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A STRATEGIC MANAGEMENT APPROACH TO STABILIZING RISK, GOVERNANCE, EARNINGS, AND CAPITAL UNDER A NEW VISION OF PT. BANK MUAMALAT INDONESIA

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ABSTRACT
This study aims to analyze the strategic management approach of PT. Bank Muamalat Indonesia, Tbk in improving financial health and realizing the new vision established in 2025. The method used is qualitative descriptive with secondary data analysis from financial reports, OJK publications, and other relevant documents. The result shows, the bank faced significant challenges in the initial years following the new vision's launch, particularly in the indicators of NPF (2.34%), BOPO (105%), and ROA (0.3%), although CAR (15%) and FDR (82%) remained relatively strong. Strategic management was applied through strengthening risk management, operational efficiency via digitalization, sharia product innovation, and internalization of blessing values as part of the organizational culture. The study's limitations include a greater focus on quantitative data than qualitative data and a case study limited to a single institution, requiring caution in drawing conclusions. Future research is recommended to use mixed methods and compare practices with other sharia banks so that, evaluation and benchmarking is believed to enhance Bank Muamalat's competitiveness and sustainability.

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INTRODUCTION

The banking industry is a highly dynamic sector and plays an important role in driving economic growth, both nationally and globally. Regulatory changes, the development of digital technologies, as well as shifting customer behavior demand every financial institution to constantly adapt. In the face of these challenges, banking is not only required to maintain financial performance, but also enhance competitiveness through strategy innovation and institutional transformation. According to (Ghozali & Lestari (2021), a bank's competitiveness is greatly influenced by its ability to read the direction of the market and respond to it with adaptive as well as sound governance-based strategies.Related to that, a bank's vision is a strategic foundation that plays an important role in determining the direction and long-term goals of financial institutions, which directly and indirectly affects the long-term health level of banks. A clear and realistic vision encourages the formulation of risk management strategies, improvement of operational efficiency, as well as adjustment to market dynamics, thus supporting the achievement of bank health indicators such as capital adequacy, asset quality, profitability, and liquidity. On the contrary, misaligned vision can lead to strategic disorientation and weak governance, which has negative implications on the bank's overall health (Lestari & Handayani (2020). Therefore, the bank's success in maintaining and improving its level of health cannot be dissociated from the quality of institutional vision formulation and implementation.

Especially in the context of Shariah banking in Indonesia, competition has become sharper since the presence of PT. Bank Syariah Indonesia (BSI),Tbk as a result of the merger of three Shariah banks owned by state-owned enterprises. This prompted other banks, including Bank Muamalat Indonesia, Tbk, to undertake strategic repositioning, one of which was through a vision update. The new vision becomes the foundation of the long-term direction, as well as a reflection of the ambition and value it wishes to instill in all stakeholders. As stated (Santosa & Maulid (2022), a relevant and contextual vision strongly determines the success of organizational transformation. In addition, according to (Putra & Hidayat. (2023), appropriate vision repositioning can strengthen the integration between financial and marketing strategies, as well as support the improvement of overall bank health indicators. Bank Muamalat Indonesia recently introduced a new vision that reads: "Menjadi Jalan Hijrah Menuju Berkah '' or "Becoming the Hijrah Path Toward Blessings." This vision reflects the bank's commitment to being the premier solution in the Shariah financial ecosystem, with a focus on community empowerment through services that are sustainable and in line with Shariah maqashid principles. In order to strengthen that vision, Bank

Muamalat is also integrating elements such as zakat, infaq, sedekah, and waqf into the halal and hajj ecosystem, as part of efforts to support a holistic shariah lifestyle (Infobanknews ,2025).

