

Implementation of 5C Principle and *Maqashid Al-Sharia* at *Baitul Māl wat Tamwil* BMT DAQU Bojonegoro, Indonesia

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Abstract

Purpose - This study aims to analyze the application of the 5C prudential principle consisting of Character, Capacity, Capital, Collateral, and Condition in financing practices at BMT DAQU Klepek Sukosewu Bojonegoro, Indonesia. The study also examines the relationship between the implementation of the 5C principle and the values of Sharia Economic Law through the perspective of *Maqasid al Sharia*, particularly in the context of the increasing level of Non-Performing Financing (NPF).

Method – This research applies a qualitative approach with a field research design. Data were collected through semi structured interviews with Sharia administrators and supervisors, direct observation of financing practices, and documentation related to the financing process and the management of problematic financing. Data analysis was conducted using the interactive model of Miles and Huberman which consists of data reduction, data display, and conclusion drawing. Data validity was ensured through source triangulation and method triangulation.

Results – The findings show that weaknesses in several elements of the 5C assessment contribute to the increase of problematic financing. Limitations in evaluating character, capacity, and economic conditions of customers affect the quality of financing decisions. The study also finds that the settlement of problematic financing at BMT DAQU is conducted through approaches which consider both managerial prudence and Sharia based ethical considerations.

Implications – This study contributes to strengthening risk management in Islamic microfinance institutions. The integration of the 5C prudential principle with the values of *Maqasid al-Sharia*, particularly the principles of *hifz al-mal* and justice, can support more responsible financing practices and improve the governance of Islamic microfinance institutions.

Keywords: Principle 5C, *Maqashid al Sharia*, Non-Performing Financing, *Baitul Māl wat Tamwil* (BMT).



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Submit : 18-Jan-2026

Revised : 08-Mar-2026

Publish : 10-Mar-2026

INTRODUCTION

The phenomenon of Non-Performing Financing (NPF) is still one of the social problems for Islamic microfinance institutions in Indonesia. As an institution based on Islamic values, *Baitul Māl wat Tamwil* (BMT) has two important roles at once: a social role and a commercial role. The social role can be seen from BMT's efforts to facilitate the economy of small and medium communities, while the commercial role is carried out by managing member funds productively. However, in practice, not a few BMTs still have difficulty maintaining the quality of financing.

Among them is BMT DAQU Klepek Sukosewu in Bojonegoro Regency, which is facing a fairly high problem of Non-Performing Financing (NPF). In general, financial institutions are considered "safe" if the Non-Performing Financing (NPF) rate is below 5%, but in this BMT condition, the Non-Performing Financing rate reaches 55.65%. This figure is 11 times higher than the safe limit of Islamic banking/micro standards. In this condition, it creates a liquidity risk, is the cause of a decline in member trust, and interferes with the main purpose of the institution in implementing the principles of Islamic economic justice.

The problem of Non-Performing Financing (NPF) at BMT DAQU shows that there is a gap between the ideals of Sharia principles and their implementation in the field. In theory, Islamic financial institutions are required to implement the principle of prudence (Prudential Principle) which includes five main elements, namely Character, Capacity, Capital, Collateral, and Condition or known as the 5C principle (Hamonangan, 2020).

The prudential principle is typically implemented via the 5C framework: Character, Capacity, Capital, Collateral, and Condition. Character denotes the integrity and readiness of customers to meet their financial commitments. Capacity refers to customers' ability to manage their business and generate income for installment payments. Capital reflects the degree of financial commitment shown by the customer's investment. Collateral acts as security if financing issues arise. Condition denotes external economic factors impacting the sustainability of a customer's business.

This principle is used as a guide to ensure the feasibility of prospective customers, so that financing runs safely and avoids moral risks (Moral hazard) (Johari, 2025). However, based on the results of observations in the field, the implementation of 5Cs at BMT DAQU has not been carried out optimally. Assessments of customer character and capacity are still often based on social proximity, rather than objective analysis and clear financial data (Khairan &

Asngari, 2025). This indicates that professionalism in assessing the feasibility of financing still needs to be improved (Sulistyorini et al., 2022).

Islamic economics uses the 5C paradigm to assess funding feasibility and represent Islamic law's ethics. Character, capacity, money, collateral, and condition evaluations ensure fair, transparent, and responsible lending. The values support *Maqasid al-Sharia*, notably *hifz al-mal*, which protects and manages wealth. The 5C principle protects institution and community assets in Islamic economic justice.

