

Analysis of Corporate Social Responsibility Disclosure of Indonesian Islamic Banking Based on the Islamic Social Reporting Index (ISR Index)

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Abstract: In an era that increasingly prioritizes transparency and social accountability, disclosure of Corporate Social Responsibility (CSR) has become an integral part of corporate strategy, including in Islamic banking. CSR is not only related to economic aspects, but must also reflect social, ethical, and sustainability values that are in line with Islamic sharia principles. In Indonesia, Islamic banking is expected to focus not only on profitability but also on the social impact generated from their business activities, which is reflected in CSR disclosure. The purpose of this study was to analyze the implementation of corporate social responsibility (CSR) as measured by the ISR index in Islamic banks in Indonesia using the content analysis method. The population and sample used include the financial statements of Bank Mega Syariah, Bank Syariah Indonesia, and Bank Muamalat Indonesia in 2022-2023. The results of the study show that not all Islamic banks including BMS, BSI and BMI disclose ISR formatively. Only Bank Syariah and Bank Muamalat Indonesia disclose ISR informatively. Bank Mega Syariah does not disclose ISR formatively.

Keywords: Content Analysis; CSR; Islamic Banking; ISR

1. Introduction

Banks are financial institutions that have an important role in the country's economy as financial institutions. Article 1 paragraph (2) of Law No. 10 of 1998 concerning amendments to Law No. 7 of 1992 concerning banking, that a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and/or other forms in order to improve the standard of living of the people. The types of banks in Indonesia are divided into two types of banks, which are distinguished based on interest payments or profit sharing: 1. Banks that conduct business conventionally. 2. Banks that conduct business according to sharia. Conventional Banks and Sharia Banks in several respects have similarities, especially in terms of the technical side of receiving money, transfer mechanisms, computer technology used, general requirements for obtaining financing such as KTP, NPWP, proposals, financial reports, and so on. The fundamental differences between the two according to namely concerning legal aspects, organizational structure, financed businesses and work environment (Sobarna, 2021). Islamic banks are banks that carry out business activities based on sharia principles, or Islamic legal principles regulated in the fatwa of the Indonesian Ulema Council such as the principles of justice and balance ('adl wa tawazun), welfare (maslahah), universalism (alamiyah), and do not contain gharar, maysir, usury, zalim and haram objects. While conventional banks are banks that carry out business

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activities conventionally which in their activities provide services in payment transactions based on established procedures and provisions (Setiawan et al. 2023).

Increasing globalization and high demand from stakeholders for companies to carry out social responsibility and disclose it, encourage companies to be more active in implementing Corporate Social Responsibility (CSR) practices. (Anwar & Rajab, 2019). Corporate Social Responsibility (CSR) is the Company's social responsibility to the Community (Sulbahri, 2021). A Corporate Social Responsibility (CSR) commitment is a company or business world's commitment to contribute to sustainable economic development by paying attention to corporate social responsibility, and emphasizing the balance between economic, social, and environmental aspects. CSR is a company's obligation to utilize economic resources in its operations with the aim of contributing to stakeholders, both internal and external (Anwar & Rajab, 2019). Since the enactment of Law Number 40 of 2007 concerning Limited Liability Companies, the development of CSR in Indonesia has increased significantly, both in terms of quantity and quality (Prasetyo et al, 2024).

This form of responsibility can be seen through the preparation or publication of social responsibility reports. Disclosure of Corporate Social Responsibility (CSR) is a way for companies to convey to stakeholders that the Company pays attention to the social and environmental impacts it causes (Mustofa, 2021). The purpose of this disclosure is to show the activities carried out by the Company and their impacts. towards the Community CSR disclosure is not only an obligation for companies operating in the manufacturing and mining sectors. (Dewi et al., 2021). But it also applies to companies in the financial sector such as banks, including Islamic banks, which have the same responsibility. However, from the perspective of conventional banking, Corporate Social Responsibility (CSR) reporting is considered to only focus on the horizontal relationship dimension, namely the relationship between individuals that emphasizes the material and moral aspects. On the other hand, in the sharia view, Islamic banking must emphasize the spiritual aspect in reporting its social responsibility, which is in line with Islamic principles (Yuliana, 2022). The practice of CSR disclosure in Islamic banking is considered very relevant when viewed from its nature.

