

THE CONCEPT OF IMAN AS A CLARITY FOR ASSESSMENT OF SHARIA FINANCE CRITERIA IN INDONESIA

Hasan Husaini¹, Mahmud Yusuf²

¹²*Universitas Negeri Antasari Banjarmasin, Indonesia*

Corresponding email: hasanhusaini69@gmail.com

Article History

Received: 29 November 2023 Revised: 10 December 2023 Accepted: 20 December 2023

Abstract

Clarity on sharia assessment criteria in Indonesia is important to build public confidence in the rapidly growing Islamic finance industry. While the challenge of the complexity of Islamic financial instruments exists, the development of shariah-compliant criteria is necessary. This clarity is not only vital for financial institutions and industry players but also has a direct impact on investor and consumer confidence. This research uses the literature method with a normative approach. Data is obtained from primary and secondary sources, then processed and analyzed descriptively and qualitatively. The literature study method is used to study and review various documents and literature related to Islamic economics and sharia. The conclusion of this research highlights that the clarity of sharia criteria in the Islamic financial sector requires a holistic approach. In-depth consultations between Islamic jurists and the establishment of a specialized institution involving scholars, academics, and practitioners of Islamic economics are considered essential to ensuring that the assessment criteria reflect Islamic values. The IMAN concept, which encompasses Islamic values such as worship, muamalah, amanah, and ihsan, is considered to improve the performance assessment of Islamic banks by considering both financial and non-financial aspects. The focus on integrity, justice, and social responsibility in muamalah is expected to change the paradigm of Islamic bank performance assessment into a holistic evaluation that reflects Islamic values. The IMAN concept is not only a performance assessment tool but also a clarification of sharia criteria in Islamic finance.

Keywords: *Concept of IMAN, Clarity of Criteria, Islamic Finance*

JEL Classification: *A120, O31, G18*

1. INTRODUCTION

The development of banking in Indonesia is a benchmark for the success of the country's economy, considering its strategic role as a financial intermediation institution. As institutions that are effective and efficient in collecting and distributing public funds, banks are considered to be highly trusted places of business in managing and distributing funds. Public trust in banks is crucial, and a good bank must be able to maintain the trust of customers and investors by improving its performance optimally. Sharia banking, as an entity that functions as a financial intermediary institution with sharia principles, is expected to show good performance in comparison with conventional banking. Evaluation of sharia banking performance can be reflected through financial reports, which are an important tool for obtaining information about the financial position of sharia banking. The level of banking health is an important focus for maintaining customer trust, because the health of a bank determines its ability to carry out normal operational activities and fulfill all obligations properly in accordance with applicable regulations (Agustina 2017).

The importance of clarity in sharia assessment criteria in Indonesia is increasingly emerging in line with the rapid development of the sharia-based financial industry. As the main foundation for financial institutions that adhere to sharia principles, clear criteria are the key to building public trust. Even though the Islamic finance industry has developed, challenges remain, especially regarding the complexity of Islamic financial instruments. Developing assessment criteria that comply with sharia principles is becoming an increasingly complex task. Clarity of criteria is not only relevant for financial institutions and industry players, but also has a direct impact on investor and consumer confidence. To overcome these challenges, concrete steps need to be taken. Close collaboration between government, financial institutions and ulama is key in developing clearer criteria. Apart from that, the use of fintech technology can be a modern solution to facilitate the implementation of sharia assessment criteria.

Financial Services Authority Regulation (POJK) Number 8/POJK.03/2014 concerning Assessment of the Soundness Level of Sharia Commercial Banks and Sharia Business Units was prepared to increase the effectiveness of assessing the health level of banks, dealing with business complexity and risk profiles that can originate from banks or bank subsidiaries. This POJK is relevant in adapting a risk-based international approach in assessing bank conditions. The Bank Health Level assessment process is carried out at least every semester, with assessment factors involving *Risk Profile*, *Good Corporate Governance*, *Profitability* and *Capital (R GEC)*. Although banks are still required to submit quarterly Risk Profile reports in accordance with PBI No.13/23/PBI/2011, this POJK confirms the obligation to report Risk Profiles as part of the results of the Bank Soundness Level assessment, updated every June and December. The obligation to submit assessment results on a consolidated basis only applies to banks that control subsidiary companies, with the definition of subsidiary companies including subsidiaries, participations, companies with 20%-50% ownership, and other entities that are required to be consolidated based on applicable Financial Accounting Standards (Peraturan Otoritas Jasa Keuangan (POJK) Nomor 8/POJK.03/2014 tentang Penilaian Tingkat Kesehatan Bank Umum Syariah dan Unit Usaha Syariah, 2014).

Referring to Surat Edaran Bank Indonesia No.9/24/DPbS concerning the System for Rating the Soundness Level of Commercial Banks Based on Sharia Principles. Assessment of the soundness level of commercial banks based on sharia principles involves the CAMELS factor, which is evaluated both quantitatively and qualitatively.

