

Analysis of Islamic performance index on Sharia business unit in Indonesia towards sustainable development

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ABSTRACT

The purpose of this study is to assess the Sharia business unit by using the Islamic Performance Index method towards sustainable development. It is to be able to determine the development of Islamic Performance Index value and determine whether prioritize business or social goals. The population and sample in this study is 22 units of sharia business during the period 2012-2016. Research variables are Profit Sharing Ratio, Zakat Performance Ratio, Equitable Distribution Ratio, Directors-Employee Welfare Ratio, and Islamic Income vs. Non-Islamic Income. The results of this study show that Islamic Performance Index average value tends to increase. This indicates show that Islamic Performance Index Sharia business unit well. The sharia business unit in Indonesia more prioritizes its business performance than its social performance. This is reflected from the results of business performance calculations, especially on the profit sharing ratio that the sharia business unit in Indonesia has applied for the results in accordance with Islamic principles and while the social performance is still less satisfactory in the expenditure of zakat and still high average comparison of the average director's salary for the welfare of employees

Key words: Islamic performance index, Performance, Sharia business units

Introduction

The expansion of sharia-based business units in In-

onesia shows rapid growth that poses a major challenge for sharia banking, which is how to increase trust from stakeholders. Sharia business unit

stakeholders' expectations are different from those of conventional banks. This is because the sharia business unit is built on the basic principles of Islamic economics. Therefore, a tool is needed to evaluate and measure the performance of sharia business units so that differences in liability between sharia and conventional business units become clear (Ibrahim et al. 2004) has developed an index called the Islamic Performance Index. The indicators which are measured by them are Profit Sharing Ratio, Zakat Performance Ratio, Equitable Distribution Ratio, Directors - Employees Welfare Ratio and Islamic Income vs. Non-Islamic Income. The Islamic Performance Index is a method that can evaluate the performance of sharia based business units covering finance and principles of justice such as "halal" (legitimacy) and "tazkiyah" (sanctification). There are five financial ratios which are measured from the Islamic Performance Index, namely profit sharing, zakat performance ratio, equity ratio, employee directors' welfare ratio, and non-sharia income.

Profit Sharing Ratio (PSR) is to identify profit sharing which is the form of how far the sharia bank has succeeded in achieving the goal of their existence. Zakat Performance Ratio (ZPR) to replace the conventional performance indicators of earnings per share (Earning Per Share). Equitable Distribution Ratio (EDR) to ensure equitable distribution among all parties. Ibrahim et al. (2004) proposed assessing the amounts distributed (to the social community, employees, investors, and companies) divided by total zakat and tax-deductible income. Directors - Employees welfare ratio to gauge whether directors get excessive salaries compared to employees, as director remuneration is an important issue. Islamic income vs Non-Islamic Income for the separation used for revenues so that Islamic Banks should only receive revenues from halal sources. This ratio measures revenue derived from halal sources.

This is the reason for the need to measure the ratio of Islamic Performance Index in assessing the performance of sharia business unit. As a financial institution, profit becomes one of the bases in measuring the success of banks managing their funds (Ibrahim et al., 2004). Based on the above description, the measurement of the performance of sharia business units is considered important because of the growing awareness of the Muslim community to assess how far the sharia banks have successfully

achieved their objectives.

This study aims to assess the unit of sharia business by using Islamic Performance Index method where the bank is a unit of sharia business from conventional banks which of course have limitations in the operation of sharia system and this study also determines the development of Islamic Performance Index for the period 2012-2016. In addition, this study assesses the priority of business or social purposes in the business unit of sharia towards sustainable development.

Literature Review

Several previous studies have investigated the financial performance of banks using ROA and ROE ratios which includes Berger and Bonaccorsi (2006); Mashharawi and Al-Zu'bi (2009); Davydenko (2010); Hoffmann (2011); Sufian and Habibullah (2012). Some previous studies also investigated compare between sharia performance with conventional banks such as Samad (1999, 2004); Widagdo and Ika (2007); Mudiarsan et al. (2010); Jaffar and Manarvi (2011); Zeitun (2012) and Babatunde and Olaitan (2013). Meanwhile, research specializing in sharia banking as stipulated by Ibrahim et al. (2004).