In an Islamic perspective, according to AAOIFI (Accounting And Auditing Organization For Islamic Financial Institutions), All activities carried out by Islamic financial institutions aim to fulfill religious, economic, legal, ethical, and social responsibilities (Nugraheni & Khasanah, 2019). This is related to the religious responsibility carried out by Islamic banks to comply with obligations based on sharia in all their operational activities. In carrying out their operations, Islamic banks are based on sharia principles rooted in the basic philosophy of the Qur'an and Al-Hadith (Astuti, 2019). Islamic banking in Indonesia has experienced significant development in the last decade (Shiddiqy, 2023). With rapid growth, reaching an average of more than 65% per year in the last five years, it is hoped that the role

of the Islamic banking industry in supporting the national economy will be even greater and more significant. (Ulhaq et al, 2022). With total assets of 45.4%, Islamic banks have a high contribution to world banks based on the latest trend of deposits in Islamic banks continuing to increase and replacing conventional banks (Roosyidah, 2020). This shows that public demand for a fairer economic system is growing. Along with the growth of an entity, it will automatically affect the amount of responsibility that must be borne towards its stakeholders. (Savitri, 2021).

According to the Islamic Financial Services Industry Stability Report (2020), regions with a Muslim majority population such as Indonesia, Malaysia, and Brunei Darussalam, which reaches 23.5% of the total population, have a fairly important role in advancing Islamic banking products (Regional differences need to be better recognized because countries with Islamic economic characteristics are different from other general countries (Yudha, 2021). One form of corporate responsibility towards stakeholders is through CSR disclosure in annual reports or corporate social responsibility reports, which are useful for stakeholders in decision making and assessing company performance (Siregar & Safitri, 2019). Therefore, it is important to measure the extent to which the level of CSR disclosure is carried out by Islamic banking in Indonesia, which can be done using the ISR Index. The index (Islamic Social Reporting Index/ISR) is a social performance reporting standard applied to sharia-based companies (Ridhawati & Rahman, 2020). This index is developed based on established standards.

Based on the background and previous research on Islamic Social Reporting, this study analyzes the factors that influence the disclosure of Islamic Social Reporting with a case study of Islamic Commercial Banks in Indonesia. The Islamic Social Reporting Index (ISR Index) not only covers aspects in conventional CSR, but also pays attention to spiritual aspects (Ridhawati & Rahman, 2020). Spiritual aspects in the ISR Index include zakat, company activities that are free from usury, activities that contain ambiguity (gharar), and other elements that are prohibited in Islam (Salman, 2021). The ISR Index was first developed by Haniffa et al. (2002), which includes five disclosure themes in CSR: Funding and investment themes, product and service themes, employee themes, community themes, and environmental themes. Furthermore, Othman et al. (2009) developed these themes into six categories, namely: funding and investment themes, product and service themes, employee themes, community themes, environmental themes, and organizational governance themes. Considering the rapidly growing Islamic banking industry in Indonesia, coupled with increasing attention to CSR measurement, this study aims to analyze Corporate Social Responsibility (CSR) disclosure in Islamic banking in Indonesia based on Islamic Social Reporting.

2. Literature Review

2.1. Stakeholders Theory

Stakeholder theory according to Freeman, (2015) states that this theory is used to express the information needs of information users based on their perspectives and interests. In conclusion, companies have an obligation to disclose sufficient information to stakeholders, according to their information needs. Large-scale companies will certainly absorb more stakeholders, so that entities are encouraged to be able to disclose broader information related to the Company's social and environmental activities (Septica, 2022). Companies that have been established have more experience in dealing with their stakeholders, so that the quality of the information disclosed can continue to be improved according to the needs of these stakeholders (Asari et al, 2023).

