

# Determinant of corporate social responsibility in Islamic banking based on the Islamic social reporting index

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## Abstract

**Purpose** - This study aims to determine the level of CSR comparison in sharia-compliant banking based on the Islamic Social Reporting Index indicators and analyze the factors influencing its disclosure.

**Method** - This study is quantitative research using secondary data. Population of this study is 9 Islamic Banks in Indonesia in 2017-2021. The selection of samples in this study used purposive sampling. The data were analyzed using Panel Data regression analysis, Classic Assumption test, F-test, and T-test.

**Result** - The results showed that two of the four variables thought to have an impact on ISR disclosure are found to have a significant impact. In contrast to leverage, which has a negative but considerable impact on ISR disclosure, company age has a positive and significant impact. The other two factors (profitability and company size) had less of an impact on ISR disclosure.

**Implication** - Islamic Commercial Banks in Indonesia suggest to improve the financial performance in Corporate Social Responsibility with Islamic Social Reporting Index.

**Originality** - This is a study to prove the effect of corporate social responsibility disclosure on the annual report of Islamic banks using the Islamic Social Reporting Index indicator.

**Keywords:** CSR; disclosure determinants; ISR; Islamic banking



## Introduction

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Nowadays, a company not only focuses on economic orientation but also requires a change in business towards sustainable development (OJK 2020). This means that it requires an effort to meet future needs without diminishing the ability and opportunities for the next generation. As the current generation, we should be able to utilize existing natural resources optimally. Currently, the industrial world is developing rapidly, not only in the production of goods but also in the form of services. One of them is the existence of sharia-based financial institutions, even though their presence is still relatively new in Indonesia. After the global crisis period in 2008, Islamic financial institutions (IFI) again attracted much attention, especially when the coronavirus 2019 (COVID-19) pandemic hit the world. Recent studies, such as (Chowdhury et al., 2022) noted the stability of IFIs when COVID-19 struck, as indicated by lower volatility, positive annual returns, and faster economic recovery.

The Islamic Financial Services Board (IFSB) predicted in its Stability Report 2020 that the worldwide Islamic financial services sector (IFSI) could continue to expand at a favorable rate, totaling USD 2.44 trillion in wealth. The industry's growth rate is expected to be 11.4% annually (IFSB, 2020). A sharia-based business model that forbids usury (interest) and gharar is essential to the stability of Islamic financial institutions (IFIs), particularly Islamic banks (IBs). Islamic banking must align with both of these objectives and prioritize them in its operational development. From a profit-oriented perspective, Islamic banking should seek profits to ensure the continuity of its operations or business.

The World Business Council for Sustainable Development defines corporate social responsibility (CSR) as the "ongoing commitment of a company to act ethically and contribute to the economic development of communities or local workers and their families" (Khoirudin 2013). Corporate Social Responsibility (CSR) is a concept of corporate responsibility that is based on the triple bottom line, which includes the company's value

(corporate value) reflected in its financial condition (financial), social responsibility, and environmental responsibility.

Companies that can effectively express their CSR (Corporate Social Responsibility) will receive positive feedback. Some businesses fight to offer the best value to win the trust of the numerous stakeholders in their firm. Ultimately, social responsibility principles have been adopted by the banking sector. As of right now, there are no applicable regulatory requirements for CSR disclosure in the Islamic banking sector that specify what needs to be declared. This sets apart social responsibility in Islamic businesses because CSR in Islam is not limited to profit enhancement and ensuring the long-term viability of the business but is also based on doing good for the sake of happiness in the afterlife and as a form of integrating spiritual goodness in Islam through creating a better social structure (Amran 2017).

According to Haniffa's research in 2002, the Islamic Social Reporting Index could be one alternative for Islamic banks to disclose CSR in an Islamic context. However, the development of the Islamic Social Reporting Index in Indonesia has not progressed rapidly to date because there is no regulation governing standards for sharia-compliant social responsibility reporting. The increased disclosure of Islamic social performance is expected to influence the investment decisions of Muslim investors when selecting sharia-compliant stocks in sharia banking institutions registered with the Financial Services Authority (OJK 2019).