Management factors are separated from financial factors to provide a holistic picture of the bank's financial condition and management. The weighting of financial factors, including capital, asset quality, profitability, liquidity and sensitivity to market risk (RGEC), is carried out quantitatively. This assessment involves financial ratios, such as main, supporting and observation ratios, with a focus on ranking capital factors, asset quality, profitability, liquidity and sensitivity to market risk. Management factor assessments were carried out qualitatively regarding general management, risk management and compliance management. Composite rating assessment involves the aggregation of financial and management factor ratings, using a conversion table by considering supporting indicators, judgment elements, as well as materiality and significance aspects of each assessment factor. This process includes calculating the soundness level of commercial banks based on sharia principles which takes into account the inherent risks of bank activities, reflects financial ratios and considers elements of judgment (Surat Edaran Bank Indonesia No.9/24/DPbS perihal Sistem Penilaian Tingkat Kesehatan Bank Umum Berdasarkan Prinsip Syariah, 2007).

Risk Profile is a comprehensive assessment of inherent risks and implementation of risk management in bank operations. There are eight types of risk evaluated, involving Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Legal Risk, Compliance Risk, Strategic Risk and Reputation Risk. Meanwhile, the Good Corporate Governance (GCG) factor evaluates the quality of bank management in implementing the GCG principles set by Bank Indonesia. Profitability is a parameter for assessing a bank's capability to generate profits in a certain period, while the Capital Factor includes evaluating capital adequacy and its management. With this approach, Risk Profile not only helps banks understand risk holistically but also considers critical aspects such as corporate governance, financial performance and capital management (Ayedh *et al.*, 2020).

However, the dominance of the Islamic bank assessment system which focuses on financial performance can result in dysfunctional management behavior, which prioritizes results over processes, so that it tends to violate sharia principles and ignore the role of social and da'wah. Therefore, to realize the vision and mission of Islamic banks, it is necessary to look for alternative performance appraisal system concepts that are in accordance with Islamic values and encourage management behavior that is in accordance with the interests of stakeholders and is based on ethical and moral values. Based on this, Triyuwono *et al* based the Sharia assessment on the IMAN Concept, as a synthesis that includes Worship, Muamalah, Amanah, and Ihsan, offering basic Islamic values that are very relevant in assessing the performance of Islamic banks. In this context, the concept of IMAN is in line with the teachings of the Koran, especially the letter Al-Mukminun (Niswatin *et al.*, 2018).

This concept inspires the aim of Islamic banking to create victory (falah) for all parties involved, both in life in this world and in the afterlife. Worship as part of the IMAN concept highlights the importance of obedience and devotion to Allah in every aspect of sharia banking operations. Muamalah, as another aspect of IMAN, emphasizes the importance of ethics and transparency in financial transactions, providing a strong foundation for Islamic banking principles. Trust as the third element shows the bank's responsibility to maintain customer trust, as well as involving good governance and integrity in managing funds. Meanwhile, Ihsan as the final part of IMAN emphasized the importance of providing extraordinary service, reflecting moral and ethical values in every interaction with stakeholders. By basing its performance on the IMAN concept,

Islamic banks not only aim to achieve financial success, but also to provide a positive impact on society and ensure social justice. Therefore, the IMAN concept provides a holistic framework that can guide Islamic banks in achieving their Islamic goals and make the welfare of all parties involved the main focus (Niswatin *et al.*, 2018).

The concept of IMAN (Worship, Muamalah, Trust, and Ihsan) is important to be applied to the Islamic financial industry, especially banking, because of the obligation to implement sharia. Islamic financial institutions must comply with the obligations of implementing sharia in carrying out operations according to Islamic faith and producing transparent and quality financial reports based on sharia accounting standards.

The benefits of applying the IMAN concept (Worship, Muamalah, Trust, and Ihsan) in Islamic financial institutions, especially banking, can be felt by various parties. Some of these benefits include: The community benefits from the application of the IMAN concept because Islamic financial institutions will maintain the trust and security of public funds and provide services in accordance with sharia principles. Customers: Islamic banking customers will benefit from the application of the IMAN concept because they will get services that are transparent, fair, and in accordance with sharia principles and benefit from profit sharing or commissions. Internal parties of financial institutions: The implementation of the IMAN concept also benefits the internal parties of financial institutions, such as management and employees, as this concept helps maintain the performance and stability of financial institutions and ensures good corporate governance. Government and regulators: Governments and regulators also benefit from the implementation of the IMAN concept, as it helps ensure that Islamic financial institutions operate in accordance with sharia regulations and principles and helps maintain the stability of the financial system.

And those responsible for ensuring the implementation of the IMAN concept in Islamic financial institutions, including Islamic banking, are the relevant parties, such as financial institution management, supervisory boards, sharia authorities, and regulators. They have a role in ensuring that Islamic financial institutions adhere to the principles of FAITH in their operations and corporate governance.

