

Evaluation of PT Pegadaian Syariah Financial Performance through the RGEC Approach in the Perspective of Islamic Economics

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Abstract

Keywords: Financial Performance, PT Pegadaian Syariah, RGEC, Sharia Economics, Maqasid al-Shariah.

This study aims to evaluate the financial performance of the Sharia Business Unit (UUS) of PT Pegadaian (Persero), hereinafter referred to as PT Pegadaian Syariah, during the 2020-2024 period using the Risk Profile, Good Corporate Governance, Earnings, and Capital (RGEC) approach and analyzing it from a Sharia economic perspective. The research method used is quantitative descriptive by utilizing secondary data from the annual report of PT Pegadaian (Persero) which presents UUS operational data for the 2020-2024 period. The results of the analysis show varying performance in each RGEC component. The Risk Profile, especially related to Non-Performing Financing (NPF), shows relatively good management, although liquidity challenges require attention given the characteristics of non-bank funding. The Good Corporate Governance (GCG) aspect qualitatively shows a commitment to Sharia principles, but requires strengthening in the transparency of specific UUS implementation. Earnings (Rentability) performance shows profit growth, but profitability ratios such as ROA and ROE, when using consolidated data as a proxy, need to be improved in terms of efficiency from the perspective of UUS asset management in particular. The Capital component shows a good level of health, supported by the capital strength of the parent entity. From a Sharia economic perspective, the operations of PT Pegadaian Syariah are in line with efforts to fulfill Maqasid al-Shariah, especially in the aspects of asset protection (hifdz al-maal) and community economic empowerment (hifdz al-nafs). However, optimizing the achievement of welfare and justice requires continuous evaluation of product structure and margins. This study underlines the importance of adapting the RGEC method for Sharia NBFIs and the need for deeper integration between financial performance assessments and the achievement of substantive goals of Sharia economics, beyond just normative health assessments.

INTRODUCTION

PT Pegadaian Syariah, as a Sharia Business Unit (UUS) of PT Pegadaian (Persero), plays a strategic role in the Sharia financial ecosystem in Indonesia. Since its establishment, which began with the community's need for pawn services in accordance with Islamic principles in the early 2000s, Pegadaian Syariah has continued to develop into an important instrument in supporting financial inclusion and empowering the people's economy, especially for the micro, small and medium enterprises (MSMEs) segment and communities that have not been reached by conventional banking services. Its existence is not only as an alternative financial institution, but

also as a manifestation of efforts to provide fair and ethical financial solutions in accordance with Islamic teachings.(Akbar, 2020; Afista et al., 2023).

Financial performance evaluation is crucial for Islamic financial institutions such as PT Pegadaian Syariah. This assessment is not only intended to measure the health and efficiency of operations from a financial perspective, but also to ensure that all business activities are in line with Islamic principles and are able to provide benefits to stakeholders. Good and sustainable financial performance is an indicator that the institution is able to manage the trust of funds responsibly and provide a positive contribution to the economy.(M. Yusuf Amar et al., 2023).

The 2020-2024 period is a dynamic period for all economic sectors, including financial institutions. The COVID-19 pandemic that broke out at the beginning of the period put significant pressure on the economic capacity of the community and the operations of various business institutions. Nevertheless, the Sharia financial sector, including Pegadaian Syariah, is required to remain resilient and adaptive in facing these challenges, and is even expected to be able to play a role in the national economic recovery program. Post-pandemic, the challenge shifts to efforts to maintain growth momentum amidst global economic uncertainty and increasingly tight industrial competition.(Sartika, 2021). The urgency of performance evaluation in this context is becoming increasingly high, not only to assess the ability to survive and grow, but also to measure the extent to which socio-economic roles and Sharia compliance are maintained. A comprehensive performance evaluation must be able to go beyond a mere profit orientation, and touch on more fundamental aspects of achieving Sharia goals (maqasid), considering the significant role of Sharia Pegadaian in providing financial access for the wider community.(Prayitno, 2024).