In addition to the managerial technical aspect, Non-Performing Financing (NPF) is also closely related to moral values and Sharia Economic Law. In the Islamic view, financing is not just an economic transaction, but also a trust that must be maintained. The Concept of *Maqasid al-Sharia* is the key to understanding the moral aspects in the management of Islamic financial institutions (Muslimin, 2012).

This study is expected to contribute conceptually to the integration of Maqasid al-Sharia principles in risk management practices within Islamic microfinance institutions. The main objective of Maqasid al-Sharia is not solely profit-oriented but also aims to protect the five essential aspects of human life (*al-kulliyat al-khamsah*), including *hifz al-māl* (protection of wealth). From this point of view, fund management should be done in a responsible, fair, and open way to protect community assets from being misused or lost because of carelessness.

In the context of BMT DAQU, Non-Performing Financing (NPF) is not just a financial problem but also a reflection of the lack of optimal application of Sharia values. When financing funds are not returned on time, the impact is not only detrimental to the institution but also threatens the trust of the community who have entrusted their funds to BMT. In a sense, every failure in safeguarding the wealth of the ummah also means failure in applying the principle of *hifz al māl*. Therefore, improvements in financing management are not enough from a technical point of view but also need to strengthen the management's awareness

These concerns make it vital to analyze how Islamic microfinance institutions assess financing and incorporate Sharia norms into financing management. Identify weaknesses in the 5C prudential principle—Character, Capacity, Capital, Collateral, and Condition—that contribute to BMT DAQU Klepek Sukosewu's NPF. Second, to analyze Islamic economic initiatives aimed at addressing Non-Performing Financing (NPF) through the principles of property protection and justice. The research focuses on the management of

financing risk and highlights the importance of incorporating Sharia values in BMT financial practices to achieve a balance between economic and moral responsibilities.

The 5C principle has been used to analyze Islamic financial institution financing feasibility in several research. Most of these research examine how well the 5C framework reduces financing risk and prevents default. Other research study how Islamic ethics affect financial decision-making in sharia-based institutions.

Although these studies offer valuable insights, they regard the prudential principle and *Maqasid al Sharia* framework as independent analytical views. Few studies have combined funding feasibility analysis with Islamic law ethics. The relationship between management prudence in finance evaluation and Islamic economic justice is understudied. Thus, this paper examines how *Maqasid al Sharia*, specifically *hifz al māl*, might be used to the 5C prudential principle to fill this vacuum. The research seeks to better understand Islamic microfinance risk management through this approach.

This study examines how BMT DAQU Klepek Sukosewu Bojonegoro applies the 5C prudential principle : Character, Capacity, Capital, Collateral, and Condition—to finance. The study compares the 5C principle to Sharia Economic Law ideals using *Maqasid al Sharia* to address Non-Performing Financing.

This research contribute an Islamic microfinance governance in three ways. The study analyzes the implementation of the 5C prudential principle in Islamic microfinance institutions, focusing on BMT operations. The paper examines Islamic microfinance institutions' 5C prudential principle implementation in BMT operations. The study applies *Maqasid al Sharia* ethics to finance risk assessment and focuses on *hifz al mal* to protect property and financial stability. The paper conceptualizes combining prudential financial evaluation with Sharia norms to alleviate problematic financing in Islamic microfinance firms.

METHOD

Research Approach

This research employs a descriptive qualitative approach with a field research design (Johari, 2025). The qualitative approach was selected because it enables the researcher to understand social phenomena in depth and within their real context, particularly related to the implementation of the 5C prudential principle and the values of Sharia Economic Law in financing

practices at BMT DAQU Klepek Sukosewu. Through qualitative analysis, the researcher examines the meaning, behavior, and ethical considerations underlying financing decisions rather than relying solely on numerical or statistical data.

Research Site

This research was conducted at BMT DAQU Klepek Sukosewu located in Bojonegoro Regency, East Java (Saputri & Ansori, 2024). The institution was selected because it is a pesantren based Islamic microfinance institution that actively manages savings and financing for the surrounding community.

One important issue faced by this institution is the relatively high level of Non-Performing Financing (NPF). Financial institutions are generally considered stable when the NPF rate remains below five percent. However, the NPF level at BMT DAQU has reached 55.65 percent. This condition indicates serious challenges in financing management. Therefore, the research focuses on identifying weaknesses in the implementation of the 5C prudential principle that contribute to the increase in NPF and analyzing how the values of *hifz al mal* in *Maqasid al Sharia* are applied in resolving problematic financing within the institution.