Some research on the measurement of sharia bank performance using sharia principles is done by Aisjah and Hadianto (2013) who also examines the performance of Islamic banking in Indonesia by using the Islamic Performance Index approach. The results show good results in sharia compliance but in terms of profitability show different results. Further research was conducted. Babatunde and Olaitan (2013) who examines the performance of sharia banking in Indonesia by using the Islamic Performance Index approach has met the standards set by Bank Indonesia.

Merchant (2012) conducted research on the performance of Islamic Banks in Malaysia, Bahrain, Kuwait, and Jordan using Sharia Conformity and Profitability. The results of this study conclude that the majority of Islamic Banks in Malaysia, Bahrain, Kuwait, and Jordan have high profitability and the level of adherence to sharia is good.

Research conducted by Ibrahim et al. (2004) proves that Bank Syariah Mandiri is better than Bank Muamalat Indonesia in terms of compliance and social awareness. In general, the performance of Bank Muamalat Indonesia and Bank Syariah Mandiri as an Islamic institution is less satisfactory. Zeitun (2012) Research discloses the index of appli-

cation of Sharia principles in the performance of sharia banking in Indonesia. The index consists of Islamic Disclosure Index and Islamicity Performance Index. The results showed that the performance of Islamic banking in Indonesia is good enough. However, there are two unsatisfactory ratios, namely the zakat performance ratio and the employee-employee welfare ratio. This shows that the zakat paid by Islamic banks in Indonesia is still low and there is still a big gap between directors and employee welfare. The sharia-based business management have been also submitted as related to the concept of sustainable development.

The concept of sustainable development

The concept of sustainable development has been defined by the World Commission on Environment and Development as 'development that meets the needs of the present generation without compromising the ability of the future generations to meet their own needs.' The above-said concept covers two essential scopes, i.e. environment and social aspects. This concept of sustainable development has been highlighted in the 1992 United Nations Conference on Sustainable Development in Rio de Janeiro, as the results, Agenda 21 and Rio Declaration has been established. According to Sands (1995, 2003), Agenda 21 emphasises the following matters, which include sustainable human settlement, population, consumption pattern, poverty and human health. On the other hand, Mensah (1996) stated that the Rio Declaration addresses on mankind entitlements and rights, which include health and productive life.

Basically this concept of sustainable development has been an element in the international legal framework since early as 1893. According to the case of United States of America v Great Britain [1893] 1 Moore's Int. Arb. Awards 755, well known as Pacific Fur Seals Arbitration, where in this case the United States of America has stated that a right to make sure the appropriate and lawful use of seals and to protect them, for the benefit of human beings, from meaningless destruction (Razman and Azlan, 2009; Razman *et al.*, 2009c; Razman *et al.*, 2010c; Emrizal and Razman, 2010).

Sands (1995) indicated that this concept of sustainable development is perhaps the greatest contemporary expression of environmental policy, commanding support and presented as a fundamental at the Rio Summit, Rio Declaration on Envi-

ronment and Development in year 1992 (Razman *et al.*, 2009a; Razman *et al.*, 2010a; Sulaiman and Razman, 2010; Razman *et al.*, 2011; Zainal *et al.*, 2011).

According to Article 33 of the Lome' Convention 1989 states that 'in the framework of this Convention, the protection and the enhancement of the environment and natural resources, the halting of deterioration of land and forests, the restoration of ecological balances, the preservation of natural resources and their rational exploitation are basic objectives that the African-Caribbean-Pacific (ACP) states concerned shall strive to achieve with Community support with a view to bring an immediate improvement in the living conditions of their populations and to safeguarding those of future generations (Razman *et al.*, 2009b; Razman *et al.*, 2010b; Sulaiman and Razman, 2010; Razman *et al.*, 2012; Zainal *et al.*, 2012), which include sharia-based business management aspects by promoting the precautionary principle to the area of business management and sustainability.

Research Design

Population and sample in this research is 22 unit of sharia business in Indonesia during period of 2012 until 2016. Data analysis in this research use descriptive qualitative method to explain quantitative data that have been obtained. The formula calculation Sharia Performance Index as follows:

Data analysis and Discussion

Profit Sharing Ratio

This ratio is used to show how far the Sharia business unit can share its profit to investors by comparing mudharabah and musyarakah with the amount of financing in the syariah business unit. For the results calculated in the Islamicity Performance Index to see how big the amount of financing through mudharabah and musyarakah unit of sharia business in an effort to carry out the principle as the main principle of sharia business unit.

