

**ANALYSIS OF THE FINANCIAL PERFORMANCE OF SHARIA
COMMERCIAL BANK IN INDONESIA VIEWED FROM CORPORATE
GOVERNANCE AND SHARIA COMPLIANCE IN 2014-2020**

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Abstract

This study aims to analyze how much influence the implementation of Corporate Governance and Sharia Compliance either partially or simultaneously has on the financial performance of Bank Syariah Indonesia. This research is quantitative. The data source for this research is used data in the form of panel data, with a total sample of 49 people. Data collection techniques are recorded through reports published on the official websites of the Financial Services Authority and Bank Indonesia. As for the results of this study, Sharia Compliance is analyzed by profit sharing ratios, zakat performance, and distribution as measurement indicators. This type of research is quantitative research. Data processing analysis techniques using panel data. The results of this study indicate that the ratios of PSR, ZPR, EDR, and ICG affect the commercial financial performance of Islamic banks with an R² value of 0.762975 or 76.38%, which means 23.62% is influenced by other variables.

Keywords: ICG, PSR, ZPR, EDR, ROA, Islamic Bank.

INTRODUCTION

Since the establishment of the first Islamic bank, Bank Muamalat Indonesia (BMI) in 1991 and starting operations in May 1992, the journey of the Islamic banking industry in Indonesia has now entered its third decade.(ali, 2010) This Islamic Bank was established by the Indonesian Ulema Council (Majelis Ulama Indonesia). MUI) itself, with its workshop on Bank Interest and Banking, which became the beginning of the formation of PT. BMI in 1991 (Nasution, 2015).

The background of this research is in terms of the development of Islamic banking in recent years, where its financial performance continues to grow. However, there are still fluctuations or even a decline in performance. This can be seen from factors such as Corporate Governance and Shariah Compliance, which in theory, when implemented, will increase the number of customers. The purpose of this research is to analyze how big the effect of the implementation of Corporate Governance and Shariah Compliance, both partially and simultaneously on the financial performance f Indonesian Sharia Banks.

Table 1. Development of the Number of Banks and Sharia Banking Offices in Indonesia Year 2014-2020

Indicator	2014	2015	2016	2017	2018	2019	2020
BUS	12	12	13	13	14	14	14
Total office	2.163	1.990	1.869	1.825	1.875	1.919	1.858
Total office	446	453	441	448	451	456	461

Source: Statistics of Islamic Banking Financial Services Authority

From the table, the development of Islamic banking has continued to increase in the last six years. BUS which in 2014 and 2015 amounted to 12 banks. Other indicators that indicate the continued development of Islamic banks can be seen in the table below where assets, financing, and third party funds continue to increase every year.

Table 2. Development of Assets, Financing, and Third Party Funds Sharia Banking 2014-2020 (in billion)

No	Year	Total Aktiva	Finance	DPK
1.	2014	210.371	147.944	170.723
2.	2015	197.100	153.968	174.895
3.	2016	254.184	178.043	206.407
4.	2017	288.027	190.354	238.393
5.	2018	316.691	223.620	257.606
6.	2019	350.364	225.627	288.978
7.	2020	381.847	246.957	314.741

Source: Statistic Syariah Banking 2020

The growth of the number of banks and assets should also be accompanied by the growth of Islamic banks' own performance. The financial performance of the bank is very important because banking is a trustworthy business. Banks must be able to prove their credibility so that more and more people make transactions at the bank, one of which is to increase profitability. (Syafri', 2004) One way to measure the financial performance of a company or bank is to use Return on Assets (ROA). The higher the ROA, the more effective the company is because the amount of ROA is influenced by the amount of profit the company generates (Winardi, 2013).