In several Islamic banks in Indonesia, the disclosure of social responsibility is still insufficient, barely achieving 50% of the ISR index's maximum score even when all scores are fully published, according to a study by Fitria (2010). Islamic Commercial Banks may use indicators of ISR disclosure as a possible tactic to expand their operations and entice customers of mainstream banks to migrate to Islamic banking. Numerous studies have examined the variables affecting the choices made by the general public or consumers to join or patronize financial institutions or by other economic actors. The growth of financial institutions, especially Islamic commercial banks, has an impact on this as well. Unique aspects of this study

include the research year of 2017-2021 which includes 9 Islamic commercial banks registered with the financial services authority.

## Literature Review

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Disclosure in financial reports refers to the demand that financial reports provide adequate details and justifications regarding the outcomes of the business unit's operations (Savitri 2017). Based on research completed by Platonova et al. (2016), CSR disclosure has an encouraging impact on institutions' long-term financial health and is closely associated with future financial performance. PSAK No. 1 paragraph 74 explains that it is required to provide characteristics concerning shareholders and management, particularly the names of the board of administrators and regulators. The book "The Social Responsibility of Business" written by Howard R. Bowen, who is known as the father of CSR, popularized the idea of CSR in 1953. The public's mistrust towards companies established the foundation for the CSR concept. When executed effectively, CSR can boost financial performance while additionally enhancing stakeholder satisfaction (Aver and Cadez 2009).

Social responsibility programs are crucial to the Islamic business sector since they must abide by sharia law. Islamic banks, as opposed to conventional banks, are unable or at the very least, ought not to be divided into social and business-focused sectors. This results in Islamic banks having a stronger sense of social identity and a more socially engaged way of conducting business than traditional banks (Muslihati 2018). Haniffa (2002) first established the ISR (Islamic Social Reporting) Index which featured five themes: funding and investment, goods and services, employees, society, and environment. Othman et al. (2009) later updated and expanded the ISR Index to include six themes: funding and investment, goods and services, employees, society, environment, and corporate governance.

According to Othman et al. (2009), the ISR Index which has been further developed by investigators around the CSR items and should be disclosed by an Islamic entity, serves as a benchmark for evaluating the social performance of Islamic banking. It consists of up of a compilation of standard

CSR items established by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

### Hypotheses Development

One metric for evaluating a company's performance is its profitability. According to Mawaddah (2015), it represents the company's capacity to produce profits over a given period at a particular level of sales, assets, and shareholder equity. The company's various policies and decisions eventually influence its profitability (Brigham and Daves, 2019: 259). Higher ratio outcomes are often favourable but provide further insight when compared with the results of comparable firms, the company's historical success, or the industry average. Profitability ratios evaluate the ability of a business within a particular context to generate profit. On the other hand, efficiency ratios measure how effectively a business uses its resources to profit. Prior studies measured profitability with the help of return on assets (ROA) and return on equity (ROE) (Shahwan and Hassan, 2013). Therefore, a hypothesis can be formulated as follows:

*H1 : Profitability has a significantly positive effect on the level of ISR disclosure*

A measurement of wealth called the leverage ratio is used to quantify how much debt is being used to finance a company (Ludijanto 2014). According to Brigham and Houston (2019: 463), leverage is the application of debt finance, or financial leverage. A financial statistic called the leverage ratio is used to assess a company's liquidity and capacity to settle long-term debts and other obligations. Prakoso and Dewinta (2012) reveal that the leverage ratio has a negative effect on CSR disclosure. Companies with significant debt obligations may have contractual requirements (debt covenants) to disclose specific information, which can lead to increased ISR disclosure. Therefore, the second hypothesis can be formulated as follows:

*H2 : Leverage has a significantly negative effect on the level of ISR disclosure*

The size of the company is an indicator that helps gauge how small or large an organization is (Adnan 2016). Corporate culture and business size are related. Employee performance can be dependent on a company's strong corporate culture, which is formed by a variety of aspects including the industry, the size of the business, and its immediate surroundings. Companies with large sizes tend to have more stable conditions that are characterized by stable cash flow conditions, and stock prices stay at high prices (Chen and Strange, 2005). Smaller banks may focus on local community initiatives, while larger banks can impact broader regions and ISR contributes to brand reputation regardless of bank size (William, 2010). Therefore, the third hypothesis can be formulated as follows:

*H3 : Company size has a significantly positive effect on the level of ISR disclosure*