A number of studies have been conducted related to the analysis of the financial performance of Islamic financial institutions using the RGEC method. The study byLestari et al., (2022)assess the performance of Bank Muamalat Indonesia, whileEnglish, (2018)also analyzed Islamic banks in Indonesia with RGEC. Other studies such as those conducted byMelasari, (2021)AndRisthejawati, (2020)focuses on Islamic General Banks more broadly. Several studies have also examined the performance of PT Pegadaian (Persero) in general or specific aspects of Pegadaian Syariah. For example, research on the effect of gold prices and gold pawn financing on the profits of PT Pegadaian (Persero). There is also research that analyzes the performance of Pegadaian Syariah's development based on total assets and receivables or the Sharia financial literacy of Pegadaian Syariah employees.

However, the identified research gap is the limited research that specifically and comprehensively evaluates the financial performance of PT Pegadaian's Sharia Business Unit (UUS) using the RGEC method adapted to the characteristics of Islamic LKNB. Furthermore, an

in-depth analysis of the implications of such performance from a holistic Islamic economic perspective, especially its relationship to the achievement of Maqasid al-Shariah, has not been widely explored. Most RGEC analyses of Islamic institutions tend to focus on the normative compliance aspect without deeply integrating it with the substantive objectives of Islamic economics. This study attempts to fill this gap by offering an evaluation of the performance of UUS Pegadaian that not only measures financial "health" but also "Shariah health" through the lens of Maqasid.

METHODS

This study uses a quantitative research type with a descriptive-evaluative approach. The quantitative approach is applied to calculate the financial ratios that are components in the RGEC method. The descriptive approach is used to describe and present the results of the calculation of PT Pegadaian Syariah's financial performance systematically during the study period. Furthermore, the evaluative approach is used to assess the level of financial performance based on relevant health standards or criteria and analyze it from a Sharia economic perspective. The object of this research is the financial performance of the Sharia Business Unit (UUS) of PT Pegadaian (Persero), which in this research is referred to as PT Pegadaian Syariah. The focus of the analysis is on the operational and financial data of the UUS.

This study uses secondary data. The main data source is the audited Annual Report of PT Pegadaian (Persero) for the period 2020 to 2024. The data sought specifically is financial and operational data presented in a segmented manner for the Sharia Business Unit (UUS). The annual reports of PT Pegadaian (Persero) for 2020, 2021, 2022, 2023, and 2024 are the main references. Supporting statistical data from the Financial Services Authority (OJK) related to the Sharia pawn industry will also be used to provide a broader context.

In the event that detailed UUS financial data (such as a fully separate UUS balance sheet and profit and loss) is not fully available to calculate all RGEC ratios, then available UUS operational data will be used (such as total financing disbursed by UUS, non-performing financing of UUS, UUS turnover). For ratios that require specific UUS balance sheet and profit and loss data that are not published, PT Pegadaian (Persero) consolidated data will be used as a proxy, by providing justification and explanation regarding the limitations arising from the use of the consolidated data.

RESULTS AND DISCUSSION

A. Research Results

This section presents the results of the financial performance analysis of PT Pegadaian Syariah (Sharia Business Unit of PT Pegadaian Persero) during the 2020-2024 period based on available UUS operational data and, if necessary, consolidated data of PT Pegadaian (Persero) as a proxy for certain ratios with a note of limitations.

Overview of Operational Performance of PT Pegadaian Syariah (UUS) 2020-2024

Operational data of the Sharia Business Unit (UUS) of PT Pegadaian (Persero) shows dynamic developments during the 2020-2024 period. The following table presents several main operational indicators of UUS sourced from the Annual Report of PT Pegadaian (Persero).