So that the IMAN concept makes the criteria of Islamic economics clear and becomes a significant differentiator from conventional economics in operational implementation and the performance system in these financial institutions, The concept of IMAN in clarifying the criteria of Islamic economics illustrates that not only the Islamic name is used in business, but performance motivation must also be based on Islam.

This research will analyze the increase in clarity of sharia assessment by The concept of IMAN is based on four Islamic values which are born from awareness and understanding of subjects related to Islamic bank performance assessment, namely worship, muamalah, trust, and Ihsan.

2. LITERATURE REVIEW

2.1. Concept of IMAN

The concept of IMAN is related to the basic principles in Islamic finance related to the concept of IMAN, including (Andiko, 2018):

Worship

Worship is a term in Islam that refers to any form of activity or action performed by a Muslim as a form of servitude and obedience to Allah. Islamic finance principles

emphasize the importance of carrying out financial activities in accordance with Islamic religious principles, including in terms of asset and fund management.

Muamalah

Muamalah refers to any activity or relationship related to world affairs or daily life, especially in the context of transactions and social interactions. Muamalah covers a wide range of matters, such as business transactions, trade, buying and selling, loans, and all forms of social interaction involving material and non-material aspects. These activities are governed by Islamic principles and ethics that refer to religious teachings. This principle regulates economic transactions and interactions, which include the prohibition of usury (interest), speculation, and gambling. Islamic finance principles also encourage transparency and fairness in every transaction.

Trust

The principles of Islamic finance emphasize the importance of trust and responsibility in financial management, both as investors and those who manage funds. Amanah is a mandate or responsibility given to someone to carry out a task or job as well as possible. The concept of trust has a deep meaning in the context of values and ethics, especially in the context of religion, especially in Islam. In Islam, the concept of trust is an integral part of moral and ethical values. Allah SWT in the Qur'an mentions a lot about the importance of practicing trustworthiness.

Ihsan

This principle refers to the concept of doing good and perfection in every financial activity. Islamic finance principles encourage ethical and socially responsible investment. Ihsan is not only limited to ritual worship, but also includes daily actions, social relationships, and general behavior. The principle of ihsan teaches that every aspect of a Muslim's life should reflect goodness, beauty, and love of Allah (Niswatin, 2014). By applying these principles, Islamic finance is expected to provide wider benefits, both for individuals and society, while remaining in accordance with the teachings of Islam (Hidaytullah, 2023).

2.2. Previous Studies

Niswatin, *et al* (2018) offers an innovative qualitative analytical framework related to the performance assessment of Islamic banks. The focus of the research is on the IMAN concept, which stands for Ibadah, Muamalah, Amanah, and Ihsan. The IMAN concept forms a synthesis that encompasses the basic Islamic values that are considered highly relevant in evaluating the performance of Islamic banks. By detailing aspects such as Ibadah (ritual worship), Muamalah (economic transactions), Amanah (trust and confidence), and Ihsan (praiseworthy behavior), this research makes an important contribution to the understanding of Islamic bank performance assessment in the context of Islamic values.

This research illustrates how the concept of IMAN is in line with the teachings of the Koran, especially in the Al-Mukminun letter. Through the integration of Islamic values into the performance assessment of Islamic banks, this research not only provides a holistic perspective, but also provides a strong basis for evaluating the contribution of Islamic banks to society and the economy as a whole. It is hoped that this approach can become the basis for further research in developing more accurate

and comprehensive assessment methods for Islamic financial institutions (Niswatin. *et al.*, 2018).

The emergence of Islamic economics is intended to shape the growth of the economic framework that underlies the efforts to maintain the safety of a harmonious and humane life, based on the sources of religious values. Islamic principles emphasize that every human activity is measured by fahala and sin; every reward certainly contains the value of worship, while human worship in economic activity can be characterized by his ability to do ihsan and fastabiqul khairat, uphold al-'adl (justice), which limits humans from doing arbitrariness, both for themselves and their environment. The characteristics of Islamic economics include three main principles. The three fundamentally and together regulate economic theory in Islam, namely the principles of faith, morals, and legal principles (muamalah). The basic values of Islamic economics consist of the value of ownership, the value of justice, the value of balance, the value of freedom, and the value of togetherness. These principles and business ethics are now the operational basis of Islamic financial institutions in Indonesia. In practical terms, these principles and business ethics are implemented in various products and services of Islamic financial institutions that use profit-sharing mechanisms (Latif, 2014).