Based on the above table shows that the percentage of Profit Sharing Ratio in sharia business unit experienced experiencing fluctuating value. This indicates that the sharia business unit has not been able to find good position stability in dividing the profit earned by the proportion of each investor based on profit and loss borne together.

Variable	Formula
Profit Sharing Ratio	$\frac{\text{mudharabah} + \text{musyarakah}}{\text{total financing}}$
Zakat Performance Ratio	$\frac{\text{zakat}}{\text{net asset}}$
Equitable Distribution Ratio	<ol style="list-style-type: none"> 1. Qardh and donation $\frac{\text{Qardh}}{\text{revenue} - (\text{zakat} + \text{tax})}$ 2. Employees expense $\frac{\text{labour cost}}{\text{revenue} - (\text{zakat} + \text{tax})}$ 3. Shareholders $\frac{\text{dividen}}{\text{revenue} - (\text{zakat} + \text{tax})}$ 4. Net profit $\frac{\text{net income}}{\text{revenue} - (\text{zakat} + \text{tax})}$
Directors-Employee Welfare Ratio	$\frac{\text{average salary of the director}}{\text{average employee benefits remain}}$
Islamic Income vs Non-Islamic Income	$\frac{\text{halal income}}{\text{halal income} + \text{non halal income}}$

Based on the average obtained, the highest profit sharing ratio was in 2016 at 58.57% and the lowest value in 2012 was 29.16%. The value of mudharabah and musharaka compared to total financing also experienced fluctuating value. The total value of fluctuating financing can result from a decrease in the amount of funds from third parties and the

value of the profit-sharing ratio that is not appropriate so that it is less attractive to the funding enthusiast.

Zakat Performance Ratio

Sharia unit performance should be based on zakat payments by banks to replace conventional perfor-

Table 1. Value of Profit Sharing Ratio (%) Sharia Business Unit

No	Sharia Business Units	2012	2013	2014	2015	2016
1	PT Bank Danamon	12.52	45.02	12.84	26.95	42.52
2	PT Bank Permata	13.80	39.473	88.08	19.53	102.17
3	PT BII (Maybank)	24.95	14.77	20.93	65.42	63.66
4	PT Bank CIMB Niaga	44.77	41.94	42.37	92.74	26.81
5	PT Bank OCBC NISP	38.97	17.65	43.09	54.71	63.32
6	PT Bank Sinarmas	50.849	12.93	76.73	98.89	63.33
7	PT Bank Tabungan Negara	17.994	16.02	23.36	19.43	89.10
8	PT BPD DKI	46.911	55.43	44.09	89.92	105.96
9	PT BPD DIY	10.08	32.55	56.24	18.05	108.21
10	PT BPD Jawa Tengah	21.28	18.42	11.32	16.58	91.02
11	PT BPD Jawa Timur, Tbk	38.41	74.72	78.10	16.85	59.31
12	PT Bank Aceh	64.32	23.65	45.68	76.25	23.16
13	PT BPD Sumatera Utara	31.20	24.03	97.28	22.61	93.48
14	PT BPD Jambi	42.81	60.40	28.93	11.62	12.81
15	PT BPD Sumatera Barat	44.95	20.09	10.86	59.35	47.83
16	PT BPD Riau and Kepri	8.10	24.10	21.72	21.98	7.88
17	PT BPD Sumsel and Babel	13.63	91.35	17.43	17.91	11.82
18	PT BPD Kalimantan Sel	19.85	91.74	16.68	22.55	22.79
19	PT BPD Kalimantan Barat	28.04	14.57	24.13	12.82	93.49
20	PD BPD Kalimantan Timur	39.180	19.67	66.57	12.04	69.79
21	PT BPD Sulsel and Sulber	15.157	14.88	12.83	11.31	38.85
22	PT BPD NTB	13.805	22.52	77.88	33.17	51.12
	Average	29.16	35.27	41.69	37.30	58.57

mance indicators, namely earning per share. Associated with Zakat Performance Ratio, the performance of zakat can be measured from how large the unit of Islamic business to distribute zakat and net assets.

Zakat performance ratio is at the highest position in 2013 which is 33.91%, while the lowest position is in 2012 which is 25.2%. Management of net assets owned by sharia business unit to be allocated in zakat also experience value tends to fluctuate tends to decrease. This shows that Islamic banks not only run their business activities, but also run social activities, namely to channel the zakat to the right to receive it.