Table 1. Main Operational Data of UUS PT Pegadaian (2020-2024)

UUS Operational Indicators	Unit	2020	2021	2022	2023	2024
Sharia Pawn Business						
Active Account	Unit	1,468,342	1,417,554	1,438,986	1,436,622	1,500,592
Turnover	Million Rp	24,022,991	24,380,664	25,786,420	29,220,614	36,980,010
Outstanding Loan(OSL)	Million Rp	7,497,496	6,807,714	7,819,222	8,441,499	10,666,704
Non-Sharia Pawn Business						
Active Account	Unit	130,277	77,922	141,479	411,234	411,392
Turnover	Million Rp	1,154,798	599,116	2,128,346	5,593,921	4,914,316
Outstanding Loan(OSL)	Million Rp	2,030,131	1,791,701	2,492,518	5,074,756	5,163,637
Total UUS (Pawn & Non-Pawn)						
Total Active	Unit	1,598,619	1,495,476	1,580,465	1,847,856	1,911,984
UUS Accounts						
Total UUS Turnover	Million Rp	25,177,789	24,979,780	27,914,766	34,814,535	41,894,326
Total OSL UUS	Million Rp	9,527,627	8,599,415	10,311,740	13,516,255	15,830,341

Source: PT Pegadaian (Persero) Annual Report 2024, processed by researchers

Table 1 shows that the Sharia pawn business remains the main contributor to UUS PT Pegadaian, both in terms of the number of active accounts, turnover, and outstanding loans (OSL). There was a fluctuation in the number of active accounts in the Sharia pawn business, but in general it showed an increasing trend towards the end of the period. The turnover and OSL of the Sharia pawn business showed consistent growth, especially in 2023 and 2024. The non-Sharia pawn business showed significant growth in active accounts in 2023, although its turnover and OSL were more volatile than the pawn business. Overall, the total OSL of UUS PT Pegadaian experienced quite good growth from IDR9.53 trillion in 2020 to IDR15.83 trillion in 2024.

Financial Performance Analysis with RGEC Method

The following are the analysis results for each RGEC component. It should be noted that for some financial ratios that require specific UUS balance sheet and profit and loss data (such as ROA, ROE, BOPO, CAR UUS), the availability of complete segmented data in the consolidated annual report of PT Pegadaian (Persero) is limited. Therefore, for these ratios, the analysis can refer to the consolidated data of PT Pegadaian (Persero) as a proxy with careful notes and interpretations, or will be more emphasized on the qualitative analysis and operational trends of the available UUS.

- **Risk Profile**

- **Non-Performing Financing(NPF)**

Specific NPF data for PT Pegadaian's UUS is not explicitly presented in ratio format in all referred annual reports. However, PT Pegadaian (Persero) on a consolidated basis reported a decrease in NPL (consolidated, not specific UUS NPF) from 0.85% in 2023 to 0.63% in 2024. If it is assumed that the quality of UUS assets contributes positively to this low

consolidated NPL, then it can be interpreted that UUS credit risk is relatively well maintained. Previous research on PT Pegadaian (Persero) as a whole also showed a "very healthy" NPL with an average of 1.07% for the 2017-2021 period. For UUS, with OSL continuing to increase (Table 1), the ability to maintain NPF at a low level is very crucial. Without definite UUS NPF data, the health rating for the UUS NPF aspect will be based on the assumption of a positive contribution to good consolidated NPL, so that it tends to be Healthy to Very Healthy.

o **Liquidity**

As discussed in the theoretical study, the classic FDR/LDR is less relevant for Pegadaian Syariah. UUS liquidity is more dependent on the parent company's ability to provide funding and manage cash flow from pawn and financing operations. Given that PT Pegadaian (Persero) has strong access to funding (for example through the issuance of bonds/sukuk), UUS liquidity risk can generally be considered under control. Research on PT Pegadaian (Persero) shows a "fairly healthy" LDR (interpretation of broad public funds). The health rating for the UUS liquidity aspect can be qualitatively assessed as Fairly Healthy to Healthy, assuming liquidity support from the parent entity.

Overall, with the limitations of specific UUS NPF data and adaptation of liquidity indicators, the UUS Risk Profile of PT Pegadaian during 2020-2024 is estimated to be ranked Fairly Healthy to Healthy.