Table 3. Sharia Banking ROA Percentage 2014-2020

No.	Year	ROA
1.	2014	0,41%
2.	2015	0,49%
3.	2016	0,63%

4.	2017	0,63%
5.	2018	1,28%
6.	2019	1,73%
7.	2020	1,35%

Source : Statistic syariah Banking

In the table above, it can be seen that there are still frequent fluctuations in bank financial performance from year to year, such as from 2014 to 2016, where ROA decreased from 0,63% to 0.41% and continued to decline until 2019. Then in 2019. in 2020 reduced to 1.35% from 1,73% in 2019.

In addition, the development of the Islamic banking industry will also face severe challenges, that is, how to maintain a good reputation and image for customers in maintaining customer loyalty. (Falikhatus, 2012) This is due to the increasing awareness of the Muslim community about the rules of Sharia. Therefore, the financial performance of Islamic banks, in addition to using conventional measurements, must also apply in terms of sharia objectives. The low compliance with Sharia principles and good governance in Islamic commercial banks.

Table 4. Number of Fraudulent Sharia Commercial Banks in Indonesia in 2014-2020

	BUS	2014	2015	2016	2017	2018	2019	2020
1.	PT. Bank Muamalat Indonesia	1	1	6	2	83	35	21
2.	PT. Bank BRI Syariah	15	21	11	4	0	6	8
3.	PT. Bank BNI Syariah	2	4	3	3	6	9	2
4.	PT. Bank Victoria Syariah	0	1	10	7	4	1	0
5.	PT. Bank Syariah Mandiri	35	34	25	8	28	25	14
6.	PT. Bank Mega Syariah	11	69	39	1	2	3	3
7.	PT. Bank Panin Syariah	0	0	0	4	2	3	1

Source: GCG BUS

Hameed et al. recommended the use of the Islamic Performance Index (IPI) as a guide for disclosing Shariah compliance in their study "Alternative Disclosure and Performance Measurement of Islamic Banks". (Hameed, 2016) For the purposes of this study, the only components used as indicators of Sharia Compliance are Profit Sharing Ratio (PSR), Zakat Performance Ratio (ZPR), and Equitable Distribution Ratio (EDR) due to the limited data required in the report. Finance.

Another factor that can improve company performance, or in this case, Islamic banking, of which is the application of Islamic Corporate Governance which generally

means good corporate governance in Islamic principles. Corporate governance is a system that regulates and controls the company's business operations in accordance with laws, regulations, and ethical values to improve the success rate and accountability system. (Kusumawardani, Rosadi and Gultom, 2020) Therefore, good corporate governance of Islamic financial institutions must also refer to the principles of Sharia law called Islamic corporate governance. (Syafei, 2013). According to Chapra, “the failure to apply the principles of Sharia law and the implementation of GCG will cause customers to switch to other banks (Conventional banks)” (Junusi, 2012).

Banking Financial Performance

Financial performance is the achievement of a good balance between debt and equity. Debt plays a very large role in the economy, governments, entrepreneurs, and even individuals finance many things using debt. (Arslan and Alqatan, 2020) According to Jumingan, the banks overall performance is a description of the achievements of its operational banks, both in terms of finance, marketing, fundraising and distribution, technology, and human resources. (Jumingan:2011)

The financial performance of a bank can be observed by its ability to generate profit or profitability, which can be measured by the return on assets (ROA) and the return on equity (ROE). The owner's investment in the business. (Siamat, 2012) The financial performance ratio used in this study is ROA because apart from being able to see/measure bank profitability, it can also be an indication of the bank's managerial efficiency. The ROA is with the formula:

$$ROA = \frac{\text{Net profit before tax}}{\text{total Asset}}$$

Sharia Compliance

Legal compliance and application of Islamic principles in Islamic banks is a hallmark of financial transactions and other related businesses. (arifin, 2012) Compliance with Shariah is the embodiment of the realization of all Shariah principles in an institution with the characteristics, integrity, and credibility of Shariah Banking. Compliance with Sharia values (Sharia compliance) is an aspect that distinguishes conventional and sharia systems. (Nguyen, 2021)

In this study, the indicators used in measuring sharia compliance with the principles of Sharia law implemented in the collection and distribution of Islamic bank funds are Profit Sharing Ratio (PSR), Zakat Performance Ratio (ZPR), and Equitable Distribution Ratio (EDR)).