The philosophical value of worship that a person carries out will form character values in the spiritual, moral, and ethical aspects. These three aspects will lead a person to a level of spiritual and social piety. Knowledge of the relationship between God and the world, between creator and creation, or between the Divine Principle and cosmic manifestations is the most fundamental basis of the unity between science and spiritual knowledge based on Tawhid. Tawhid and the philosophy of the value of worship in Islamic economics can largely be seen based on a review of the ideology (tawhid) that underlies the relationship between the two. The Islamic Tawhid paradigm, based on *Laila illa Allah Muhammad Rasulullah*, is the basis of science, including Islamic economics. Tawhid, as the cornerstone of the development of Islamic economics, forms the geneology of the conception of God in a specific sense. God is the knowledge of the universe as one of the effects of divine creative action. The integration of Tawhid, the philosophical value of worship, and science will form an inseparable unity in building paradigms and theories in the development of Islamic economics (Dzikrulloh, 2021).

If every Muslim is able to understand and apply every value contained in worship, then almost every activity he does will be worth worshipping. Likewise, activities in muamalah, whether buying and selling, renting, debt, and others, are based on the spirit of worship, namely seeking the pleasure of Allah by creating benefits in the world, both with fellow humans and with the surrounding nature, so as to achieve falah or happiness in the world hereafter (Wartoyo, 2018).

3. METHODOLOGY

This research uses a literature method that analyzes data qualitatively. Data is obtained from secondary sources, then processed and analyzed to answer the problems studied. This approach allows a comprehensive understanding of Islamic and sharia economics based on relevant literature sources in the form of scientific journals, both national and international, that are relevant to the research topic, as well as information from related institutions such as OJK and Bank Indonesia, both ordinary information and regulations issued by these institutions, which can be accessed through the

institution's website. The literature study technique is used to search, study, examine, and review various documents and library materials that are relevant to the focus of the research. The data obtained was then collected and analyzed descriptively and qualitatively to obtain a deeper understanding. Then they poured in descriptive sentences.

4. RESULT AND DISCUSSION

4.1. Increased Clarity and Consistency of Sharia Assessment Criteria

An in-depth consultation process between Islamic legal experts allows for a sharper understanding of the sharia principles that must be the basis for every assessment. This concrete step is necessary to ensure that the criteria used reflect the core values in Islam, and therefore, can be widely accepted by the community that uses sharia financial instruments.

In an effort to reach a strong and consistent agreement, the formation of a special institution or council would be a good step. This institution can consist of ulama who have a deep understanding of Islamic law, academics who study theoretical aspects, and sharia economics practitioners who bring practical experience. Thus, the diversity of views and experiences within this institution can be a strength in evaluating and developing assessment criteria that can be recognized and respected by the entire sharia economic ecosystem.

The importance of ulama consensus in this context is not only limited to religious aspects, but also illustrates commitment to sustainable Islamic economic development. Consistency in sharia assessment is not just a matter of compliance with religious norms, but also about creating a strong basis of trust for market players and investors. Thus, involving ulama consensus is not just a formal step, but rather a holistic strategy to gather support and present inclusive and quality assessment criteria.

Apart from going through ulama consensus, increasing the clarity of sharia assessment criteria in the sharia financial sector requires two main approaches: transparency and education. Transparency is the main tool for bringing Islamic financial institutions closer to the community. By openly communicating the assessment criteria applied, this institution not only creates a higher level of trust but also provides a clear picture to the public about the sharia compliance standards that are followed. Providing transparent information creates an open environment, where institutional policies and practices can be examined and tested by the community (Neifar *et al.*, 2020).

Furthermore, education plays an important role in achieving a consistent and comprehensive understanding of the principles of Islamic economics. Educational efforts that detail sharia concepts, Islamic financial principles, and sharia assessment criteria not only provide knowledge to the public but also empower them to actively participate in monitoring sharia compliance. Increasing sharia financial literacy among the public can create a solid basis for deeper understanding regarding the clarity of assessment criteria.

With a combination of transparency and education, Islamic financial institutions can form closer relationships with the community. An educated public will be better able to assess the consistency of implementation of sharia criteria in financial products and services. Thus, these steps not only support clarity of sharia assessment criteria but also build the foundation for stronger relationships between sharia financial institutions and the communities they serve.

4.2. Improving the Sharia Assessment Process to Make It More Transparent and Easier for Investors to Understand

In order to increase transparency in the sharia assessment process, an important step that sharia financial institutions must take is to strengthen the practice of publishing details of the sharia criteria they apply. These efforts include providing very detailed information regarding the sharia principles followed by institutions, as well as in-depth explanations regarding measurement methods against these criteria as applied to financial instruments and investment products (Pelengkahu, 2020). The clarity of this information not only provides a general overview, but also highlights how each financial aspect is assessed and measured against applicable sharia norms (Mismiwati *et al.*, 2022; Zulfahmi, *et al.*, 2021).

The importance of clear and easily accessible documentation is the main foundation in forming a strong basis of trust among investors. By ensuring that information related to sharia criteria is available in a transparent manner, Islamic financial institutions provide investors with a better understanding of assessment mechanisms and compliance with sharia principles. Therefore, publicly released documents not only create a greater sense of trust, but also provide investors with the tools necessary to make intelligent and sharia-compliant investment decisions.

