# The Influence of Financial Performance on Disclosure of *Corporate Social Responsibility* (CSR) of PT. Bank Mega Syariah as measured using *Islamic Social Reporting* (ISR)

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**ABSTRACT**
This study aims to determine and analyze the effect of financial performance, namely *return on assets, return on equity, non-performing financing,* and *the capital adequacy ratio* on disclosure *of corporate social responsibility* measured using *Islamic social reporting* at Islamic mega banks for the quarterly period of 2014-2021. This research method uses quantitative research with a descriptive quantitative approach , the type of data in this study is secondary data, namely data obtained indirectly from the object or research subject, using multiple linear regression data analysis techniques. The population in this study is the quarterly financial reports of Islamic mega banks for 2014-2021.
So the results of the study show that the independent variables *return on assets* (roa), *return on equity* (roe), *non-performing financing* (npf) and *the capital adequacy ratio* (car) simultaneously has a positive effect on the dependent variable, namely *corporate social responsibility* (CSR) as measured using *Islamic social reporting* (ISR). at mega sharia banks for the quarterly period of 2014-2021, *return on assets* (roa) does not show any effect on disclosure of *corporate social responsibility* (csr) as measured using *islamic social reporting* (isr) *, return on equity* (roe) does not show any effect on disclosure of *corporate social responsibility* (csr) as measured using *islamic social reporting* (isr) , *non-performing financing* (npf) shows a negative influence on the disclosure of *corporate social responsibility* (csr) as measured using *Islamic social reporting* (isr) of 0.0422 and *the capital adequacy ratio* (car) shows a positive influence on the disclosure of *corporate social responsibility* (csr) as measured using *Islamic social reporting* (isr) of 0.0008 at mega sharia banks for the quarterly period of 2014-2021.

**Keywords**: *PT. Bank Mega Syariah, CSR, ISR*

## INTRODUCTION

Background

Islamic financial institutions currently developing so rapidly are the sector of Islamic commercial banks and Islamic financing banks. The bank is operationally fostered and supervised by Bank Indonesia, the central bank in Indonesia. Meanwhile, the MUI National Sharia Council carries out guidance and supervision in terms of fulfilling sharia principles. Islamic financial institutions can be either banks or non-banks.

The concept of Islamic banks in Indonesia began with Law Number 7 of 1992, which stated the possibility of regulating Islamic business opportunities for conventional banks. Then it was expressly stated that there was a dual banking system in the banking world with the change in Law Number 7 of 1992 to Law Number 10 of 1998. This further stimulated the development of Islamic banks in Indonesia, including conventional banks, which took part in establishing institutions. sharia or the sharia business unit itself. Ten years after Law Number 10, the Government issued Law Number 21 of 2008 concerning Islamic Banking.

Based on Indonesian Sharia Banking Statistics, up to December 2021, 15 Sharia Commercial Banks were registered with the Financial Services Authority (OJK). This proves that Islamic banking in Indonesia can develop properly and the increasing interest of the Muslim majority community in using Islamic banking services. [1] The development of the number of Islamic Commercial Banks in Indonesia in the last seven years can be seen in the following table:

Table 1. Development of Islamic Commercial Banks in 2014-2021

| Yeas | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| Number of Banks | 12 | 12 | 13 | 13 | 14 | 14 | 14 | 15 |

Source: Sharia Banking Statistics (processed)

One of the Islamic Commercial Banks in Indonesia is Bank Mega Syariah. Bank Mega Syariah started as a subsidiary of Tugu Insurance, namely PT Bank Umum Tugu, which was later taken over by CT Corp through Mega Corpora in 2001 and converted to PT Bank Syariah Mega Indonesia (BSMI) in 2004. PT Bank Syariah Mega Indonesia (BSMI) officially operated as an Islamic bank on August 25, 2004. On November 2, 2010, this bank changed its name to PT Bank Mega Syariah. PT. Bank Mega Syariah is the first Islamic bank to implement the BPS BPIH Switching application.[2]

PT. Bank Mega Syariah is a commercial bank based on the sharia system, which in business applies a financial system that adheres to a dual system. Therefore, Bank Mega Syariah must provide better, more comprehensive, effective, and efficient financial services as one of the perpetrators of the sharia system. PT. Bank Mega Syariah continues to try to strengthen its position as an Islamic bank that can encourage the revival of the people's economy.