Equitable Distribution Ratio

Commercial distribution and following market mechanism and distribution system based on social justice aspect. Commercial distribution system and follow market mechanism and distribution system which relies on society social justice aspect. The first distribution system, commercial, takes place through economic processes. The second system, a system of social dimension, is distributing income to persons who are not able to engage in economic processes in the form of zakat, donation, and alms.

This indicator essentially describes the performance of the distribution of income earned by sharia banks to its stakeholders. The intended stakeholders are the recipients of qardh, bank employees, shareholders, and the bank itself.

a) Qardh and Donation

The following is a table to explain the donation of the sharia business unit to the deducted revenue from zakat and tax.

Based on the above table, the lowest qardh value occurred in 2012 of 1.04% while the highest value in 2013 was 5.19%. Qardh is a money loan. A qardh loan is usually given by the bank to its customer as a bailout facility when the customer is overdraft. This facility can be part of another financing package, to facilitate the transaction customers. Based on the above table shows that the increase in income does not guarantee that the value of qardh recipients is increasing. This can be seen from the value of qardh recipients that are increasingly fluctuating in every sharia business unit.

(b) Bank Employees

The following is a table to explain the allocation of funds for bank employees of the Sharia business

Table 2. Value Zakat Performance Ratio (%) Sharia Business Unit

No	Sharia Business Units	2012	2013	2014	2015	2016
1	PT Bank Danamon	10.67	9.41	4.71	29.63	14.74
2	PT Bank Permata	37.14	27.89	17.07	50.55	49.92
3	PT BII (Maybank)	40.45	46.16	20.69	13.29	5.75
4	PT Bank CIMB Niaga	17.66	18.68	18.62	13.71	31.21
5	PT Bank OCBC NISP	10.53	54.38	67.96	14.21	73.30
6	PT Bank Sinarmas	15.48	21.06	21.06	18.73	8.70
7	PT Bank Tabungan Negara	17.74	20.35	29.24	22.45	18.91
8	PT BPD DKI	48.97	15.94	12.73	30.53	12.99
9	PT BPD DIY	89.04	39.92	17.43	64.85	51.83
10	PT BPD Jawa Tengah	10.00	18.46	19.11	23.64	11.43
11	PT BPD Jawa Timur, Tbk	20.92	50.10	43.07	16.53	44.53
12	PT Bank Aceh	17.00	35.37	47.44	15.19	12.29
13	PT BPD Sumatera Utara	23.48	67.46	54.78	35.08	11.22
14	PT BPD Jambi	9.92	16.27	26.18	10.78	10.81
15	PT BPD Sumatera Barat	16.37	38.06	11.63	15.35	45.00
16	PT BPD Riau and Kepri	11.23	7.54	14.50	14.23	29.51
17	PT BPD Sumsel and Babel	12.87	16.81	12.70	7.75	6.57
18	PT BPD Kalimantan Sel	52.79	22.60	15.34	22.82	45.87
19	PT BPD Kalimantan Barat	23.82	72.15	66.33	22.99	17.90
20	PD BPD Kalimantan Timur	37.04	36.65	64.79	47.59	18.83
21	PT BPD Sulsel and Sulber	14.44	18.70	32.28	81.11	30.40
22	PT BPD NTB	23.83	92.03	28.62	55.30	42.32
	Average	25.52	33.91	29.38	28.47	27.00

