DISCLOSURE OF CORPORATE SOCIAL RESPONSIBILITY IN SHARIA BANKS IN SOUTHEAST ASIAN COUNTRIES BASED ON AAOIFI STANDARDS

Annisa Permatasari[1], Noven Suprayogi[2]

[1,2]*Universitas Airlangga, Surabaya*

✉ annisa.permata.sari-2018@feb.unair.ac.id noven.suprayogi@feb.unair.ac.id

Abstract   *: This study aims to determine the effect of profitability, bank size, and age of Islamic banks on the disclosure of Corporate Social Responsibility on Islamic banks in Southeast Asian countries based on AAOIFI standards partially and simultaneously. The population used in this study are Islamic banks in Southeast Asian countries, including Brunei Darussalam, Indonesia, Malaysia, Singapore, Thailand, Vietnam, Myanmar, and the Philippines. The sampling technique was purposive sampling to obtain 18 sample Islamic banks with a total of 126 data. This study uses a quantitative method with panel data regression analysis with Eviews 10. The results of this study partially show that the profitability and size of Islamic banks are not significant in the disclosure of Corporate Social Responsibility. In contrast, the age of the bank has a positive and significant effect on corporate social responsibility disclosure. Simultaneously, profitability, bank size, and bank age significantly positively affect Islamic banks' Corporate Social Responsibility disclosure in Southeast Asian countries for 2014-2020. The implication of the findings of this study confirm that social activities in Islamic banks are activities that must be carried out and disclosed by Islamic banks so that the bank's financial performance does not influence the implementation and disclosure of social activities in Islamic banks*

Keywords   *: **Profitability, Size of Islamic banks, Age of Islamic banks, Corporate Social Responsibility.***

1. BACKGROUND

Disclosure *Corporate Social Responsibility (*CSR) is currently still considered a voluntary practice carried out in Asian countries (Brammer, Jackson , & Matten, 2012; Aguilera, Rupp, Williams, & Ganapathi, 2007) in (Waworuntu et al., 2014). *Association of South East Asian Nations (ASEAN*) face many obstacles in promoting CSR disclosure. This happens because of the lack of direct power to penetrate the national laws of each country. Another factor that influences the weak practice of voluntary CSR disclosure in ASEAN is that there are global issues, namely cases of corruption and poverty*. At the moment governments in ASEAN countries are trying to increase their awareness of business activities that can affect society as a whole. So that companies in the ASEAN region in recent years have become more aware of CSR disclosure

69

frameworks such as *Global Reporting Initiative* (GRAY), *United Nations Global Compact* (UNGC) and ISO 26000. This framework aims to institutionalize CSR at the global level through the creation of CSR norms, rules and procedures (Waworuntu et al., 2014).

Sharia finance is experiencing very rapid development in various countries in the ASEAN region, which is marked by increasing demand for sharia financial products. So that the government of each country is encouraged to create laws and regulations regarding the legality of sharia financial practice activities (Akmal et al., 2017). In countries in the Southeast Asian region, there are various forms of regulations and different rules regarding the regulation of sharia financial institutions. These regulatory differences are caused by differences in culture, customs and principles adopted by each country. According to Subardi (2019) in (Kurniasari et al., 2019) an appropriate methodology is needed to create regulations and standardization that can be accepted by various parties comprehensively and globally regarding issues regarding Islamic financial institutions. So the role of international regulatory institutions is needed so that there is harmonization of regulations in the world. *Accounting and Auditing Organization for Islamic Financial Institutions* (AAOIFI) is an international organization for preparing, compiling and implementing accounting and auditing standards for Islamic financial institutions in the world.

Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has prepared accounting and auditing standards, as well as sharia standards and governance standards for sharia financial institutions. One of the standards in sharia financial governance is the standard for disclosing social activities. AAOIFI standards are currently being fully adopted by many countries in the Middle East and Central Asia. Countries in the Southeast Asian region have not adopted it in full, only using AAOIFI standards as a reference in preparing standards for their sharia financial institutions. Therefore, the social activity disclosure index used in the research is AAOIFI standard number 7 of 2010 (Governance Standar no. (7) : Corporate Social Responsibility Conduct and Disclosure for Islamic Financial Institutions) found in research (Brahim & Arab, 2020) in order to obtain the same information for sharia banks in Southeast Asia.