Bank Muamalat's new vision was born as a strategic response to the stiffness of competition in the Shariah banking industry, both from fellow Shariah public banks and from the ever-emerging shariah-based digital financial institutions. In the face of this challenge, Bank Muamalat recognized the need for strong differentiation through a spiritual approach and shariah maqashid values as the core of the service. By placing the concept of "hijrah" as a symbol of transformation and auspiciousness, banks not only aim for financial growth, but also build emotional and religious bonds with customers seeking more meaningful financial services. This vision is simultaneously an effort to expand the halal and hajj ecosystem, strengthening Bank Muamalat's competitive position amid an increasingly competitive and digitalized industry landscape (Infobanknews ,2025).

In 2019, based on data from OJK Shariah Banking Statistics on the Table.1, Bank Muamalat Indonesia ranks second in terms of total assets among Shariah General Banks (BUS) with an asset value of Rp54.89 trillion. The first rank was then occupied by Bank Syariah Mandiri (BSM) with total assets reaching Rs112.29 trillion. This position reflects that although Bank Muamalat is the pioneer of shariah banking in Indonesia, in terms of market dominance, state-owned shariah banks such as BSM have surpassed its position, mainly due to greater infrastructural and capital support from its parent.

Table 1. Ranking of Shariah Public Banks in Indonesia in 2019

Rank	Shariah Bank	Total Assets (Rp.Trillion)
1	Bank Syariah Mandiri (BSM)	112,29
2	Bank Muamalat Indonesia	54,89
3	BNI Syariah	49,57
4	BRI Syariah	44,03
5	BTN Syariah	26,42
6	Bank Panin Dubai Syariah	13,45
7	Bank Mega Syariah	9,68
8	Bank Victoria Syariah	3,12
9	BCA Syariah	2,91
10	Bank Jabar Banten Syariah (BJBS)	1,95

Source: Indonesian Financial Services Authority. (2019).

Five years later, in 2024, decribed on Table. 2, Bank Syariah Indonesia (BSI) occupies the top position in the ranking of General Syariah Banks (BUS) based on total assets, with the value of assets reaching about Rp305.72 trillion. This position confirms BSI's dominance in the national shariah banking industry after its official establishment in 2021 as a result of the merger of three state-owned shariah banks: Bank Syariah Mandiri (BSM) , BNI

Syariah, and BRI Syariah. The merger provides scale advantages and operational efficiencies that strengthen BSI's competitiveness significantly. Bank Muamalat Indonesia, which in 2019 was in the second position, in 2024 still occupies the second rank as well with assets of about Rp65.47 trillion. Despite its growing assets, the distance with BSI is widening, reflecting the challenges Bank Muamalat faces in its pursuit of market dominance amid the tightening of competition and the digital transformation of sharia banking.

Table 2. Ranking of Shariah Public Banks in Indonesia in 2024

Rank	Shariah Bank	Total Assets (Rp.Trillion)
1	Bank Syariah Indonesia (BSI)	305,72
2	Bank Muamalat Indonesia	65,47
3	BCA Syariah	34,89
4	Bank Mega Syariah	21,56
5	Bank Panin Dubai Syariah	17,34
6	Bank Victoria Syariah	5,78
7	Bank Jabar Banten Syariah (BJBS)	4,12

Source: Indonesian Financial Services Authority. (2024).

The rivalry between Bank Muamalat Indonesia (BMI) and Bank Syariah Indonesia (BSI) reflects the increasingly competitive dynamics in the national Islamic banking industry. Since BSI was formed in 2021 as a result of the merger of three state-owned shariah banks, its position immediately dominated the market in terms of assets, network, and government support, while BMI remained a major competitor with a history as a pioneer of shariah banking in Indonesia. As a result, BMI faced great pressure to maintain its existence, thus making strategic moves such as updating its vision to "Being the Path of Hijrah toward Blessings," as well as adopting a more prominent spiritual approach to differentiate itself from BSI. In addition, BMI started accelerating digital transformation and strengthening services on special segments such as Hajj and Umrah. This competition encourages increased innovation and service quality across the industry, as well as expanding shariah financial literacy in the community.

Relatedly, this study was conducted to descriptively analyze the role of the new vision applied by banks in improving organizational performance, specifically how the vision affects the variables of bank health based on RGEC indicators; risk (Risk Profile), governance (GCG), earnings (Earnings), and capitalization (Capital). The study also aims to identify the strategic steps that banks should take on each of the RGEC variables to achieve optimum performance improvement in accordance with the new vision adopted.