1. Profit sharing ratio/profit sharing financing is based on Sharia law financing. This ratio is used to understand Islamic banks use profit-sharing activities in their total financing activities.

$$PSR = \frac{\text{mudharabah} + \text{musyarakah}}{\text{Total Pembiayaan}}$$

2. Zakat Performance Ratio is the ratio used to measure the %age of zakat paid by Islamic banks as evidence of compliance with sharia. This ratio replaces conventional performance indicators that use Earning Per Share to determine the company's net profit value.

$$ZPR = \frac{\text{Zakat}}{\text{Net Asset}}$$

3. Equitable Distribution Ratio is the ratio used to measure and ensure even distribution to all parties (stakeholders), as seen from the amount of money spent on cards and donations, employee expenses, and others. For each of these things, it is calculated by assessing the amount distributed (to social communities, employees, investors, and companies) divided by the total income that has been deducted by zakat and taxes.(PeiZhi and Ramzan, 2020)

$$EDR = \frac{\text{Average Distribution For Each Other Stakeholder}}{\text{Total Revenue}}$$

Islamic Corporate Governance

In addition, the development of the Islamic banking industry will also face severe challenges, that is, how to maintain a good reputation and image for customers in order to maintain customer loyalty to Islamic banks.”. (Anton, 2018) Corporate governance is closely related to how managers convince investors that their investments are used appropriately and efficiently so that investors believe they will

get a reasonable return. So it is not surprising that many investors prefer to invest in companies that have good corporate governance.

Meanwhile, Islamic corporate governance is a system that protects the interests and rights of all stakeholders by using the basic concepts of decision-making based on Islamic social science epistemology to guide and control the company to achieve corporate goals. (Endraswati, 2017)

According to Endraswati, the difference between the corporate governance of Islamic banking and traditional banking is the existence of the Sharia Supervisory Committee in its corporate governance structure. The mechanism for distinguishing between conventional and Shariah companies is the decision-making mechanism of Shariah-based companies, namely the Quran and the Sunnah of the Prophet, while conventional companies emphasize compliance and government regulation.

The results of Islamic Banks self-assessment in accordance with BI Circular No. 12/13/DPbS on the implementation of the procedures described in the Islamic Business GCG, it can be seen whether the Islamic Bank has implemented good governance banks and Sharia law business units. In the letter, the implementation of corporate governance is evaluated based on the comprehensive value of the self-assessment results. (Najib and Rini, 2019) Following is the composite value determined by BI for the assessment of GCG in Islamic banks:

Table 5. Composite Predicate

Very good	< 1,5%
Well	1,5% - 2,5 %
Pretty good	2,5% - 3,5 %
Not good	3,5% - 4,5 %
Not good	≤ 5 %

Source: BI Circular No. 12/13/DPbS

Stewardship Theory

In this theory, managers will behave according to the common interest. Stewards will feel the common interest and behave in accordance with the behavior of the owner will facilitate the organization to achieve its goals. (Raharjo, 2007)

The implication of stewardship theory in this study is that when Islamic commercial banks manage their operational activities in accordance with sharia compliance, it is expected that Islamic income, high zakat, or more provide profit-sharing financing for the community, and their financial performance increases.