El-Halaby & Hussainey (2016) in their research entitled "Determinants of compliance with AAOIFI standards by Islamic banks" stated that there are several determinants that have an important role in expressing CSR. The research is guided by the AAOIFI standardization carried out in the country Midle East and North Africa (MENA), namely Bahrian, Jordan, Qatar, Syria, Yemen, Sudan, Oman and Palestine. This research found that CSR disclosure in MENA countries was 27%, and aggregate disclosure based on three indices was 56%. Other research conducted by (Brahim & Arab, 2020) discusses the level of CSR disclosure compliance based on AAOIFI standard number 7 of 2010. This research focuses its research on CSR disclosure in Middle Eastern and North African countries in 2010-2014 using indicators based on AAOIFI standard number 7 of 2010 in the mandatory disclosure category (Mandatory Disclosure Categories).

Based on the previous research mentioned above, the researcher wants to retest the research conducted by (El-Halaby & Hussainey, 2016) with a different research period and research subject.. This research will analyze the factors that influence CSR disclosure in Islamic banks in the Southeast Asia region using AAOIFI standard number 7 of 2010. Profitability, size of the Islamic bank, and age of the Islamic bank are independent variables in this research. The subject and object of this research are

countries in Southeast Asia using data from Islamic bank annual reports 2014-2020 published in website official bank. Researchers used Southeast Asian countries as research subjects because Southeast Asian countries are countries with rapid development of Islamic banks. This is indicated by Malaysia as the country with the highest assets in Southeast Asia with a value of 9.3%, followed by Indonesia at 1.6% and Brunei Darussalam at 0.5%. (Suyyinah dan Sidiq, 2021).

The results of this research will contribute to the study of international accounting standards for CSR information disclosure. Countries in the Southeast Asia region do not fully adopt the standards issued by AAOIFI, but Islamic banks in the Southeast Asia region are able to disclose CSR information that is almost the same as AAOIFI standards. Research will confirm that social activities carried out by sharia banks are activities that must be carried out in accordance with the basic philosophy of sharia banks which have business functions and social functions. So the variables used in this research include financial performance variables and non-financial performance variables.

THEORY AND METHODS

2.1 Literature Review

2.1.1 Corporate Social Responsibility based on sharia approach & AAOIFI standards

Concept of the CSR already exists in *Maqasid Al-Shariah* goals, namely based on the concept of The *Maqasid Al-Shariah* is to improve the well-being of mankind by taking care of religion *(din)*, soul *(nafs)*, minds (*'aql)*, property *(maal)*, descendants *(nasb)* (Said et al., 2018). CSR Values includes Godly values (*Taqw*a) namely all conditions, every human being has a role and responsibility as a *khalifah* on earth. Therefore, all activities related to economic or trade aspects cannot be separated from moral and spiritual principles. So the core principles of CSR from an Islamic perspective are unity, caliphate and guardianship, justice and balance as well as rights and responsibilities (Said et al., 2018). Meanwhile, CSR in Sharia Banks according to (AAOIFI, 2010) in (El-Halaby & Hussainey, 2016) refers to all activities carried out by sharia financial institutions to fulfill their religious, economic, legal, ethical and policy obligations as financial intermediaries. towards individuals and institutions. International standards governing CSR in sharia banks is AAOIFI standard number 7 of 2010 (Governance Standart no. (7) : Corporate Social Responsibility Conduct and Disclosure for Islamic Financial Institutions).

2.1.2 Signaling Theory

Signaling Theory or signaling theory discovered by Spence (1973) which focuses on how management can signal information and receive signals from the market, stakeholders and the social environment (Bae et al., 2018). Disclosure of the information provided will determine whether the company has good prospects (good news) or vice versa, namely (bad news). In signal theory there are two main actors, namely the company that gives the signal to outside parties, and the signal recipient who is the outside party (investor). The information conveyed is a signal given to investors to make investment decisions.

