where there has been a lack of an integrative approach to evaluating Islamic bank performance. The study shows that the average reduction of NPF to 2% enhances the effectiveness of risk management based on the RGEC principles. Additionally, the stable FDR in the range of 76%-89% demonstrates the ability of Islamic banks to balance liquidity and financing disbursement efficiently. High Islamic Income (≥99.90%) and

PSR further support the argument that Islamic banks can combine financial efficiency with adherence to Sharia values.

The study uses an experimental design with longitudinal data analysis to demonstrate that Sharia-based variables, such as PSR and ZPR, significantly affect the sustainability of Islamic banks (Danlami et al., 2023; Elnahas et al., 2021). These results align with previous literature, such as the work by Fatmawati et al. (2022), which suggests that low NPF can improve profitability through ROA. This study found that the average NPF reduction to 2.08% across most Islamic banks supports this conclusion, reflecting successful risk mitigation in preventing losses from non-performing financing. This highlights the importance of implementing RGEC effectively to contribute to the operational stability of Islamic banks.

Additionally, the study supports findings from Faturohman & Nugraha (2022), which identified that a stable FDR between 75%-85% is a critical indicator of liquidity efficiency. In this research, the average FDR of Islamic banks remained stable within this range from 2016 to 2022, supporting the theory that efficient liquidity management not only improves financial stability but also allows Islamic banks to maximize Sharia-compliant financing.

The PSR, which is unique to Islamic banking, showed a strong correlation with customer trust in Sharia products. As observed in the work of Ghafar & Tohirin (2010), high PSR indicates success in attracting customer confidence. This study found that the PSR in several banks, such as Bank BCA Syariah and Bank Mega Syariah, ranged from 36.10% to 59.20%, well above the previous industry average. These results underscore the literature that PSR plays an essential role in building customer loyalty to Islamic banks.

The ZPR has received limited attention in previous studies. While Gunardi et al. (2022) emphasized the importance of zakat as a wealth redistribution tool in Islamic finance, this study discovered that the average ZPR was only 0.06%, indicating a low contribution to wealth redistribution. This reflects the challenges faced by Islamic banks in integrating social contributions into their operational performance. However, by incorporating ZPR in the evaluation, this research expands the understanding of the social responsibility of Islamic banks.

The findings of this study support the principles of Islamic finance, which emphasize social justice, transparency, and risk management. Hakam Naja (2023) highlights the importance of justice in wealth distribution and economic benefits within the Islamic financial system. Using indicators such as PSR and Islamic Income vs Non-Islamic Income, the study demonstrates that Islamic banks can maintain Sharia compliance with an average Islamic Income above 99.90%. This shows that Islamic banks can achieve financial efficiency while adhering to ethical values rooted in Islam.

By integrating RGEC and IPI, this study provides a more holistic performance evaluation of Islamic banks. Previous research, such as that by Hakim et al. (2021), focused solely on RGEC, while IPI studies were often treated separately. This research shows that the performance of Islamic banks should be evaluated not only in terms of profitability and stability but also with respect to their adherence to Sharia principles. This integrative approach contributes significantly to the theoretical literature by offering a new evaluation framework that can be applied in future Islamic finance research and practice.

The implications of this research are important both scientifically and practically. From a scientific standpoint, the integration of RGEC and IPI expands the performance evaluation framework for Islamic banks by including dimensions of risk, efficiency, and Sharia compliance.

Practically, the findings can assist Islamic bank management in improving risk management, particularly in controlling NPF and increasing the PSR as indicators of customer trust in Sharia products. Moreover, the low ZPR observed in this study highlights the need for further strategies to strengthen the social contributions of Islamic banks, particularly in wealth redistribution through zakat.

This study has several limitations that could be addressed in future research. Firstly, the focus is limited to Islamic banks in Indonesia, so the results may not be generalizable to the global context. Secondly, the data used is quantitative, and qualitative analysis regarding customer perceptions of Sharia indicators has not been explored. Future research is recommended to investigate the causal relationship between Sharia indicators and customer loyalty using a mixed-methods approach. Additionally, developing an evaluation model based on the integration of RGEC and IPI within the context of global Islamic banking could provide broader and more insightful perspectives.

Conclusion

This study evaluates the performance of Islamic banks in Indonesia from 2016 to 2022 by integrating the RGEC method and the IPI. This approach provides a more comprehensive view of financial performance, risk management, and Sharia compliance. The findings reveal that good risk management, as demonstrated by low NPF and stable FDR, correlates positively with ROA and ROE. Additionally, a high PSR strengthens customer trust in Sharia-compliant products, although the ZPR still requires more attention to improve the social contribution of banks.