Table 3. Value of Qardh and donation (%) Sharia Business Unit

No	Sharia Business Units	2012	2013	2014	2015	2016
1	PT Bank Danamon	10.56	7.07	4.15	3.67	3.37
2	PT Bank Permata	2.62	0.997	0.05	(0.04)	(0.21)
3	PT BII (Maybank)	9.07	24.75	4.13	3.19	1.14
4	PT Bank CIMB Niaga	1.79	1.30	0.84	0.13	0.00
5	PT Bank OCBC NISP	3.69	7.52	0.63	0.45	0.09
6	PT Bank Sinarmas	8.89	14.62	9.61	9.13	0.14
7	PT Bank Tabungan Negara	8.13	14.59	8.70	13.44	0.10
8	PT BPD DKI	(45.72)	(3.20)	(0.04)	0.09	0.46
9	PT BPD DIY	2.61	(2.13)	(0.45)	(2.94)	(0.41)
10	PT BPD Jawa Tengah	9.55	0.87	0.13	0.22	1.13
11	PT BPD Jawa Timur, Tbk	3.57	3.50	3.56	4.74	(1.02)
12	PT Bank Aceh	5.76	9.83	9.96	16.54	0.37
13	PT BPD Sumatera Utara	(21.08)	6.60	8.07	5.33	0.00
14	PT BPD Jambi	1.96	1.62	1.65	1.59	0.01
15	PT BPD Sumatera Barat	2.09	1.10	1.66	4.62	0.12
16	PT BPD Riau and Kepri	5.15	3.36	(9.70)	3.05	2.70
17	PT BPD Sumsel and Babel	5.98	9.56	12.21	18.83	1.62
18	PT BPD Kalimantan Sel	1.93	2.76	4.74	(1.01)	1.11
19	PT BPD Kalimantan Barat	0.70	0.80	2.31	(6.15)	4.84
20	PD BPD Kalimantan Timur	4.29	6.61	8.73	6.96	0.01
21	PT BPD Sulsel and Sulber	1.14	2.02	1.95	2.38	2.62
22	PT BPD NTB	0.10	0.12	0.11	0.07	0.07
	Average	1.04	5.19	3.32	3.83	0.83

Table 4. Value of Bank Employees (%) Sharia Business Unit

No	Sharia Business Units	2012	2013	2014	2015	2016
1	PT Bank Danamon	17.55	13.24	10.29	13.24	13.87
2	PT Bank Permata	28.26	33.13	95.96	(58.61)	(82.86)
3	PT BII (Maybank)	6.49	3.47	1.39	2.90	4.72
4	PT Bank CIMB Niaga	93.76	34.50	39.82	94.59	130.46
5	PT Bank OCBC NISP	63.11	44.75	58.56	59.38	145.52
6	PT Bank Sinarmas	2.04	2.95	2.23	1.94	1.26
7	PT Bank Tabungan Negara	0.18	2.39	6.74	23.03	2.16
8	PT BPD DKI	(29.93)	(28.22)	(34.96)	6.45	3.00
9	PT BPD DIY	1.86	(99.07)	(6.14)	(10.42)	(11.53)
10	PT BPD Jawa Tengah	0.16	0.15	0.19	0.30	1.20
11	PT BPD Jawa Timur, Tbk	76.96	86.51	115.22	226.27	(22.54)
12	PT Bank Aceh	7.38	6.04	3.58	5.30	2.67
13	PT BPD Sumatera Utara	(213.13)	0.76	0.96	0.96	0.87
14	PT BPD Jambi	1.05	0.45	0.32	0.35	0.32
15	PT BPD Sumatera Barat	0.19	0.58	0.57	0.66	5.41
16	PT BPD Riau and Kepri	10.69	7.38	(310.34)	14.78	13.27
17	PT BPD Sumsel and Babel	1.36	1.23	1.07	10.99	4.98
18	PT BPD Kalimantan Sel	23.07	18.27	22.09	(7.02)	25.13
19	PT BPD Kalimantan Barat	121.94	127.69	131.75	(30.55)	19.47
20	PD BPD Kalimantan Timur	24.90	22.53	26.46	18.99	19.93
21	PT BPD Sulsel and Sulber	6.28	10.50	5.67	3.69	4.62
22	PT BPD NTB	0.47	1.04	1.55	0.00	1.54
	Average	11.12	13.19	7.86	17.15	12.89

unit over the income that has been deducted from zakat and taxes.

Based on the above table shows that the value of bank employees resulting from each sharia business unit experienced fluctuations. The highest average value in 2015 is 17.15% while the lowest value is in 2014 that is 7.86%. This is reflected in the sharia unit's lack of sharia business unit in issuing employee salary ratio, there is a decreasing average difference in every sharia business unit so that justice must be upheld within Islamic institutions to reduce the gap between employees.

c) Dividend

The following is a table to explain the allocation of luck to shareholders of the sharia business unit over the deducted revenue from zakat and taxes.

Based on the above table shows that the percentage value generated by each sharia business unit also experienced fluctuations. The highest average value is in 2012 which is 11.31% while the lowest value is in 2014 that is -21.59%. This is reflected in the not yet maximum sharia business unit in issuing the allocation of profits in the form of dividends to shareholders. Profit sharing to shareholders is im-

portant, because the existing investments can increase in accordance with the increase in shareholder wealth as the owner of the fund. The number of percentage minus indicates that the ability of sharia business unit in generating revenue does not earn profit or profit for shareholders. Therefore, Sharia business unit is required to conduct evaluation in order to shareholder's welfare is a concern to be improved.

d) Net profit

The following is a table to explain the allocation of funds for the operational activities of the sharia business unit itself for the income that has been deducted from zakat and tax. This ratio is used to see the ability of banks to generate profits in finance its operational activities.