Thus, efforts to increase transparency through the publication of detailed sharia criteria are a strategic step in supporting integrity and trust in the sharia financial industry. This step not only creates openness, but also provides investors with the opportunity to access the information needed to properly understand how Islamic financial institutions meet sharia standards in the evaluation and assessment of financial products (Oktaviani & Dewi, 2023).

Apart from the transparency aspect, investor education also plays a crucial role in strengthening understanding of sharia criteria. Therefore, sharia financial institutions need to ensure their commitment to providing comprehensive education to investors regarding the sharia criteria applied. This effort can be realized through various initiatives, such as information campaigns, holding seminars, or providing easily accessible educational materials (Septyanto *et al.*, 2021).

Financial institutions' commitment to providing education around sharia criteria is a proactive step in empowering investors. Information campaigns can help explain clearly and concisely the sharia principles followed by the institution, while seminars and educational materials provide a platform for in-depth discussions (Gusrianti & Sari, 2023). In this way, investors can gain a deeper understanding of how each sharia criterion is implemented in the assessment of financial products, providing a strong basis for making smart investment decisions that are in line with sharia values.

Increasing investors' understanding of sharia principles not only supports the integrity of sharia financial institutions but also builds awareness and knowledge among investors. With comprehensive education, investors can be more confident and proactive in choosing financial products that comply with sharia principles. Therefore, financial institutions' efforts in providing education to investors create a more educated investment environment and strengthen their positive involvement in the Islamic financial market (Gusrianti & Sari, 2023).

The use of technology opens up great opportunities to increase transparency in sharia assessments in financial institutions (Mujiatun *et al.*, 2022). By designing and implementing innovative platforms or applications, financial institutions can provide investors with real-time access to see product and service evaluations against sharia

criteria (Mujahidin, 2019). For example, blockchain technology can be used to create a transparent and digitally verified trail, providing additional confidence that every transaction and sharia compliance is recorded accurately (Rabbani *et al.*, 2020). This direct access gives investors greater confidence and comfort in making sharia-based investment decisions. By involving investors in real-time monitoring of sharia assessments, financial institutions strengthen public involvement and trust in the integrity of the sharia principles applied.

By combining transparency efforts through the publication of criteria, investor education, and the use of technology, the sharia assessment process becomes more open, easy to understand, and accessible to investors. This not only supports the growth of the Islamic financial sector, but also creates a more transparent environment and supports active participation from investors. Thus, technology is not only a tool, but also a key player in forming an innovative and transparent Islamic financial ecosystem.

4.3. Assessing Sharia Bank Performance Through the IMAN Concept

The performance assessment of Islamic banks is based on four main Islamic values, namely worship, muamalah, trust, and ihsan. The emphasis on Islamic values as the basis for assessing Islamic bank performance has significant implications in performance categorization. In particular, the worship performance category highlights the efforts of sharia banks in carrying out a series of religious practices as a form of devotion to Allah SWT. This understanding encourages Islamic banks to not only focus on the business aspect alone, but also on the spiritual and moral dimensions, which are an integral part of their identity (Hani *et al.*, 2020).

Muamalah, shows that sharia bank interactions with internal and external parties must be in line with sharia principles. This includes aspects of business transactions and relationships that promote justice, togetherness and exemplary action. Thus, Islamic banks are expected to become agents of positive change in the social and economic environment.

Amanah emphasizes the need for balance between business aspects and preaching, social, results and process aspects. By prioritizing trust, Islamic banks are directed to not only achieve financial profits, but also to ensure their sustainability, ethics and social responsibility. Understanding these values helps create harmony between business demands and Islamic values.

Lastly, Ihsan views Islamic banks as entities that must show a commendable personality in interacting with stakeholders. This includes a good attitude, integrity, and commitment to the common good. By including the ihsan dimension, the performance assessment of sharia banks becomes more holistic and includes aspects of characterful leadership.

Sharia bank performance assessments are based on Islamic values, such as worship, muamalah, trust, and ihsan. This information was obtained through discussions with three key informants, including two ulama (Ahmad Djalaludin and Muh. Djakfar) and a senior researcher at the Central Bank research and education center (Ascarya). The alignment of these values with the Al-Qur'an surah Al-Mukminun is discussed, with additional research on tafsir al-Mishbah (2012) and hadith on faith (Yussuf, 2022).

Surah Al-Mukminun, known as Surah "Al-Iman," is explained by Shihab (2012, vol. 8:307) as a guide for believers to achieve good luck in this world and the hereafter. The importance of becoming a true believer as the main goal of Islam is emphasized in this letter, as expressed in the first verse. Furthermore, the concept of using the plural

word "yaa ayyuhalladzina amanu" in Islamic duties emphasizes that religious duties, both in worship and muamalah, must be carried out together, in line with the principles of the community explained in several verses of the Koran.

