

ABSTRACT

This study aims to prove the effect of good corporate governance variables (board of commissioners, independent commissioners, sharia supervisory board, and audit committee) on the performance of sharia banking based on maqashid sharia principles.

This study uses the Maqashid-Based Performance Evaluation Model (MPEM) method as a measurement tool for Islamic banking performance. The data source comes from secondary data obtained from 20 Islamic banks in 4 Southeast Asian countries in the observation year 2016 to 2020. The data analysis method uses panel data analysis with the random effect model as the selected model.

This study found that the board of commissioners and the audit committee affect the performance of Islamic banking in Southeast Asia based on sharia maqashid. The ratio of independent commissioners and sharia supervisory boards does not affect the performance of sharia banking in Southeast Asia based on sharia maqashid. The results of this study also found that the average maqashid performance index of Islamic banking in Southeast Asia is only around 12.7%.

Keywords: Good Corporate Governance, Maqashid Syariah, Performance, Sharia Banks