2.1.3 Agency Theory

Agency Theory or agency theory in general regarding the concept of relationships between investors (principal) with management (agent) (Bae et al., 2018). Agency theory is a company's efforts as principal in optimizing company value by involving a manager (agent) in managing company operations. Engagement agent in managing the company, will give rise to conflict between principal with agent. These agency problems cause agency problems and agency costs. So companies try to reduce agency costs (agency cost) (Bae et al., 2018). The solution to reducing agency costs is to disclose CSR information which is expected to build positive value for the company (Rokhlinasari, n.d.).

2.1.4 Legitimacy Theory

Legitimacy theory is a theory of how companies can guarantee that their operations are carried out in accordance with the norms that apply in society. The company will disclose its activities voluntarily because management believes that this is what the public expects (Rokhlinasari, n.d.). The company tries to gain recognition or legitimacy from its membersstakeholder and the surrounding community where the company operates (Hidayati & Murni, 2009), so that a social contract will emerge between the company and society. Legitimacy theory can be achieved by companies disclosing CSR namely dith making social disclosures to get positive public attention and can influence company value.

2.1.5 Profitabilitas

Profitability can influence the level of information disclosure of a company. If the company achieves a high percentage of profitability, the greater the disclosure of information (Rahayu & Cahyani, 2014). Profitability is financial performance in one period to generate profits. Profitability ratios are ratios used to assess a company's ability to make profits. The profitability ratio provides a measurement of the level of management effectiveness in a company (Kasmir, 2019:198).

$$ROA = \frac{Net\ profit\ after\ company\ tax}{Total\ company\ assets}$$

2.1.6 Size of Sharia Bank

Bank size is the amount of assets owned by the bank in the form of total sales assets and capitalization.Company size can influence the social performance of a company, because large companies will focus more on total assets, total sales and total profits (Brigham & Houston, 2014). According to Kumara (2017:31) company assets in the balance sheet describe the wealth owned by the company. The number of assets owned can describe the size of the company, cash, current accounts with other banks, securities, credit, prepaid expenses, fixed assets and assets owned by the bank.

$$Bank\ Size = ln\ (total\ assets)$$

2.1.7 Age of Sharia Banks

According to Nugroho (2009) in (Adawiyah & Suprayogi, 2020) the age of a company is the beginning of the company in carrying out its operational activities for the first time until maintaining it so that it continues to run in the business world.

Banks that are older and more established are considered to disclose more information in their reports than younger companies.

Bank Age = Year of research observation – Year the Sharia Bank was founded

2.1.8 Hypothesis

2.1.8.1 The relationship between profitability and disclosureCorporate Social Responsibility based on AAOIFI standards

The relationship between profitability and CSR disclosure is in line with signaling theory. If the information provided by the bank is a positive signal, it is hoped that this signal will be accepted by market reactions so that it can benefit the company and increase company value. Companies with a large percentage of profitability have more opportunities to carry out responsibility for disclosure than companies that achieve profitability with a low percentage (Mnif & Tahari, 2020). In order to improve the company's name and reputation, managers will be more careful in making disclosures when the company has reached a high percentage. So the hypothesis that will be formulated is as follows:

H_1 : Profitability has a positive and significant effect on the level of CSR disclosure based on AAOIFI standardization in Islamic banks in Southeast Asian countries

2.1.8.2 Relationship between Sharia Bank Size and DisclosureCorporate Social Responsibility based on AAOIFI standards

The relationship between bank size and CSR disclosure is in line with agency theory. The relationship between the size of a company will affect agency costs. In order to reduce agency costs, companies will comply with the disclosure of their information obligations (Sellami & Tahari, 2017). This finding is the same as the finding of (El-Halaby & Hussainey, 2016) in their research, bank size has a significant correlation with information disclosure. Companies with a large size are considered to be better able to prepare financial reports than companies that are considered smaller (Sellami & Tahari, 2017)*.* So the hypothesis that will be formulated is as follows:

H_2 : The size of sharia banks has a positive and significant effect on the level of CSR Disclosure based on the AAOIFI standardization of sharia banks in Southeast Asian countries

2.1.8.3 Relationship between Sharia Bank Age and Disclosure Corporate Social Responsibility based on AAOIFI standards

The relationship between bank age and CSR disclosure is in line with legitimacy theory. . The company tries to gain recognition or legitimacy from its members stakeholder and the communities around which the company operates (Hidayati & Murni, 2009)**.** Disclosures made by the company will direct public attention to positive things and can influence the value of the company. According to the opinion of (Owusu-Ansah, 1998) in (Mnif & Tahari, 2020), companies with older banks tend to be more complete in carrying out disclosures than companies with younger ages. This is because there is competitive disadvantage experienced by young companies. So the hypothesis that will be formulated is as follows:

H₃: The age of sharia banks has a positive and significant effect on the level of CSR Disclosure based on AAOIFI standardization in sharia banks in Southeast Asian countries

2.1.8.4 Relationship between profitability, size of sharia bank, age of sharia bank and disclosureCorporate Social Responsibility based on AAOIFI standards

Research conducted by (El-Halaby dan Hussainey, 2016) had R test results² amounting to 0.517 (52%) for Sharia Supervisory Board disclosures, 0.634 (63%) CSR disclosures, 0.518 (52%) financial disclosures and 0.700 (70%) aggregate disclosures. So it shows simultaneous results between variables that have been grouped into 3, namely corporate governance of board of directors characteristics, firm-specific characteristics, corporate governance of sharia supervisory board characteristics showing significant results on disclosure based on AAOIFI standards. Based on the statement that has been expressed above, the hypothesis that will be formulated is as follows:

H₄: Profitability, size of the Islamic bank, and age of the Islamic bank have a positive and significant effect on the level of CSR disclosure based on AAOIFI standards in Islamic banks in Southeast Asian countries.

2.2 Research methods

The quantitative approach is the research method used in this research. Quantitative methods are analyzes using mathematical, econometric and statistical modeling methods which create analysis in the form of numbers defined in the form of descriptions (sentences) (Tanzeh & Arikunto, 2004). The author uses secondary data, which is obtained indirectly from the research object (Rahayu & Cahyani, 2014). The data used in this research comes from annual report taken from the official website of Islamic banks in ASEAN countries from 2014-2020. The population used is sharia banks in Southeast Asian countries including Brunei Darussalam, Indonesia, Malaysia, Singapore, Thailand, Vietnam, Myanmar and the Philippines. The sampling technique in this research is purposive sampling with the criteria it has been established since 2014 and published annual financial reports from 2014 to 2020. The population in this study was 50 banks, and the research sample based on the criteria was 18 banks with 126 data obtained.

The panel data regression analysis model is the model applied in this research. Panel data is time series data (time series) and cross data (cross section) which are combined (Basuki & Prawoto , 2016:275). The statistical test tool used in this research is Eviews 10. The aim of using panel data regression analysis is to find the determination of profitability variables, bank size and bank age on CSR disclosures which are guided by AAOIFI standardization in Southeast Asian sharia banks in the 2014-2020 period partially and simultaneously which is formulated in the following equation:

$$CSR = \beta_0 + \beta_1 PROFIT + \beta_2 SIZE + \beta_3 AGE + e$$

Keterangan   :

CSR   : *Corporate Social Responsibility*
β_0 : Constant
β_1, β_2, β_3 : Regression coefficient

74

PROFIT   : Company profitability is measured by ROA, namely the ratio of total profit after tax to total assets

SIZE   : natural logarithm of total assets of sharia commercial banks in ASEAN

AGE   : bank age measured from the year it was founded to the year of observation

e   : error coefficient

Data analysis and hypothesis testing techniques used in this research include the Chow test, Hausman test, and Lagrange multiplier test to test the research model. Hypothesis testing uses coefficient of determination analysis techniques, partial significance tests (Statistical T Test) and simultaneous significance tests (Statistical F Test). The significance level used in this research is 5%.