Islamic banks based on financial aspects in a certain period will report all their financial activities in the form of information generated related to the condition of the

[1] Otoritas Jasa Keuangan, *Statistik Perbankan Syariah, edisi Desember 2021.* <https://www.ojk.go.id/id/kanal/syariah/data-dan-statistik/statistik-perbankan-syariah/default.aspx>.

2 Muhammad Tho'in, "Implementasi Corporate Social Responsibility (CSR) Pada Lembaga Keuangan Syariah (Studi Kasus Pada BRI Syariah Tahun 2014-2015)," *Al-Tijary*, 2.2 (2018), 125 <https://doi.org/10.21093/at.v2i2.717>.

company, which aims to be able to provide an overview of a company's success that has been achieved in a certain period. [3]

The soundness level of an Islamic bank reflects whether or not the bank's financial performance is good. To measure whether or not the financial condition of an Islamic bank can be seen from its financial performance.

Islamic banks as institutions whose all economic activities are by Islamic principles that prioritize social justice and social responsibility. In Islamic economic principles, social responsibility represents "ukhuwah" or brotherhood among one another. Therefore, the social role becomes crucial for Islamic banks. The compatibility of sharia principles with disclosure of social responsibility makes it presumed that sharia entities in sharia financial institutions disclose their social responsibilities more transparently. Disclosure of social responsibility is the responsibility of the company to stakeholders. [4]

In Islam, information transparency is a mandate or responsibility a company demands. In this case, it is required to carry out transparency in disclosing mandatory or voluntary information. One of the forms of information transparency is to disclose Islamic social impact accountability for Islamic banking. [5]

Corporate social responsibility is one of the obligations a company, including Islamic banking, must carry out. This is by the contents of the Limited Liability Company Law No. 40 of 2007 Article 74 paragraph (1) reads that companies carrying out their business activities in the field of and related to natural resources are required to carry out Social and Environmental Responsibilities, paragraph (2) Social and Environmental Responsibilities as referred to in paragraph (1) are the Company's obligations which are budgeted and calculated as the Company's costs whose implementation is carried out by taking into account propriety and fairness. Article 66, paragraph (2c) states that all companies must report the implementation of social and environmental responsibility in an annual report. [6]

The corporate social responsibility program is a form of implementation of the concept of good corporate governance (Good Corporate Governance). The corporate social responsibility program is an investment for the company for the company's growth and sustainable development (sustainability) because the company is not only seen from a cost center (cost center) but is seen as a means to become a profit center (profit).

Conventional corporate social responsibility reporting is different from Islamic banking. Suppose conventional CSR reporting is aimed at the horizontal relationship dimension, namely humans and humans, and only focuses on material and moral aspects. Meanwhile, CSR reporting in Islamic banking focuses more on the spiritual aspect of social responsibility reporting by Islamic principles.Today the measurement of CSR disclosure in Islamic banking still refers to the Global Reporting Initiative Index (GRI Index). In fact, with the need to disclose CSR, there is a measurement tool that is rarely used by Islamic banking, namely the Social Reporting Index (ISR). The

3 Fakultas Ekonomi dan Universitas Mercu, “Pengaruh Penerapan Good Corporate Governance terhadap Kinerja Keuangan Bank Syariah,” 2.1 (2015), 59–69.

4 Fajar Satriya Segarawasesa, Nanda Amelia Jauhari, dan Layli Rahmah Sulistianingtyas, “Analisis Faktor-Faktor yang Mempengaruhi Corporate Sosial Responsibility pada Bank Syariah di Indonesia,” 17.02 (2021), 121–30.

5 Indah Permatasari, “Analisis Pengaruh Islamic Corporate Governance terhadap Pengungkapan Corporate Social Responsibility,” *Journal of Geotechnical and Geoenvironmental Engineering ASCE*, 120.11 (2015), 259.

