

## **REALIZING SUSTAINABLE SHARIA BANKING GOVERNANCE: AN ANALYSIS OF THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE AND SHARIAH GOVERNANCE IN INDONESIAN SHARIA BANKS**

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### **Abstract**

*Good Islamic banking governance is the main foundation for maintaining stability and trust in the Islamic financial industry. Bank Syariah Indonesia (BSI), as the largest Islamic bank in Indonesia, has a strategic role in effectively implementing the principles of Good Corporate Governance (GCG) and Sharia Governance. This study aims to analyze the implementation of GCG and Sharia Governance at BSI based on the latest data from 2024. The method used is qualitative descriptive analysis with a literature review approach and secondary data from BSI's GCG implementation reports. The results of the study indicate that although BSI has received various recognitions related to good corporate governance practices, challenges in the aspects of Sharia Supervisory Board independence, financial transparency, and compliance with Sharia principles remain key concerns. Therefore, strengthening internal oversight systems, enhancing information transparency, and improving Sharia compliance are necessary to maintain stakeholder trust and promote sustainable growth in Sharia banking.*

**Keywords:** *Good Corporate Governance, Sharia Governance, Bank Syariah Indonesia, Corporate Governance*

### **Abstrak**

Tata kelola perbankan syariah yang baik merupakan fondasi utama dalam menjaga stabilitas dan kepercayaan terhadap industri keuangan Islam. Bank Syariah Indonesia (BSI) sebagai bank syariah terbesar di Indonesia memiliki peran strategis dalam menerapkan prinsip Good Corporate Governance (GCG) dan Sharia Governance secara efektif. Penelitian ini bertujuan untuk menganalisis implementasi GCG dan Sharia Governance di BSI berdasarkan data terbaru tahun 2024. Metode yang digunakan adalah analisis deskriptif kualitatif dengan pendekatan studi kepustakaan dan data sekunder dari laporan pelaksanaan GCG BSI. Hasil penelitian menunjukkan bahwa meskipun BSI telah memperoleh berbagai pengakuan terkait praktik tata kelola perusahaan yang baik, tantangan dalam aspek independensi Dewan Pengawas Syariah, transparansi keuangan, serta kepatuhan terhadap prinsip syariah masih menjadi perhatian utama. Oleh karena itu, diperlukan penguatan sistem pengawasan internal, transparansi informasi, serta peningkatan kepatuhan syariah untuk menjaga kepercayaan stakeholder dan mendorong pertumbuhan perbankan syariah yang berkelanjutan.

**Keywords:** *Good Corporate Governance, Sharia Governance, Bank Syariah Indonesia, Tata Kelola Perusahaan*

## **INTRODUCTION**

In the post-crisis year, namely 1998, the concept of “Good Corporate Governance (GCG)” was born. GCG is a process that regulates and controls the company in order to maintain the improvement of business and the achievement of a company's goals. Seeing the financial condition after the economic crisis that hit Indonesia, Bank Indonesia must anticipate by implementing the GCG policy.<sup>1</sup> GCG is believed to be able to protect and anticipate the occurrence of poor management governance that results in high and detrimental risks for Islamic banking. With the implementation of GCG by the Government or Bank Indonesia (BI), it is hoped that a conducive, healthy, efficient and transparent business climate will be created. Therefore, BI issued Bank Indonesia Regulation No. 11/33/PBI/2009 concerning the implementation of good corporate governance (GCG) for Sharia Commercial Banks and Sharia Business Units.<sup>2</sup>

The application of the principles of Good Corporate Governance or GCG is the main foundation in running a business to maximize added value for stakeholders and maintain business sustainability. In recent decades, Islamic banking has experienced rapid growth both domestically and globally.<sup>3</sup> In Indonesia, Bank Syariah Indonesia (BSI), which was formed from the merger of three state-owned Islamic banks in 2021, has become a major actor in this industry. As the bank with the largest sharia assets in Indonesia, BSI has a great responsibility in implementing Good Corporate Governance (GCG) and compliance with sharia principles (Sharia Governance).