Without Sharia compliance (adherence to Sharia principles), People will lose the privileges they seek in Islamic banking products or services, which will affect their decision to choose or continue to use the services provided by Islamic commercial banks and will indirectly affect the financial performance of Islamic banks themselves. (Wahyono, 2022)

Sharia Enterprise Theory

According to Triyuwono, Islamic accounting is not only a form of management responsibility to stakeholders but also a responsibility to Allah SWT. Enterprise Theory contains the values of justice, truth, honesty, trustworthiness, and accountability, the main form of accountability to Allah SWT. (Iwan Triyuwono', 2012)

The implication of sharia enterprise theory in this study is that Islamic commercial banks must be based on sharia in carrying out their duties because Islamic commercial banks are not only responsible to stakeholders but also must be able to account directly to Allah SWT as the sole owner of the universe. The application of sharia principles of enterprise theory Islamic commercial banks must provide accurate and transparent information, The higher the level of Sharia law compliance or Sharia law compliance, and the implementation of Islamic corporate governance in the bank, the bank can be classified as a healthy Sharia bank.

As for what is different from previous research, it can be reviewed through the criteria of Islamic commercial banks, which are used to become data in the analysis, the year used and also the indicators of assessing sharia compliance used, and also the regression analysis of different data. There is an additional fair distribution indicator used in the sharia compliance variable in this study. (Umiyati, 2020)

METHODS

The research was conducted by obtaining data on financial statements, and GCG reports on the official website of each Islamic commercial bank in Indonesia. This research is quantitative research. The data source of this research is second-hand data in the form of panel data, with as many as 49 samples. The data collection techniques are recorded through reports published on the official websites of the Financial Services Authority and Bank Indonesia. Data analysis techniques are descriptive statistical testing, data model determination, classical hypothesis testing,

hypothesis testing, and multiple linear regression analysis, using data processing through the Eviews 10 program.

RESULTS AND DISCUSSION

Table 6. Analysis Description

	PSR	ZPR	EDR	ICG	ROA
Mean	1.141187	0.229285	1.581007	1.003537	0.410612
Median	1.208309	0.237362	1.655442	1.083974	0.880000
Maximum	1.344120	0.244749	1.876741	1.414214	3.810000
Minimum	0.000000	0.029672	1.88E-05	0.000000	-10.77000
Std. Dev.	0.223778	0.033405	0.273538	0.406427	2.005257
Skewness	-3.026625	-4.950872	-4.108143	-1.730192	-3.822642
Kurtosis	15.08270	28.46062	23.99024	4.898123	22.63639
Jarque-Bera	372.8766	1523.671	1037.366	31.80330	906.5781
Probability	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	55.91815	11.23495	77.46934	49.17331	30.41000
Sum Sq. Dev.	2.403671	0.053562	3.591500	7.928775	193.0107
Observations	49	49	49	49	49

According to the table above, it can be seen that the PSR variable, number of data (N) is 49, with an average PSR of 1.141187 %, a minimum is 0 %, a maximum is 1.344120 %, and a standard deviation is 0.223778 %.

For the ZPR variable, the number of data (N) is 49, with an average ZPR 0.229285 %, the minimum is 0.029672, the maximum is 0.244749, and the standard deviation is 0.033405 %.

For the EDR variable, the number of data (N) is 49. The average EDR is 1.581007 %, the minimum is 1.88 %, the maximum is 1.876741 %, and the standard deviation is 0.273538 %.

For the ICG variable, the number of data (N) is 49, with the average ICG being 1.003537 %, the minimum being 0 %, the maximum being 1.414214 %, and the standard deviation being 0.406427 %.

For the ROA variable, the amount of data (N) is 49, with an average ROA of 0.620612 %, a minimum of -10.770 %, a maximum of 3.810 %, and a standard deviation of 2.005257%.

