

ABSTRACT

Performance measurement of Islamic commercial banks in Indonesia still uses conventional measurement methods such as CAMELS and EVA, the results of which are inaccurate and unfair, because Islamic banks and conventional banks have different products and operational foundations. Islamic banks use a profit-loss sharing system while conventional banks use an interest system. Research on the influence of corporate governance on the performance of Islamic commercial banks is still rarely studied.

This study aims to determine the effect of Good Corporate Governance (GCG) on the performance of Islamic commercial banks in Indonesia with the Maqashid Based Performance Evaluation Model (MPEM) approach. One of the important elements in GCG is the Sharia Supervisory Board (SSB). The objects of this research are eleven Islamic commercial banks, namely Bank Jabar Banten Syariah, Bank Muamalat Syariah, Bank Victoria Syariah, Bank Mega Syariah, Bank Panin Dubai Syariah, Bank Bukopin Syariah, Bank BTPN Syariah, Bank BCA Syariah, Bank Aladin Syariah, Bank Aceh Syariah and Bank NTB Syariah with data sources for each bank's annual report for 2016-2020. This study uses the MPEM approach.

The independent variables in this study were the characteristics of the DPS (size, cross-membership, education, reputation, change in composition) and the independent board of commissioners and commissioners. The research shows that the variable of the board of commissioners has an affect on the dependent variable.

Keywords: Corporate Governance, Performance of Islamic Commercial Banks, Maqashid-Based Performance Evaluation Model (MPEM), Sharia Supervisory Board (SSB), Board of Commissioners.