Adopting Green Finance Ratio in Evaluating Islamic Banks Performance as Index for achieving Sharia Maqasid

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ABSTRACT

The main objective of Islamic banking is to avoid dealing with Ribaand applying Islamic Sharia's Maqasid in all financial transactions.The study proposes green finance index which is measurable and applicable as one of performance ratios in Islamic banks based on disclosure of green financings and investments in their key financial statements, and adopting the proposed index for achieving Sharia Maqasid.

Keywords: Sharia's Maqasid, Islamic banks, Green Finance index, Sustainability, Disclosure.

1. Introduction

Green finance is one of the Islamic finance mechanisms to achieve Sharia Maqasidand sustainable development which must be available to all investors and those interested in green investment in order to establish environmentally friendly investments and projects in compliance with Islamic Sharia principles.Green finance meets the requirements of sustainability because it allows the Islamic financial market to provide more funds for infrastructure for emerging markets and developing economies and ensures that funds are directed towards sustainable environment enterprises with a high degree of certainty that these funds are used only for green projects as renewable energy projects (Haffai&Rahima, 2018).

Islamic banks become a vital tributary of the global economy and provide governments, companies, individuals, and the public and private sectorswith financing and services. Companies and individuals depend on banks to accumulate savings and financing the investments, also contribute to economic development in partnership with the government financial sector and central banks. Governance standards, government regulations, financial technologies and innovations as a result of globalization have contributed to the development of banking facilities and services, especially electronic services (Taib, 2008).

The Islamic financial industry has become a reality and independent sector in economicand fiscal system with components, products and institutions which reached 1,595institutionssuch as banks, takaful insurance companies, funds and others. These institutions managefinancial assets estimated at more than 3,374 billion dollars in 2018 worldwide; thebanks own 70% of these assets (IFD, 2021). Also there are institutions to supervise finance techniques in Islamic banks and financial institutions such as boards of standards control, boards of Sharia supervisory, Sharia audits, risk engineering, as well as to develop the products and investments (Alhashmee, 2018).

Insufficient governance affects economic and financial systems and has negative impact on environment and society, so there is a transfer in corporate governance from traditional concept of shareholders and owners to definition of stakeholders issues and priorities, environment and society, Islamic banks must adopt a good social responsibility policy to improve their reputation and avoid the external factors which affect its activities, profits and financial results. Islamic banks must adopt activities that are compatible with Sharia's Maqasid and be a pioneer in social responsibility and sustainability (Platonova et al, 2018). From the point of view of Sharia, green finance and sustainable development are essential activities to achieve Sharia Maqasid which are religion, mind, self, offspring and worth (Arama, 2017).

1.1 Problem of Research

Many previous studies discussed the role of Islamic banks and their contribution to achieving sustainable development by investing in environmentally friendly projects and innovating financial tools to support these projects and provide the necessary capital, however, it was found that dealing with green financial instruments is low, which contribute to achieving the environmental sustainable development, and there is a clear shortcoming in role of Islamic banks in the sustainable development (Yaequb, Rashwan, Abas,2021).

The problem of the study is represented in two aspects: the first, there is no indicator for green finance to measure the Islamic banks performance, and the second aspect is no disclosure of green finance and sustainability in the key financial statements in Islamic banks. The study problem came whenthe researcher tried to conduct a study on role of Islamic banks in financing green enterprises and sustainability, but it was observed that Islamic banks don't disclose the funding of green financing and sustainability in their key financial statements, and as a result, the researcher suggested this study

1.2 Objectives of Research

- Identifying the objectives of Islamic banking which compatible with Sharia's Maqasid.
- Suggesting a green finance index for evaluating the performance of Islamic banks.
- To check the disclosure of green finance and sustainability in the financial statements of selected Islamic banks.

2. Literature Review

Previous studies discussed disclosure of green finance and sustainability in the financial statements of Islamic banks, as well as the role of Islamic banks in a sustainable economy.