Panel Data Estimation Model Selection

Table 7. Chow Test

Redundant Fixed Effects Tests			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.925967	(6,38)	0.4874
Cross-section Chi-square	6.686378	6	0.3508

Table 8. Hausmant Test

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.265584	4	0.3713

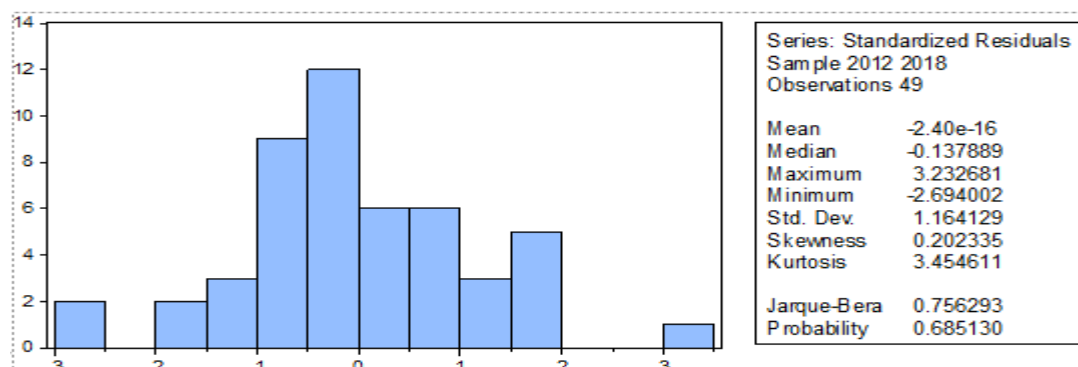
The results of the Chow test show that the probability value of the F cross-section of 0.4874 is greater than 0.05. Therefore, the right model to use is the Common Effect model.

The result above the Hausmann test result that the probability value of the chi-square cross section is 0.3713, which is greater than 0.05. Therefore, according to Hausman's test, the best model to use is random effects.

It can be seen from the test results of the LM test above that the calculated LM value is 0.4657, which is greater than 0.05. Therefore, based on these results, a more suitable model is the Common Effect model.

Normality Test

Figure 1. Normality Test



According to the above results, the probability value is displayed as 0.0685130, which means that the value is greater than 0.05. So it can be concluded that the data in this study are normally distributed.

Classic Assumption Test
Multicollinearity Test

Table 9. Multicollinearity Test

	PSR	ZPR	EDR	ICG
PSR	1.000000	0.111445	-0.009148	0.111649
ZPR	0.111445	1.000000	0.083881	0.314145
EDR	-0.009148	0.083881	1.000000	0.401321
ICG	0.111649	0.314145	0.401321	1.000000

Based on the above research results, it can be concluded that there is no multicollinearity because the coefficient between the independent variables is still lower than the requirement of multicollinearity, which is 0.8%. The correlation coefficient between PSR and ZPR is 0.111445. The correlation is less than 0.8, so Based on the explanation above, it can be seen that multicollinearity between independent variables does not occur.

Table 10. Heteroscedasticity Test

Heteroskedasticity Test: White

F-statistic	6.631876	Prob. F(14,34)	0.0000
Obs*R-squared	35.86599	Prob. Chi-Square(14)	0.0011
Scaled explained SS	35.49349	Prob. Chi-Square(14)	0.0012

According to the results of the above heteroscedasticity test, it can be seen that the calculated c_2 value is equal to 35.86599, and the 0.05 significant table c_2 value is 79.08. Then calculate the value of $c_2 < c_2$ table ($35.86599 < 79.08$), and the values of the two variables are greater than 0.05. Then in this study, there is no heteroscedasticity.

Table 11. Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	1.415530	Prob. F(2,42)	0.2541
Obs*R-squared	3.094327	Prob. Chi-Square(2)	0.2129

According to the results of the above autocorrelation test, it can be seen that the value of Obs*R-squared is 3.094327, which is greater than 0.05. Therefore, it can be concluded that there is no problem with positive autocorrelation or negative autocorrelation in the model

Hypothesis Testing

Table 12. Partial Test-t

Dependent Variable: ROA				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-11.37093	1.761318	-6.455921	0.0000
PSR	1.287248	0.793015	1.834233	0.1112
ZPR	4.268312	2.557448	2.676860	0.1539
EDR	4.816067	0.702386	4.732435	0.0000
ICG	1.008950	0.497738	2.131244	0.0285

According to the above test, conclusions can be drawn:

Variable	t-count	t-table	Information
PSR (X ₁)	1.834233	t table = 1.92195 (df = 42), the significance level of 0.05.	There is no effect
ZPR (X ₂)	2.676860		There is an influence
EDR (X ₃)	4.732435		There is an influence
ICG (X ₄)	2.131244		There is an influence.