Verses that emphasize *amar makruf, nahi munkar*, and unity in adhering to Allah's teachings provide direction to Muslims to establish sharia banks as a manifestation of the mission of "becoming the best ummah." To fulfill the criteria as a sharia bank that believes, the bank must pay attention to characteristics that are in accordance with the guidance of Allah SWT, which are relevant to Islamic values such as worship, muamalah, trust, and *ihsan*. Certain verses in Surah Al-Mukminun explain these aspects in more detail, providing a basis for assessing the performance of Islamic banks.

Worship, verse which confirms that the characteristic of a believer is being devoted to prayer, as found in the QS. Al-Mukminun: indicates that to be classified as a believer, a person must meet the criteria for solemnity or fear in carrying out worship. Qhardawi stated that all activities initiated to dedicate oneself to Allah SWT, including *amar makruf nahi munkar*, are part of worship. *Amar makruf nahi munkar*, which is the fifth syiar of other acts of worship such as prayer, zakat, fasting and hajj, can be carried out collectively by Muslims (Niswatin *et al.*, 2018). Therefore, the da'wah activities of *amar makruf nahi munkar* carried out by sharia banks can be considered a form of collective worship by Muslims. Kuntowijoyo describes "*mar makruf, nahi munkar*" as a prophetic mission for Muslims in the context of humanization, liberation and transcendence. Although Kuntowijoyo reviews this mission from a scientific perspective, this concept can be applied to understand social reality in the context of Islamic banking practices philosophically. From a philosophical perspective, the prophetic mission of Islamic banks can be interpreted as a humanization effort to create a just and prosperous society (Niswatin *et al.*, 2018).

Furthermore, the mission of Islamic banks is reflected in its efforts to free people from the practices of usury, *maysir* and *gharar* in economic transactions, in accordance with the word of Allah QS. letter 4 verse 29. Conventional financial practices involving usury, *maysir* and *gharar* are considered a form of injustice built from the consciousness of capitalism. Islamic banks, as an alternative, seek to build a just and moral economic structure.

Sharia banking's mission of transcendence is reflected in its efforts to invite all humanity, not just Muslims, to realize divinity. Sharia banks prioritize awareness of God in their responsibilities and business activities, making sharia principles the main guide. The birth of sharia banking is interpreted as a conscious step by Muslims to create a banking structure that is in accordance with Islamic principles, becoming part of the struggle to preach "*mar makruf nahi munkar*" as a faithful community.

Muamalah, verse of QS. Al-Mukminun: 3-4 emphasizes that after carrying out worship well, a believer must also distance himself from actions and words that are not useful, and pay zakat as an act of cleansing himself from unproductive activities. This shows that, in the context of muamalah (social interaction), good behavior and the obligation to pay zakat are the main requirements for being a believer (Niswatin *et al.*, 2018).

Muamalah has provisions that must be fulfilled to become rules in human life as social creatures. In the operational context of sharia banks, practicing in accordance with sharia principles and fulfilling the obligation to pay zakat are the main requirements for the bank to be considered a faithful sharia bank. Thus, good muamalah

and the obligation to pay zakat become the rules of the game that must be followed by Islamic banks to achieve believer status. These verses highlight the importance of muamalah in accordance with sharia principles and the obligation to pay zakat as a form of social interaction that is beneficial and free from unproductive activities. Therefore, Islamic banks that wish to be recognized as believing entities must carry out muamalah in good faith and comply with the obligation to pay zakat, ensuring that their social interactions always reflect good Islamic values (Hani *et al.*, 2020).

Trust, Verse QS. Al-Mukminun: 8 emphasizes that one of the main requirements for becoming a believer is to maintain trust, namely trust in something one carries. This concept of trust is recognized as the basis of faith, in line with the prophet's hadith which states, "There is no faith for those who do not have trust." Thus, maintaining trust (amanah) is considered a fundamental principle in Islamic teachings. In the context of this research, the element of trust is a criterion that must be met to assess the performance of Islamic banks (Niswatin *et al.*, 2018). In particular, the mandate carried out by Islamic banks is related to their role as business institutions that carry out da'wah and social activities. Sharia bank performance assessments do not only focus on financial aspects, but also on their mandate in carrying out da'wah and social activities in accordance with Islamic principles. In this perspective, trustworthiness criteria are an important basis for evaluating the performance of sharia banks, in accordance with the hadith of the Prophet which states, "A believer is one who can be trusted with wealth and life" (HR. Muslim). This shows that Islamic banks are expected to be institutions that can be trusted and carry out their duties with integrity, especially in managing assets and providing services to the community.