El-Beltagy (2005) this research aims to identify the risk in Islamic banks and design models to measure risks as a tool of administrative control, the study suggested that Islamic banks apply a risk measurement model. Urdaini (2006) the study focused on the accounting disclosure about the social responsibility in the financial statements, the study concluded that there is no unified method and model for displaying social responsibility information. Islamic Financial Services Board (2007) the IFSC issued guiding principles for managing Islamic financial services institutions in four areas: general controls, rights of investment account holders, adherence to Islamic Sharia provisions and principles, transparency of financial reports in relation to investment accounts, and the most important aspect is controls and principles of disclosure and transparency in financial reports. Mohammed, Abdul Razak & Taib (2008) this paper suggested indicators to measure the performance of Islamic banks related to the Islamic banks objectives and Sharia Maqasid, so these banks are evaluated and ranked on three levels: performance ratios, performance indicators, and the general Maqasid index. Alhamdani (2011) it discussed the challenges of environmental costs measuring, the study presented a proposed model for measuring the environmental costs. Keerthi 2013)this paper discussed the recent trend and emerging future opportunities of green finance in India, the study suggests that government provides suits energy provision and management locally.

Chowdhury, Datta & Mohajan (2013)this paper attempts to describe green finance in a borderline sense, green finance is broader than integrating various non-financial or ethical concerns into the financial system, it suggested that green finance must increase in agriculture, green buildings and other green projects to the economic development of any country. Halaby (2015) the study explores the concept of accountability in Islamic banks, which can be achieved through disclosure, and it aims to measure the bank's disclosure levels that contain legal, social and financial disclosures as well as the determinants and consequences of disclosure. The results showed that there is gap between the directors board orientations in Islamic banks based on disclosure of stakeholders. Labidi (2015) this research aimed to measure the environmental accounting costs and disclosure in the financial statements to improve environmental performance, the study concluded that most institutions refuse applying the environmental accounting disclosure in financial statements and reports.

Barazia & Belazzouz (2015) the study objective is to find out the adequacy of disclosure items in accordance with Islamic accounting standards in accordance with the requirements of governance fifth principle,the study concluded that a good corporate governance system needs a high level of disclosure and transparency about the financial information, and Islamic accounting standards fulfill the disclosure requirements. El-Halaby & Hussainey (2015)The paper objective is to examine the determinants of corporate social responsibility disclosure in Islamic Banks, this study offers contribution to Islamic accounting by develop and investigate social Islamic accountability for IBs. Fatum (2015)the study tried to find a comprehensive model for the disclosure of social responsibility, the study concluded that most of the outputs in the institution social activities, whether financial or quantitative, affect the expenses, obligations, assets and the institution administrative decisions. Naji (2015) the study aimed to measure the impact of accounting disclosure level of financial services on the Islamic banks performance listed on Amman Stock Exchange, the study concluded that Islamic banks are committed to disclosure and there is a positive impact on the Islamic Banks's performance. Ismail and Sori (2016) this study discusses the accounting for Islamic financial institutions, as a result, there is a separate financial framework for Islamic financial transactions and a separate financial reporting framework for Islamic financial transactions, Malaysian regulators have issued a directive regulators for financial institutions to comply with international accounting standards compliance with key accounting principles of Sharia requirements. Arama (2017) this study aims to present a concept of sustainable development from the perspective of the Sharia objectives, the study concluded that the development process from the perspective of Sharia emerge from the interaction between the variables of the social phenomenon in the Islamic vision, namely religion, self, science and wealth. Bin Zaidan (2017)the study aims to highlight the importance of green finance for achieving sustainable development in Algeria, the study concluded that green finance growth helps stimulate investment, also the results showed that green growth rate is low in Algeria compared to other