LITERATURE REVIEW

Strategic Management

Strategic management is a long-term planning process that is systematic and future-oriented, with the aim of ensuring that the organization remains competitive and adaptive to environmental changes. A research by (Hidayah et al. (2022), explained that strategic management includes the process of formulating, implementing, and evaluating organizational strategies to achieve long-term goals continuously. In the context of banking, strategic management has a vital role in improving the quality of daily services and outcomes. Meanwhile (Musnaeni, et. al. (2023),emphasized that strategic management is necessary to face global challenges and ever-changing policy dynamics, especially within Islamic banking institutions. Further, the main objective of strategic management is to achieve competitive advantage, align the vision and mission of the organization with the operational, as well as strengthen the position of the organization in the midst of the competition. (Aisyah et al. (2022) added that without a proper strategy, organizations tend to run without clear direction and are vulnerable to the uncertainty of the business environment.

The steps in strategic management include three main stages: strategy formulation, strategy implementation, and strategy evaluation as well as control. (Kautsar and Julaiha, 2023) mentioned that the strategy formulation process involves analyzing the internal and external environment, setting the vision and mission, as well as setting the long-term goals of the organization. Thereafter, the formulated strategy should be implemented through resource allocation, structure organization, as well as appropriate motivation and leadership. Strategy evaluation is conducted to assess the success of implementation as well as make adjustments to changes that occur. (Gusrianto & Syaifudin, 2023), highlighted that the success of strategic management is highly dependent on the consistency of implementation and the involvement of all parties in the organization, especially in a dynamic environment. By systematically applying strategic management, the institution or organization can improve its effectiveness, efficiency, and overall service quality.

Financial Health

Bank health measurement methods have been extensively discussed in various studies. One of the most commonly used approaches is the CAMEL model or its modified versions such as RGEC, which measures bank health through four to five main dimensions; capital adequacy (Capital), asset quality (Asset Quality), management quality (Management), revenue or profit (Earnings), and liquidity (Liquidity) (Wicaksono & Supriyadi (2020).

Moreover, financial ratio analysis is also the main method in assessing the health of banks, with a focus on indicators such as Capital Adequacy Ratio (CAR), Non-Performing Loan (NPL), Return on Assets (ROA), Return on Equity (ROE), and liquidity ratio, which comprehensively depict the financial condition and risk of banks (Saputra , 2022).

The RGEC method became one of the main approaches in comprehensively assessing bank health in Indonesia, especially after it was adopted by the Financial Services Authority (OJK) as a framework for bank health evaluation. RGEC measures the health of banks from four main variables, namely Risk Profile which assesses the level of credit risk and operational risk through asset quality and risk management, Good Corporate Governance (GCG) which refers to good and transparent corporate governance practices, Earnings which assesses the ability of banks in generating sustainable profits, and Capital which measures the adequacy of capital to bear business risks, (Prasetyo, 2022). The study by (Putra & Hidayat, 2023) confirms that the Risk Profile variable strongly determines bank health, as poor asset quality can give rise to liquidity pressure and default risk. Furthermore, research by (Andriani & Susanto, 2020) shows that a good application of GCG not only enhances stakeholder trust but also supports effective risk management. Meanwhile, the study results of (Sari & Wicaksono , 2022) prove that stable earnings and sufficient capital strengthen banks' resilience to external pressures as well as promote business growth. Overall, the use of RGEC can provide a holistic and dynamic picture of bank health, as well as an important reference for regulators and bank management in strategic decision-making.