3.   RESULTS AND DISCUSSION

3.1 Data Analysis Results

3.1.1   Descriptive statistics

Table 1. Descriptive statistics

	CSR	ROA	SIZE	AGE
Mean	0.672540	-0.090781	27.66675	14.16667
Maximum	0.820000	3.510000	32.47400	47.00000
Minimum	0.440000	-4.620000	20.25500	1.000000
Sts. Dev.	0.088787	0.825885	3.492558	10.33808

Source: Eviews 10 processed data (2023).

The CSR variable explains an average value of 0.67, namely disclosure of 67% of CSR activities in this research. The standard deviation of the CSR variable is 0.088. The maximum value of the CSR variable is 0.82. The minimum value of the CSR variable is 0.44. Profitability variable with an average ROA value of -0.090, which means that the average ROA value in Islamic banks in ASEAN is -9%. The standard deviation of the ROA variable is 0.82. The maximum value of the ROA variable is 3.51. The minimum value of the ROA variable is -4.62. The bank size variable has an average bank size value of 27.66, which means that the average size value of Islamic banks in ASEAN is 2.76%. The standard deviation of the bank size variable is 3.49. The maximum value of the bank size variable is 32.47. The minimum value of the bank size variable is 20.25. The bank age variable has an average bank age value of 14.16, which means that the average age value of Islamic banks in ASEAN is 1.41%. The standard deviation of the bank age variable is 10.33. The maximum value of the bank age variable is 47. The minimum value of the bank age variable is 1.

3.1.2   Chow Test

Table 2. Chow Test Result

Effect Test	Statistic	d.f	Prob
Cross-section F	30.193075	(17,105)	0.0000
Cross-section Chi-square	223.396081	17	0.0000

Source: Eviews 10 processed data (2023).

Based on the test results of the Chow Test, it is stated that the probability ofCross-section F shows a number of 0.0000<0.05 or 5% so that the H statement$_0$ rejected. So it can be concluded that the best model that can be used is FEM.

3.1.3 Hausman Test

Table 3. Hausman Test Result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob
Cross-section random	38.518891	3	0.0000

Source: Eviews 10 processed data (2023).

Based on the test results of the Hausman Test, the probability ofCross-section random shows a number of 0.0000<0.05 or 5% so that the statement H$_0$ rejected. So it can be concluded that the best model that can be used is FEM.

3.1.4 Panel Data Regression *(Fixed Effext Model)* FEM

Table 4. Panel Data Regression Result *Fixed Effect Model* (FEM)

Dependent Variable: CSR
Method: Panel Least Squares
Date: 03/24/22 Time: 13:46
Sample: 2014 2020
Periods included: 7
Cross-sections included: 18
Total panel (balanced) observations: 126

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.590849	0.093961	6.288207	0.0000
ROA	0.005610	0.004114	1.363669	0.1756
SIZE	-0.003036	0.003376	-0.899316	0.3705
AGE	0.011732	0.001485	7.900322	0.0000

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.888088	Mean dependent var	0.672540
Adjusted R-squared	0.866771	S.D. dependent var	0.088787
S.E. of regression	0.032408	Akaike info criterion	-3.869834
Sum squared resid	0.110277	Schwarz criterion	-3.397120
Log likelihood	264.7995	Hannan-Quinn criter.	-3.677785
F-statistic	41.66184	Durbin-Watson stat	1.399613
Prob(F-statistic)	0.000000		

Source: Eviews 10 processed data (2023).

Based on the results of panel data regression analysis testing, the regression model equation can be written as follows:

CSR = 0,590849 + 0.005610ROA – 0.003036SIZE + 0.011732AGE + e

Based on the equation above, it can be concluded that:

If the independent variable is constant, CSR disclosure based on AAOIFI Standards in Islamic banks in ASEAN countries has increased by 0.590849.