Arab countries and African countries. Ali & Dahab (2018) the research aims to explain and clarify the methods of measuring and managing financial risks for Asalm formula in Sudanese Islamic banks portfolio, the research recommended increasing the funding using Asalm formula for financing agricultural projects and training the workers in Islamic banks. Haffai & Rahima (2018) the paper discussed the concepts of green economy, green finance, green banks, Islamic green finance and its role in serving sustainable development, it presented Islamic green bondsin Malaysia as a model, the study showed that Islamic financial system has many provisions and teachings that emphasize the preservation of the environment and ensure the proper use of natural resources. Platonova,A., Asutay,M., Dixon,R & Mohammad,S. (2018) this paper examines the relationship between corporate social responsibility and financial performance for Islamic banks in GCC, the results showed a positive relationship between CSR disclosure and the financial performance of Islamic banks inGCC. Alhashmee (2018) the study discussed the evaluating of Islamic banks performance; it concluded that Islamic banks suffer from shortcomings in the performance and implementing Sharia laws. Abdul Rahman, Hussain& Bin Odeh (2018) this research evaluates the budget items in targeted Islamic banks in GCC for period 2005-2013, the results showed that the targeted bank's performance due to the active banking environment in which the banks are located. Halaby, Hussainey, Marie & Mohsen (2018) this study examines the levels of disclosure in annual reports in Islamic banks and measures the relationship between disclosure levels and company characteristics. The analysis shows a relatively high level of disclosure for financial and Sharia disclosure (62% and 52%, respectively) and a relatively low level for social disclosure (28%), the analysis also shows an important correlation between disclosure levels and Sharia audit department. Jayathilake (2019) the study concluded that sustainability is term includes environmental sustainability and economic sustainability, so the banking industry plays an important role in a sustainable economy and environmental sustainability. Al-Rifai, Ali & Khalil (2019) the study explains the concept, characteristics and advantages of transformation to green finance in Egypt, the study concluded that green economy is the best way to preserve the environment and stimulating economic growth, also the results showed a positive relationship between the volume of deposits and the volume of credit offered to the green economy and sustainability environment projects. Sarea, Al-Sartawi & Khalid (2019) this paper examines the electronic disclosure in Islamic banking services compared to conventional banks in GCC, the results indicate a positive relationship between disclosure and company size, and an insignificant relationship between electronic disclosure and the bank's profitability and age, the Islamic banks have a lower percentage compared to conventional banks. Hassan, Aliyu, Huda, Rashid (2019) the study presents Islamic financial standards, and discusses issues related to the preparation and auditing the accounts in Islamic financial institutions, Islamic Financial Services Board and International Islamic Financial Markets, besides institutional financial standards, and it suggests the social and economic impacts on the system. Radhi & Queen (2020)the study aimed to determine the trends of Iraqi banks towards finance sustainable development, the results showed the weakness in banking orientation for financing sustainable development. Frimpong, Adeabah, Ofosu & Tenakwah (2020) this study summarizes and analyzes (46) relevant previous studies, the results found green securities, green investments, climate finance, carbon finance, green insurance, green credit, green infrastructure bonds, and green environment are financed as key products in the banks. Also, the results found that the green finance policies of banks are affected by environmental determinants and climate change policies, interest rates, debts, risk, social inclusion, social justice and banking systems. Homaidi, Tabash& Ahmad (2020) this study aims to study the relationship between the level of voluntary disclosure and the profitability of Yemeni