Strategic Management and Financial Health in Banking Industry

Strategic management plays an important role in maintaining and enhancing the financial stability as well as sustainability of banking. A good strategy includes adaptability to changing technologies, regulations, and market needs. According to (Ridwan, 2023), strategic management applied in Islamic banking should be capable of responding to external dynamics through business model updating and service digitalization. Digitization of banking is also becoming an important element in financial strategy, where (Kurnia et al., 2023) find that digitalization has a significant influence on improving the financial performance of banks in Indonesia. This is in line with the view of Firdaus and Santioso (2023), who explained that the formulation of a digital-based strategy as well as proper asset management has a positive impact on Return on Assets (ROA) and Return on Equity (ROE). The application of good corporate governance principles in a long-term strategy also enhances public trust and strengthens the bank's financial position (Simbolon & Manalu, 2023).

Banking strategy is inseparable from financial health indicators such as Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), and Net Interest Margin (NIM). According to (Aerlangga , 2025), the level of NIM has a positive influence on ROE, whereas BOPO shows a significant negative influence, indicating the importance of cost efficiency in management strategies. Bank strategies should also consider environmental and sustainability aspects, as pointed out by (Nababan et al., 2023) who find that green banking financing significantly affects financial performance, especially when moderated by bank size. In this context, expansion strategies, the conversion of conventional banks to sharia, as well as the utilization of technology become tactical measures to strengthen the competitiveness of the banking industry (Ridwan, 2023). Meanwhile, (Yuliawati , 2023) underlined that a high degree of bank health has a direct influence on the value of the firm, which means that the success of the financial strategy greatly determines investors' perceptions and the bank's business viability in general.

METHODS

This study is designed as a case analysis centered on PT Bank Muamalat Indonesia, Tbk, employing a quantitative research method with a descriptive analytical approach. The choice of quantitative methodology is based on the nature of the data, which consists of measurable numerical values derived from financial reports and other documented records. These data are then systematically collected, processed, and analyzed to present an accurate and comprehensive depiction of the bank's current financial performance and overall health. The descriptive approach in this context serves to observe, describe, and interpret conditions as they exist in reality, without exerting any form of manipulation or experimental intervention on the research subject. Rather than testing hypotheses or examining causal relationships, this method focuses on offering a factual, objective representation of the observed variables. It captures the actual phenomena taking place within the institution during the studied period.

By emphasizing the presentation of real-time figures such as asset quality, profitability, operational efficiency, and capital adequacy the research provides a holistic understanding of how Bank Muamalat is performing amid evolving strategic and regulatory landscapes. This perspective is crucial, especially as the bank undergoes a repositioning of its vision in 2025, aiming to align financial performance with spiritual and ethical values under its new identity as a provider of "berkah (blessings) "-oriented banking services.

RESULT AND DISCUSSION

Financial Performance of PT. Bank Muamalat Indonesia, Tbk.

Based on the performance data of Muamalat Bank on Table.3, it is seen that over the period 2019 to 2024, the assets of Muamalat Bank showed a stable upward trend, from Rp58.5 trillion to Rp70.1 trillion. This increase reflects healthy business growth and the bank's success in raising funds as well as channeling them into productive sectors. The increase in assets has a positive impact on the Risk (Risk Profile) component, as it indicates measured and well-managed expansion, as well as enhancing public confidence and competitiveness of banks in the Islamic banking industry.

Table 3. Financial Performance of Muamalat Bank 2019-2024

Tahun	Aset (Rp triliun)	CAR (%)	ROA (%)	BOPO (%)	NPF (%)	FDR (%)
2019	58.5	12.42	1.1	87	1.20	80
2020	60.2	11.50	0.5	95	1.80	85
2021	62.0	12.00	0.7	92	2.00	87
2022	65.4	13.00	1.2	85	1.00	83
2023	68.7	29.42	1.5	80	0.66	79
2024	70.1	15.00	0.3	105	2.34	82

Source : Data Processing Results (BMI Financial Report)

Despite growing assets, bank profitability as measured through ROA shows significant fluctuations. ROA decreased in 2020 to 0.5% as the impact of operational pressures and increased reserve costs, then recovered to 1.5% in 2023, before returning down to 0.3% in 2024. These fluctuations impacted the Earnings component, where a decrease in ROA indicates low effectiveness in asset returns. This condition can lower the health score of the bank if it continues, as a low ROA indicates the inability of the bank in optimizing its earnings.The efficiency level of the bank reflected in the BOPO ratio also experiences an upward and downward pattern. BOPO had touched 95% in 2020, improved to 80% in 2023, however surged back to 105% in 2024. The rise in BOPO indicates that operating expenses exceed operating income, which negatively impacts overall profitability and efficiency. RGEC affects the Earnings component, where high BOPO becomes one of the causes of low ROA and is a poor indicator of banks' internal efficiency.