The IMAN concept not only changes the fundamental paradigm in assessing the performance of sharia banks, but more importantly, proposes a civilizational transformation in accordance with the ideological vision of Muslims as the best people, who are given the task of always carrying out good and evil. The IMAN concept emphasizes assessing the performance of sharia banks based on integrated Islamic values, including aspects of worship, muamalah, trust and ihsan. This assessment is based on quantitative data, including financial and non-financial information, as well as qualitative data regarding the operational activity processes of sharia banks. The concept of IMAN focuses on the interests of Allah SWT, humans and nature, with the aim of realizing rahmatan lil alamin (Niswatin *et al.*, 2018).

The aim of assessing the performance of sharia banks based on Islamic values, integrated in the IMAN concept, is to provide a basis for sharia bank management in conducting performance evaluations. The results of this assessment are then used as a guide in formulating policy strategies in planning, organizing, mobilizing and monitoring activities (Hani *et al.*, 2020). The concept of IMAN is not just a performance assessment, but rather a comprehensive framework for realizing Islamic banking's teachings which always prioritizes good and bad, with the hope of guiding all humans towards victory (falah) in this world and the hereafter. In this context, falah is defined as the life goal of every Muslim which describes the maximum state or happiness in this world and the hereafter.

No information was found that specifically discusses the extent to which the IMAN concept has been implemented in Islamic banks. However, it can be concluded that the IMAN concept, which consists of integrity, amanah, management, and value, is an important principle in Islamic banking. This concept helps ensure that Islamic financial institutions operate in accordance with sharia principles and produce

transparent and accurate financial statements.

No information has been found that specifically discusses the measurement of Islamic bank performance through the concept of IMAN (Integrity, Amanah, Management, and Value). The development of performance measurement methods that take into account the IMAN concept may be an interesting research area to explore in the future.

5. CONCLUSION AND RECOMMENDATION

Increasing the clarity and consistency of sharia assessment criteria in the sharia financial sector requires a holistic approach. A process of in-depth consultation between Islamic legal experts and the establishment of a special institution, involving ulama, academics and sharia economic practitioners, can ensure that the assessment criteria reflect Islamic values and are widely accepted. Apart from that, transparency and education are important keys in bringing Islamic financial institutions closer to the public and investors. Publication of detailed sharia criteria, educational efforts, and the use of technology can increase investor understanding, create an educated investment environment, and strengthen public trust in the integrity of sharia finance. By combining these steps, Islamic financial institutions can form an innovative and transparent ecosystem that supports sustainable growth of the Islamic financial sector.

Sharia bank performance assessment can be improved through the IMAN concept which includes Islamic values such as worship, muamalah, trust, and ihsan. In the context of sharia assessment in Indonesia, the IMAN concept provides a comprehensive basis for assessing the performance of sharia banks by considering financial and non-financial aspects. The importance of integrity, justice and social responsibility in Islamic banking is the main focus, apart from efforts to achieve financial profits. The concept of trust also emphasizes the need for trust in carrying out da'wah and social activities, changing the paradigm of assessing Islamic bank performance from just financial aspects to a holistic evaluation that reflects Islamic values. Thus, the IMAN concept is not only a performance assessment tool, but also a guide for formulating better policy strategies to achieve falah, namely happiness in this world and the hereafter. The transformation of Islamic banking civilization in accordance with the IMAN concept is expected to increase the clarity and consistency of sharia assessment criteria in Indonesia, providing the benefits of transparency and better understanding to investors. Everyone should always adhere to the principles of IMAN in their daily activities, especially at work.

REFERENCES

- Agustina, R. (2017). Penilaian Tingkat Kesehatan Perbankan Syariah di Indonesia dengan Metode RGEC. *Al-Urban: Jurnal Ekonomi Syariah dan Filantropi Islam*, 1(1), 35–51. https://doi.org/10.22236/alurban_voll/is1pp35-51
- Andiko, T. (2018). Signifikansi implementasi konsep Ekonomi Islam dalam transaksi bisnis di era modern. *Jurnal Ilmiah Mizani: Wacana Hukum, Ekonomi, dan Keagamaan*, 4(1), 9-22.
- Ayedh, A. M. A., Kamaruddin, M. I. H., & Shahrudin, A. (2020). Challenging the Current Shariah Screening Methodology Assessments in Kuala Lumpur Shariah Index (KLSI). *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 9(4). <https://doi.org/10.6007/ijarafms/v9-i4/6844>
- Dzikrulloh, D. (2021). Transformasi Nilai Tauhid Dan Filosofis Ibadah Pada