Islamic banks, the results showed that return on assets, corporate governance information, corporate social disclosure, bank size, age of the bank have a negative impact on the relationship with return on assets as well as equity and profit after tax. Islam & Sadekin (2020) the study found that international financial institutions in Bangladesh are increasingly inclined to comply with Bangladesh Bank rules rather than disclose under Islamic principles, the Bangladesh Bank guidelines do not address all aspects of Islamic Sharia. Sushma (2021)this article considers green banking, green insurance and green bonds as part of green finance, it also assesses the opportunities and challenges facing green finance in developing countries such as India with the help of existing literature and attempts to give new insights into green finance as an effective tool for sustainability. Saidani, Taktak, and Hussainey (2021)this paper presents a new contribution to Islamic accounting through the disclosure of investment account holders in the annual reports of Islamic banks. The study found a positive relationship between the adoption of the standards of accounting and auditing organization to Islamic financial institutions and the bank size, liquidity and return on investment accounts. Al-Homaidi, Al-Matari, Anagreh, Tabash & Senan (2021) the paper aims to analyze the relationship between the disclosure of Zakat information and the Islamic financial institutions performance in Yemen, the results showed that return on assets and return on equity through disclosure of Zakat significantly affected the financial performance, while the bank size affected on performance negatively. Bouhanash & Jaafar (2021) the research aim is to specify role of commercial banks in green banking, the study concluded that green banking is one of sustainable development tools, and that concept of green banking is not clear to commercial banks. Fathihani, Saputra, CheHaat,Bon,Yusliza& Muhammad (2021) the search seeks to understand the sustainable green finance literature collected from various sources, the study concluded that the government should maintain economic stability by considering environmental problems and climate change, and plays a main role in ensuring green finance in all business sectors. Khairunnessa, Brust&Yakovleva (2021) the research explores the emergence of green bankingin Bangladesh and the role of regulators and financial authorities in greening the financial sector. The results show that Central Bank of Bangladesh has played a major role in greening the country's financial system by implementing various green policies and regulatory measures.

2.1 Islamic Banks Performance

Evaluation of Islamic banks Performance is a set of procedures through which the achieved results of activity are compared with the established objectives to show the compatibility of the achieved results with the specified objectives for assessing performance effectiveness, also comparing the inputs with outputs according to Sharia standards, as well as assess the of Islamic banks contribution in economic and social development (Aubada, 2007).

The Islamic banks adopt the transparency and apply indicators that help to evaluate its performance easily through annual financial reports but the Islamic banks reports are still suffering of low quality, disclosure and the difficulty of full accessing information, especially indicators related to the environment and social responsibility (Ibrahim, Wirman, Alrazi, Nor & Pramono, 2015). The current study attempts to develop a green finance index to measure the performance of Islamic banks related to sustainable and green economy based on the response of Islamic banks to disclose the green finance in the financial statements.

2.2 Objectives of Islamic banks within framework of Sharia's Maqasid

According to Arabnak website, Islamic banks seeks to achieve economic and social goals in accordance with Islamic Sharia, and they do not aim to achieve profit only, but to achieve the Islamic approach in transactions and contribute in development of society. Islamic banks objectives are represented in two key objectives, including sub-objectives as follows:(Arabnak, n.d).

- A special objective related to the Islamic bank as an economic unit that invests and develops the shareholders and depositorsfunds through:achieving profit, attracting and developing deposits, reducing risks, developing bank resources, quality banking services, developing human resources, providing the necessary financing, supporting beneficial projects, solidarity in profit and loss, diversifying investment formulas and tools
- A general objective related to the role of Islamic bank as part of the overall economic system, and its contribution to the economy and social development, financingthe projects that contribute to improving income distribution,granting alqardalhasanand establishing social projects, throughenhancing confidence in Islamic banks, contributing to charitable projects, distribution of wealth, developing the crafts and industries, social solidarity, zakat, adherence to the Islamic approach in financial transactions, financial alternative to conventional financing, compliance with the Islamic ShariaMaqasid.

The scholars of sharia Maqasidunanimously agree that the general objectives of Shari'a are to promote welfare (Jalb al-Masalih) and avoiding vices (DaralMafasid). IbnAshour says that Sharia objectives include keeping public system, achieving welfare for people, eliminating corruption, establishing justice, and maintaining stability, other scholars of sharia Maqasidclassified the goals and objectives of Sharia into three main aspects (Maqasid) which are Tahdhib al-Fard, Iqamah al-`Adl&Jalb al-Maslahah(Mohammed, Abdul Razak&Taib,Ibid, 2008).
ShariaMaqasidrefer to the general objectives that are divided into two parts:

- The general objective is to achieve the interests of all people.
- The Private objectives are the objectives that Sharia seeks to achieve in various sectors of life, such as the economic, social and political system.