6 Citra Mulya, “Pengaruh Corporate Social Responsibility Terhadap Laba Bank Syariah,” *An-Nisbah: Jurnal Perbankan Syariah*, 2.1 (2021), 34–67 <https://doi.org/10.51339/nisbah.v2i1.219>.

ISR index is a measurement tool that contains a compilation of standard CSR items used to measure the social and environmental performance of Islamic banking.

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

### Financial performance

Financial performance is a picture of a company's financial condition in a certain period related to raising funds, as measured by capital adequacy, liquidity, and profitability indicators.[7]

The financial performance ratios that are the focus of this research are as follows:

1. Return on Assets (ROA)

ROA is a profitability ratio that shows a company's profits derived from all the resources or assets owned by the company. ROA is used to measure how efficiently it manages its assets to generate profits. The calculation formula for the ROA ratio is as follows:

$$\boxed{\text{ROA} = \frac{\text{Profit before tax}}{\text{Total Assets}} \text{X } 100\%}$$

2. Return on Equity (ROE)

ROE is the ratio used to measure a company's net profit after tax with its capital. This ratio shows the efficient use of the company's capital. The ROE ratio formula is as follows:

$$\boxed{\text{ROE} = \frac{\text{Profit After Tax}}{\text{Core Capital}} X\ 100\%}$$

3. Non Performing Financing (NPF)

The Non-Performing Finance Ratio (NPF) measures the risk of failure from financing. NPF is the ratio between non-performing financing (which is included in the performance of substandard, doubtful, and loss financing) with the total financing that has been disbursed. [8] The NPF ratio formula is as follows:

$$\boxed{\text{NPF} = \frac{\text{Problem Financing}}{\text{Financing Amount}} \text{X } 100\%}$$

4. Capital Adequacy Ratio (CAR)

The Capital Adequacy Ratio (CAR) is a capital adequacy ratio useful for accommodating the risk of loss that a bank may face. This ratio shows the extent to which a bank has risks (credit, statements, securities, bills) that funds from the public also finance. The CAR ratio calculation formula is as follows:

$$\boxed{\text{CAR} = \frac{\text{Capital}}{\text{ATMR}} \text{X } 100\%}$$

7 Sofyan Hadinata, “Islamic Social Reporting Index Dan Kinerja Keuangan Pada Perbankan Syariah Di Indonesia,” *EkBis: Jurnal Ekonomi dan Bisnis*, 2.1 (2019), 72 <https://doi.org/10.14421/ekbis.2018.2.1.1099>.

8 *Ibid:* h. 170

Corporate Social Responsibility

Corporate Social Responsibility or social responsibility is an increasingly common issue in the business world in Indonesia, along with the many CSRs implemented by the business world. This is supported by government regulations regarding the disclosure of CSR practices in Law no. 40/2007 concerning Limited Liability Companies, which confirms that financial reports must report the implementation of social and environmental responsibility.

CSR is a process of communicating social and environmental impacts around the company for economic actions towards certain groups as a whole in society. This will certainly expand the company's responsibility in providing financial reports to owners of capital, especially to shareholders. Thus the responsibility of the company is not only to seek profits for shareholders but also to provide accountability reports to the public. [9]

Corporate Social Responsibility PT. Mega Syariah Bank

Bank Mega Syariah realizes that the corporate social responsibility program is an indicator of achieving business success in addition to achieving financial targets.

In implementing the CSR program activities, Bank Mega Syariah is committed to creating a balance between people, profit, and the planet (3P). The dimensions of implementing Bank Mega Syariah's CSR program activities are more comprehensive than the scope of corporate giving, corporate philanthropy, and corporate community relations, which emphasize charitable activities and building the company's image to the public. However, PT. Bank Mega Syariah always strives to unite all these dimensions through various programs comprehensively designed with the correct program targets.

There are six programs of Social and Environmental Responsibility activities of PT. Bank Mega Syariah, which includes:

Corporate Social Responsibility towards Human Rights;

Corporate Social Responsibility regarding Fair Operations;

Corporate Social Responsibility in the Environmental Sector;

Corporate Social Responsibility in the Field of Employment, Occupational Health and Safety;

Corporate Social Responsibility in the Field of Social and Community Empowerment;

Corporate Social Responsibility in the Field of Products/Services and Customers.