2.2 Disclosure

Disclosure means making something known or revealing something (Mustakim, 2021). The purpose of disclosure is to present information that is considered important in order to achieve financial reporting objectives and to meet the needs of various parties with different interests (Kamijaya, 2019). Technically, disclosure is the final stage in the accounting process, namely the presentation of information in the form of complete financial statements. Disclosure is the presentation of information, both in financial statements and other supporting communication media, regarding a company (Ulupui et al, 2021). The media commonly used for this disclosure is the company's annual report. Disclosure can be divided into three concepts, namely sufficient, fair, and full, each of which refers to the level of completeness of the information conveyed.

According to Gusriani (2024) Disclosure can be related to two aspects, namely data and financial reports. Disclosure related to data means that the data presented must provide utility for parties who need the information. Meanwhile, disclosure related to financial reports means that the financial reports must present adequate information and explanations regarding the results of a business unit's activities. (Gusriani, 2024).

2.3 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a commitment taken by a company or business world to contribute to sustainable economic development by paying attention to the social aspects of the company and emphasizing the balance between economic, social, and environmental aspects (Segala, 2020). The implementation of CSR provides benefits not only for the Company but also for the community, the country's environment, and all other stakeholders. Meanwhile, according to the Islamic perspective, CSR, as expressed by AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) (2010), includes all activities carried out by Islamic financial institutions to fulfill religious, economic, legal,

ethical, and philanthropic obligations. This applies to both individuals and between financial institutions that are interconnected as part of one unit (Savitri, 2021).

In Law Number 40 of 2007 concerning Limited Liability Companies (UUPT), in Article 1 Paragraph 3, it is stated that: "Social and environmental responsibility is the company's commitment to participate in sustainable economic development in order to improve the quality of life and the environment that is beneficial, both for the company itself, the local community, and society in general." CSR focuses on the main concept of achieving sustainability in every aspect of business activities, while maintaining a balance between economic, social, and environmental interests. Therefore, through the CSR program, companies are expected to have a positive impact on the community and the surrounding environment (Sumiati et al, 2023).

2.4 Sharia Bank

Islamic banks are banks that operate in accordance with sharia principles or Islamic teachings (Nur'aini, 2022). In carrying out their activities, both in collecting and distributing funds, Islamic banks provide rewards in accordance with Islamic law, without charging interest or paying interest to customers. The rewards received by Islamic banks, as well as those paid by customers, depend on the agreements and contracts agreed upon between the customer and the bank (Cahyani & Fasa, 2021). In accordance with Islamic principles that prohibit usury or burdensome interest, Islamic banks operate based on the principle of partnership in every business activity, prioritizing equality and justice.

Islamic banks are banks that operate without relying on interest. Islamic banks prohibit the use of interest in determining the price of their products, because for Islamic banks, bank interest is considered usury. Islamic banks can also be defined as financial or banking institutions whose operations and products are developed in accordance with the teachings of the Qur'an and hadith (Yuni, 2020). Based on Law No. 21 of 2008, Islamic banks are banks that carry out their business activities based on sharia principles, consisting of Islamic Commercial Banks and Islamic People's Financing Banks.

2.5 Islamic Social Reporting

Social reporting based on Islamic values, often referred to as Islamic Social Reporting (ISR), is one of the efforts of Islamic banks to provide information on their social performance to stakeholders, as well as to answer challenges related to measuring CSR disclosure which still refers to the Global Reporting Initiative Index (GRI) (Hadinata, 2019). The Islamic Social Reporting Index (ISR) is an alternative standard used to regulate sharia-based corporate social responsibility reporting (Mais & Alawiyah, 2020). ISR is published by AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) and includes social reporting that not only expects the company's role in the economy, but also pays attention to the company's role from a spiritual perspective.