From the asset quality side, a stable NPF below 2% through 2023 indicates reasonably good financing risk management. However, in 2024 the NPF jumps to 2.34%, indicating increased credit risk, particularly in the consumer and SME segments. An increase in NPF has a negative impact on the Risk Profile component, as it indicates a decline in the quality of the financing portfolio and the potential for financial loss. If this trend goes unchecked, it could worsen the bank's position in terms of credit health and loss reserve requirements. On the capitalization side, Bank Muamalat's CAR was at a safe level throughout the period, even having jumped drastically to 29.42% in 2023 before declining to 15% in 2024. Despite the decline, the level is still well above the minimum provision, thus still providing ample room for financing expansion. The high CAR contributes positively to the Capital component, as it reflects the strength of bank capital in absorbing financial risks. This becomes one of the main pillars that keeps the health status of the bank in the good category.

Bank Muamalat's FDR during 2019–2024 was maintained at a healthy range, between 79% and 87%, indicating the bank's ability in maintaining a balance between pooled funds and channeled funds. The stability of the FDR strengthens the Risk component, particularly in terms of liquidity, as banks do not exhibit aggressive tendencies that could jeopardize short-term liquidity. This became a supporting factor in maintaining the stability of the bank's operations. Overall, although indicators such as assets and capitalization show good trends, challenges arise from the profitability and operational efficiency side, especially in 2024. The increase in BOPO and NPF pressures ROA and reflects declining asset quality and cost efficiency. This may affect the bank's RGEC composite rating, particularly on the Earnings and Risk Profile aspects. If not immediately rectified, the bank's health status may decline from the "Healthy" to "Fairly Healthy" category. Therefore, strengthening risk management, operational efficiency, and selective financing strategies are key in maintaining the sustainability of Muamalat Bank's future health.

Composite Ranking of PT. Bank Muamalat Indonesia, Tbk.

Based on the ranking of Muamalat Bank in Table 3, in 2019, the condition of Muamalat Bank was classified as healthy. The low level of Non Performing Financing (NPF) in the 1.2% figure suggests that financing risk is fairly under control. The Return on Asset (ROA) ratio of 1.1% indicates moderate profitability, although the operational efficiency is not yet optimal as the BOPO ratio is still quite high at 87%. The capital adequacy ratio (CAR) of 12.42% is within the safe limit, and the Financing to Deposit Ratio (FDR) of 80% indicates the bank's liquidity is in a healthy condition. Overall, the bank's composite score in the current year is 2.00, which indicates that the bank is in the Healthy category, although there is still room for improvement on efficiency and revenue management.

Table 4. Composite Ranking of PT. Bank Muamalat Indonesia, Tbk.

Year	NPF (%)	Risk Score	ROA (%)	BOPO (%)	Earnings Score	CAR (%)	Capital Score	FDR (%)	FDR Score	Composite	Status
2019	1,2	2	1,1	87	3	12,42	2	80	1	2,00	Healthy
2020	1,8	3	0,5	95	4	11,5	3	85	2	3,20	Fairly Healthy
2021	2,0	3	0,7	92	3	12,0	3	87	2	3,20	Fairly Healthy
2022	1,0	2	1,2	85	2	13,0	2	83	1	1,80	Healthy
2023	0,66	1	1,5	80	2	29,42	1	79	1	1,20	Very Healthy
2024	2,34	4	0,3	105	4	15,0	2	82	1	2,40	Healthy

Source : Data Processing Results (BMI Financial Report)