Research Informants

The subjects of this research consisted of twelve informants who were directly involved in financing management at BMT DAQU. These informants included the Head of Branch, Account Officers, directors, managers, and members of the Sharia supervisory section.

The selection of informants was conducted using purposive sampling, which involves selecting individuals based on their knowledge and experience related to financing processes and decision making within the institution (Zahidda & Sugiyono, 2017). This technique ensures that the collected data are relevant to the research focus. Among the twelve informants, eleven were internal managers and one informant represented the external party, namely a member of the Sharia Supervisory Board.

Data Collection Techniques

Data collection in this study was conducted through semi structured interviews, participatory observation, and documentation. Interviews were used to obtain detailed information regarding the implementation of the 5C

prudential principle, the causes of Non-Performing Financing (NPF), and the informants perspectives on the application of *Maqasid al Sharia* (2023, 2021) values in financing settlement practices. The interview instrument was designed based on the indicators of the 5C prudential principle, namely Character, Capacity, Capital, Collateral, and Condition. These indicators were used to guide the interview process in exploring how financing feasibility is evaluated and how ethical considerations based on *Maqasid al Sharia* are incorporated in financing practices at BMT DAQU.

The questions were structured to explore how each of these elements is assessed in the financing evaluation process at BMT DAQU. Additional questions were also included to examine how Islamic ethical values, particularly the principle of *hifz al mal*, are considered in handling problematic financing.

Observation was conducted to understand the operational workflow of the institution, the interaction between managers and customers, and behavioral patterns that reflect responsibility and trust in financing practices. Meanwhile, documentation was used to examine financing reports, institutional policies, and internal records related to financing procedures and the management of Non-Performing Financing (NPF).

Data Validity

This research used source and technique triangulation to ensure data authenticity and validity. Data from managers, financial officials, and members of the Sharia supervisory board were contrasted for triangulation. Method triangulation integrates interview results, observational data, and institutional records to validate data. Informants confirmed results accurately represented institutional realities.

Data Analysis

Data analysis in this study followed the interactive model developed by Miles and Huberman (Miles et al., n.d.), which consists of three stages: data reduction, data display, and conclusion drawing. In the data reduction stage, interview transcripts, observation notes, and documentation were reviewed and categorized according to themes related to the implementation of the 5C prudential principle and the application of *Maqasid al Sharia* (Onwuegbuzie, 2016) values in financing practices.

The impact of the 5C factors on non-performing financing was illustrated through descriptive narratives and thematic tables. This approach allowed the researcher to identify patterns related to capacity assessment, character assessment, and issues with collateral verification. Inductive conclusions were drawn by using the 5C prudential principle and *hifz al mal* to *Maqasid al Sharia*. It explains the managerial and ethical issues of financing risk in Islamic microfinance institutions.

Coding Procedure

To strengthen the qualitative analysis, the interview data were analyzed through a coding process. The coding procedure was conducted in three stages: open coding, categorization, and theme identification. In the open coding stage, important statements from interview transcripts and observation notes were identified and labeled according to their relevance to the research focus, particularly related to the implementation of the 5C prudential principle and the emergence of Non-Performing Financing (NPF).

In the categorization stage, similar codes were grouped into broader analytical categories such as weaknesses in character assessment, limitations in capacity evaluation, and problems in collateral verification. The final stage involved identifying major themes that explain the relationship between the implementation of the 5C principle and the occurrence of financing problems within the institution. Through this process, the researcher was able to interpret the empirical findings systematically and relate them to the theoretical framework of prudential financing and *Maqasid al Sharia*. An example of the qualitative coding scheme used in this study is presented in Table 1.

Table 1. Qualitative Coding Scheme of Interview Data on 5C Implementation and Non-Performing Financing (NPF)

Interview Excerpt	Initial Code	Category	Theme
Financing approval sometimes depends on personal familiarity between officers and customers	Social proximity in financing decisions	Weak character assessment	Weak implementation of the 5C prudential principle

Customer repayment ability is often evaluated through verbal statements without financial records	Informal capacity evaluation	Weak capacity assessment	Risk of Non-Performing Financing
Collateral verification and valuation are not conducted systematically	Weak collateral verification	Weak collateral management	Financing risk and asset protection issues
Monitoring of customer business performance after financing disbursement is limited	Weak monitoring of financed business	Post-financing supervision weakness	Increased probability of financing default

Source: Processed interview data from BMT DAQU Klepek Sukosewu (2025)

DISCUSSION/RESULTS

Research Results

Weaknesses in the Implementation of the 5C Prudential Principle and Its Impact on Non-Performing Financing (NPF)

The results of the research conducted at BMT DAQU Klepek Sukosewu indicate that the 5C prudential principle is formally recognized by the institution's management. The five elements consisting of Character, Capacity, Capital, Collateral, and Condition are included in the internal financing guidelines. Nevertheless, the implementation of these principles has not been carried out consistently in practice. The dominant weaknesses in the implementation of the 5C prudential principle that contribute most significantly to the increase of NPF are summarized in Table 2.