Based on the above Table, it can be concluded that the percentage value generated by each sharia business unit also experienced fluctuation. The highest average value is in 2014 which is 39.48% while the lowest value is in 2012 which is 27.22%. This is reflected in the not yet maximum of other sharia business units in issuing profit allocations for sharia business units.

Table 5. Dividend Value (%) Sharia Business Unit

No	Sharia Business Units	2012	2013	2014	2015	2016
1	PT Bank Danamon	10.33	7.98	5.99	4.92	1.05
2	PT Bank Permata	26.72	9.02	4.74	(1.27)	(2.29)
3	PT BII (Maybank)	1.57	2.65	3.82	1.49	7.90
4	PT Bank CIMB Niaga	2.17	1.88	1.11	3.19	3.60
5	PT Bank OCBC NISP	2.46	2.40	1.97	4.96	10.57
6	PT Bank Sinarmas	0.23	0.01	0.42	0.83	0.62
7	PT Bank Tabungan Negara	0.25	2.60	2.53	2.57	0.58
8	PT BPD DKI	(59.03)	(12.73)	(9.49)	1.36	3.96
9	PT BPD DIY	44.18	(53.74)	(28.26)	(2.15)	(3.56)
10	PT BPD Jawa Tengah	34.69	4.03	4.02	2.61	9.75
11	PT BPD Jawa Timur, Tbk	11.15	34.19	7.60	4.16	(3.47)
12	PT Bank Aceh	0.48	0.57	0.81	0.61	0.34
13	PT BPD Sumatera Utara	(17.81)	0.48	0.03	3.56	0.16
14	PT BPD Jambi	25.67	7.57	5.93	7.22	6.01
15	PT BPD Sumatera Barat	7.38	18.25	6.87	5.57	4.04
16	PT BPD Riau dan Kepri	2.07	2.62	(556.01)	4.78	1.91
17	PT BPD Sumsel and Babel	9.89	2.18	1.22	0.15	1.69
18	PT BPD Kalimantan Sel	5.66	12.95	3.08	(0.20)	4.51
19	PT BPD Kalimantan Barat	40.44	19.92	46.12	(0.43)	5.09
20	PD BPD Kalimantan Timur	3.12	8.02	3.00	0.10	6.13
21	PT BPD Sulsel and Sulber	45.24	17.34	12.65	7.96	4.62
22	PT BPD NTB	52.01	10.50	6.96	2.43	1.67
	Average	11.31	4.49	-21.59	2.47	2.95

Table 6. Value of net profit (%) Sharia Business Unit

No	Sharia Business Units	2012	2013	2014	2015	2016
1	PT Bank Danamon	17.11	21.60	21.09	25.18	33.69
2	PT Bank Permata	40.96	84.94	115.29	(5.84)	(8.92)
3	PT BII (Maybank)	61.76	22.01	36.80	42.54	27.28
4	PT Bank CIMB Niaga	13.93	9.45	11.37	11.31	7.90
5	PT Bank OCBC NISP	16.60	13.42	12.22	13.68	17.67
6	PT Bank Sinarmas	11.15	13.04	13.89	13.50	11.44
7	PT Bank Tabungan Negara	93.08	70.45	47.08	44.92	35.08
8	PT BPD DKI	(92.45)	(160.82)	(0.14)	15.56	5.91
9	PT BPD DIY	4.56	(1.79)	(0.43)	(0.29)	(0.16)
10	PT BPD Jawa Tengah	24.64	23.57	36.01	49.72	26.64
11	PT BPD Jawa Timur, Tbk	12.40	11.36	9.59	10.78	(3.08)
12	PT Bank Aceh	80.83	101.53	105.61	121.37	143.23
13	PT BPD Sumatera Utara	(96.12)	2.43	2.83	2.91	2.83
14	PT BPD Jambi	15.24	12.89	15.23	15.45	17.81
15	PT BPD Sumatera Barat	100.86	107.98	157.06	104.27	113.88
16	PT BPD Riau and Kepri	14.17	14.29	(0.39)	12.42	12.58
17	PT BPD Sumsel and Babel	92.33	80.13	82.05	79.91	71.91
18	PT BPD Kalimantan Sel	17.27	20.92	18.79	(0.61)	30.48
19	PT BPD Kalimantan Barat	22.95	26.69	29.74	(6.96)	40.91
20	PD BPD Kalimantan Timur	26.72	20.67	23.02	17.17	17.50
21	PT BPD Sulsel and Sulber	69.75	108.44	84.13	74.16	85.14
22	PT BPD NTB	51.05	66.08	47.71	22.56	26.75
	Average	27.22	30.42	39.48	30.17	32.57