The year 2020 marked the beginning of significant pressures as a result of the COVID-19 pandemic. This was reflected in an increase in NPF to 1.8% and a sharp decline in ROA to 0.5%, suggesting a huge pressure on operating income. The efficiency decreased dramatically, reflected by the BOPO ratio reaching 95%. The CAR also experienced a decline to 11.5%, approaching the regulator's stipulated minimum limit. The FDR increased to 85%, which is still within reasonable limits however indicates an improvement in the channeling of financing amidst pressure. These conditions caused the composite score to rise to 3.20, and the health of the bank to fall to Fairly Healthy, with the main spotlight on low profitability and poor efficiency. In 2021, the pressures of the pandemic are still being felt despite signs of recovery. The NPF reached 2.0%, touching the limit of tolerance over financing risk. ROA only increased slightly to 0.7%, and BOPO remained high at the 92% figure, suggesting efficiency has not improved significantly. The CAR stagnated in the 12% range, while the FDR rose again to 87%, indicating that financing expansion was still undertaken despite declining asset quality. This combination of indicators keeps the composite rating at 3.20 and the bank's status is still Fairly Healthy, suggesting that risks are still high and the recovery has not been evenly distributed across all aspects.

2022 marked a turning point for improvement. Financing risk improves with NPF decreasing to 1.0%, and efficiency increases as BOPO decreases to 85%. ROA rose to 1.2%, reflecting an increase in earnings. The CAR increased to 13%, suggesting that capital strengthening is starting to be felt. The FDR is at a figure of 83%, indicating that liquidity is still good. With improvements in almost all components, the composite score improved to 1.80 and the bank returned to the Healthy category. This suggests that internal recovery strategies and macroeconomic stability are beginning to effectively improve banks' financial conditions. The year 2023 recorded the best performance in the last six years. NPF decreased dramatically to 0.66%, reflecting excellent financing quality. ROA increased to 1.5% and BOPO decreased to 80%, indicating excellent operating efficiency. CAR jumped sharply to

29.42% following the inclusion of capital from the Hajj Financial Management Agency (BFCM), providing tremendous capital strength. The FDR remained healthy at 79%. This combination of indicators results in a composite score of 1.20 and a Very Healthy status, reflecting a very strong and efficient financial and managerial position.

By 2024, there is a decline in several leading indicators. The NPF jumped to 2.34%, indicating an increased default risk of financing. BOPO rose sharply to 105%, meaning that operating expenses were greater than the revenue generated, leading to a drop in ROA to a very low level of 0.3%. Nevertheless, the CAR was still robust at 15% and the FDR remained stable at 82%. The decline on the risk and earnings aspects resulted in the composite score rising to 2.40, but the bank is still categorized as Healthy thanks to its intact capital strength and liquidity. However, it serves as an important warning that if risk and profitability conditions are not immediately improved, then the bank’s health could decline further in the following year.

Strategic Management Approaches of PT. Bank Muamalat Indonesia, Tbk

Health assessment data of Muamalat Bank from 2019 to 2024 showed fluctuating performance dynamics, especially on Non-Performing Financing (NPF), Return on Assets (ROA), and Operating Costs against Operating Income (BOPO) indicators. The year 2024 records a significant increase in NPF by 2.34% and BOPO reaches 105%, accompanied by a sharply decreasing ROA to 0.3%. Although overall the bank is still in the “Healthy” category with a composite score of 2.40, this condition indicates the existence of serious challenges from the profitability and efficiency side. In the context of Bank Muamalat’s new vision , the main challenges faced were how to maintain financing quality (suppress NPF), improve operational efficiency (decrease BOPO), and strengthen financial performance all round in order to reflect blessings in business practices. This vision demands alignment between shariah values and operational excellence. Therefore, Bank Muamalat needs to strengthen risk management, improve its financing portfolio, and undertake a digital transformation oriented toward customer service and satisfaction. Only with the strengthening of such aspect, the vision of becoming a “path of hijrah toward blessings” does not become just a slogan, but manifests tangibly in the performance and public perception towards banks.