Since human interests are divided into three categories: necessities, needs, and luxuries, in our study we will focus on the needs, which are considered the first levels of interests and include the five goals and Islamic ShariaMaqasid that related to bringing interests (Jalb al-Masalih), namely religion, self, mind, offspringand money(Al-Luwaihaq, 2015).

2.3 Green Financeand Sustainability

There are many international definitions of green finance andsustainability, so green finance describes a wide range of finances, investments, technologies, businesses, and financial policies oriented toward the environment and sustainable economy. Green finance accurately refers to the environmentalfinancial products and services, such as loans, credit cards, insurance, bonds and Sukuk. Also , Green investments seeks to improve people's well-being, achieve social justice, reduce environmental risks and improve environmental safety, so the green finance can be described as environmentally responsible investment and investing in climate change.According to World Bank Group (International Finance Corporation, 2017), the recent definitions of green finance, initiatives, activities and sectors covered by the definition of green finance as the following:

- Adaptation (conservation, adaptation to the biological system)
- Carbon capture and storage
- Energy Efficiency (Cogeneration, Smart Grid)
- Environmental protection (pollution control, prevention and treatment)
- Green buildings
- Green Products and Materials
- Renewable energy (solar, wind and hydro)
- Sustainable land management (sustainable agriculture, forestry)
- Transportation (urban railways / metro, electric, hybrid)
- Water efficiency and waste management (recycling, waste management)

Also, green finance refers to a broad category of activities, products and services (including financial risks, climate and environmental management), the financial instruments and mechanisms associated with investments in commercial and industrial activities chich can create sustainability and positive impact on society and environment, including land, water, biodiversity resources, air and people (Bhattacharyya, 2021).

Green finance refers to the financial arrangements to environmentally sustainable projects and adoptthe climate changeaspects, sustainable projects such as producingthe energy from renewable sources such as solar energy, wind energy, also biogas and clean transportation which includes low greenhouse and gas emissions, as well as energy-saving projects such as green buildings, waste management that includes recycling, efficient disposal or conversion into energy (Ghosh, Nath&Ranjan, 2021)

2.4 Concept of Green FinanceandSustainability in Islamic Sharia

Green finance is an innovative financial model to promote sustainable development with extensiveinterest by governments, financial institutions and companies in order to preserve the environment and resources and stop pollution in worldwide.Islamic banks try to contribute to the local and regional economies throughcreating job opportunities, developing infrastructure and financing small and medium enterprises.

Islamic green finance is characterized by attracting the investors and creating environmentally friendly projects which are compatible with Islamic ShariaMaqasid and fulfilling the requirements of sustainability, Islamic green finance helps the Islamic financial market to provide more funds for infrastructure, emerging markets and developing economies.Islamic green finance ensures that funds are directed towards sustainable environmental enterprises with a high degree of certainty using the funds for green enterprises (Haffai&Rahima, 2018).

Sustainable development from the perspective of IslamicSharia means the process of continuous and comprehensive development and change for the better and develop the human capabilities, material and moral skills for achieving the ShariaMaqasid in succession on earth within the framework of cooperation and integration among nations and peoples, therefore, sustainable development in Islamic Sharia is a modern civilized process that takes temporal and spatial dimensions are requiredfor continuingin achievement and preservation (Arama, 2017)

2.5 Green Finance Products of Banks

Banks provide various green financial services and products according to different sectors, markets and environments, so the banks green products include the following: (Frimpong, Adeabah, Ofosu& Emmanuel, 2021).