- Pengembangan Ekonomi Islam. *Izdihar: Jurnal Ekonomi Syariah*, 1(1), 35–68. <https://doi.org/10.32764/izdihar.v1i1.1687>
- Surat Edaran Bank Indonesia No.9/24/DPbS perihal Sistem Penilaian Tingkat Kesehatan Bank Umum Berdasarkan Prinsip Syariah, (2007).
- Yussuf, C. Y. (2022). A Critical Assessment Of The Circular Economy Concept In The Light Of Maqasid Al Shariah. *Islam Ekonomisi ve Finansı Dergisi (İEFD)*, 8(2), 291–318. <https://doi.org/10.54863/jief.1074828>
- Gusrianti, G., & Sari, P. H. (2023). Transparency of Shariah Supervisory Board Information in Islamic Banks of Indonesia and Malaysia: The Effect of Islamic Corporate Governance. *Jurnal Dinamika Akuntansi*, 15(1), 1–12. <https://doi.org/10.15294/jda.v15i1.38232>
- Hani, S., Nasution, M. Y., & Siregar, S. (2020). Performance Assessment Of Islamic Banks In The Leadership Value Of The Prophet Muhammad: A Conceptual Framework. *Journal of Islamic, Social, Economics and Development*, 10–18. www.jised.com
- Hidayatullah, M. S. 2023. ‘Memasyarakatkan Ekonomi Syariah Dan Mensyariahkan Ekonomi Masyarakat’. *Fakultas Syariah UIN Antasari Banjarmasin* (blog). 2023. <https://fs.uin-antasari.ac.id/memasyarakatkan-ekonomi-syariah-dan-mensyariahkan-ekonomi-masyarakat/>. di Akses 30 November 2023.
- Latif, A. (2014). Nilai-nilai dasar dalam membangun ekonomi Islam. *DIKTUM: Jurnal Syariah Dan Hukum*, 12(2), 153-169.
- Mismiwati, M., Haryadi, H., Arum, E. D. P., & Lubis, T. A. (2022). The role of profit management in mediation of financial performance and transparency towards profit distribution management in sharia commercial banks. *International Journal of Research in Business and Social Science* (2147- 4478), 11(1), 138–151. <https://doi.org/10.20525/ijrbs.v11i1.1541>
- Mujahidin, M. (2019). Opportunities and Challenges of Sharia Technology Financials in Indonesia. *Munich Personal RePEc Archive*.
- Mujiatun, S., Julita, Effendi, I., Rahmayati, & Badawi, A. (2022). Sharia Financial Technology (Fintech) Management Model in Indonesia. *Cuadernos de Economia*, 45(128), 145–156. <https://doi.org/10.32826/cude.v1i128.716>
- Neifar, S., Salhi, B., & Jarboui, A. (2020). The moderating role of Shariah supervisory board on the relationship between board effectiveness, operational risk transparency and bank performance. *International Journal of Ethics and Systems*, 36(3), 325–349. <https://doi.org/10.1108/IJOES-09-2019-0155>
- Niswatin, Triyuwono, I., Nurkholis, & Kamayanti, A. (2018). Konsep Dasar Penilaian Kinerja Bank Syariah. *Universitas Negeri Gorontalo*.
- Niswatin. 2014. ‘IMAN Sebagai Konsep Dasar Penilaian Kinerja Bank Syariah: Studi Fenomenologi Islam’. Desertasi, Malang: Universitas Brawijaya.
- Oktaviani, Y., & Dewi, M. K. (2023). Is information transparency important for funders? A case study of sharia P2P lending companies in Indonesia. *Journal of Accounting and Investment*, 24(2), 462–486. <https://doi.org/10.18196/jai.v24i2.17220>
- Peraturan Otoritas Jasa Keuangan (POJK) Nomor 8/POJK.03/2014 tentang Penilaian Tingkat Kesehatan Bank Umum Syariah dan Unit Usaha Syariah, (2014).
- Pelengkahu, M. R. (2020). Implementation Of The Principles Of Transparency To Ensure Legal Protection For Sharia Bank Customers In Indonesia. *Jurnal Panorama Hukum*, 7(2). <https://doi.org/10.21067.JPH.2.7708>

- Rabbani, M. R., Khan, S., & Thalassinou, E. I. (2020). FinTech, Blockchain and Islamic Finance: An Extensive Literature Review. Dalam *International Journal of Economics and Business Administration: Vol. VIII* (Nomor 2).
- Septyanto, D., Sayidah, N., & Assagaf, A. (2021). The intention of investors in making investment decisions in Sharia Stocks: Empirical study in Indonesian. *Academic Journal of Interdisciplinary Studies*, 10(4), 141–153. <https://doi.org/10.36941/AJIS-2021-0105>
- Wartoyo, (2018) *Transformasi Nilai-Nilai Filosofis Ibadah Dalam Ekonomis Syariah*. Nizham :Jurnal Studi Keislaman, 6 (2). pp. 111-128. ISSN 2541-7061
- Zulfahmi, Z., Devi, A., Asker, E., & Hassan, R. (2021). Participation Banks in Turkey: Issues and Proposes Strategies Based on SWOT Analysis. *International Journal of Islamic Economics and Finance (IJIEF)*, 4(SI), 121-152.