

ABSTRACT

The stability of the Islamic banking industry in Indonesia currently faces complex structural challenges, characterized by market share stagnation and vulnerability to liquidity fluctuations. Existing literature tends to discuss risk, governance, and technology in a fragmented manner, failing to provide a comprehensive view of industry stability dynamics. This study aims to critically synthesize academic literature to analyze how the interaction between risk dynamics, Shariah governance mechanisms, and digital transformation collectively reconfigures the stability architecture of Islamic banking in Indonesia.

This study employs a qualitative approach using the Systematic Literature Review (SLR) method, adhering to the PRISMA 2020 (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol. The research data is sourced from 53 Scopus-indexed scientific articles published between 2012 and 2025. The data selection and analysis process is conducted structurally to map trends, identify research gaps, and construct a new conceptual framework integrating the three main research variables within the context of Indonesian regulations and markets.

The results reveal three fundamental findings. First, a risk behavior anomaly is identified where bank management tends to engage in excessive risk-taking when the Non-Performing Financing (NPF) ratio exceeds the 5.42% threshold, exacerbated by Displaced Commercial Risk pressures. Second, regarding governance, a "Size Paradox" is found within the Shariah Supervisory Board (SSB), where supervision effectiveness is determined more by technical financial competence than by the number of members; additionally, political connections in state-owned banks are found to mitigate non-compliance risk. Third, digital transformation is proven to improve cost efficiency but introduces new risks in the form of contract uncertainty (digital gharar), necessitating the adoption of Regulatory Technology (RegTech) as a future supervisory solution.

Keywords: Islamic Banking, Risk Management, Shariah Governance, Digital Transformation, PRISMA 2020.