According to BSI's GCG implementation report in 2023, the application of GCG principles is an integral part of maintaining company integrity and increasing competitiveness in the Islamic banking industry. GCG in Islamic banking not only refers to conventional governance standards, but must also ensure conformity with Islamic principles regulated by the Sharia Supervisory Board (DPS). The effective implementation of GCG provides many benefits for BSI, including increasing customer and investor trust, ensuring transparency, and reducing operational risks. However, in practice, there are still several challenges faced, such as the independence of the Sharia Supervisory Board, regulatory complexity, and optimization of the internal supervisory system.<sup>4</sup>

One of the main challenges faced by BSI is how to maintain a balance between compliance with the regulations of the Financial Services Authority (OJK) and the National Sharia Council-Indonesian Ulema Council (DSN-MUI). Complex and often changing regulations demand a more adaptive and transparent governance system. For example, BSI's GCG annual report revealed that one of the evaluations from the OJK in 2024 highlighted the need to improve the transparency of third-party fund management to be more in line with sharia principles.

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<sup>1</sup> Indar Putri, "The Implementation of Good Corporate Governance (GCG) in Islamic Banking Institutions," *Al-Tsarwah Journal* Vol. 3 No. 2 (2020): 1–15, <https://doi.org/10.30863/al-tsarwah.v3i2.1150>.

<sup>2</sup> Dinda Kartika and Renny Oktafia, "Implementation of Good Corporate Governance in Islamic Boarding Schools as an Effort to Increase Competitiveness.," *Journal of Islamic Economics* Vol. 8, No. 1 (2017): 71–86.

<sup>3</sup> Indar Putri, "The Implementation of Good Corporate Governance (GCG) in Islamic Banking Institutions."

<sup>4</sup> PT Bank Syariah Indonesia Tbk, "Report on the Implementation of Good Corporate Governance in 2023" (PT Bank Syariah Indonesia Tbk, 2024).

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In addition, one of the problems that is still found in the implementation of Sharia Governance is related to the independence of the DPS. Although DPS plays a key role in sharia compliance, the possibility of a conflict of interest between DPS and bank management can reduce the effectiveness of supervision. This is a challenge that needs to be solved immediately to ensure that all bank products and operations are truly in accordance with sharia principles. In line with the increasing public awareness of Islamic finance principles, trust in BSI as the largest Islamic bank must be maintained. Therefore, transparency in financial reporting, compliance with sharia standards, and integrity in governance are the main keys in building a strong reputation in the Islamic banking industry. Seeing these developments, this study aims to evaluate the implementation of Good Corporate Governance and Sharia Governance at BSI and provide recommendations to improve its effectiveness in the future.

### **RESEARCH METHOD**

This study employs a qualitative descriptive research design by utilizing secondary data derived from the Good Corporate Governance (GCG) implementation reports and official corporate documents of Bank Syariah Indonesia (BSI) . Secondary data are selected because they provide systematic, audited, and institutionally validated information regarding governance structures, policies, and compliance mechanisms. The primary data sources include annual GCG reports, sustainability reports, corporate governance guidelines, and relevant regulatory publications, which collectively reflect BSI's governance practices within the framework of Islamic banking.

The analytical approach adopted in this research is document analysis and content analysis, focusing on identifying patterns, principles, and governance mechanisms embedded in BSI's corporate policies and practices. The analysis emphasizes key dimensions of Islamic corporate governance, such as transparency, accountability, responsibility, independence, and fairness, while also examining their alignment with sharia principles and maqashid al-shariah. By systematically reviewing governance disclosures and policy narratives, this method allows the study to assess how Islamic values are institutionalized within BSI's governance system.

This methodological approach is considered relevant as it enables an in-depth and contextual understanding of Islamic banking governance without relying on primary surveys or interviews. The findings are expected to offer **comprehensive insights** for academics, practitioners, and regulators in evaluating the effectiveness and challenges of Islamic corporate governance in Indonesia. Moreover, focusing on BSI as a case study provides practical implications for strengthening governance frameworks in Islamic banking institutions and supports evidence-based policy formulation in the broader Islamic financial system.

### **RESULTS**

#### **The Concept of Good Corporate Governance**

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Corporate Governance (GCG) is a governance system that aims to ensure that a company is managed properly, transparently, and accountably. In the context of banking, GCG is regulated in Bank Indonesia Regulation (PBI) Number 8/4/PBI/2006 which stipulates five main principles in bank governance, namely transparency, accountability, responsibility, independency, and fairness. Furthermore, for Islamic banking, regulations regarding governance are regulated in PBI Number 11/33/PBI/2009 which includes Sharia Commercial Banks (BUS) and Sharia Business Units (UUS). This provision requires Islamic banking institutions to apply governance principles in accordance with Islamic values, with the role of the Board of Commissioners, the Board of Directors, and various committees in the supervision and management of the company.<sup>5</sup>