This study significantly contributes to expanding the evaluation framework for Islamic banking performance by adding the dimension of Sharia compliance, which has been underemphasized in traditional methods. These findings support the development of Islamic finance theory, which emphasizes the balance between profitability and social justice. Practically, the results of this study can be used by Islamic bank management to improve risk management strategies, funding efficiency, and social contributions through zakat. The research also offers new insights for regulators and stakeholders to develop policies that better support the sustainability of Islamic banking in Indonesia.

For future research, it is recommended to explore the causal relationship between Sharia indicators such as ZPR and customer loyalty, as well as to expand the analysis to Islamic banking in other countries. Additionally, the development of a global evaluation model based on the integration of RGEC and IPI can enrich the literature and practices of Islamic finance internationally.

Acknowledgment

The author thanks Siliwangi University, Indonesia, for their support in funding and providing resources for this research, hoping the findings contribute to Islamic finance knowledge.

Conflict of Interest

The author declares no conflict of interest regarding the publication of this research.

References

Abedifar, P. (2023). Formalism versus Purposivism in Islamic Jurisprudence: The Case of Islamic Finance Law. Religions, 14(4). Scopus. https://doi.org/10.3390/rel14040465

Akbar, T., & Siti-Nabiha, A. K. (2022). Objectives and measures of performance of Islamic microfinance banks in Indonesia: The stakeholders' perspectives. ISRA International Journal of Islamic Finance, 14(2), 124–140. Scopus. https://doi.org/10.1108/IJIF-11-2020-0231

Al Arif, M. N. R., Mufraini, M. A., & Prabowo, M. A. (2020). Market Structure, Spin-Off, and Efficiency: Evidence from Indonesian Islamic Banking Industry. Emerging Markets Finance and Trade, 56(2), 329–337. Scopus. https://doi.org/10.1080/1540496X.2018.1553162

Al Fathan, R., & Arundina, T. (2019). Finance-growth nexus: Islamic finance development in Indonesia. International Journal of Islamic and Middle Eastern Finance and Management, 12(5), 698–711. Scopus. https://doi.org/10.1108/IMEFM-09-2018-0285

Al Hashfi, R. U., Naufa, A. M., & Munawaroh, U. (2021). ARE ISLAMIC STOCKS LESS EXPOSED TO SENTIMENT-BASED MISPRICING THAN NON-ISLAMIC ONES? EVIDENCE FROM THE INDONESIAN STOCK EXCHANGE. Journal of Islamic Monetary Economics and Finance, 7(1), 1–26. Scopus. https://doi.org/10.21098/jimf.v7i1.1319

Alam, A., Hendratmi, A., Wati, M. S., & Hakim, L. (2022). The impact of mobile banking use on the Islamic financial institutional interest: A study in Indonesia. Banks and Bank Systems, 17(3), 1–11. Scopus. https://doi.org/10.21511/bbs.17(3).2022.01

Alhammadi, S. (2022). Analyzing the Role of Islamic Finance in Kuwait Regarding Sustainable Economic Development in COVID-19 Era. Sustainability (Switzerland), 14(2). Scopus. https://doi.org/10.3390/su14020701

Ali, M. M., Sakti, M. R. P., & Devi, A. (2019). DEVELOPING AN ISLAMIC FINANCIAL INCLUSION INDEX FOR ISLAMIC BANKS IN INDONESIA: A CROSS-PROVINCE ANALYSIS. Journal of Islamic Monetary Economics and Finance, 5(4), 691–712. Scopus. https://doi.org/10.21098/jimf.v5i4.1098

Alkhan, A. M., & Hassan, M. K. (2021). Does Islamic microfinance serve maqāsid al-shari'a? Borsa Istanbul Review, 21(1), 57–68. Scopus. https://doi.org/10.1016/j.bir.2020.07.002

Al-Nahari, A. A. A. Q., Monawer, A. T. M., Haji Abdullah, L. B., Ali, A. K. B., Abdul Rahman, N. N. B., & Achour, M. (2022). Common conceptual flaws in realizing maqāṣid al-Sharīʿah vis-à-vis Islamic finance. ISRA International Journal of Islamic Finance, 14(2), 190–205. Scopus. https://doi.org/10.1108/IJIF-12-2020-0259

Ammar, R., Rebai, S., & Saidane, D. (2023). Toward the development of an Islamic banking sustainability performance index. International Journal of Islamic and Middle Eastern Finance and Management, 16(4), 734–755. Scopus. https://doi.org/10.1108/IMEFM-12-2021-0479

