

ABSTRACT

This study aims to analyse and obtain empirical evidence of the effect of Maqashid Sharia Index on Financial Sustainability Ratio at BPRS in Central Java in 2020-2023. Islamic People's Economic Bank (BPRS) as one of the businesses in the Islamic financial sector in Indonesia which is required to be able to maintain and develop its business to survive in the long term and continue to be sustainable. Currently, BPRS is still limited to relying on conventional measurements, namely CAMEL and EVA ratio measurements. However, conventional measurements show unsatisfactory performance results in Islamic banking. Maqashid Sharia Index is an Islamic banking measurement concept that is in accordance with the objectives of Islamic banking, namely maqashid sharia.

The method used in this research is panel data regression analysis method. The data used in this study is secondary data obtained from the financial statements of each BPRS. The samples used in this study were 11 BPRS in Central Java in 2020-2023. Determination of the sample in this study using purposive sampling technique with predetermined criteria.

The results of this study indicate the results that the variable of educating individuals has a significant positive effect on the Financial Sustainability Ratio (FSR), the variable of upholding justice has no significant effect on the Financial Sustainability Ratio (FSR), and the benefit variable has a significant positive effect on the Financial Sustainability Ratio (FSR) at 11 BPRS in Central Java in 2020-2023.

Keywords: *BPRS, Financial Sustainability Ratio, Welfare, Maqashid Sharia Index, Educating Individuals, Justice*