• **Good Corporate Governance(GCG)**

The GCG assessment of PT Pegadaian UUS is carried out qualitatively. The Annual Report of PT Pegadaian (Persero) generally explains the commitment to GCG practices. For UUS, the existence of the Sharia Supervisory Board (DPS) is central. The DPS is tasked with ensuring that all UUS products and operations, such as gold pawn (Rahn Emas), gold installments, Arrum Haji financing, Amanah (micro business financing), and other products, are in accordance with Sharia principles and free from usury, gharar, and maysir elements. The implementation of the transparency principle can be seen from the provision of product information through various channels, including the Pegadaian Syariah Digital application. Accountability and responsibility are reflected in the risk management mechanism and compliance with OJK regulations (for example POJK 31/2016). The principles of independence and fairness are expected to be reflected in the DPS operations and treatment of customers. However, specific details regarding the implementation of DPS meetings, the results of internal Sharia audits, or the handling of UUS customer complaints in depth are often not presented comprehensively in the consolidated annual report. Based on the company's general commitment to GCG and the existence of a Sharia supervisory structure, the GCG of UUS PT Pegadaian during 2020-2024 is considered to be at a Good rating.

• **Earnings(Profitability)**

For UUS-specific profitability ratios, UUS net profit data, UUS total assets, and UUS equity are required. PT Pegadaian (Persero) Annual Report 2024 presents UUS turnover and OSL data, but does not explicitly present separate UUS profit and loss statements and balance sheets in full for calculating UUS ROA and ROE. As a proxy, PT Pegadaian (Persero)'s consolidated earnings performance can provide an overview. PT Pegadaian (Persero) recorded a profit of IDR5.85 trillion in 2024, up 33.7% from IDR4.38 trillion in 2023. Consolidated ROA reached 6.21% and consolidated ROE 17.23% in 2024. The consolidated BOPO ratio also showed increasing efficiency, reaching 63.75% in 2024. If UUS makes a positive contribution to this consolidated profit growth, along with the growth of UUS's turnover and OSL (Table 1), then UUS's Earnings can be assumed to show a positive trend. However, without specific figures, it is difficult to provide a definitive rating. Based on the UUS operational growth trend and the parent's consolidated performance, UUS's Earnings during 2020-2024 are estimated to be ranked Fairly Healthy to Healthy.

• **Capital(Capital)**

Similar to Earnings, specific capital data allocated to UUS and UUS ATMR are not easily obtained from the consolidated report. PT Pegadaian (Persero)'s consolidated CAR has historically been at a healthy and strong level, well above the regulator's minimum requirements for banking (as a general reference). For example, previous research shows that PT Pegadaian (Persero)'s CAR is very healthy. Capital support from a strong parent company (BUMN) provides a guarantee of adequate capital for UUS operations. Thus, the UUS Capital component of PT Pegadaian during 2020-2024 is considered to be at a Very Healthy rating.

Table 2. Estimated Results of Calculation of Key Ratio of RGEN PT Pegadaian Syariah (UUS) or Consolidation Proxy (2020-2024)

Ratio (%) / Qualitative Component	2020	2021	2022	2023	2024
NPF (UUS/Consolidation)	Est. <5% (Healthy)	Est. <5% (Healthy)	Est. <5% (Healthy)	Est. <2% (Very Healthy, consol. 0.85%)	Est. <2% (Very Healthy, consol. 0.63%)
Liquidity (Qualitative UUS)	Healthy Enough	Healthy Enough	Healthy	Healthy	Healthy
GCG (Qualitative UUS)	Good	Good	Good	Good	Good
ROA (Consolidation)	2.82%	N/A	N/A	N/A	6.21%
ROE (Consolidation)	8.21%	N/A	N/A	N/A	17.23%
BOPO (Consolidation)	87.69%	N/A	N/A	N/A	63.75%
CAR (Consolidation/Qualitative UUS)	Very Healthy (Strong Consolidation on Proxy)	Very Healthy (Strong Consolidation on Proxy)	Very Healthy (Strong Consolidation on Proxy)	Very Healthy (Strong Consolidation on Proxy)	Very Healthy (Strong Consolidation on Proxy)

Note: N/A (Not Available) for specific year data from directly referenced sources for consolidated ratios. NPF and UUS Liquidity estimates are based on general trends and available consolidated data with certain assumptions. ROA, ROE, BOPO use consolidated data from PT Pegadaian (Persero) as a proxy.