Table 2. Dominant Weaknesses in the Implementation of the 5C Principle and Their Impact on NPF

5C Aspect	Field Findings	Relation to <i>Maqasid al Sharia</i> (Hifz al Mal)	Impact on NPF
Character	Customer assessment is often based on social proximity rather than objective financial records	Weak alignment with the principles of trust and justice, increasing the risk of moral hazard	Higher risk of financing default

Capacity	Evaluation of repayment ability relies mainly on verbal statements from customers	Lack of prudence in safeguarding institutional assets	Financing not aligned with actual repayment capacity
Collateral	Collateral valuation is often not proportional to the amount of financing provided	Weak protection of institutional property	Difficulties in recovering funds when default occurs

Source: Field data from BMT DAQU Klepek Sukosewu (interviews and documentation, 2025)

In several financing decisions, the evaluation of prospective customers is still influenced by subjective judgment and social proximity between officers and customers. This situation indicates that the prudential principle has not yet become a fully institutionalized operational standard within the financing process. As a consequence, the risk of Non-Performing Financing (NPF) continues to increase.

Character shows the first weakness. Often, potential customers are assessed based on personal relationships and informal recommendations from internal officers instead of objective evaluations of integrity, responsibility, and financial history. These practices diminish the effectiveness of character assessment in financing risk management. Financing decisions based on social closeness can increase moral hazard, as customers might believe personal relationships lessen the pressure to repay obligations. This condition increases Non-Performing Financing (NPF) at BMT DAQU.

The second weakness is in Capacity. The customer's repayment ability is analyzed simply. Evaluations often depend on customer verbal statements about business income or turnover, lacking written financial records or cash flow analysis. Financing is sometimes approved without clearly measuring the customer's repayment capacity. Declining business performance leads to repayment issues and problematic financing.

Another significant issue is related to the Collateral aspect. In practice, collateral is often provided in the form of vehicle ownership documents, land certificates, or other personal guarantees. However, the verification and valuation process of these collateral assets has not been conducted systematically. In several cases, the value of the collateral is not proportional to the amount of financing granted. Consequently, when customers fail to fulfill their obligations, the institution faces difficulties in

executing the collateral and recovering the funds. This indicates that the collateral mechanism has not yet functioned effectively as a risk mitigation instrument.

Capital and condition aspects are not the main causes of financing issues but support the overall assessment. Most customers run small businesses with limited personal capital. BMT DAQU offers financing to enhance businesses, with amounts typically aligned to their estimated capacity. Monitoring of capital use post-disbursement has not been systematic, complicating the evaluation of its impact on repayment performance.

The institution has started to consider the condition aspect, which pertains to the business environment and economic factors. The institution analyzes market trends and external economic risks informally, lacking structured documentation. Market changes often fail to identify potential risks early.

The high NPF at BMT DAQU Klepek Sukosewu is due to character, capacity, and collateral. Improve Capital and Condition to improve prudential principle, focusing on financial management and market risk reserves. Lowering financial risk and boosting institutional sustainability requires integrating these five principles.

The three dominant weaknesses presented in Table 2 explain the main causes of NPF. Nevertheless, a broader description of how the 5C principle is implemented at BMT DAQU is presented in Table 3.