Table 13. Simultaneous Test F

Dependent Variable: ROA				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-11.37093	1.761318	-6.455921	0.0000
PSR	1.287248	0.793015	1.834233	0.1112
ZPR	8.268312	5.557448	2.676860	0.1539
EDR	4.816067	0.702386	4.732435	0.0000
ICG	1.008950	0.497738	2.131244	0.0285
R-squared	0.762945	Mean dependent var		0.620612
Adjusted R-squared	0.632337	S.D. dependent var		2.005257
S.E. of regression	1.215893	Akaike info criterion		3.325285
Sum squared resid	65.04940	Schwarz criterion		3.518328
Log likelihood	-76.46949	Hannan-Quinn criter.		3.398526
F-statistic	22.83864	Durbin-Watson stat		1.358617

Prob(F-statistic)	0.000000			
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According to the test criteria, it can be seen that $F_{count} > F_{table}$ ($22.83864 > 2.58$), which means H_a is accepted, meaning that the PSR, ZPR, EDR,z, and ICG Variables also affect ROA.

Coefficient of Determination Test

According to the previous test results, the R^2 value is 0.763845 or 76.38%, which indicates that the PSR, ZPR, EDR and ICG variables have simultaneous effects on ROA. And 23.62% were affected by other variables not discussed in this study.

Multiple Linear Regression Test

The multiple linear regression equations used as follows: $ROA = -10.37453 + 1.287458 \text{ PSR} + 8.368311 \text{ ZPR} + 4.817069 \text{ EDR} + 2.008950 \text{ ICG}$

The above equation can be interpreted as follows: A constant of -11.37093 means that if the PSR, ZPR, EDR, and ICG variables are considered constant or 0 then the ROA value is -10.37453 units.

The PSR coefficient value is 1.287458 with a positive value. This means that for every 1 unit increase in PSR, ROA increases by 1.287458 units assuming other variables are constant.

The ZPR coefficient value is 8.368311 with a positive value. This means that for every 1 unit increase in ZPR, ROA increases by 8.368311 units assuming other variables are constant.

The EDR coefficient value is 4.817069, with a positive value. This means that for every 1 unit increase in EDR, ROA increases 4.817069 units assuming other variables are constant.

The ICG coefficient value is 1.008950 with a positive value. This means that for every 1 unit increase in ICG, ROA increases 2.008950 units assuming other variables are constant.

Based on the research findings, it can be determined an analysis of the financial performance of sharia commercial bank in Indonesia viewed from corporate governance and sharia compliance in 2014-2020

1. The effect of Sharia Compliance with the Profit Sharing Ratio indicator on the financial performance of Sharia Commercial Banks in Indonesia

The results of the analysis are known that the variable Profit Sharing Ratio does not have a significant effect on the financial performance of Sharia Commercial Banks in Indonesia because it has a calculated value of $< t_{table}$ ($1.834233 < 1.92195$). The results of this study are not in line with the results of research conducted by Falikhatun entitled Sharia Banks in Indonesia: Adherence to Sharia Principles and Financial Health, stating that the higher the ratio of mudharabah and musharakah financing provided to the public, the higher the level of financial health of Islamic banking in Indonesia. Meanwhile, this study shows that more or less mudharabah and musharakah financing launched to the public every year does not influence customers to use products or services from Sharia Commercial Banks.