- Green project finance and green securitizations
- Green venture capital and private equity
- Technology leasing
- Carbon finance carbon funds
- Green mortgage
- Green loan and green long-term investment account
- Green commercial building loan
- Carbon insurance andClimate finance
- Green traded stocks and bonds
- Green infrastructural finance

3. Research Methodology

Proceeding from the research problem, the study main objective is to propose the green finance index, and define and achieve the lofty goals of Islamic banks in accordance with Islamic Sharia. The study focuses on revealing the activities related to the environmental and social aspect as a basis for the green finance indicator, and then the environmental elements can be translated into an observable and measurable indicator for assess the role of Islamic banks in achieving sustainable development.

3.1 Overview of disclosure concept according to the merge method

The most important problems facing developing an intellectual framework for accounting for social and environmental responsibility, is how to disclose social and environmental performance in financial reports. The method of merge is the appropriate method for disclosing these obligations, as it helps to make information available in financial reports. The social and environmental accounting according to this method is considered an extension of financial accounting, and the social and environmental performance is added along with the economic performance in the same financial reports of banks and institutions such as the income statement and financial position as well as the amended statements.

According to this method, social and environmental responsibility is reported in terms of benefits and costs, but Islamic banks are not like industrial and service companies whose financial statements focus is on the side of benefits, so Islamic banks don’t finance projects that affect the environment. This type of reports is characterized by the possibility of disclosing information on economic activities and social responsibility activities in one statement, which provides a broader scope for comparison between these activities and then properly assessing the performance of banks (Fatum, 2015)