Specifically, the ISR index is a development of social reporting that includes community expectations not only regarding the role of the company in the economy, but also from a spiritual perspective (Manurung, 2020). To determine the ISR index, a content analysis is carried out on the company's annual report by giving a checklist to each item that reveals social responsibility. Therefore, the existence of ISR in Islamic financial institutions can have a positive impact and benefits for parties who need social information in order to fulfill their responsibilities for every behavior and action taken. This is because the responsibility of Islamic financial institutions is not only limited to capital owners, but also has a wider scope, with the aim of achieving the pleasure of Allah SWT.

3. Method

3.1. Data Type

Secondary data is the type of data used. The data of this study is quantitative, meaning that it includes figures in the publication of the annual financial reports of Islamic commercial banks for the period 2022-2023 from the official website of Bank Indonesia or the Financial Services Authority as well as from the official website of each bank.

3.2 Data source

Obtaining data through annual financial reports published by Islamic commercial banks for the period 2022-2023 on the official website of Bank Indonesia, the platforms of each Islamic commercial bank, and the financial services authority (OJK) which can be accessed via www.ojk.go.id. data collection, namely documentation techniques and literature studies.

3.3 Population and Sample

The population in this study consists of Islamic banks operating in Indonesia, while the sample used in this study is Bank Syariah Indonesia. (BSI), UUS CIMB Niaga, Bank Muamalat Indonesia (BMI) which is the largest Islamic bank when calculated from the amount of its assets. <https://finansial.bisnis.com>.

Based on information from OJK (Financial Services Authority), I chose to research Bank BSI, UUS CIMB Niaga, and BMI because all three play an important role in the development of the largest Islamic bank in Indonesia. Bank BSI, as the largest merged Islamic bank, together with UUS CIMB Niaga and Bank Mega with its Islamic unit, provides an overview of the strategy, innovation, and challenges in strengthening the position of Islamic banks in the Indonesian banking market.:

3.4 research variables

The variables in the research conducted used CSR disclosure based on ISR which is a standard for reporting the social performance of sharia-based companies (Astuti & Binawati, 2024).

3.5 analysis method

The data analysis method applied in this study is content analysis, namely identifying CSR practices in Islamic banks using the Islamic Social Reporting (ISR) index which contains the contents of the annual report sample. According to Ulfah et al., (2022), this method is a structured method for evaluating and processing message content, or a tool for observing and analyzing communication behavior carried out by selected communicators.

In ISR, there are 19 disclosure items grouped into 6 indicators, namely Financing and Investment, Products and Services, Labor, Social and Community, and Organizational Governance. The assessment is carried out by comparing the number of disclosure items owned by the company with the items that have been set in the ISR index. Each item is assessed using a 0-1 scoring system, where a score of 0 is given if there is no disclosure at all regarding the topic, and a score of 1 is given if there is disclosure related to the topic. (Ningsih & Cheisviyanny, 2019). So if:

- a. 1 topic is divided into 5 categories, then score 1 is divided by 5 to become 0.2
- b. 1 topic is divided into 2 categories, then score 1 is divided by 2 to become 0.5
- c. 1 topic is divided into 4 categories, then score 1 is divided by 4 to become 0.25

Table 1. Disclosure Items in ISR

Nomor	Indicators	Disclosure Items	Category
1.	Financing	a. Usury	Activities containing interest/riba
			Amount of funds from Activities containing interest/riba
		b. Gharar	Activities containing gharar
			Amount of funds from Activities containing gharar
		c. Zakat (amount and distribution)	Method of calculating zakat
			Source of zakat funds
			Amount of zakat
			Recipients of zakat
			DPS opinion on zakat management
		d. Policy on late payment of receivables and write-off of bad debts	NPF policy to creditors
			Amount of NPF fine funds
		e. Investment activities (in general)	
		Project financing (in general)	