2. The effect of Sharia Compliance with the Zakat Performance Ratio indicator on the financial performance of Sharia Commercial Banks in Indonesia

The results of the analysis are known that the variable Zakat Performance Ratio does not significantly affect the financial performance of Sharia Commercial Banks in Indonesia because it has a calculation of $< t_{table}$ ($2.676860 < 1.92195$). The results of this study are not in line with research conducted by Ananda Anugrah entitled The Effect of Shariah Compliance, Islamic Corporate Governance and Islamic Social Reporting on Financial Performance with Company Size as Moderating in Sharia Banks, which states that Sharia Compliance with the proxy of Zakat Performance Ratio does not have a significant positive effect / does not affect the financial performance of Sharia Commercial Banks in Indonesia.

3. The effect of Sharia Compliance with the Equitable Distribution Ratio indicator on the financial performance of Sharia Commercial Banks in Indonesia

The results of the analysis are known that the Equitable Distribution Ratio variable has an influence on the financial performance of Sharia Commercial Banks in Indonesia because it has a calculated value of $> t_{table}$ ($4.732435 > 1.92195$). The results of this study are not in line with research conducted by Mustika Diah Utami entitled The Effect of Intellectual Capital and Sharia Compliance on Financial Performance at Sharia Commercial Banks in Indonesia which shows that EDR also does not have a positive influence on ROA. However, the results of this study have the same results as Eka Yola

Pradita's research entitled The Effect of Intellectual Capital and Sharia Compliance on Financial Performance at Sharia Commercial Banks in Indonesia in 2012-2016 which shows the results that EDR has a significant influence on financial performance as measured by ROA.

4. The influence of Islamic Corporate Governance on the financial performance of Sharia Commercial Banks in Indonesia

The results of the analysis are known that the Islamic Corporate Governance variable has a significant effect on the financial performance of Sharia Commercial Banks in Indonesia because it has a calculated value of $>$ table ($2.131244 > 1.92195$). The results of this study are in accordance with research conducted by Sahabatina Khusnawati in the Influence of Islamic Corporate Governance and Corporate Social Responsibility on the Performance and Reputation of Indonesian Sharia Banking which shows that ICG has a significant influence on banking performance.

5. Sharia Compliance and Islamic Corporate Governance on the Financial Performance of Sharia Commercial Banks in Indonesia

The results of the overall test of the independent variable against the dependent variable found that Sharia Compliance and Islamic Corporate Governance simultaneously have a significant effect on the financial performance of Sharia Commercial Banks in Indonesia. This is supported by research conducted by Yenni Tamalasari which shows that Sharia Compliance and governance compliance with sharia principles can be an indicator of the success of the development of Islamic banking in Indonesia.

CONCLUSION

It can be concluded in general from the results of research data processing that:

Partially the value of Islamic Corporate Governance shows $t_{count} > t_{table}$, $2.131244 > 1.92195$), it can be stated that H_a is accepted and H_0 is rejected. it can be concluded that Islamic Corporate Governance that occurs in the management of Islamic Commercial Banks can significantly affect the financial performance process of Islamic Commercial Banks

The Sharia Compliance indicators are measured through several factors in the form: Profit Sharing Ratio $< t_{table}$, ($1.834233 < 1.92195$), it can be concluded from

testing the profit sharing ratio data that it does not partially affect the financial performance of Indonesian Islamic Commercial Banks. Partially, the Zakat Performance Ratio shows $t_{count} < t_{table}$, ($2.676860 < 1.92195$), it can be concluded that the Zakat Performance Ratio test affects financial performance. Partially the fair distribution ratio shows $t_{count} > t_{table}$, ($4.732435 > 1.92195$), it can be concluded that testing the fair distribution ratio partially affects financial performance

Meanwhile, simultaneously the value of Islamic Corporate Governance and Sharia Compliance shows $F_{count} > F_{table}$ ($22.83864 > 2.58$), which means that the two variables simultaneously affect financial performance, and the R^2 value is 0.762945 or 76.38%, which indicates that each variable can influence simultaneously while 23.62% is influenced by other variables.

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