Islamic Social Reporting (ISR)

Islamic Social Reporting is one way to assess sharia social responsibility reporting. ISR is a sharia banking social responsibility reporting standard containing CSR standards set by the Accounting and Auditing for Islamic Financial Institutions (AAOIFI). One way to assess sharia social responsibility reporting is using the Islamic Social Reporting Index (ISR).

The Islamic Social Reporting Index reveals matters related to Islamic principles, such as transactions free from usury, speculation, and gharar, and disclosing zakat, sharia compliance status, and social aspects such as shadaqoh, endowments to the disclosure of worship within the company environment.

The assessment method used to disclose CSR on ISR items uses a dichotomous approach, namely each category of CSR disclosure information is given a score of 1 if

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9 Anggitasari Niyanti, "*Pengaruh Kinerja Keuangan dengan Pengungkapan Corporate Social Responsibility dan Stuktur Good Social Governance sebagai Variabel Pemoderasi,"* (Skripsi: Ekonomika dan Bisnis; Semarang, 2012) h.

the category of information disclosed is in the annual financial report and a score of zero if the category of information is not disclosed in the financial statements. Annual. Furthermore, the score of each category of information is added up to obtain the overall score. The following form of the formula used is as follows: [10]

$$\boxed{CSRIy = \frac{\sum \text{Xky}}{\text{The total number of ISR items}} \text{ X } 100\%}$$

RESEARCH METHODS

The type of research used in this research is quantitative. This study emphasizes numerical analysis (numbers), which will be concluded using ROA, ROE, NPF, CAR, and CSR. The population in this research is PT. Bank Mega Syariah, while the sample used is the financial statements that have been published.

Data analysis used in this study is multiple linear regression analysis using Eviews version 12, where this study analyzes the effect of financial performance, namely Return on Assets, Return on Equity, Non Performing Financing, and Capital Adequacy Ratio on Disclosure of Corporate Social Responsibility (measured by Islamic Social Reporting ).

The data analysis used in this study is multiple linear regression analysis using Eviews 12. This study analyzes the effect of financial performance, namely Return on Assets, Return on Equity, Non Performing Financing, and Capital Adequacy Ratio on Disclosure of Corporate Social Responsibility (measured by ISR).

The Multiple Linear Regression equation is as follows: $Y = \alpha + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4$

RESULTS AND DISCUSSION

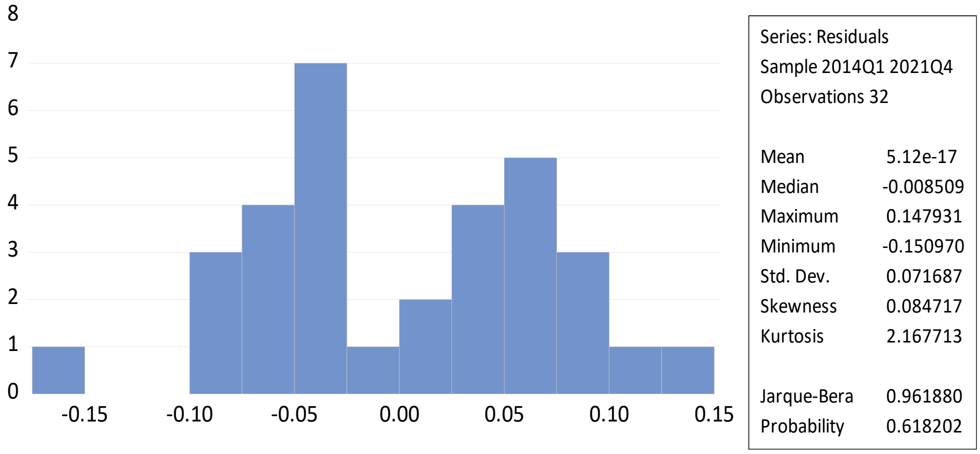
Classic assumption test

a. Normality test

Data Normality Testing is carried out to see whether data is normally distributed or not statistically. The normality of the data can be seen from the value.