2.	Products and services	a. Halal status of products/services	
		b. DPS approval for all products/services	
		c. Definition of each product	
		Service for consumer complaints	Number of customer/creditor complaints
			Handling of customer/creditor complaints Handling of customer/creditor complaints
3.	Officer	a. Employee education and training	
4.	Social and community	a. Alms	
		b. Waqf	
		c. Qardhul hasan	
		d. Contribution from employees	
		e. Education	Establishment of Scholarship Schools School facilities
			List of recipients of educational assistance
		f. Social community	Development of the youth generation (health and sports)
			Improvement of quality of life (economic empowerment)
			Concern for children
			Table of recipients of Social Funds/Charity Funds
5.	Organizational governance	a. Pernyataan tentang kepatuhan syariah (DPS)	
		b. Laporan kepatuhan (GGG)	

This research is in line with research Baharuddin, et al., (2023) The steps to support this analysis are as follows:

a. Identification and Classification of Information

The first step is to identify and categorize various information contained in the annual reports of Islamic Commercial Banks in Indonesia, based on the items listed in the applied Islamic Social Reporting (ISR).

b. ISR Index Assessment

Next, an assessment of the ISR index is carried out on Islamic Commercial Banks. This assessment aims to find disclosure points. Scores are given using a 1 and 0 system, where a score of 1 is given if a sub-theme is disclosed, and a score of 0 is given if the sub-theme is not disclosed, based on the disclosure items that have been described in the table.

c. Content Analysis of Each ISR Index Theme The level of CSR disclosure of Islamic banks will then be determined by conducting a content analysis on each ISR index theme on each Islamic Commercial Bank.

d. Cumulative Assessment of ISR Index

Next, an overall assessment of the ISR index at Islamic Commercial Banks (BUS) is carried out, which will be used to determine the level of CSR disclosure at the Islamic bank.

To find out the level of CSR disclosure in Islamic Commercial Banks, it can be calculated using the following formula:

$$ICSR = \frac{\text{Number of items disclosed}}{\text{Number of items expected to be disclosed}}$$

After the calculation is done, an assessment is made based on the Level of Disclosure Predicate Levels. Each Islamic Commercial Bank with the following criteria:

Table 2. CSR Disclosure Predicate of Islamic Banks Based on the ISR Index

	Index Value	Predicate
1.	81% - 100%	Very Informative
2.	66% - 80%	Informative
3.	51% - 65%	Less Informative
4.	0% - 50%	Not Informative

4. Results and Discussion

This study uses three (3) Islamic banks as samples, namely BSI, UUS CIMB Niaga, and BMI. The following explains the ISR disclosures made by each of these banks.

4.1. Figures and Tables

Table 3. ISR Disclosures at Indonesian Islamic Banks

Disclosure Items		Year	
Financing and Investment Theme		2022	2023
1.	Usury-free activities		
1.1	Activities containing interest/riba	0	0

1.2 The amount of funds from activities containing interest/riba	0	0
2. Gharar-free activities		
2.1 Activities that contain gharar	0	0
2.2 The amount of funds from activities containing gharar	0	0
3. Zakat		
3.1 Zakat calculation method	0	0
3.2 Source of Zakat Funds	0,2	0,2
3.3 Amount of Zakat	0,2	0,2
3.4 Zakat Recipients	0,2	0,2
3.5 DPS opinion on Zakat management	0	0
4. Policy on payment of bad debts		
4.1 NPF policy to creditors	0,5	0,5
4.2 Amount of fines from NPF	0,5	0,5
5. Investment Policy	1	1
6. Financing Policy	1	1
Theme about Products and Services	2	2
7. Halal status of products/services	1	1
8. DPS approval of all products/services	1	1
9. Definition of each product	0	0
10. Customer complaint service		
10.1 Number of customer/creditor complaints	0	0
10.2 Handling of customer/creditor complaints	0	0
Theme about Employees	1	1
11. Employee education and training	1	1
Themes about Social and Community	4,5	4,5
12. Charity	1	1
13. Endowment	1	1
14. Qardhul Hasan	1	1
15. Contributions from employees	1	1
16. Education		
16.1 School Establishment, Scholarships, School Facilities	0,5	0,5
16.2 List of recipients of educational assistance	0	0,5
17. Social community		
17.1 Youth development (health and sports)	0,25	0,25
17.2 Improving the quality of life (economic empowerment)	0	0,25
17.3 Concern for children	0	0
17.4 Table of recipients of Social Funds/Charity Funds	0,25	0,25
Themes about organizational governance	2	2
18. Statement on Sharia Compliance (DPS)	1	1
19. Compliance Report (GCG)	1	1
T o t a l	13,75	14,50
Percentage (%)	72	76