The ROA (profitability) variable is stated to have a coefficient of 0.005610 or 0.56%. This means that the ROA (profitability) variable increases by a percent, while the other independent variables are stated to be constant (constant), so this can increase CSR disclosure by 0.005610 or 0.56% . The variable ROA (profitability) has a t-statistical probability result of 0.1756, which means that ROA is not significant for CSR disclosure*.*

The bank size variable is stated as a coefficient of -0.003036 or -0.30%. This means that if the bank size variable increases by one percent, while the other independent variables are stated to be constant, this can reduce CSR disclosure by -0.003036. or -0.30%. The variable for bank size has a t-statistic probability result showing a result of 0.3705, which means that bank size is not significant for CSR disclosure*.*

The bank age variable is stated to have a coefficient of 0.011732 or 1.1%. This means that if the bank age variable increases by one percent, while the other independent variables are stated to be constant, this can increase CSR disclosure by 0.011732 or 1. 1%. The variable for bank size has a t-statistic probability result showing a result of 0.0000, which means that bank size has a positive and significant influence on CSR disclosure*.*

3.1.5 Statistical F Test

Table 5. Statistical F Test Result

F-statistic	41.66184
Prob(F-statistic)	0.000000

Source: Eviews 10 processed data (2023).

Based on the results shown, the probability of the F-statistic is 0.0000<0.05 with an F-statistic of 41.66. Based on the F-statistic test, H_0 is rejected and accept H_1. It can be concluded that the variables profitability, bank size, and bank age simultaneously have a significant effect on CSR disclosure*.*

3.1.6 Uji Koefisien Determinasi

Table 6. Determination Coefficient Test Result

R-squared	0.888088
Adjusted R-squared	0.866771

Source: Eviews 10 processed data (2023).

The result of the R value^2 amounting to 0.888088 units which shows that the ability of the independent variable to explain the dependent variable is 88.8% and the other part is 11.2% which is explained by other variables not used in this research.

3.2 DISCUSSION

The Influence of Bank Profitability on Disclosure of Corporate Social Responsibility

The profitability variable (X1) is measured usingReturn On Asset written onannual report each bank showed insignificant results on CSR disclosure based on AAOIFI standardization on Sharia Banks in Southeast Asian countries for the period

2014-2020. So the hypothesis that has been determined is rejected. The results of this research are not in line with signal theory (signalling theory) discovered by Spence (1973). The bank will try to convey information to external parties with information that has been analyzed to see whether it has a positive signal or a negative signal. The bank will benefit if the signal given to outside parties produces a positive signal. Banks have an obligation to carry out CSR disclosures without having to make a profit. The results of this research support the theory (Haniffa, 2002) in research (El-Halaby & Hussainey, 2016) that an obligation to make disclosures in any situation is important without thinking about whether it produces profits or not. This result is consistent with other research findings that there is no significant relationship between profitability and disclosure.

The Influence of Islamic Bank Size on Disclosure of Corporate Social Responsibility

The bank size variable (X2) is measured using the natural logarithm of the bank's total assets listedannual report each bank showed insignificant results on CSR disclosure based on AAOIFI standards on Shariah Banks in Southeast Asia for the period 2014-2020. Until the hypothesis that has been determined is rejected. CSR implemented by sharia banks is an action of the bank's commitment in the form of social responsibility towards society and the surrounding environment. This result is not in line with agency theory which means that large companies will face agency costs. CSR disclosure has nothing to do with reducing agency costs (supervision and contract costs). These results support the theory of (Sellami & Tahari, 2017) and (Mnif & Tahari, 2021) namely that there is no relationship between bank size in CSR disclosure based on AAOIFI standards in Islamic banks.

The Influence of the Age of Islamic Banks on Disclosure of Corporate Social Responsibility

The bank age variable (X3) is measured using the bank age written onannual report each bank shows a positive and significant influence on CSR disclosure based on AAOIFI standards on Sharia Banks in ASEAN period 2014-2020. The results of this research accept the hypothesis that has been determined at the beginning where the age of the bank has a significant effect on the level of CSR Disclosure based on AAOIFI standards in sharia banks in ASEAN countries. The results of this research are in accordance with legitimacy theory where banks must have a sustainable attitude in operating consistently with social values. So banks can use CSR disclosures to attract the attention of outside parties in order to increase the bank's social value. The results of this research are in line with previous research conducted by (El-Halaby & Hussainey, 2016) and (Sellami & Tahari, 2017) namely finding that bank age has a positive and significant effect on disclosure.