Data from normality test results can be seen in the image below:

[10] T. Taufik, M. Widiyanti, dan R. Rafiqoh, “Pengaruh Islamic Governance Score, Leverage Dan Profitabilitas Terhadap Islamic Social Reporting Indexpada Bank Umum Syariah Di Indonesia,” *Jurnal Manajemen dan Bisnis Sriwijaya*, 13.2 (2015), 177–98 <https://doi.org/10.29259/jmbs.v13i2.3348>.




Source: Secondary data processed 2023 Eviews v. 12

From the results of the image above the histogram normality test, it can be said that the data is usually distributed because the probability value shows 0.618202 is more significant than 0.05; if the probability value is a gap of 0.05, it can be said that the data is not normally distributed.

b. Multicollinearity Test

The multicollinearity test was conducted to test whether the regression model found a correlation (high relationship) between the independent (independent) variables. In a good regression model, there should be no correlation between the independent variables. The multicollinearity test looks at the tolerance value or variance inflation factor (VIF). The test results data can be seen in the table below.

| Variable | Coefficient Variance | Uncentered VIF | Centered VIF |
|---|---|---|---|
| C | 0.012253 | 64.92548 | NA |
| ROE $X_2$ | 4.38E-06 | 3.245396 | 1.735723 |
| NPF $X_3$ | 0.000384 | 11.18194 | 1.161311 |
| CAR $X_4$ | 3.18E-05 | 75.19157 | 1.564738 |

Source: Secondary data processed 2022 Eviews v. 12

From the results of the table above the multicollinearity test, it can be seen that the value of the variance inflation factor (VIF) shows a VIF value <10; this indicates that the regression model is free from multicollinearity symptoms or there are no multicollinearity symptoms.

c. Heteroscedasticity Test

The heteroscedasticity test is used to determine whether there is a deviation from the classical assumption of heteroscedasticity.

Heteroscedasticity testing in this study used the Spearman correlation with the Glejser test. A good regression model is to avoid the problem of heteroscedasticity.

The basis for decision-making is as follows:

1). If the significance or probability value is > 0.05, the data has no heteroscedasticity problem.

2). If the significance or probability value is <0.05, the data has a heteroscedasticity problem.
The test results data can be seen in the table below.

| Heteroskedasticity Test: Glejser<br>Null hypothesis: Homoskedasticity | | | |
|---|---|---|---|
| F-statistic | 0.405952 | Prob. F(4,27) | 0.8027 |
| Obs*R-squared | 1.815336 | Prob. Chi-Square(4) | 0.7697 |
| Scaled explained SS | 0.912521 | Prob. Chi-Square(4) | 0.9228 |

Source: Secondary data processed 2022 Eviews v. 12

From the results of the table above the Glejser heteroscedasticity test, it can be seen that the value of Obs*R-squared (Prob. Chi-Square) shows a prob value of 0.297 greater than 0.05. This indicates that the regression model is free from symptoms of heteroscedasticity.

d. Autocorrelation Test

The autocorrelation test is used to test whether, in the regression model, there is a correlation between the confounding errors in period t and the confounding errors in the t-1 (previous) period. A good regression model is a regression that is free from autocorrelation. This study uses the Durbin-Watson test method (DW test) to detect whether there is autocorrelation. [11] No autocorrelation can be found if the Durbin-Watson value is between DU and 4-DU. n = 32 k = 4 dW value = 1.719762 dL value = 1.1769 dU value = 1.732. The following is a table of autocorrelation test results:

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 0.114689 | 0.104624 | 1.096210 | 0.2830 |
| ROA_X1 | 0.024638 | 0.036228 | 0.680078 | 0.5025 |
| ROE_X2 | -0.002443 | 0.005474 | -0.446386 | 0.6590 |
| NPF_X3 | 0.011241 | 0.019037 | 0.590488 | 0.5600 |
| CAR_X4 | -0.007495 | 0.004957 | -1.512083 | 0.1426 |
| RESID(-1) | 0.733584 | 0.159953 | 4.586261 | 0.0001 |
| R-squared | 0.447206 | Mean dependent var | | 5.12E-17 |
| Adjusted R-squared | 0.340899 | S.D. dependent var | | 0.071687 |
| S.E. of regression | 0.058199 | Akaike info criterion | | -2.682546 |
| Sum squared resid | 0.088064 | Schwarz criterion | | -2.407720 |