Based on table 4, it is known that the total ISR disclosure at Bank Syariah Indonesia during 2022-2023 has increased where the highest disclosure in 2023 was 14.50 disclosure items or 76% while in 2022 it was 13.75 items or 72%. Thus, all ISR disclosures made by Bank Syariah Indonesia for the 2022-2023 period are included in the informative category.

The results of this study are in line with research (Setiawati et al, 2023) which found that Indonesian Islamic banks' ISR disclosures were included in the informative category because of their disclosure value of 76%.

Table 4. Disclosure of ISR of UUS CIMB Niaga Bank

Disclosure Items	Year	
	2022	2023
Financing and Investment Theme		
1. Usury-free activities		
1.1 Activities containing interest/riba	0,5	0,5
1.2 The amount of funds from activities containing interest/riba	0,5	0,5
2. Gharar-free activities		
2.1 Activities that contain gharar	0	0
2.2 The amount of funds from activities containing gharar	0	0
3. Zakat		
3.1 Zakat calculation method	0	0
3.2 Source of Zakat Funds	0,2	0,2
3.3 Amount of Zakat	0,2	0,2
3.4 Zakat Recipients	0,2	0,2
3.5 DPS opinion on Zakat management	0	0
4. Policy on payment of bad debts		
4.1 NPF policy to creditors	0	0
4.2 Amount of fines from NPF	0	0
5. Investment Policy	1	1
6. Financing Policy	1	1
Theme about Products and Services	2	2
7. Halal status of products/services	1	0
8. DPS approval of all products/services	1	1
9. Definition of each product	0	0
10. Customer complaint service		
10.1 Number of customer/creditor complaints	0,5	0,5
10.2 Handling of customer/creditor complaints	0,5	0,5
Theme about Employees		
11. Employee education and training	1	1
Themes about Social and Community		
12. Charity	1	1
13. Endowment	1	1
14. Qardhul Hasan	0	0
15. Contributions from employees	0	0
16. Education		
16.1 School Establishment, Scholarships, School Facilities	0,5	0,5
16.2 List of recipients of educational assistance	0	0
17. Social community		
17.1 Youth development (health and sports)	0,25	0,25
17.2 Improving the quality of life (economic empowerment)	0,25	0,25
17.3 Concern for children	0	0
17.4 Table of recipients of Social Funds/Charity Funds	0,25	0,25
Themes about organizational governance	2	2
18. Statement on Sharia Compliance (DPS)	1	1
19. Compliance Report (GCG)	1	1
T o t a l	13,55	12,55
Percentage (%)	71	66

Based on table 3, it is known that the total ISR disclosure at UUS CIMB Niaga during 2022-2023 was 13.55 items out of 19 total disclosure items or 71%. Thus, all ISR disclosures made by Bank UUS CIMB Niaga during the 2022-2023 period are included in the informative category. The results of this study are in line with research by (Susanti, 2024). which found that Bank UUS CIMB Niaga's ISR disclosure was included in the informative category because the disclosure value was only 71%.