According to the Cadbury Committee of the United Kingdom (1992), GCG is a system that regulates the relationship between various parties who have rights and obligations in the company, including shareholders, managers, and external parties such as creditors and regulators.<sup>6</sup> Meanwhile, Agoes (2011) defines GCG as a transparent system that includes the role of directors, shareholders, and other stakeholders in achieving the company's goals.<sup>7</sup>

In addition, Effendi in his book *The Power of Good Corporate Governance* explains that GCG functions as an internal control system designed to manage significant risks and increase the value of shareholders' investments in the long term. Overall, GCG aims to create an efficient, transparent, and accountable organizational structure to ensure that the interests of all stakeholders can be properly met.<sup>8</sup>

In the Islamic economic system, financial governance has a very important role in ensuring business sustainability in accordance with Islamic values. Therefore, Islamic banking not only applies GCG principles as in conventional banking, but must also pay attention to Sharia Governance as part of broader governance.

The rapid development of the Islamic banking industry requires the implementation of strong governance in order to be able to face various risks that can harm the reputation and stability of the Islamic financial system. In this case, GCG is the main pillar in creating superior and competitive Islamic banks. The application of GCG in Islamic banking is crucial because the business model is based on the principle of risk sharing, not risk transfer as applied in conventional banking.<sup>9</sup> Therefore, GCG in Islamic banking must ensure that all financial activities are carried out transparently, responsibly, and in accordance with sharia principles.

Regulations related to the implementation of GCG in Islamic banking are contained in PBI Number 11/33/PBI/2009, which covers governance aspects for Sharia Commercial Banks (BUS) and Sharia Business Units (UUS). This regulation emphasizes that every Islamic

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<sup>5</sup> Mujnah, Bunga Hilda Maharani, and Ririn Dwi Aryanti, "Good Corporate Governance in Sharia Banks," *El Rayyan Journal: Sharia Banking Journal* Vol. 3, No. 2 (2024): 132–39, <https://doi.org/10.59342/jer.v3i2.555> <https://jurnal.insan.ac.id/?journal=jer>.

<sup>6</sup> Indar Putri, "The Implementation of Good Corporate Governance (GCG) in Islamic Banking Institutions."

<sup>7</sup> Mujnah, Bunga Hilda Maharani, and Ririn Dwi Aryanti, "Good Corporate Governance in Sharia Banks."

<sup>8</sup> Muh. Arief Effendi, *The Power of Good Corporate Governance*, Edition 2 (Jakarta: Salemba Empat, 2016), 24.

<sup>9</sup> Ahmad Faqihuddin, "Sharia Governance in Sharia Banks," *El-Arbab Journal of Sharia Business Economics and Banking* Vol. 3, No. 1 (2019): 19–34, <https://doi.org/10.34005/elarbah.v3i01.912>.

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bank must have a Sharia Supervisory Board (DPS) which is in charge of ensuring compliance with sharia principles. The existence of Sharia Governance is the main differentiating factor between Islamic and conventional banking. If in conventional banks governance only focuses on the aspects of transparency and accountability, in Islamic banks, governance must also ensure that every transaction carried out is free from elements of *riba* (interest), *gharar* (ambiguity), and *maysir* (speculation).<sup>10</sup>

For this reason, the implementation of Good Corporate Governance in Islamic banking must be based on two main aspects: Compliance with Islamic banking regulations – Islamic banks are required to follow the regulations set by the Financial Services Authority (OJK) and fatwas issued by the National Sharia Council (DSN-MUI). Supervision and independence of the Sharia Supervisory Board (DPS) – DPS must have an independent position so as not to be influenced by business interests and be able to carry out its duties objectively.<sup>11</sup> The application of Sharia Governance principles is becoming increasingly important because the Islamic banking system is based on the concept of risk-sharing, not risk-transfer as in conventional banking. Therefore, sharia supervision must be carried out strictly so that banks not only operate well financially, but also remain in accordance with Islamic principles.

### **Principles of Good Corporate Governance**

There are five basic principles in GCG that are often used as guidelines in its implementation, namely:<sup>12</sup>

1. **Transparency:** Companies must provide relevant, honest, and accurate information to stakeholders. This includes financial statements, company performance, and risks faced, so that shareholders and stakeholders can make the right decisions.
2. **Accountability:** Every action and decision taken by the company's management must be accountable, both to shareholders and to other stakeholders. This includes the presence of a clear organizational structure and transparent performance evaluations.
3. **Responsibility:** The Company must comply with applicable regulations and laws and act ethically and responsibly in carrying out its operations. Companies must also pay attention to the social and environmental impact of their business activities.
4. **Independence:** Decisions taken by companies must be free from conflicts of interest and outside intervention, especially in terms of strategic decision-making. The board of directors and management must have strong independence.
5. **Fairness:** Companies must treat all stakeholders fairly and equally. This includes equal treatment of minority shareholders as well as decision-making based on the principles of fairness and integrity.