The company's age reveals its existence and competition. The reliability of accounting information is significantly associated with the age of the company. This is because an older company has more experience in reporting on finances and a better understanding of the information demands of the general public. Company age positively correlated with voluntary reporting because the older the company the more experience it is in financial reporting and better knowing about audience information requirement about the company (Marwata, 2001). Alanezy et al. (2012) argue that more lucrative organizations that have more subsidiaries and are older are more compliant with IFRS disclosure standards. Therefore, the fourth hypothesis can be formulated as follows:

*H4 : Company age has a significantly positive effect on the level of ISR disclosure*

## **Research Methods**

The data used in this study is secondary data taken from annual reports and sustainability reports issued by Sharia Commercial Banks which have been approved as members of the Financial Services Authority (OJK). The official websites of Sharia Commercial Banks as well as books, journals, and

other data sources were used. The information used is in the form of panel data, which mix cross-sectional and time-series data. The Common Effect Model (CEM), the Fixed Effect Model, and the Random Effect Model are the three strategies for estimating model parameters using panel data, as described by Ghozali (2016). The years from 2017 to 2021 are included in the time series data. Following that, using purposive sample techniques, the cross-sectional data for nine of the twelve Sharia Commercial Banks registered with the Financial Services Authority (OJK) were determined.

Purposive sampling entails choosing samples based on traits that complement the goals of the study. The following criteria are used as reference factors: 1) Sharia banking organizations that were active as Sharia Commercial Banks from 2017 until 2021. 2) Sharia Commercial Banks that the Bank of Indonesia registered between 2017 and 2021. 3) Commercial Sharia banks that from 2017 to 2021 produced annual reports and financial statements.

Profitability, leverage, the size of Sharia Commercial Banks, and the age of Sharia Commercial Banks are the independent factors in this study. Islamic Social Reporting Index is employed as the dependent variable. The study's significance level ( $\alpha$ ) is 5%. The Islamic Social Reporting (ISR) Index is evaluated using a scoring system, where a value of 0 is given if there is no disclosure regarding an item on the ISR Index and a score of 1 is given if there is disclosure. Following is the calculation used to estimate the extent of disclosure:

$$\text{ISR index} = \frac{\text{Number of items the company disclosed}}{\text{Maximum number of items}} \times 100 \%$$

Chow test was used to choose between the Common Effect Model and the Fixed Effect Model as the regression model to utilize with panel data. Hausman test, a comparison of the Fixed Effect Model and the Random Effect Model is conducted in order to decide which model should be applied. In addition, Lagrange Multiplier test was undertaken to determine whether the

Random Effect Model is superior to the Common Effect Model. The four tests that make up the traditional assumption test are the normality test, the heteroskedasticity test, the multicollinearity test, and the autocorrelation test. The normality test is used to verify whether or not the regression model's standardized residuals have a normal distribution. To determine whether there is an inequality in the variance of the residual in the regression model, the heteroskedasticity test is used. The White test, developed by Halbert White in 1980 to identify heteroskedasticity, is employed in this study. In the White test, the original dependent variable Y is swapped out for the regression equation's residuals, which are then squared and used as independent variables. The White test includes squared terms for each variable as well as cross-product terms, which are interactions between variables. Regression analysis using panel data is used to evaluate independent variables against dependent variables while considering into account several companies over a predetermined period. The following is a systematic formulation of panel data regression analysis:

$$SR_{it} = \alpha + \beta_1 PROFIT_{it} + \beta_2 LEVERAGE_{it} + \beta_3 SIZE_{it} + \beta_4 AGE_{it} + \varepsilon_{it}$$

Explanation:

$ISR_{it}$	: Islamic Social Reporting Disclosure Index
$PROFIT_{it}$	: Profitability, Return on Equity
$LEVERAGE_{it}$	: Leverage
$SIZE_{it}$	: Company Size
$AGE_{it}$	: Age, the difference between the research year and the establishment year of the company
i	: Cross-sectional data for 9 companies
t	: Time series data from 2017 to 2021
$\varepsilon$	: Error term

## Results and Discussion

With an average value of 0.7 and a standard deviation of 0.2, the ISR value index ranges from 0.90 to 0.60. Bank Muamalat Syariah (BM) holds the title of having the highest ISR index with a score of 39 in 2021, while Bank Victoria Syariah (BVS) holds the title of having the lowest ISR index with a score of 26



in 2017. This suggests that businesses with the lowest ISR index scores regularly provide very little about their social responsibilities in a way that complies with sharia. It is not appropriate to conclude that the two companies' poor ISR index ratings over a five-year period indicate that they are not doing a good job of revealing social responsibility. Raditya (2012) posits that the low level of sharia-compliant social responsibility disclosure by the companies could be attributed to two possible reasons, either they do not disclose their social responsibility in a manner that complies with sharia, or they may have disclosed it in a manner that complies with sharia but it was not included in the company's annual reports or financial statements.