Table 5. ISR Disclosure at Bank Muamalat Indonesia

Disclosure Items	Year	
	2022	2023
Financing and Investment Theme		
1. Usury-free activities		
1.1 Activities containing interest/riba	0	0
1.2 The amount of funds from activities containing interest/riba	0	0
2. Gharar-free activities		
2.1 Activities that contain gharar	0	0
2.2 The amount of funds from activities containing gharar	0	0
3. Zakat		
3.1 Zakat calculation method	0	0
3.2 Source of Zakat Funds	0,2	0,2
3.3 Amount of Zakat	0,2	0,2
3.4 Zakat Recipients	0,2	0,2
3.5 DPS opinion on Zakat management	0	0
4. Policy on payment of bad debts		
4.1 NPF policy to creditors	0,5	0
4.2 Amount of fines from NPF	0,5	0
5. Investment Policy	1	1
6. Financing Policy	1	1
Theme about Products and Services	2	2
7. Halal status of products/services	1	1
8. DPS approval of all products/services	1	1
9. Definition of each product	0	0
10. Customer complaint service		
10.1 Number of customer/creditor complaints	0,5	0
10.2 Handling of customer/creditor complaints	0,5	0
Theme about Employees	1	1
11. Employee education and training	1	1
Themes about Social and Community	5	5
12. Charity	1	1
13. Endowment	1	1
14. Qardhul Hasan	1	1
15. Contributions from employees	1	1
16. Education		
16.1 School Establishment, Scholarships, School Facilities	0,5	0,5
16.2 List of recipients of educational assistance	0,5	0,5
17. Social community		
17.1 Youth development (health and sports)	0,25	0,25
17.2 Improving the quality of life (economic empowerment)	0,25	0,25
17.3 Concern for children	0,25	0,25
17.4 Table of recipients of Social Funds/Charity Funds	0,25	0,25
Themes about organizational governance	2	2
18. Statement on Sharia Compliance (DPS)	1	1
19. Compliance Report (GCG)	1	1

T o t a l	15,75	13,75
Percentage (%)	83	72

Based on table 5, it is known that the total ISR disclosure of Bank Muamalat Indonesia for the period 2022-2023 has decreased where in 2022 there were 15.75 disclosure items or 83% while in 2023 there were 13.75 disclosure items or 72%. Thus, all ISR disclosures made by Bank Muamalat Indonesia during the period 2022-2023 are included in the very informative category to informative.

The results of this study are in line with research (Reni, 2023). which found that Bank Muamalat Indonesia, its ISR disclosure is included in the very informative category because it is caused by its disclosure value of 83%.

Total pengungkapan ISR pada Bank Syariah Indonesia selama tahun 2022-2023 mengalami peningkatan dimana pengungkapan tertinggi pada tahun 2023 sebanyak 14,50 item pengungkapan atau sebesar 76% sedangkan pada tahun 2022 sebanyak 13,75 item atau sebesar 72%. Dengan demikian, seluruh pengungkapan ISR yang telah dilakukan Bank Syariah Indonesia periode 2022-2023 masuk dalam kategori informatif.

Total pengungkapan ISR pada Bank UUS CIMB Niaga selama tahun 2022-2023 terdapat 13,55 item dari 19 total keseluruhan item pengungkapan atau sebesar 71%. Dengan demikian,, seluruh pengungkapan ISR yang telah dilakukan Bank UUS CIMB Niaga selama periode 2022-2023 masuk dalam kategori informatif.

Total pengungkapan ISR Bank Muamalat Indonesia periode 2022-2023 mengalami penurunan dimana pada tahun 2022 terdapat 15,75 item pengungkapan atau sebesar 83% sedangkan pada tahun 2023 terdapat 13,75 item pengungkapan atau sebesar 72%. Dengan demikian, seluruh pengungkapan ISR yang telah dilakukan Bank Muamalat Indonesia selama periode 2022-2023 termasuk kategori sangat informatif menjadi informatif.