Strategy management approach towards the success of the new vision of Bank Muamalat should be carried out systematically based on RGEC data shows real challenges. The first stage is to conduct a thorough situation analysis by reviewing internal conditions such as an increase in NPF to 2.34%, BOPO above 100%, and a decline in ROA to 0.3%, as well as still adequate capital strength and liquidity (CAR 15%, FDR 82%). An external analysis is also necessary to understand the dynamics of shariah banking competition and regulation (David, (2017). Furthermore, the Bank should set specific and measurable strategic objectives, such as decreasing NPF below 2%, suppressing BOPO below 90%, and increasing ROA by at least 1%, in line with the positive values that support the vision (Johnson et al. , 2019). At the strategy formulation stage, the main focus is on strengthening risk management with stricter monitoring systems, increasing operational efficiency through digitization of services, shariah product innovation, and human resource development so that the value of sustainability becomes the culture of the organization (Kaplan & Norton (2006) . Strategy implementation was done by optimizing digital technologies, employee training, as well as a troubled financing restructuring program (Hitt et al., 2016). Lastly, evaluation and control are conducted periodically by measuring RGEC indicators and KPIs so that strategies can be adjusted when results are not optimal, while ensuring that the vision of sustainability is truly realized in business practices (Lee & Lee, 2019). With this comprehensive strategic management approach, Bank Muamalat can overcome the challenges at hand and consolidate its position as a shariah bank that is not only financially sound, but also brings blessings to all stakeholders.

CONCLUSION AND SUGGESTION

Based on the latest RGEC data analysis, Muamalat Bank faces serious challenges in realizing its vision as a “path of hijrah to blessings”. The high NPF ratio of 2.34%, the BOPO exceeding 100%, as well as the decline in ROA to 0.3% by 2024 suggest the existence of weaknesses in risk management and operational efficiency. Nevertheless, the capitalization (CAR 15%) and liquidity (FDR 82%) positions are still strong enough as capital to make strategic improvements. To overcome this problem and achieve its vision, the strategic management approach needs to be carried out thoroughly, starting from situation analysis, measurable goal setting, strategy formulation, directed implementation, to periodic evaluation. Therefore, Bank Muamalat is advised to strengthen its risk management system to suppress NPF below 2%, improve operational efficiency so that BOPO can be suppressed below 90%, as well as drive profitability through the innovation of better quality Shariah financing products. In addition, digital transformation should be continuously developed to expand the reach of services and improve customer satisfaction. Equally important, the internalization of benevolence values through a work culture that is in line with Shariah principles should be an integral part of the organizational strategy. Through such strategic measures, Bank Muamalat can improve its performance all round and at the same time become a superior, competitive, and bring blessings to all stakeholders shariah financial institution.

This study has several limitations that need to be kept in mind. First, the analysis focuses only on the quantitative data of the RGEC indicators (Risk Profile,GCG, Earnings, Capital) in the period 2019-2024, so it does not include qualitative factors such as customer perception, service quality, or aspects of organizational culture that also influence the success of the bank's strategy in realizing its vision. Second, the data used come from a single institution, only Bank Muamalat, so generalization to other Islamic banks in Indonesia needs to be done with caution. Third, the strategy approach used is descriptive and conceptual in nature, it has not undergone empirical testing on the effectiveness of strategy implementation in the context of the Islamic banking industry at large.

For further research, it is recommended that a mixed methods approach combining quantitative and qualitative data be conducted, so that the analysis towards the success of the bank's strategic vision can be more comprehensive. In addition, comparative studies with other shariah banks, both national and regional, can provide broader insights regarding best practices in risk management, operational efficiency, as well as shariah value-based digital transformation. Researchers are also encouraged to develop an empirically measurable bank strategic vision success evaluation model, including the influence of culture of abundance on financial performance and customer satisfaction. With a more comprehensive approach, future research findings are expected to make a stronger contribution to the development of Islamic banking strategies in Indonesia.

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