Bank Muamalat had the greatest profitability value in 2019 while Bank Dubai Panin had the lowest in 2018. Bank Dubai Panin Syariah held the position with the highest leverage value in 2017 and Bank Victoria Syariah held the position with the lowest leverage value in 2020. The highest leverage value was 0.96. The biggest company size was occupied by Bank Muamalat with total assets of IDR 11.02 trillion in 2017. The smallest company size was owned by Bank Victoria Syariah with total assets of IDR 7.60 trillion in 2017. The highest firm age value is 30 and the lowest is 1 with an average value of 9.9 and a standard deviation of 6.9. The oldest age of the company is occupied by Bank Muamalat Syariah in 2021, while the youngest age of the company is occupied by Bank Nusa Tenggara Barat Syariah in 2017. More extensive ISR disclosure positively influences Islamic banks by building trust, attracting ethical investors, mitigating risks, aligning with sharia principles, enhancing reputation, informing strategic decisions, and ensuring long-term sustainability.

The Chow test's findings indicate that the data are not enough evidence  $H_0$  because the calculated F value ( $62.384321 > 2.12$ ) exceeds the F table. Therefore, the FEM is superior to the CEM in terms of common effects. According to the results of the Hausman test,  $H_0$  was rejected since the probability value of 0.011 was less than alpha 0.05 (0.0116 0.05). The Fix Effect Model (FEM), therefore, is the appropriate model to apply in this study.

**Table 1. ISR index's Disclosure of Islamic Bank**

IB	2017		2018		2019		2020		2021		Mean
	Score	Index	Score	Index	Score	Index	Score	Index	Score	Index	
BM	35	0.814	34	0.791	35	0.814	38	0.884	39	0.907	3.323
BCAS	31	0.721	33	0.767	35	0.814	34	0.791	37	0.860	3.112
BMGS	32	0.744	34	0.791	35	0.814	34	0.791	36	0.837	3.159
BJBS	30	0.698	31	0.721	35	0.814	34	0.791	36	0.837	3.043
BTPNS	28	0.651	33	0.767	34	0.791	35	0.814	37	0.860	3.042
BVS	26	0.605	30	0.698	32	0.744	30	0.698	34	0.791	2.763
BAS	31	0.721	33	0.767	34	0.791	29	0.674	31	0.721	2.969
BNTBS	30	0.698	32	0.744	34	0.791	30	0.698	35	0.814	2.949
BDPS	33	0.767	36	0.837	37	0.860	34	0.791	37	0.860	3.274

**Table 2. Descriptive Statistics**

	ISR	Profitability	Leverage	Size	Age
Mean	0.685177	0.322880	0.348976	9.206896	9.939069
Median	0.767442	0.071600	0.161198	9.122222	8.000000
Max	0.906977	0.260000	0.968225	11.02999	30.00000
Min	0.605352	-0.107700	0.031153	7.602458	1.000000
<i>Std. Dev</i>	0.248126	0.083414	0.322187	0.634413	6.890847

**Table 3. Multicollinearity Test**

	Profitability	Leverage	Size	Age
Profitability	1.000000			
Leverage	0.463453	1.000000		
Size	-0.247081	-0.30674	1.000000	
Age	-0.227107	-0.193827	0.030009	1.000000

The Jarque-Bera test value for normality, which is 3.191072, is less than the chi-square critical value from the table (12.934983). Therefore, the null hypothesis ( $H_0$ ) is accepted, indicating that the data in this study are normally distributed. the White test indicate p-value of 0.2632, which is greater than  $\alpha$

(0.05). Therefore, we do not reject the null hypothesis ( $H_0$ ), which states that the variances are equal, or there is no heteroskedasticity present. In Table 3, it is shown that the correlation coefficient between the independent variables is below 0.8. Therefore, it can be concluded that there is no multicollinearity in the data in this study. The calculated Durbin-Watson value of 1.910 is greater than 1.720 and less than 2.660, which means there is no autocorrelation in the regression model.