11 Syafrida Hafni Sahir, Buku *Metodologi Penelitian* (Medan: KBM Indonesia, 2021). h. 71

| | | | |
|---|---|---|---|
| Log likelihood | 48.92073 | Hannan-Quinn criter. | -2.591449 |
| F-statistic | 4.206758 | Durbin-Watson stat | 1.993197 |
| Prob(F-statistic) | 0.006195 | | |

Source: Secondary data processed 2022 Eviews v. 12

| Autocorrelation Positif | uncertain | there is no Autokorelasi | uncertain | Autocorrelation Negatif |
|---|---|---|---|---|
| DL | DU | 4-DU | 4-DL | |

0 1.1769 1.7323 1.9931 2.8231 2.2677 4

Based on the results of the autocorrelation test, it is known that the Durbin Watson stat value, which is 1.9931, is between DU and 4-DU. It can be concluded that there is no autocorrelation problem.

Multiple linear regression

Multiple linear regression testing was carried out to analyze how significant the relationship and the influence of the independent variables are more than two. This analysis is used to determine the direction of the relationship between the independent variables and the dependent variable that has a positive or negative effect and to predict the value of the dependent variable if it experiences an increase or decrease. The form of the equation is as follows: $Y = \alpha + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4$.

The results of multiple linear regression testing can be seen in the table below:

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 0.247889 | 0.134084 | 1.848755 | 0.0755 |
| ROA $X_1$ | 0.060907 | 0.047287 | 1.288010 | 0.2087 |
| ROE $X_2$ | -0.010297 | 0.007190 | -1.432165 | 0.1636 |
| NPF $X_3$ | -0.053124 | 0.024916 | -2.132089 | 0.0422 |
| CAR $X_4$ | 0.023237 | 0.006176 | 3.762305 | 0.0008 |
| R-squared | 0.562326 | Mean dependent var | | 0.620625 |
| Adjusted R-squared | 0.497486 | S.D. dependent var | | 0.108358 |
| S.E. of regression | 0.076813 | Akaike info criterion | | -2.152276 |
| Sum squared resid | 0.159308 | Schwarz criterion | | -1.923255 |
| Log likelihood | 39.43642 | Hannan-Quinn criter. | | -2.076362 |
| F-statistic | 8.672444 | Durbin-Watson stat | | 0.759539 |
| Prob(F-statistic) | 0.000123 | | | |

Source: Secondary data processed 2022 Eviews v. 12

From the results of the multiple linear regression test table above, a multiple linear regression equation Y = □ + b1 X1 - b2 X2 - b3 x3 - b4 X4 can be formed. By entering the regression equation, the result is Y = 0.247 + 0.060 X1 – 0.010 X2 – 0.053 X3 + 0.023 X4. The interpretation of the regression model above is as follows:

A positive constant of 0.247 indicates that if the independent variables ROA (X1), ROE (X2), NPF (X3), and CAR (X4) increase by one unit, then the dependent variable Corporate Social Responsibility (CSR) (Y) is measured using Islamic Social Reporting (ISR) will increase by one unit or be fulfilled by 0.247 or 24.7%.

The ROA regression coefficient (X1) has a positive value of 0.060. This shows that for every increase in the level of ROA (X1) of 0.060, the Corporate Social Responsibility (CSR) (Y) variable measured using Islamic Social Reporting (ISR) will increase by 0.060 or 6%. Vice versa, if the ROA variable (X1) decreases by 0.060 or 6%, the Corporate Social Responsibility (CSR) (Y) variable, as measured using Islamic Social Reporting (ISR), will decrease by 0.060 or 6%.

The ROE regression coefficient (X2) has a negative value of -0.010. This shows that with every increase in the level of the ROE variable (X2) of 0.010, the Corporate Social Responsibility (CSR) (Y) variable measured using Islamic Social Reporting (ISR) will decrease by 0.010 or 1%. Vice versa, if the ROE variable (X2) decreases, the Corporate Social Responsibility (CSR) (Y) variable, as measured using Islamic Social Reporting (ISR), will increase by 0.010 or 1%.