Table 7. Value of Directors-Employee Welfare Ratio (%) Sharia Business Unit

No	Sharia Business Units	2012	2013	2014	2015	2016
1	PT Bank Danamon	20.65	60.42	10.64	22.73	36.68
2	PT Bank Permata	55.37	10.38	12.87	91.51	24.11
3	PT BII (Maybank)	55.42	10.52	8.18	17.52	78.74
4	PT Bank CIMB Niaga	40.43	23.73	36.1	64.52	24.25
5	PT Bank OCBC NISP	23.45	31.23	31.08	10.48	30.14
6	PT Bank Sinarmas	10.16	48.03	36.51	23.41	8.48
7	PT Bank Tabungan Negara	24.73	9.73	8.52	13.31	22.84
8	PT BPD DKI	70.86	21.94	12.87	31.55	8.63
9	PT BPD DIY	19.57	20.32	38.2	46.78	23.34
10	PT BPD Jawa Tengah	13.26	21.43	9.61	38.05	45.32
11	PT BPD Jawa Timur, Tbk	20.14	20.47	7.03	9.37	4.45
12	PT Bank Aceh	47.11	25.96	55.06	38.76	84.31
13	PT BPD Sumatera Utara	12.07	87.04	76.37	46.92	28.03
14	PT BPD Jambi	11.66	28.92	14.73	13.59	10.03
15	PT BPD Sumatera Barat	11.8	96.73	40.83	24.79	56.12
16	PT BPD Riau and Kepri	21.67	51.85	50.02	25.1	67.42
17	PT BPD Sumsel and Babel	32.64	27.73	10.61	18.68	25.03
18	PT BPD Kalimantan Sel	15.1	23.71	18.35	18.66	9.62
19	PT BPD Kalimantan Barat	36.6	14.31	9.65	9.13	32.98
20	PD BPD Kalimantan Timur	83.7	17.23	49.92	63.98	82.34
21	PT BPD Sulsel and Sulber	4.32	10.13	6.4	10.64	22.33
22	PT BPD NTB	29.25	59.84	58.95	32.68	17.86
	Average	30.00	32.80	27.39	30.55	33.78

Directors-Employee Welfare Ratio

The Welfare Ratio is a ratio that describes the full compensation (material and non-material) provided by the company on the basis of discretion. The purpose is to maintain and improve the physical and mental condition of the employee in order to increase productivity. This indicator explains the comparison between the welfare of the director and employees. The following table is used in the Directors-Employee Welfare Ratio.

Based on the above table, the Directors-Employee Welfare Ratio of the calculation on the ratio indicates that there is a significant comparison for the comparison of the director's salary with the employee's welfare. This is evidenced from the average Directors-Employee Welfare Ratio is at the highest value in 2016 that is 33.78% while the lowest value of 27.39% in 2014. Prosperity of the director is higher than the welfare of sharia bank employees. This indicates that the average difference illustrates that the director's position is better off than its employees in a normal percentage.

Halal Income vs Non Halal Income

This indicator explains the comparison between

kosher income with all revenue obtained by Islamic banks (halal and non-halal income). The resulting value is a measure of halalness and the successful implementation of the basic principles of sharia banks is free from the element of usury in terms of income. Thus, the Sharia business unit that has income derived from the form of halal activity will affect the ratio of the capability of the sharia business unit in fulfilling its business compliance, while the amount of non-kosher income earned will affect the value of the ratio obtained.

Based on the above table shows that the value of Islamic income vs. non-Islamic income for three years, i.e. 2012-2014 tends to increase. The highest average value in Islamic income vs non-Islamic income ratio is in 2014 that is 98.18% while it is at the lowest average value in 2012 which is 50.29%. This shows that the income of Islamic banks is mostly or almost entirely the income derived from Islamic transactions. The non-halal income of sharia banks is included in the source report and the use of the benevolent fund. From the calculation of the ratio found that Islamic banks have been executing business performance well because it has applied for the results according to Islamic rules and sharia.