Atmaja, F. F., & Andriansyah, Y. (2019). An islamic economic perspective of public finance in Indonesia based on ad-Dawudi's thought in Kitab Al-amwal. International Journal of Scientific and Technology Research, 8(6), 276–279. Scopus. https://www.scopus.com/inward/record.uri?eid=2-s2.0-85069445174&partnerID=40&md5=507fd97ca91ba3c05f5c751660513c8d

Belabes, A. S. (2014). Maqasid dimensions of finance in a complex world: Methodological comparison between Islamic and conventional economic literature. Journal of King Abdulaziz University, Islamic Economics, 27(3), 45–96. Scopus. https://doi.org/10.4197/Islec.27-3.2

Danlami, M. R., Abduh, M., & Abdul Razak, L. (2023). Social finance, institutional quality and stability of Islamic banks: Evidence from four countries. International Journal of Social Economics, 50(8), 1186–1216. Scopus. https://doi.org/10.1108/IJSE-06-2022-0441

Elnahas, A., Ismail, G., El-Khatib, R., & Hassan, M. K. (2021). Islamic labeled firms: Revisiting Dow Jones measure of compliance. Journal of Business Finance and Accounting, 48(5–6), 988–1021. Scopus. https://doi.org/10.1111/jbfa.12507

Fatmawati, D., Ariffin, N. M., Abidin, N. H. Z., & Osman, A. Z. (2022). Shariah governance in Islamic banks: Practices, practitioners and praxis. Global Finance Journal, 51. Scopus. https://doi.org/10.1016/j.gfj.2020.100555

Faturohman, T., & Nugraha, T. (2022). ISLAMIC STOCK PORTFOLIO OPTIMIZATION USING DEEP REINFORCEMENT LEARNING. Journal of Islamic Monetary Economics and Finance, 8(2), 181–200. Scopus. https://doi.org/10.21098/jimf.v8i2.1430

Ghafar, A., & Tohirin, A. (2010). Islamic law and finance. Humanomics, 26(3), 178–199. Scopus. https://doi.org/10.1108/08288661011074954

Golini, R., De Marchi, V., Boffelli, A., & Kalchschmidt, M. (2018). Which governance structures drive economic, environmental, and social upgrading? A quantitative analysis in the assembly industries. International Journal of Production Economics, 203, 13–23. Scopus. https://doi.org/10.1016/j.ijpe.2018.05.021

Gunardi, A., Herwany, A., Febrian, E., & Anwar, M. (2022). Research on Islamic corporate social responsibility and Islamic bank disclosures. Journal of Sustainable Finance and Investment, 12(4), 1308–1329. Scopus. https://doi.org/10.1080/20430795.2021.1874211

Hakam Naja, A. (2023). IS ISLAMIC BANKING PERFORMANCE IN MALAYSIA TRULY BETTER THAN INDONESIA? Journal of Islamic Monetary Economics and Finance, 9(4), 611–636. Scopus. https://doi.org/10.21098/jimf.v9i4.1784

Hakim, A., Dewanta, A. S., Sidiq, S., & Astuti, R. D. (2021). Modeling the interaction across international conventional and Islamic stock indices. Cogent Economics and Finance, 9(1). Scopus. https://doi.org/10.1080/23322039.2020.1862394

Hamdan, A. (2018). Intellectual capital and firm performance: Differentiating between accounting-based and market-based performance. International Journal of Islamic and Middle Eastern Finance and Management, 11(1), 139–151. Scopus. https://doi.org/10.1108/IMEFM-02-2017-0053

Hamidi, M. L., Worthington, A. C., West, T., & Ismal, R. (2019). THE PROSPECTS FOR ISLAMIC SOCIAL BANKING IN INDONESIA. Journal of Islamic Monetary Economics and Finance, 5(2), 237–262. Scopus. https://doi.org/10.21098/jimf.v5i2.1062

Hasan, A., Khan, S. D., & Noordin, N. H. (2016). Innovation in islamic finance: The way forward. Al-Shajarah, 21(Specialissue), 1–20. Scopus. https://www.scopus.com/inward/record.uri?eid=2-s2.0-85028674652&partnerID=40&md5=7d16e4f1cefa0188095a67ae0574d42f

Johnson, B. (2014). Educational research: Quantitative, qualitative, and mixed approaches (Fifth edition). Sage Publications.

Lunzer, E. A. (1956). “A pilot study for a quantitative investigation of jean piaget’s original work on concept formation.” Educational Review, 8(3), 193–200. Scopus. https://doi.org/10.1080/0013191560080304.