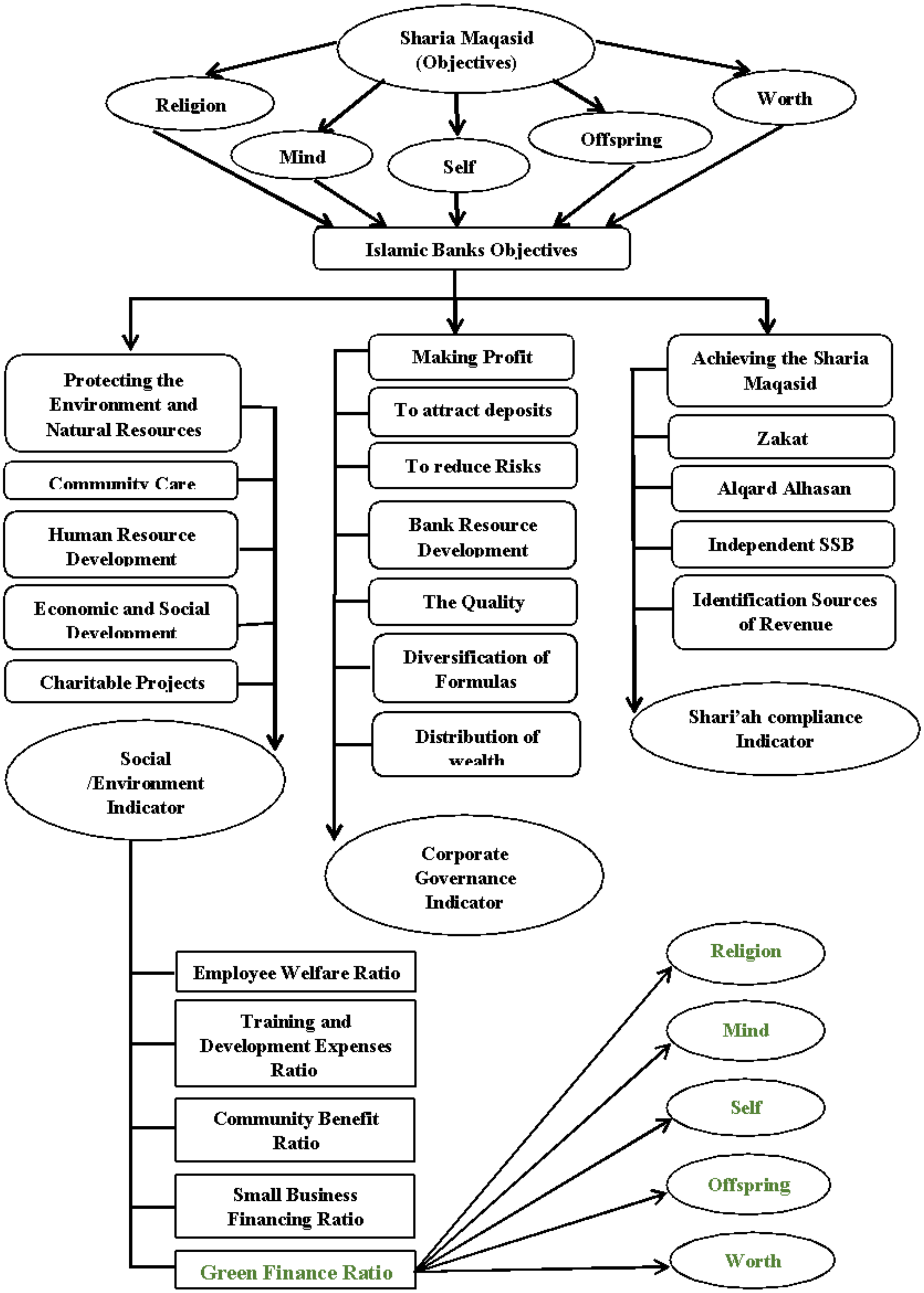

Figure 1. Practical framework of Islamic banking objectives within Sharia Maqasid (Objectives)

Using the general framework of the Islamic banks goals within Sharia Maqasid, the main indicators summarize the general goals are Islamic Sharia indicator, governance indicator and the environmental and social indicator, so the study will focus on the environmental and social indicator, then suggests a model for measuring the proportion of green finance according to the study objectives,

Table 1. Islamic banking objectives within framework of Sharia Maqasid (Objectives)

Sharia Maqasid (Objectives)	Islamic banking objectives	Indices	Ratio	Sources of Data
	Achieving the Sharia Maqasid		Zakah/ Net Income	Annual Report
	Zakat	Shari'ah compliance Indicator	Interest free income/ Total income	Annual Report
	Alqard Alhasan		SSB Ratios	Annual Report
Religion	Independent SSB		Alqard Alhasan/Total Investment	Annual Report
	Identification Sources of Revenue			Annual Report
	Making Profit		Profit Ratio	Annual Report
Mind	To attract deposits		Deposit growth	Annual Report
	To reduce Risks		Risk ratio	Annual Report
	Bank Resource Development	Corporate Governance Indicator	Investment Deposit Ratio	Annual Report
Self	The Quality		Formulas number	Annual Report
	Diversification of Formulas		Dividend	Annual Report
			Expense Ratio	Annual Report
Offspring	Distribution of wealth		Liquidity Ratio	Annual Report
	Protecting the Environment and Natural Resources		Employee welfare ratio	Annual Report
Worth	Community Care	Social /Environment Indicator	Training and qualification rate	Annual Report
	Human Resource Development		Community benefits ratio	Annual Report
	Economic and Social Development		Microfinance ratio	Annual Report
	Charitable Projects		**Green Finance Ratio**	Annual Report

The performance ratios and indicators in table 1 were selected based on the Sharia Maqasid and Islamic banking objectives and its relation to the environment and society, and its main role in the economy. Several previous studies and research referred to performance ratios of Islamic banks such as (Mohammed& Abdul Razak, 2008), (Aubada, 2007), (Ibrahim, Wirma, Nor, Alrazi & Pramono, 2015), (Fatum, 2015).