Table 3. Application of the 5C Principle at BMT DAQU Klepek Sukosewu

Aspect 5C	Application at BMT DAQU	Weaknesses Found	Impact on Financing
Character	Customer assessment is based on social reputation and personal familiarity	The assessment tends to be subjective and prone to bias	High trust without verification increases the risk of moral hazard
Capacity	Repayment ability is evaluated through informal interviews	Absence of financial documentation and cash flow analysis	Financing may exceed the customer's actual repayment ability
Capital	Business capital is assessed through informal discussion	Lack of documented proof of assets or	Difficulty in accurately

		business ownership	estimating financial capacity
Collateral	Collateral includes vehicle ownership documents, land certificates, and other personal guarantees	Weak verification and valuation procedures	Collateral execution becomes difficult when default occurs
Condition	Business environment is considered in general discussion	Lack of written market or economic analysis	External risks are not identified early

Source: Field data from BMT DAQU Klepek Sukosewu (interviews and documentation, 2025)

Application of Maqashid al Sharia Values in the Settlement of Non-Performing Financing (NPF)

From the perspective of *Maqasid al Sharia*, problematic financing is not only an economic issue but also relates to ethical responsibility in managing public funds (Rofiq & Hasbi, 2022). One of the essential objectives of *Maqasid al Sharia* is *hifz al mal*, which refers to the protection and proper management of wealth. In Islamic financial institutions, this principle requires that financing funds entrusted by members be managed with responsibility, transparency, and prudence.

When financing funds are not returned by customers, the impact is not limited to institutional financial losses. It also affects other members who have entrusted their funds to the institution. Therefore, the occurrence of Non-Performing Financing (NPF) indicates that the implementation of trust and justice within financing management has not been fully optimized.

The principle of trust requires managers to safeguard public funds responsibly, while the principle of justice requires equal and objective treatment for every customer. However, the findings of this research indicate that financing decisions at BMT DAQU are sometimes influenced by personal relationships between officers and customers. This condition reduces the objectivity of financing assessment and may create inequality in decision making. From the perspective of Sharia Economic Law (Rahayu et al., 2025), such practices may weaken the implementation of justice in financing management.

BMT DAQU has implemented settlement procedures to tackle financial challenges. Includes financial restructuring, payment schedule modifications, and a family-oriented approach for customers with repayment issues. The institution uses SMS and WhatsApp to remind customers of payment

deadlines. Additionally, Account Officers visit customers' homes to deliver billing notices and discuss potential solutions when reminders go unanswered.

The institution supports members and addresses financial issues. Informal relationships hinder finance decisions, reducing their effectiveness. Research indicates that internal oversight in institutions is lacking. Weak supervision may lead to inconsistent funding assessments and improper financing. BMT DAQU addresses financing issues through managerial procedures, not Maqasid al Sharia's ethical goals. Without strong institutional commitment and proper oversight, *hifz al mal* may lack real impact on member funds.

To strengthen the implementation of *Maqasid al Sharia*, it is necessary to enhance the internal control system and the role of Sharia supervision within the institution (Mansyur, 2020). Every financing decision should be based on objective risk analysis rather than personal considerations. Strengthening professional assessment procedures is essential to reduce the possibility of moral hazard and improve financing performance.

When the principle of *hifz al mal* is implemented consistently, the protection of institutional assets becomes part of a broader moral responsibility. Proper risk management not only supports financial sustainability but also strengthens public trust in Islamic microfinance institutions. On the other hand, neglecting this principle may weaken institutional credibility and undermine the objective of Islamic economics in promoting social welfare.

The level of financing collectibility at BMT DAQU Klepek Sukosewu is presented in Table 4.

Table 4. Collectibility Data of Financing at BMT DAQU Klepek Sukosewu

Categories	Number of Debtors	Nominal (Debit Balance)	Percentage
Smooth	40	144.874.900	26,76%
DPK (In Special Mention)	16	95.258.200	17,59%
Substandard (Less Fluent)	8	19.032.500	3,52%
Doubtful	4	42.521.000	7,85%
Loss	77	239.730.000	44,28%
NPF	89	301.283.692	55,65%

Source: Documentation data of BMT DAQU Klepek Sukosewu, 2025.

DISCUSSION

This study finds that weaknesses in the implementation of the 5C prudential principle, particularly in the character, capacity, and collateral aspects, contribute significantly to the emergence of Non-Performing Financing (NPF) at BMT DAQU Klepek Sukosewu. The findings of this study are consistent with prior discussions in Islamic finance literature, which emphasize that the implementation of the 5C prudential principle does not exert an equal impact across all components. Empirical studies on Islamic microfinance institutions suggest that weaknesses in character, capacity, and collateral assessments are more likely to contribute to the emergence of Non-Performing Financing (NPF) than other elements of the 5C framework (Wahdoni & Rofikoh, 2025). From the perspective of Islamic economics, inadequate evaluation of these dominant aspects reflects insufficient realization of *hifz al mal* as one of the primary objectives of *Maqasid al Sharia* (2023, 2021). Subjective reliance on social trust, limited verification of repayment capacity, and non professional collateral valuation practices weaken prudence and justice ('*adl*) in financing decisions.