RGEN Composite Rating

Based on the analysis per component, taking into account the limitations of UUS-specific data for several quantitative ratios and the use of consolidated data proxies, the RGEN composite rating for PT Pegadaian Syariah (UUS) during the 2020-2024 period can generally be concluded as follows:

Table 3. Estimated Health Rating of Each RGEN Component and Composite Rating of PT Pegadaian Syariah (UUS) (2020-2024)

RGEN Components / Year	2020	2021	2022	2023	2024
Risk Profile	Healthy Enough	Healthy Enough	Healthy	Healthy	Very Healthy
GCG	Good	Good	Good	Good	Good
Earnings(Profitability)	Healthy Enough	Healthy Enough	Healthy Enough	Healthy	Healthy

Capital(Capital)	Very Healthy	Very Healthy	Very Healthy	Very Healthy	Very Healthy
RGEC Rating	Composite	Healthy	Healthy	Healthy	Very Healthy

Note: Component and composite ratings are estimates based on available UUS operational data, proxy consolidated data, and qualitative analysis. A “Good” rating for GCG is equivalent to “Healthy” on the composite rating scale.

These results show that overall, PT Pegadaian Syariah (UUS) showed a Healthy level of health throughout the 2020-2023 period, with the potential to increase to Very Healthy in 2024, supported by very strong capitalization from the parent entity and improvements in risk profile and operational efficiency (reflected in the consolidated BOPO).

B. Discussion

Evaluation of RGEC Results of PT Pegadaian Syariah (UUS)

The results of RGEC's analysis of PT Pegadaian Syariah (UUS) for the 2020-2024 period show a generally positive financial performance picture, although with several areas that require attention and ongoing optimization.

In the Risk Profile component, the relatively maintained NPF (assumed from good consolidated performance) indicates the management's ability to manage credit risk from the financing disbursed. The significant growth of UUS's OSL (Table 1) requires extra caution in customer selection and financing monitoring to maintain asset quality. The liquidity aspect, although not measured by conventional FDR/LDR, appears quite safe thanks to funding support from PT Pegadaian (Persero) as the parent company. However, dependence on non-DPK funding sources needs to be balanced with a long-term funding source diversification strategy for UUS.

The Good Corporate Governance (GCG) component qualitatively shows a commitment to Sharia principles, especially through the role of the DPS. Compliance with OJK regulations and the implementation of Islamic ethical values are the foundation. However, more detailed transparency regarding specific UUS operations, including DPS performance and handling of Sharia customer complaints, needs to be improved in public reporting to strengthen accountability. The challenge in GCG is to ensure that ideal principles are not just a formality, but are internalized in all UUS business processes.

For the Earnings (Rentability) component, the growth in UUS's turnover and OSL (Table 1) and the increase in PT Pegadaian (Persero) consolidated profit indicate good profitability potential for UUS. The improved consolidated ROA and ROE ratios in 2024 are also a positive signal. However, efficiency in generating profits from assets and equity specifically allocated or owned by UUS needs to be continuously improved. The drastically decreased consolidated BOPO ratio in 2024 indicates a significant increase in operational efficiency at the corporate level, which is also expected to have a positive impact on UUS efficiency.

The Capital component consistently shows a Very Healthy predicate. This is inseparable from the status of UUS as part of a large BUMN, PT Pegadaian (Persero), which has a solid capital structure and the ability to support UUS's capital needs. This capital adequacy provides a strong risk cushion and capacity for UUS's future business expansion.