The Influence of Profitability, Size, Age of Islamic Banks on Disclosure of Corporate Social Responsibility

The F test results in this study simultaneously show the F value statistics amounting to 41.66184 and a probability value of 0.0000<0.05 or 5%. So H_0 rejected

and accepted H_1. So it can be concluded that the variables profitability, bank size, and bank age simultaneously have a significant effect on CSR disclosure based on AAOIFI standards in Sharia Banks in ASEAN. Coefficient test results (R^2) in this study was 0.888088 or 88.8%. Based on the R test results^2 So it can be interpreted that the variables profitability, bank size and bank age are considered to influence CSR disclosure based on AAOIFI standards by 88.8%. This research is in line with the findings (El-Halaby dan Hussainey, 2016) that the R test^2 on CSR by 52% so that the variables have been grouped into 3, namelycorporate governance of board of directors characteristics, firm-specific characteristics (profitability, bank size and bank age), corporate governance of sharia supervisory board characteristics simultaneously has a significant effect on disclosure.

4. CONCLUSION

This research aims to analyze the influence of profitability variables, bank size, and bank age on CSR disclosure based on AAOIFI standards in Sharia Banks in ASEAN in 2014-2020. Based on the test results that have been carried out, it can be concluded that Profitability and Size of Sharia banks are not significant for CSR disclosure. Meanwhile, bank age. Bank age has a significant positive influence on CSR disclosure. It is hoped that this research will be useful for regulators in particularASEAN (Association of Southeast Asian Nations) in making regulations relating to CSR disclosure based on AAOIFI standards for sharia banks in Southeast Asia. It is also useful for investors and the public to assess and evaluate the prospects of each Islamic bank in carrying out activities related to CSR. The findings of this research indicate that CSR disclosure in Islamic banks in the ASEAN region is not influenced by Islamic bank performance factors. So the findings of this research confirm that social activities in Islamic banks are carried out because of the obligation of Islamic banks to carry out social functions in accordance with the basic philosophy of Islamic banks, namely carrying out business functions and social functions.

DAFTAR PUSTAKA

Adawiyah, M., & Suprayogi, N. (2020). ANALISIS FAKTOR-FAKTOR YANG MEMPENGARUHI TINGKAT PENGUNGKAPAN SHARIAH GOVERNANCE PADA BANK UMUM SYARIAH ANALISIS PADA LAPORAN TAHUNAN PERIODE 2013-2017. *Jurnal Ekonomi Syariah Teori Dan Terapan*, *6*(11). https://doi.org/10.20473/vol6iss201911pp2347-2360

Akmal, H., Ghozali, M., Perkembangan, A., Islam, E., & Tenggara, A. (2017). *ANALISIS PERKEMBANGAN EKONOMI ISLAM DI ASIA TENGGARA (Sebuah Kajian Historis)*.

Bae, S. M., Masud, M. A. K., & Kim, J. D. (2018). A cross-country investigation of corporate governance and corporate sustainability disclosure: A signaling theory perspective. *Sustainability (Switzerland)*, *10*(8). https://doi.org/10.3390/su10082611

Brahim, N. Ben, & Arab, M. Ben. (2020). Social disclosure: compliance of Islamic banks to governance standards No. 7 of AAOIFI (2010). *Journal of Islamic Accounting and Business Research*, *11*(7), 1427–1452. https://doi.org/10.1108/JIABR-12-2018-0199

Brigham, E. F., & Houston, J. F. (2014). No Title. *Dasar-Dasar Manajemen Keuangan Edisi 11 Buku 1, Salemba Empat Jakarta.*

El-Halaby, S., & Hussainey, K. (2016). Determinants of compliance with AAOIFI standards by Islamic banks. *International Journal of Islamic and Middle Eastern Finance and Management*, *9*(1), 143–168. https://doi.org/10.1108/IMEFM-06-2015-0074

Hidayati, N. N., & Murni, S. (2009). Pengaruh Pengungkapan Corporate Social Responsibility Terhadap Earnings Response Coefficient Pada Perusahaan High Profile. *Jurnal Bisnis Dan Akuntansi*, *11*(1), 1 – 18.