Measuring the performance of Islamic banks requires disclosing all activities in the financial statements and providing statistical facilities with regard to the data source (annual reports). In the practical framework chart of Sharia Maqasid and Islamic banking objectives, the green finance index has been linearly linked to the Sharia Maqasid, because green finance means a sound environment, a sound climate, health, sound thinking, community health, pure and renewable resources, implementing of Islamic teachings, green finance means achieving Sharia Maqasid in general

3.2 Disclosure of Green Finance in Selected Islamic Banks (Study Sample)
The study sample consists of Islamic banks ten banks as follows:

- Alrajhi Bank
- Bank Muamalat Indonesia
- Bank Muamalat Malaysia
- Dubai Islamic Bank
- Bahrain Islamic Bank
- Qatar Islamic Bank
- Bank Nizwa
- Kuwait Islamic Bank
- Faisal Islamic Bank of Egypt
- Tadhamon Islamic Bank

The study chose ten Islamic banks that are considered among the largest Islamic banks in terms of assets and activity, as well as that they were established in several countries where Islamic banking is witnessing significant growth and development. By reviewing the annual reports, it clear that all Islamic banks do not disclose green finance in their key financial statements, and this is one of the main motives for proposing the green finance index as one of performance in Islamic banks. The researcher used the scorecard to test the disclosure of green finance in the annual report of selected banks as in table 2.

Table 2. Testing the Disclosure of Green Finance in Selected Islamic Banks's financial Statements

No.	Names of Banks	Disclosure of Green Finance
1	Alrajhi Bank	X
2	Bank Muamalat Indonesia	X
3	Bank Muamalat Malaysia	X
4	Dubai Islamic Bank	X
5.	Bahrain Islamic Bank	X
6.	Qatar Islamic Bank	X
7.	Bank Nizwa	X
8.	Kuwait Islamic Bank	X
9.	Faisal Islamic Bank of Egypt	X
10.	Tadhamon Islamic Bank	X

3.3 Proposed Formula of Green Finance Ratio
For implementing green finance index, the green finance and sustainability clauses must be disclosed in the financial statements, specifically in statement of financial position as follows (the proposed statement of financial position):

Table3. Statement of Financial Position (Model) as at 31 December 2020

Assets	Note	Bank 31 December 2021	31 December 2022
Cash and short-term funds		*****	*****
Cash and placements with financial institutions		*****	*****
Financial investments at fair value through profit or loss		*****	*****
Financial investments at fair value through other comprehensive income		*****	*****
Financial investments at amortized cost		*****	*****
Islamic derivative financial assets		*****	*****
Financing of customers		*****	*****
Financing of Green investments *		*****	*****
Statutory deposits with other banks		*****	*****
Investment in subsidiaries		*****	*****
Investment properties		*****	*****
Cash and placements with financial institutions		*****	*****
Financial investments at fair value through profit or loss		*****	*****
Financial investments at fair value through other comprehensive income		*****	*****
Financial investments at amortized cost		*****	*****
Cash and placements with financial institutions		*****	*****
Financial investments at fair value through profit or loss		*****	*****
Financial investments at fair value through other comprehensive income		*****	*****
Islamic derivative financial assets		*****	*****
Financing of customers		*****	*****
Cash and short-term funds		*****	*****
Cash and placements with financial institutions		*****	*****
Other assets		*****	*****
Cash and short-term funds		*****	*****
Total assets		*****	*****
Total liabilities and shareholders' equity		*****	*****
Capital adequacy*		*****	*****

By disclosing green finance as in the statement of financial position, the green finance ratio can be calculated using the following formula

$$Green\ Finance\ Ratio(GFI) = \frac{Green\ Finanec\ and\ Investements\ (GFI)}{Total\ Available\ Resources\ (TAR)} \times 100$$

Where:
TGF = Green Finance and Investments
TAR= Equity + Deposits and equivalent

According to Green Finance Ratio, the value of sustainable financing provided by Islamic bank is percentage 0.0% of the bank's total resources, so the high percentage of the ratio refers to the Bank's contribution to sustainable development and economy

4. Conclusion

The study proposes a green finance index as one of performance indicators in Islamic banks to know the financed funds by Islamic banks in sustainability sectors and green enterprises which considered of the Islamic Sharia Maqasid. The result showed that the selected Islamic banks did not disclose about the data related to green finance and sustainability in the main financial statements. The study suggests adopting the method of merging for disclosing green finance and sustainability in the financial statements of Islamic banks and applying the proposed green finance index.

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