Table 8. Value Halal Income vs. Non Halal Income (%) Sharia Business Unit

No	Sharia Business Units	2012	2013	2014	2015	2016
1	PT Bank Danamon	74.78	99.97	99.99	64.80	98.21
2	PT Bank Permata	35.23	99.99	99.99	91.01	90.45
3	PT BII (Maybank)	12.60	99.49	99.07	26.79	65.41
4	PT Bank CIMB Niaga	23.49	99.91	99.52	91.16	90.08
5	PT Bank OCBC NISP	30.64	99.32	96.73	66.10	90.01
6	PT Bank Sinarmas	15.66	99.76	99.89	81.67	90.18
7	PT Bank Tabungan Negara	31.49	99.90	98.68	95.14	92.19
8	PT BPD DKI	95.26	90.61	99.12	91.32	58.23
9	PT BPD DIY	34.40	99.03	99.78	55.64	92.86
10	PT BPD Jawa Tengah	97.69	99.99	99.84	96.16	91.34
11	PT BPD Jawa Timur, Tbk	51.01	99.99	99.94	94.28	97.16
12	PT Bank Aceh	76.73	99.92	99.95	92.21	94.13
13	PT BPD Sumatera Utara	74.47	99.96	98.59	92.19	95.15
14	PT BPD Jambi	10.95	99.53	98.94	91.10	87.61
15	PT BPD Sumatera Barat	99.16	99.93	99.26	92.31	92.34
16	PT BPD Riau and Kepri	11.88	99.89	99.59	64.67	95.09
17	PT BPD Sumsel and Babel	13.52	95.32	97.68	43.90	91.84
18	PT BPD Kalimantan Sel	39.40	95.49	93.68	70.08	91.76
19	PT BPD Kalimantan Barat	17.29	50.55	95.43	27.34	96.79
20	PD BPD Kalimantan Timur	61.01	49.25	99.59	70.53	92.67
21	PT BPD Sulsel and Sulber	99.76	73.19	92.49	94.17	91.45
22	PT BPD NTB	99.90	65.36	92.16	93.19	90.68
	Average	50.29	91.65	98.18	76.63	89.80

Table 9. Recapitulation of Data Islamicity Performance Index of Sharia Business Unit

No	Ratio Measurement	2012	2013	2014	2015	2016
1	<i>Profit Sharing Ratio</i>	29.16	35.27	41.69	37.30	58.57
2	<i>Zakat Performance Ratio</i>	25.52	33.91	29.38	28.47	27.00
3	<i>Equitable Distribution Ratio</i>					
	a) Qard and Donation	1.04	5.19	3.32	3.83	0.83
	a) Employees Expense	11.12	13.19	7.86	17.15	12.89
	a) Shareholders	11.31	4.49	-21.59	2.47	2.95
	a) Net Profit	27.22	30.42	39.48	30.17	32.57
5	<i>Directors-Employee Welfare Ratio</i>	30.00	32.80	27.39	30.55	33.78
5	<i>Halal Income vs Non Halal Income</i>	50.29	91.65	98.18	76.63	89.80
	Average	23.21	30.87	28.21	28.32	32.30

From the table of recapitulation result of Islamicity Performance Index of syariah business unit above shows that average value of Islamicity Performance Index tends to increase. This condition indicates that the Islamicity Performance Index of Sharia business unit is good. This is mainly due to the increasing Profit Sharing Ratio and Equitable Distribution Ratio in the bank.

Conclusion

This study aims to determine the financial performance of the ten Sharia Business Unit (UUS) in Indonesia from 2012 to 2016. The recapitulation of Islamic Cost Performance Index of sharia business unit shows that the average value of Islamicity Performance Index tends to increase. Assessment of business performance and social performance using the Islamicity Performance Index shows business performance consisting of profit sharing ratio and Islamic income vs. non-Islamic income. From the calculation of the ratio found that Islamic banks have been executing business performance well because it has applied for the results according to Islamic rules and sharia. The Sharia business unit has also invested in halal sectors with a ratio of over 90% and already has revenues derived from halal income. This study shown that by complying sharia rules in financing management able to promote the precautionary principle to the area of environmental management and sustainability to achieve sustainable development.

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