### **Islamic Social Reporting (ISR) Disclosure Issues**

The impact of each independent variable on the dependent variable can be examined using the regression equation above. The regression equation's constant has a positive value of 0.715, which means that the dependent value (ISR) is 0.715 if the value of the independent variables is 0 (constant). The profitability variable's regression coefficient is negative 0.004, which means that if all other independent variables remain constant, a one-unit rise in profitability will result in a 0.004 drop in ISR disclosure. The leverage variable's regression coefficient is negative by 0.051, which means that if the other independent variables remain constant, a reduction in leverage of one unit will result in an increase in ISR disclosure of 0.051. The coefficient on firm age is positive by 0.038, meaning that an increase in firm age by one unit will result in an increase in ISR disclosure of 0.038 assuming the other independent variables are constant.

Based on the Fixed Effect Model (FEM) regression results in Table 4, the significance value is 0.000, which is less than 0.05. This shows that factors including profitability, leverage, company size, and age matter when it comes to ISR disclosure. This could possibly happen because sharia commercial banks that have been around for a long time or have a larger scale have more resources than sharia commercial banks that have just been established or have a smaller scale, larger sharia commercial banks definitely have financing, more facilities and human resources so that sharia commercial banks can carry out wider ISR disclosures. Therefore, all information related to the activities of a company is needed in making decisions to invest. The trust of

the community towards the company must be maintained by Islamic banking, with this belief the community does not hesitate to invest and save funds in a Sharia banking company.

JIAFR | 264 **Table 4. Fixed Effect Model Regression Analysis**

Variable	Coefficient	Std. Error	t-Statistic	Prob
C	0.7149	0.1452	4.922783	0.0000
Profitability	-0.0004	0.0040	-1.059373	0.2967
Leverage	-0.0515	0.0144	-3.568931	0.0012*
Size	0.0361	0.0290	1.247109	0.2214
Age	0.0381	0.0016	2.397717	0.0000*
Adjusted R-squared		0.980623		
Prob (F-statistic)		0.00000		

**The Effect of Profitability on Islamic Social Reporting Disclosures**

Profitability's t-statistic is -1.0593, and its probability value is 0.30, which is also less than 0.05. This implies that, while positive and not statistically significant at the 5% level, profitability has an impact on ISR disclosure. The outcome for this variable suggests that the measurement value may not be the main reference for figuring out how confident potential investors are about growing their capital investment in a bank. Social responsibility disclosed in the ISR is a part of the implementation of sharia principle that puts the orientation not only on the benefit but also on the hereafter life. Businesses with higher profitability than those with lower profitability will report on ISR more thoroughly and clearly (Hussain et al., 2021). The potential for management to update principals on social responsibility initiatives is positively correlated with the ROE value. Profitability is a description of management's performance in running the business. If managers can manage the business well, the business costs will be lower and profits will be greater—the company's ability to generate profits increases, so its stock price will also increase. The amount of profit will affect the value of the business. Research conducted by Sabrin et al. (2016), Sucuahi and Cambarihan (2016), Marsha and Murtaqi (2017), and Tui et al. (2017)

confirm that corporate profits have a positive impact on corporate value. This study also supports the theory put forward by Modigliani and Miller that a company's value is determined by the returns earned from its assets.

### **The Effect of Leverage on Islamic Social Reporting Disclosures**

The probabilities are  $0.00 < 0.05$  and  $-3.5689$  for the t-count leverage. This demonstrates that leverage has a negative and considerable impact on ISR disclosure at the 5% level. These data support the premise and research theory that a corporation with little debt will be more likely to make decisions that increase reporting of good social performance. The high ratio of financial leverage can increase the doubts of customers and investors towards a bank, because the higher the financial leverage ratio the higher the risk borne by the company if it cannot manage its debt well. Additional information such as social information is needed to eliminate doubts and lead to the trust of customers and investors in fulfilling their rights as creditors. Therefore, companies with high financial leverage ratios have an obligation to make broader disclosures than companies with low financial leverage ratios. Research conducted by Mais (2020) reveals that the level of debt, irrespective of the leverage level, significantly influences the degree of social performance disclosure in Islamic banks.