Kotler, P., & Keller, K. L. (2016). Marketing Management. In *Global Edition* (1st ed.). Pearson Education Limited. https://doi.org/10.1080/08911760903022556

Krake, F. B. G. J. M. (2005). Successful brand management in SMEs: a new theory and practical hints. *Journal of Product & Brand Management*, *14*(4), 228–238. https://doi.org/10.1108/10610420510609230

Kurniasari, D., Lubis, A. T., & Kamal, M. (2019). Determinasi Pengungkapan Sharia Compliance Berdasarkan Standar AAOFI Pada Bank Syariah Di Asia Tenggara. *Jurnal Akuntansi Dan Keuangan Islam*, *7*(2), 103–120. https://journal.sebi.ac.id/index.php/jaki/article/view/95

Mnif, Y., & Tahari, M. (2020). Corporate governance and compliance with AAOIFI governance standards by Islamic banks. *International Journal of Islamic and Middle Eastern Finance and Management*, *13*(5), 891–918. https://doi.org/10.1108/IMEFM-03-2019-0123

Mnif, Y., & Tahari, M. (2021). The effect of Islamic banks' specific corporate governance mechanisms on compliance with AAOIFI governance standards. *Journal of Islamic Accounting and Business Research*, *12*(1), 21–43. https://doi.org/10.1108/JIABR-11-2018-0188

Owusu-Ansah, S. (1998). The Impact of Corporate Attributes on the Extent of Mandatory Disclosure and Reporting by Listed Companies in Zimbabwe. In *The International Journal of Accounting* (Vol. 33, Issue 5).

Rahayu, R. S., & Cahyani, A. D. (2014). Faktor-Faktor Yang Mempengaruhi Pengungkapan Corporate Social Responsibility Performance (CSR) Pada Perbankan Syariah. *Jrak*, *5*(2), 74–87. https://media.neliti.com/media/publications/4494-ID-faktor-faktor-yang-mempengaruhi-pengungkapan-corporate-social-responsibility-csr.pdf

Rokhlinasari, S. (n.d.). *Teori-Teori dalam Pengungkapan Informasi Corporate Social Responbility Perbankan*. www.bi.go.id

Said, R., Abd Samad, K., Mohd Sidek, N. Z., Ilias, N. F., & Omar, N. (2018). Corporate social responsibility disclosure index of Malaysian Shariah – compliant companies. *International Journal of Ethics and Systems*, *34*(1), 55–69. https://doi.org/10.1108/IJOES-09-2016-0068

Sellami, Y. M., & Tahari, M. (2017). Factors influencing compliance level with AAOIFI Financial accounting standards by Islamic banks. *Journal of Applied Accounting Research*, *18*(1), 137–159. https://doi.org/10.1108/JAAR-01-2015-0005

Suyyinah dan Sidiq. (2021). Analisis Tingkat Efisiensi Bank Umum Syariah Di Negara –Negara ASEAN(Periode 2013-2017). *Jurnal Ekonomika Dan Bisnis*, *8*(1), 119–132.

Tanzeh, A., & Arikunto, S. (2004). Metode Penelitian Metode Penelitian. *Metode Penelitian*, 22–34.

Waworuntu, S. R., Wantah, M. D., & Rusmanto, T. (2014). CSR and Financial Performance Analysis: Evidence from Top ASEAN Listed Companies. *Procedia - Social and Behavioral Sciences*, *164*, 493–500. https://doi.org/10.1016/j.sbspro.2014.11.107

BLANK SPACE