### **The Concept of Sharia Governance**

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<sup>10</sup> Juhasdi Susono, "Periodization of the Development of Sharia Banking Law in Bone Regency," *Jurnal Al-Dustur: Journal of politic and islamic law* Vol. 2, No. 1 (2019): 1–16, <https://doi.org/10.30863/jad.v2i1.354>.

<sup>11</sup> Ahmad Faqihuddin, "Sharia Governance in Sharia Banks."

<sup>12</sup> Muh. Arief Effendi, *The Power of Good Corporate Governance*.



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Shariah governance is a concept of corporate governance based on Islamic principles, which is fundamentally different from conventional governance. The main goal of sharia governance is not only to achieve economic efficiency and sustainability, but further to realize Maqasid al-Sharia, namely the protection and maintenance of religion, soul, intellect, descent, and property. As stated by Imam Al-Ghazali and strengthened in research,<sup>13</sup> the welfare of the ummah in all dimensions of its life is the main foundation of sharia governance. Thus, economic and business activities must be carried out in accordance with Islamic moral and ethical values, not solely profit-oriented.

The sharia governance framework described by the interior displays an integrative approach between sharia principles and Islamic moral values. In this framework, there are three main components, namely the Shura Institution, the Hisbah Institution, and the Religious Audit or Sharia Supervisory Board (DPS). Shura institutions function as a deliberative forum involving all company stakeholders such as management, directors, shareholders, employees, and customers. This institution ensures that the decision-making process runs effectively and reflects the collective aspirations in accordance with the principles of shura in Islam. On the other hand, the Hisbah institution plays a role in supervising the company's compliance, both in terms of formal regulations and moral values. Meanwhile, religious audits carried out by DPS play a role in providing fatwas, supervision, and audit suggestions on various operational aspects to ensure that all company activities are consistent with sharia principles.<sup>14</sup>

Sharia governance involves a supervisory mechanism in two stages, namely ex-ante and ex-post. The ex-ante aspect is related to the issuance of sharia fatwas as well as the dissemination of information that encourages compliance before business activities are carried out. Meanwhile, the ex-post aspect includes periodic and annual internal review processes to ensure the implementation of sharia principles in daily operational practices. The existence of DPS is an essential component in this system. DPS is tasked with ensuring that the validity of the products and services offered by Islamic financial institutions remains in line with Islamic principles. To carry out its functions effectively, DPS requires a clear structure and framework, as well as adequate regulatory support.<sup>15</sup>

The role of the Sharia Supervisory Board in Islamic financial entities is very strategic. DPS is not only tasked with providing advice so that the operations of sharia entities remain within the corridor of sharia principles, but also responsible for monitoring operational activities, supervising the validity of products and contracts based on sharia contracts, and providing training on sharia principles to institutional staff. In addition, DPS must ensure that the products and services developed are not only sharia-compliant, but also competitive

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<sup>13</sup> Ali Rama, "Comparative Analysis of Sharia Model of Sharia Governance of Islamic Financial Institutions: A Case Study of ASEAN Countries" (Research and Publishing Center of the Institute for Research and Community Service, UIN Syarif Hidayatullah Jakarta, 2014).

<sup>14</sup> Laili Latifah Puspitasari and Rifqi Muhammad, "The Formulation of the Concept of Shariah Governance in Indonesia: Evaluation of the Sharia Supervision Model in the Banking Sector," *Muqtasid Journal* Vol. 10 No. 1 (2019): 1–16.

<sup>15</sup> Khoirul Amri Nasution, Katherine Helen Aurora, and Juwita Putri Nabilah, "The Influence of Sharia Governance on the Reputation of Indonesian Islamic Banks," *Significant: Journal of Economics* Vol. 4 No. 2 (2019): 387–93.

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in the global financial markets. Another important function is to carry out periodic sharia audits to evaluate the extent to which compliance with sharia principles has been implemented.<sup>16</sup> Research proves that Islamic financial entities that have an active and independent functioning DPS tend to show better performance.

Related to the form of implementation, the sharia governance model in the world can be classified into three main approaches.