Overall, the Healthy to Very Healthy composite rating indicates that PT Pegadaian Syariah (UUS) has strong enough financial fundamentals to operate and grow. External factors such as macroeconomic conditions and the impact of the COVID-19 pandemic at the beginning of the period appear to be well managed, as reflected in the growth of OSL and UUS's turnover post-2021.

Financial Performance Analysis from a Sharia Economic Perspective

The performance evaluation of PT Pegadaian Syariah (UUS) is not enough to stop at the financial ratio figures. More importantly, it is to assess the extent to which the performance is in line with the fundamental values and objectives of the Sharia economy.

- **Conformity with Maqasid al-Shariah**

The operations of PT Pegadaian Syariah, through products such as Sharia pawn (Rahn), UMKM financing (Amanah), Hajj portion financing (Arrum Haji), and gold savings, inherently have the potential to contribute to the achievement of Maqasid al-Shariah.

- ***The Protection of Money(Protection of Property)***

Positive Earnings performance and strong Capital demonstrate UUS's ability to manage capital mandates productively and sustainably. A maintained Risk Profile (low NPF) reflects efforts to protect assets from losses due to bad financing. Sharia pawn services also help people get fast liquidity while maintaining ownership of their assets. Gold Savings provides a means of protecting asset value from inflation.

- ***The Protection of One's Self(Protection of the Soul) and Hifdz al-Din (Protection of Religion)***

UUS financing products, especially those targeting MSMEs and productive needs, can help improve customers' standard of living and meet their essential needs. This is in line with hifdz al-nafs. Operations based on Sharia principles, supervised by DPS, and avoiding prohibited practices are a manifestation of hifdz al-din, ensuring that transactions run according to religious corridors.

- ***The Mind of the Aql(Protection of Reason)***

Transparency of product and service information, as well as Sharia financial education conducted by Pegadaian Syariah, contribute to protecting customers' minds from misunderstanding, fraud, or detrimental financial decisions. Good GCG, including an effective complaint mechanism, supports this aspect.

- ***The Path of the Nasl(Protection of Offspring)***

By providing stable and sustainable financial solutions, Pegadaian Syariah supports long-term family financial planning, which in turn contributes to the welfare of future generations.

- **Implementation of the Principles of Justice ('Adl) and Public Interest (Maslahah)**

The principles of justice and welfare are important benchmarks in assessing LKS operations.

- **Justice**

The cost structure (ujrah) in the Rahn contract, margin in Murabahah financing, or profit sharing ratio in the Musyarakah contract (if any) applied by UUS Pegadaian must reflect justice for both parties (customers and companies). Healthy Earnings performance should not come from pricing practices that burden customers. Transparency of the contract and the absence of detrimental clauses (gharar) are a form of justice.

- **Benefit**

The orientation of Pegadaian Syariah products that touch the MSME sector and the needs of the lower middle class directly contribute to the public welfare. Operational efficiency (reflected by BOPO) is also important so that greater benefits can be channeled to the community, not absorbed by high operational costs. The role of Pegadaian Syariah in financial inclusion is a real form of creating maslahah.

- **Avoidance of Riba, Gharar, and Maysir**

This is a non-negotiable aspect in Islamic finance. GCG performance, especially the role of DPS, and risk management (Risk Profile) are the main forts to ensure that all products (pawn, financing, gold investment) and contracts used by UUS Pegadaian are free from elements of usury, gharar (excessive uncertainty, speculation), and maysir (gambling). A low NPF not only indicates good asset quality, but can also indicate that the financing process is carried out with careful feasibility analysis, reducing the potential for gharar in the customer's ability to pay.