In terms of investment and financial indicators, all banks stated that their operational activities were in accordance with sharia principles, which were reinforced by statements from the Sharia Supervisory Board (DPS), commissioners, and management. The three banks did not provide an explanation regarding the issue of usury. However, none of the banks disclosed that there were activities that could be categorized as gharar (uncertainty), although some Islamic banks held lotteries or gave prizes that some people could consider as gharar. Almost all Islamic banks disclosed the topic of zakat, but none explained the method of calculating zakat or the opinion of the DPS regarding the management of zakat. No Islamic bank disclosed a policy regarding delaying or rescheduling payments if creditors experience difficulties. Islamic banks only stated that all late fines were considered as charity funds. This often raises the question of why funds that are considered not halal (riba) are still collected by Islamic banks and are considered detrimental to creditors. In fact, this is clearly contrary to the word of Allah SWT in Al-Baqarah: 280: "And if (the debtor) is in difficulty, then give him a reprieve until he is able."

In the product and service indicators, almost all banks disclose the halalness of their products and services, supported by the DPS opinion. However, this bank does not specifically explain the types of products and services as well as the standards and services in responding to complaints. Then regarding employees, all Islamic banks disclose HR and IT training to achieve adequate HR in the field of Islamic finance.

In the social (public) indicator, all banks disclose the problems of shadaqoh, waqf and qardhasan, education (scholarships), social zakat and assistance to the community. However, only Bank Muamalat Indonesia discloses the empowerment of school/college graduates and youth development. Social assistance to the community, the three Islamic banks disclose in detail various social activities, such as economic empowerment, assistance in the field of religion, health for underprivileged groups and orphans, as well as the construction and renovation of mosques, improvement of public facilities. In addition, they also include the names of recipients of social assistance, both from zakat funds and CSR, in the form of financial and non-financial assistance.

Organizational governance indicators that include statements from the Sharia Supervisory Board (DPS) All Islamic banks disclose the conformity of their operations with laws and regulations and sharia principles, and provide an assessment of compliance reports. This disclosure includes the implementation of the bank's compliance function, internal audits, and transparency regarding financial and non-financial conditions. In addition, Islamic banks also fully disclose financial ethics, company policies, anti-money laundering policies, and handling of deviant practices.

ICSR disclosure is one of the methods implemented by Islamic banking to integrate religious rules and norms adopted by the community. Islamic rules are one of the important factors that are highly respected by the community. There are various guidelines that regulate how individuals relate to God and to other human beings. These principles include doing good fairly, as well as providing rahmatan lil alamin, which means grace for the good of nature and the welfare of the people, or for the public interest (Solikhun, 2021). Companies that fail to socialize the ICSR program will experience decreased support from stakeholders and negative access to the company's image as a responsible entity. Banking companies, as financial institutions that have an important role in collecting and distributing public funds, this institution pays close attention to the level of customer satisfaction and trust in its operations. Disclosure of financial reports and company performance is also a major focus. and Corporate Social Responsibility (ICSR) is an important factor in shaping a good banking reputation in the eyes of customers and the community in the area where the bank is located.

6. Conclusions

Based on the results of the research and discussion, it is known that not all Islamic Commercial Banks, namely BSI, UUS CIMB Niaga, and BMI, have formally disclosed ISR. The three Islamic Banks disclosed ISR informatively in 2022-2023. Disclosures regarding aspects of funding and investment, society, and corporate governance are the most widely conveyed. However, there are still some shortcomings in the disclosure of ISR, such as the lack of transparency regarding the zakat calculation method and the opinion of the sharia supervisory board (DPS) regarding zakat management. This reflects social awareness and responsibility, as well as the sharia status (halal) of Islamic banks related to their products and services, which also meet the elements of compliance. Therefore, the three Islamic banks that were the research samples disclosed this very well. The results of this study also show that ISR disclosure has a positive impact on the reputation of Islamic banking and customer trust. Therefore, Islamic banking needs to improve ISR disclosure and Islamic financial transparency to increase customer trust and the reputation of Islamic banking.

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