1. Centralized sharia governance model, where supervision is carried out centrally by national sharia authorities. This model is applied in countries such as Iran, Sudan, Malaysia, Indonesia, and Brunei.
2. The Laizzez-Faire model, which gives sharia entities full freedom to manage their own sharia compliance without state intervention, is common in countries with minority Muslim populations as well as in some Gulf Cooperation Council (GCC) member states.
3. Hybrid or mixed model, where the sharia entity still has an internal DPS, but the results of the supervision must also be reported and supervised by the central sharia supervisory authority. This model seeks to strike a balance between entity independence and national coordination and standardization.

By understanding the structure, functions, and model of implementation of sharia governance, we can see that Shariah Governance is not just about formal compliance, but is an integral effort to integrate Islamic values in all aspects of organizational management. This shows that the success of a sharia entity is not only measured from a financial perspective, but also from the extent to which the entity embodies sharia principles in its operations as a whole.<sup>17</sup>

## **DISCUSSION**

### **Implementation of GCG and Sharia Governance in Indonesian Sharia Banks**

The implementation of Good corporate governance (GCG) and Shariah Governance at Bank Syariah Indonesia (BSI) is a fundamental aspect in maintaining healthy business sustainability and in accordance with sharia principles. As the largest Islamic bank in Indonesia, BSI is committed to implementing good governance to increase transparency, accountability, and professionalism in its business management. The implementation of this governance refers to regulations from the Financial Services Authority (OJK), Bank Indonesia Regulations (PBI), and fatwas of the National Sharia Council-Indonesian Ulama Council (DSN-MUI).

In terms of governance structure, BSI has built a strong infrastructure to support the implementation of GCG. The BSI Board of Commissioners consists of nine members, five of whom are Independent Commissioners. This percentage shows that more than 50% of the members of the Board of Commissioners are independent, which reflects transparency and independence in bank supervision. In addition, the Sharia Supervisory Board (DPS)

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<sup>16</sup> Ali Rama, "Comparative Analysis of Sharia Model of Sharia Governance of Islamic Financial Institutions: A Case Study of ASEAN Countries."

<sup>17</sup> Muh. Arief Effendi, *The Power of Good Corporate Governance*.

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responsible for the bank's sharia compliance consists of four members who have received OJK approval and DSN-MUI recommendations. In the governance process, the Board of Directors of BSI has carried out its role actively and professionally. During 2021, the Board of Directors held meetings 19 times in one semester, with each decision taken through deliberation for consensus. The Board of Commissioners also carries out its supervisory duties without being directly involved in operational decisions. In addition, DPS held 38 meetings in the same period and issued 16 sharia opinions that became guidelines in bank operations.

The good implementation of GCG at BSI has provided positive results for the bank's financial and operational performance. In December 2023, BSI recorded a profit of IDR 3.028 trillion, which increased by 38.42% on an annual basis. In addition, BSI's total assets increased by 10.71% to IDR 265.289 trillion. From the non-financial aspect, BSI also received the "Most Trusted Company" award in the Corporate Governance Perception Index (CGPI) and received ISO 37001:2016 certification on Anti-Bribery Management System.<sup>18</sup>

In addition to the implementation of GCG, BSI also prioritizes the implementation of strict Shariah Governance. DPS plays a key role in ensuring that all of BSI's products, services, and operational policies are in accordance with sharia principles. Each contract used in fund collection, financing distribution, and services has been harmonized with the DSN-MUI fatwa. To support compliance with sharia principles, BSI routinely conducts internal education for employees to improve their understanding of aspects of sharia law in banking. This aims to ensure that all transactions carried out remain within the sharia corridor and avoid elements of usury, gharar, and maysir.

In terms of supervision, BSI implements a layered audit system to ensure the implementation of governance in accordance with regulatory standards and sharia principles. There are three layers of audits applied, namely internal audit, external audit, and supervision from DPS. Internal audits use a Risk-Based Audit approach to ensure that each operational process runs in accordance with the risk mitigation that has been set.

Although the implementation of GCG and Shariah Governance at BSI has been going well, there are still several challenges that need to be faced. One of the main challenges is the OJK assessment process for two newly appointed Independent Commissioners in August 2023. Until the end of 2023, the fit and proper test process by the OJK is still ongoing, so the composition of the Board of Commissioners is not fully in accordance with the regulations set. In addition, in some aspects of the collection and distribution of funds, it was found that further harmonization is still needed to be fully in accordance with sharia principles. BSI continues to strive to improve sharia compliance by conducting periodic evaluations and coordinating with DSN-MUI to ensure that all products and services meet sharia standards.<sup>19</sup>

Monitoring and updating internal processes is also a challenge in itself. BSI still needs to improve the monitoring system for the implementation of audit recommendations, both

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<sup>18</sup> PT Bank Syariah Indonesia Tbk, "Report on the Implementation of Good Corporate Governance in 2023."

