

## Performance Assessment of Islamic Banks in the Light of Maqasid Al-Shariah

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**Abstract :** Being different in theory and practice from their conventional counterparts, this research aims to assess the performance of Islamic banks beyond the financial performance by emphasizing their ethical and social identity based on the higher purposes of Islamic law, namely Maqasid al-Shariah. Using Imam al-Ghazali's theory of Maqasid al-Shariah and Sekaran's (2000) method, we develop a Maqasid-based index including the five objectives of Shariah (preservation of life, religion, intellect, posterity, and wealth). Our sample covers 9 Islamic banks considered among the largest Islamic banks in the world. For the five years of study (2017-2021), our results reveal that the highest score is performed by Bank Muamalat while the least score is given to Dubai Islamic Bank. The overall Maqasid performance of the sample is unimpressive, indicating that there is a lack of achievement in Maqasid al-Shariah performance of Islamic banks. Consequently, serious measures should be taken by Islamic banks to improve their Maqasid performance and thus contribute effectively to the socio-economic development of the countries in which they operate.

**Keywords :** Maqasid al-Shariah, Maqasid al-Shariah index, Islamic banks, performance assessment

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