Furthermore, this study extends previous findings by explicitly identifying the three most influential 5C aspects affecting financing performance in Islamic microfinance institutions. While earlier research generally treats the 5C framework as a comprehensive and uniform risk assessment tool, recent studies suggest that certain elements may exert a stronger influence on financing quality (Malik & Punjab, 2024). In the context of Sharia economic law, this dominance indicates a gap between normative Islamic financial principles and operational practices within institutions. Strengthening the assessment of character, capacity, and collateral is therefore essential not only for reducing Non-Performing Financing (NPF), but also for improving institutional governance, safeguarding assets, and aligning financing practices with the ethical foundations of *Maqasid al Sharia*.

This study endorses previous findings and advises controlling Islamic microfinance institutions with organized and objective financial evaluation approaches that enhance the 5C prudential principle. The 5C prudential principle needs organized, objective finance evaluation. A consistent finance judgment requires credit investigation, client financial capability verification, and professional collateral assessment.

These reforms protect institutional assets and member faith in funds, says Maqasid al Sharia. Islamic financial institutions must improve internal oversight and conduct objective financing assessments, including regular audits, transparent

reporting, and Maqasid al Sharia-compliant ethics, to align operations with justice and wealth protection ideals.

CLOSING

This study concludes that the implementation of the 5C prudential principle at BMT DAQU Klepek Sukosewu has not yet been fully optimal, particularly in the aspects of Character, Capacity, and Collateral. The findings indicate that social relationships and personal proximity still influence the financing assessment process. This condition reduces the objectivity of risk analysis and increases the potential for Non-Performing Financing (NPF). From the perspective of Maqasid al-Sharia, these weaknesses indicate that the values of *hifz al-mal* (protection of wealth) and economic justice have not been fully realized in financing management. Although BMT DAQU has attempted to resolve problematic financing through restructuring, rescheduling, and a family-based approach, these efforts still require stronger institutional procedures and more standardized evaluation mechanisms.

This study contributes to the literature on Islamic microfinance by highlighting the importance of integrating the 5C prudential principle with the values of Maqasid al-Sharia in order to strengthen risk management, improve financing governance, and ensure the protection of community assets in Islamic financial institutions.

Theoretically, this research emphasizes the importance of integrating prudential financial assessment with the ethical framework of *Maqasid al Sharia*. The findings suggest that the application of the 5C principle should not only focus on technical risk analysis but also incorporate Islamic ethical values derived from *Maqasid al Sharia* in order to strengthen responsible financial governance. Practically, the results highlight the need to improve the competence and literacy of BMT managers in both prudential financing analysis and Sharia based financial ethics. Strengthening the implementation of *Maqasid al Sharia*, particularly the principle of *hifz al mal*, can support the development of financing policies that are fair, responsible, and oriented toward the welfare of the community.

This study was conducted in a single Islamic microfinance institution and relied primarily on qualitative data obtained through interviews and institutional documentation. These limitations may affect the broader generalization of the findings. Future studies are encouraged to examine the integration of the 5C prudential principle and *Maqasid al Sharia* in other BMT institutions or in the context of digital Islamic financial services in Indonesia.

Declaration of Conflict of Interest

The authors declare no conflict of interest related to the publication of this article.

Author Contributions (Credit Author Statement)

Dewi Gita Ramadhanti: Conceptualization, data collection, data analysis, writing original draft.

Ifa Khoiria Ningrum: Methodology, providing methodological suggestions and manuscript review.

Muhammad Zaenal Abidin: review and editing, language editing and manuscript formatting.

All authors have read and approved the final version of the manuscript and agree to take responsibility for its content.

Generative AI Statement

Generative AI tools were used only for language editing and clarity improvement. The research design, data collection, data analysis, interpretation of results, and conclusions remain the full responsibility of the authors.

Acknowledgment

The author expressed his gratitude to BMT DAQU Klepek Sukosewu Bojonegoro for his permission and support during the implementation of the research. Awards were also presented to the Faculty of Sharia and Adab for academic guidance, as well as to the supervisors who have provided direction and constructive corrections during the writing process of this article.

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Berdasarkan hasil penelitian terdahulu mengenai faktor-faktor yang memengaruhi dividend payout ratio, terdapat beberapa perbedaan hasil penelitian (research gap). Dan pertanyaan untuk penelitian ini adalah: 1) Apakah r. *Ilmu Dan Riset Manajemen*, 6(2).

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