

ABSTRACT

Indonesia's Islamic banking industry has experienced substantial asset growth, yet this has not been accompanied by the optimal achievement of maqashid sharia. This study examines the effects of macroeconomic factors, namely economic growth (GROWTH) and inflation (INF), and bank-specific factors, namely bank size (SIZE), Capital Adequacy Ratio (CAR), and Non-Performing Financing (NPF), on the Maqashid Sharia Index (MSI) of Islamic Commercial Banks in Indonesia. Using panel data from 11 Islamic Commercial Banks over the 2019–2024 period (66 observations), this study employs the Fixed Effect Model (FEM) with the Least Squares Dummy Variable (LSDV) approach.

The findings reveal that the average MSI achievement reached only 29.67%, indicating that the implementation of maqashid sharia remains relatively low. Partially, bank size has a positive effect on MSI. In contrast, economic growth, inflation, CAR, and NPF do not affect MSI. These findings suggest that the achievement of maqashid sharia performance in Indonesian Islamic Commercial Banks is driven more by internal bank characteristics than by macroeconomic conditions. Therefore, improving maqashid sharia performance should prioritize strengthening banks' internal capacity and optimizing resource management.

Keywords: Maqashid Sharia Index, Islamic Commercial Banks, macroeconomic factors, internal bank factors, panel data regression.

