ABSTRACT

This study aims to analyze the impact of Islamic Corporate Governance (ICG) and the Sharia Supervisory Board (SSB) on the performance of Islamic banking in Indonesia during the period of 2019-2023. ICG is a form of corporate governance that integrates Sharia principles into bank management. This study combines aspects of Corporate Governance (CG) and Sharia Governance (SG) in evaluating the performance of Islamic banks. The method used in this research is secondary data analysis taken from the financial reports and CG reports of Islamic banks in Indonesia. The population in this study comprises Islamic banks listed with the Financial Services Authority in 2019-2023. The sample in this study was selected using purposive sampling technique, resulting in a final sample size of 55. The data in this study were analyzed using the Eviews 13 operating system.

The results indicate that the characteristics of ICG have a positive impact on the performance of Islamic banks, with the SSB playing an important role in ensuring compliance with Sharia principles. This study also finds that the size and education of the SSB positively affect the financial performance of Islamic banks. The implications of this study highlight the importance of effective ICG implementation to enhance the performance of Islamic banking and strengthen governance systems in accordance with Sharia principles.

***Keywords**: Financial Performance, Islamic Banks, Islamic Corporate Governance, Sharia Supervisory Board*