

CHAPTER VI

CONCLUSION AND RECOMMENDATION

This chapter will present some conclusions to the discussion and description of the variables studied. Then, from these conclusions, some suggestions that would be stated.

6.1. Conclusion

Based on the results of the analysis and discussion described in the previous chapter, there are some conclusions as follows:

1. The value of MSI for sharia commercial bank on period 2014-2017 were 0.4169, 0.3677, 0.3756, and 0.3754 respectively. Then the average MSI of BUS on that period is 0.3839. The MSI trend relatively decline on that period. It mean, there are the declining of sharia compliance of sharia commercial bank in Indonesia on period 2014 to 2017.
2. BRIS is the bank that have highest MSI by the average value 0.4355 per year on the period 2014-2017. That is, BRIS is the bank that have highest sharia compliance in Indonesia on that period. The second and third places are BTPNS and BNIS by the average value 0.4206 and 0.4006. Then followed by BMS (0.3976), BCAS (0.3970), BMI (0.3869), BSB (0.3777), BSM (0.3748), BVS (0.3639), BJBS (0.3611), BPDS (0.3558) and the lowest is BMSI (0.3354).
3. In the average of all sharia commercial bank in Indonesia on period 2014-2017, the ratio of NOM, ROA and ROE are tend to decline, while BOPO

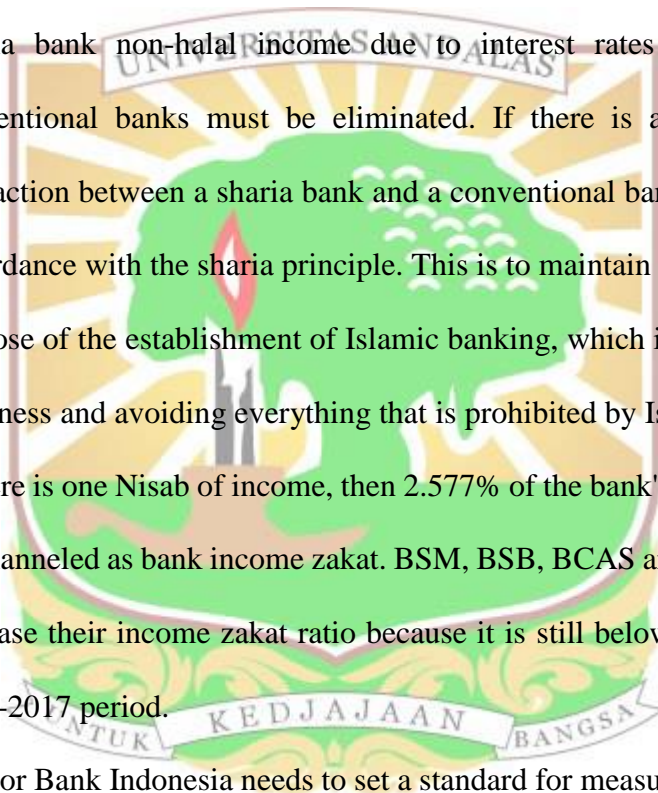
is likely to increase. That is, the profitability trend of sharia commercial bank on period 2014 until 2017 tend to decline.

4. On the average of Sharia Commercial Banks in Indonesia in the 2014-2017, the ratio of NOM, ROA and BOPO are on the fifth rating or very poor quality. This can be dangerous to the operational continuity of Islamic banks in Indonesia if performance improvements are not made immediately.
5. Sharia banks that have the best profitability performance are BTPNS with alternative values 95.78, followed by BNIS (40.92), BMS (33.58), BCAS (31.66), BRIS (28.86), BSM (26.69), BMI (24.49), BSB (18.23), BVS (-5.85), BPDS (-14.95), BJBS (-35.51), and the lowest is BMSI (-47.65).
6. The correlation between sharia compliance and profitability of sharia commercial bank is strong, significant and positive.
7. Bank performance based on MSI and the average profitability obtained by sharia commercial banks in Indonesia in the 2014-2017 period. Quadrant 1 as the bank with advanced sharia and fast growing bank are BMI, BMS, BRIS, BCAS, BNIS, and BTPNS. There are no banks classified in quadrant 2 as the banks with advanced sharia but weak growing bank. Quadrant 3 as a bank with sharia retarded but fast growing bank are BSM and BSB. Finally, quadrant 4 as a bank with relatively backward sharia bank are BPDS, BVS, BJBS and BMSI.

6.2. Recommendation

After processing the data and getting conclusions from this research, the suggestions that can be submitted by the author are as follows:

1. The Maqashid Sharia Index value tends to decline in 2014-2017. That is, the level of bank compliance in achieving sharia goals also decreased in that period. So that a greater role is needed from DPS to ensure the achievement of the maqashid sharia in line with the increase in assets and income at the sharia bank, especially for the following indicators, namely; educational grants, allocation of research funds, interest-free income, and bank income zakat.
2. Sharia bank non-halal income due to interest rates received from conventional banks must be eliminated. If there is a transaction or interaction between a sharia bank and a conventional bank, it must be in accordance with the sharia principle. This is to maintain the purity of the purpose of the establishment of Islamic banking, which is inviting to the goodness and avoiding everything that is prohibited by Islam.
3. If there is one Nisab of income, then 2.577% of the bank's net profit must be channeled as bank income zakat. BSM, BSB, BCAS and BTPNS must increase their income zakat ratio because it is still below 2.577% in the 2014-2017 period.
4. OJK or Bank Indonesia needs to set a standard for measuring the level of sharia banking compliance (sharia standard), which is followed by all Islamic banking in Indonesia. If the measurement uses Maqashid Sharia Index, then the range of the index value must be determined so that it can be stated if the bank has good sharia compliance or not. So that, the high or low achievement of maqashid sharia can be determined more objectively.



5. To facilitate research on measuring sharia bank compliance, the OJK can require sharia banks to submit data related to components in the Maqashid Sharia Index which are subsequently published by OJK in "*Statistik Perbankan Syariah*" (Islamic Banking Statistics).
6. It is needed the Strengthening of sharia banking by increase the profitability of the bank to make the sharia compliance of the sharia bank will increase too, because of they have a strong, significant and positive correlation. Finally it will be also increase the public trust for the sharia bank. Thus, the level of sharia financial literacy and inclusion can be increased. Thus, Islamic banking can grow rapidly again as it was achieved in the period before 2011.
7. The classification of bank with Klassen Typology framework is expected to be able to encourage the sharia bank in Indonesia to compete in a healthy manner to get place in the first quadrant of the Klassen Typology, namely "Bank with advanced sharia and fast growing bank". So that, it can affect customers in choosing banking services to be used. Of course, this grouping should be published and facilitated by related parties such as OJK and BI, so that it can be known by the Indonesian citizen as users of banking services. Healthy competition between Islamic Bank in achieving maqashid sharia and maintaining the profitability can drive the growth and enhance the better role of Sharia banking in Indonesian economy.