<sup>19</sup> PT Bank Syariah Indonesia TBK.



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from internal and external audits. The goal is to avoid repeated findings and ensure that any weaknesses in the governance system can be corrected immediately before they have a wider impact. In facing these challenges, BSI has developed several strategies to improve governance. One of them is to strengthen the compliance and internal supervision system to ensure that all banking activities are in accordance with sharia regulations and principles. In addition, BSI also seeks to increase transparency in financial reporting and strengthen communication with stakeholders.

The commitment to the implementation of GCG and Shariah Governance is also realized through increasing the role of DPS in strategic decision-making. DPS is not only tasked with providing sharia opinions, but also actively in providing input on bank policies to remain in line with sharia values. In the future, BSI strives to continue to improve the quality of its corporate governance. One of the strategic steps taken is to strengthen the digitalization of the Islamic banking system, so that the governance and supervision process can be carried out more efficiently and transparently. This digitalization is also expected to improve the customer experience in using Islamic banking services.

In order to increase global competitiveness, BSI has set a target to be included in the list of "Top 10 Global Islamic Banks". To achieve this vision, BSI needs to continue to strengthen corporate governance, improve sharia compliance, and expand its business network at the international level. The overall implementation of GCG and Shariah Governance at BSI shows that there is an alignment between good governance and sharia principles in bank operations. This success not only has an impact on improving financial performance, but also in building customer and investor trust in Islamic banking in Indonesia.

As the largest Islamic bank in Indonesia, BSI has a strategic role in the development of the national Islamic finance industry. Therefore, improving sustainable governance is the main key in maintaining healthy business continuity and integrity. Overall, the implementation of GCG and Shariah Governance at BSI has gone well, although there are still some challenges that need to be overcome. With a strong commitment from management, as well as support from various stakeholders, BSI is expected to continue to grow and make a positive contribution to the development of the Islamic economy in Indonesia.

In the future, the main challenge for BSI is how to maintain good governance in the midst of increasingly fierce competition in the banking industry. By adhering to the principles of transparency, accountability, and sharia compliance, BSI has great potential to become a world-class Islamic bank. In the end, the successful implementation of GCG and Shariah Governance not only reflects the quality of BSI governance, but also serves as an example for other Islamic banking industries. Therefore, BSI must continue to innovate in developing an adaptive governance system that is oriented towards long-term business sustainability.

## **CONCLUSION**

Bank Syariah Indonesia (BSI) as the largest Islamic bank in Indonesia has a great responsibility in implementing Good corporate governance (GCG) and Sharia Governance to ensure that its operations run in accordance with the principles of good governance and

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Islamic law. The implementation of GCG at BSI refers to five main principles, namely transparency, accountability, accountability, independence, and fairness, which aims to improve efficiency, transparency, and accountability in bank management. In the context of Islamic banking, Sharia Governance is a key element that distinguishes BSI from conventional banks.

Compliance with sharia principles is supervised by the Sharia Supervisory Board (DPS), which ensures that all products, services, and policies implemented are in accordance with sharia fatwas and provisions. To improve the effectiveness of sharia supervision, BSI continues to strengthen sharia audit mechanisms, increase transparency in reporting, and ensure that DPS can carry out its functions independently and objectively. Despite significant developments, BSI still faces various challenges in the implementation of GCG and Sharia Governance, such as maintaining the independence of DPS, increasing sharia financial literacy in the community, adjusting regulations with DSN-MUI fatwa, and adopting digital innovations that remain in accordance with sharia principles.

Therefore, BSI needs to continue to increase synergy between corporate governance and Sharia Governance, strengthen the internal supervisory system, develop financial services based on Islamic technology, and improve the competence of human resources in the field of Islamic banking. By continuing to evaluate and improve continuously, BSI has a great opportunity to become an Islamic banking that not only excels at the national level, but is also able to compete in the global market. The successful implementation of GCG and Sharia Governance at BSI will serve as a model for other Islamic banks in implementing better governance and contributing to the growth of a more inclusive, transparent, and sustainable Islamic finance industry.

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