### **The Effect of Company Size on Islamic Social Reporting Disclosures**

The probability value is  $0.22 > 0.05$ , and the t-count value of the company size is 1.247109. This shows that the impact of company size on ISR disclosure is positive but does not have a significant effect. These results coincide with Fatma's research (2021), showing that Islamic social reporting disclosure is not only derived from a company's overall asset value. This is because a lot of big businesses are still afraid to publicly reveal some voluntary disclosure issues because of the intense public scrutiny they deal with. While both large and small Islamic banks engage in CSR and ISR, the extent and depth vary based on their size and available resources. Regardless of size, all Islamic banks recognize the ethical imperative of social

responsibility. Investors, customers, and regulators expect information about social responsibility regardless of bank size (Farook, 2011).

### **The Effect of Company Age on Islamic Social Reporting Disclosures**

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The age of company is 2.39 years old according to the t-calculation, and the probability value is  $0.00 < 0.05$ . This demonstrates that, at the 5% significance level, the firm age effect on ISR disclosure is both positive and significant. These results support the research theory and hypothesis that show how a company's young age affects how much information about internal resources is disclosed. Established companies are expected to have a better understanding of their stakeholders' demands and work to address those needs through the improvement of their social disclosures. This means that older people tend to have greater compliance with disclosure (Alanezi, 2012). Apart from that, the older the company, which is a Sharia Commercial Bank, the wider the ISR disclosures made. And Islamic commercial banks that have been around for a long time have a lot of experience regarding what items must be disclosed in their social responsibility reports.

### **The Effect of Profitability, Leverage, Company Size, and Company Age together with Respect to Islamic Social Reporting**

The percentage of the four independent variables to the dependent variable is calculated through analysis of the coefficient of determination ( $R^2$ ). Based on the results of FEM output, the R-square value is 0.98, This shows that the ISR in Sharia Commercial Banks in Indonesia during 2017-2021 is influenced by the five variables together that when combined, the variables of profitability, leverage, company size, and company age have a contribution to explaining the disclosure of Islamic social reporting by 98.6% very strong, while the remaining 1.4% is explained by other variables that are not studied or not included in the research model.

## Conclusion

Islamic banks are categorized from highest to lowest corresponding to the average score of the Islamic Social Reporting Index indicators, which cover consumer products and services, society, employees, the environment, and corporate governance: Bank Muamalat (BM), Bank Dubai Panin Syariah (BDPS), Bank Mega Syariah (BMGS), Bank Central Asia Syariah (BCAS), Bank Tabungan Pensiun Negara Syariah (BTPNS), Bank Jawa Barat Syariah (BJBS), Bank Aceh Syariah (BAS), Bank Nusa Tenggara Syariah (BNTBS), and Bank Victoria Syariah (BVS).

There are four variables that influence Islamic Social Reporting (ISR) disclosure in sharia banking leverage has a significant negative impact on ISR disclosure. That means the level of leverage (debt) increases, the disclosure of Islamic Social Reporting tends to decrease. Company age has a significant positive impact on ISR disclosure. This implies that older companies are more likely to disclose information related to Islamic Social Reporting. Profitability does not have a significant impact on ISR disclosure. In other words, the level of profitability of a sharia bank does not strongly affect its ISR disclosure. Company size also does not have a significant impact on ISR disclosure. The two most important elements affecting the disclosure of Islamic Social Reporting in sharia banking are leverage and company age, leverage having a negative influence and company age having beneficial effects. The level of profitability and the size of the business have no significant impact on ISR disclosure.

Based on the strength of the outcomes of the research, the following suggestions can be made: 1) Additionally, there is a need for education regarding sharia compliance and sharia-compliant financial processes. Encouragement for the Sharia Supervisory Board to monitor areas of compliance with sharia in the activities of sharia banks in Indonesia is also important. 2) Corporate Social Responsibility (CSR) rules will probably be strictly enforced by the government for Sharia Commercial Banks regulated by the Financial Services Authorities including agreed-upon metrics that are based on rules would help the Islamic Social Reporting Index grow. 3) Future

research should evaluate Islamic Social Reporting (ISR) disclosures with the inclusion of more Islamic-independent variables. As a result, the sustainability of important aspects in sharia-compliant social responsibility reporting would be more clearly recognized. 4) The author notes that this study still has several limitations, such as the few variables that might not be sharia-compliant influencing factors. The accessibility of CSR data gleaned from bank annual reports is also restricted.

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