

ABSTRACT

Indonesia is one of the most Muslim countries in the world with a percentage of the majority of adherents of 86.7% or around 237.6 million people. This number indicates that Indonesia has the market potential for the halal industry to grow and develop. One of the halal industries in Indonesia is Islamic banking. At a year-end 2022, the Financial Services Authority reported that there were 13 BUS, 20 UUS and 167 BPRS spread throughout Indonesia. The growth and development of Islamic banks can be seen through the increase in assets, financing distributed and various financial performance assessments such as RGEC, CAMEL, ROA and ROE.

Islamic banks adopt the principles of profit oriented and falah oriented while the general assessment used to measure the performance of Islamic banks such as RGEC and CAMEL is an assessment based on profit oriented has not covered the assessment for falah oriented. Maqashid Sharia Index is one method to assess Islamic banks in terms of sharia performance so that the value of achievement in the application of maqashid sharia can be known. This study uses maqashid sharia index and profitability to measure the performance of Islamic banks listed on the Indonesia Stock Exchange for the period 2018-2022.

This research is quantitative research using simple additive weighting. Data are analyzed using descriptive statistical methods. The results showed that BTPS Bank occupies the second quadrant position with weak maqashid sharia criteria and high profitability, PNBS is in the fourth quadrant with high maqashid sharia criteria and low profitability and BSI occupies the third quadrant with weak maqashid sharia criteria and low profitability.

Keywords: Maqashid Sharia Index, Profitability, Islamic Banks