The Relationship between RGEC Performance and the Perspective of Islamic Economics

There is an interesting dialectic between achieving "healthy" performance according to RGEC standards (which were originally designed for conventional institutions) and fulfilling the economic objectives of Sharia. Strong financial performance (e.g., high ROA and ROE) is indeed

important for the sustainability of the institution. However, from a Sharia perspective, how those profits are achieved becomes more important. The pressure to achieve high profitability targets should not sacrifice the principle of justice (e.g., setting too high a *ujrah*) or encourage excessive risk-taking that leads to *gharar*. Conversely, too rigid a focus on very low NPF could limit access to financing for the MSME segment which is inherently riskier but has a large socio-economic impact (*masalah*). Therefore, the performance evaluation of PT Pegadaian Syariah (UUS) should ideally not only look at the RGEC figures in isolation, but also at how the achievement of these figures correlates with the fulfillment of *Maqasid al-Shariah*. "Sharia-compliant" performance is performance that is not only financially strong, but also fair, transparent, brings broad benefits, and fully complies with Sharia provisions in both substance and formality.

Comparison with Previous Research and Implications

The finding that PT Pegadaian Syariah (UUS) has a generally healthy performance is in line with several previous studies that show the resilience and positive growth of Islamic financial institutions in Indonesia, including Pegadaian. However, this study places more emphasis on the adaptation of RGEC for Islamic LKNB and integration with *Maqasid* analysis.

The implications of these findings are:

- **For the Management of PT Pegadaian Syariah**

It is necessary to continue to innovate products and services that not only improve financial performance but also strengthen the achievement of *Maqasid al-Shariah*. Increasing transparency in UUS GCG reporting and continuous education to customers regarding Sharia products are important. Operational efficiency needs to be maintained so that customers can feel the greatest benefits.

- **For Regulators (OJK)**

These results can be input in developing a more specific health level monitoring and assessment framework for Islamic LKNB such as Pegadaian Syariah, which may require modification of the banking RGEC standards. Regulatory support for inclusive Islamic financial product innovation is also needed.

- **For the Community/Customers**

Providing a better understanding of the performance and sharia aspects of PT Pegadaian Syariah, so as to increase trust and interest in utilizing Sharia financial services.

This discussion shows that evaluating the financial performance of LKS such as PT Pegadaian Syariah (UUS) requires a multidimensional approach that goes beyond just numbers. The balance between financial health, Sharia compliance, and achieving socio-economic welfare is the key to the true success of Islamic financial institutions.

CONCLUSION

The financial performance of PT Pegadaian Syariah (Sharia Business Unit of PT Pegadaian Persero) during the 2020-2024 period, based on the adapted RGEC approach, generally shows a healthy to very healthy level. The Capital component consistently shows a Very Healthy predicate, supported by the strength of the parent entity. The Risk Profile component shows relatively good credit risk management (assumed from low consolidated NPL) and controlled liquidity. The Good Corporate Governance (GCG) aspect is qualitatively assessed as Good, with the role of the Sharia Supervisory Board. The Earnings component, although specific UUS data is limited, shows a positive UUS operational growth trend and is supported by the improving consolidated

profitability performance of PT Pegadaian (Persero), leading to a Fairly Healthy to Healthy rating for UUS.

From a Sharia economic perspective, the operational and financial performance of PT Pegadaian Syariah (UUS) shows alignment with efforts to achieve Maqasid al-Shariah. Contributions to hifdz al-maal (protection of assets), hifdz al-nafs (protection of lives through fulfillment of needs and improvement of living standards), and hifdz al-din (adherence to religious principles) are seen through the variety of products and services offered. Implementation of the principles of justice ('adl) and welfare (maslahah) is also part of the operation, especially in serving the MSME segment and lower middle class society. Efforts to avoid usury, gharar, and maysir are fundamental commitments maintained through the Sharia GCG mechanism.

Nevertheless, there is room for further optimization, particularly in terms of transparency of UUS-specific GCG reporting, increased efficiency to generate more optimal Earnings at the UUS level, and more explicit articulation of the contribution of each aspect of performance to the achievement of Maqasid al-Shariah holistically. The balance between financial targets and the fulfillment of substantive Sharia objectives needs to be continuously maintained and improved.

PT Pegadaian Syariah (UUS) not only shows resilient and growing financial performance during a challenging period, but also operates in a corridor that is in line with the basic principles of Sharia economics. The institution's "Sharia Health" is reflected in the combination of strong financial fundamentals and commitment to Islamic values in its operations.

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