The NPF regression coefficient (X3) has a negative value of -0.053. This shows that with every increase in the level of the NPF variable (X3) of 0.053, the Corporate Social Responsibility (CSR) (Y) variable measured using Islamic Social Reporting (ISR) will decrease by 0.053 or 5.3%. Likewise, if the NPF variable (X3) decreases by 0.053 or 5.3%, the Corporate Social Responsibility (CSR) (Y) variable, as measured using Islamic Social Reporting (ISR), will increase by 0.053 or 5.3%.

The CAR regression coefficient (X4) has a positive value of 0.023. This shows that with every increase in the level of the CAR variable (X4) of 0.023 or 2.3%, the Corporate Social Responsibility (CSR) (Y) variable measured using Islamic Social Reporting (ISR) will increase by 0.023 or 2.3%. Likewise, if the CAR variable (X4) decreases by 0.023 or 2.3%, the Corporate Social Responsibility (CSR) (Y) variable, as measured using Islamic Social Reporting (ISR), will decrease by 0.023 or 2.3%.

Hypothesis testing

a. t test (Partial)

A partial test or t-test (individual) was conducted to determine the effect of the significance of each independent variable on the dependent variable. [12]

If the probability value is < 0.05, the hypothesis is accepted, and vice versa. If the probability value is > 0.05, the hypothesis is rejected.

The formula df = n-k-1 = 32-4-1 = 27 can be used to determine the degrees of freedom. The value of the t table is 2.05183. The formulation of the hypothesis used in testing this research is as follows:

H0: If count ≤ table, then there is no influence between the dependent variable on the independent variable

Ha: If count>, table, there is an influence between the dependent and independent variables.

Research data can be seen in the table below:

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 0.247889 | 0.134084 | 1.848755 | 0.0755 |
| ROA $X_1$ | 0.060907 | 0.047287 | 1.288010 | 0.2087 |
| ROE $X_2$ | -0.010297 | 0.007190 | -1.432165 | 0.1636 |
| NPF $X_3$ | -0.053124 | 0.024916 | -2.132089 | 0.0422 |
| CAR $X_4$ | 0.023237 | 0.006176 | 3.762305 | 0.0008 |
| R-squared | 0.562326 | Mean dependent var | | 0.620625 |

12 Imam Ghozali. *Aplikasi Analisis Multivariate dengan Program IBM SPSS.* Yogyakarta: Universitas Diponegoro. 2012. h. 98.

| | | | |
|---|---|---|---|
| Adjusted R-squared | 0.497486 | S.D. dependent var | 0.108358 |
| S.E. of regression | 0.076813 | Akaike info criterion | -2.152276 |
| Sum squared resid | 0.159308 | Schwarz criterion | -1.923255 |
| Log likelihood | 39.43642 | Hannan-Quinn criter. | -2.076362 |
| F-statistic | 8.672444 | Durbin-Watson stat | 0.759539 |
| Prob(F-statistic) | 0.000123 | | |

Source: Secondary data processed 2022 Eviews v. 12

The influence of each variable can be explained as follows:
The results of the t-test on the variable Return on Assets (X1) obtained a t-count value which indicates a value of 1.288010 with a t-table value of 2.05183 (t-count < t-table) with a probability value of 0.2087 (0.2087 > 0.05) it can be concluded that the variable Return on Assets does not affect the variable Corporate Social Responsibility (CSR) (Y) as measured using Islamic Social Reporting (ISR) or H01 is accepted, and H1 is rejected, meaning that Return on Assets does not affect Corporate Social Responsibility (CSR) (Y) as measured using Islamic Social Reporting (ISR ) at PT. Bank Mega Syariah for the quarterly period of 2014-2021.

The results of the t-test on the variable Return on Equity (X2) obtained a t-count value which indicates a value of -1.432165 and a t-table value of 2.05183 (t=count <t-table) with a probability value of 0.1636 (0.1636 > 0.05) It can be concluded that the Return on Equity variable does not affect variable Corporate Social Responsibility (CSR) (Y) as measured using Islamic Social Reporting (ISR) or H02 is accepted, and H2 is rejected, meaning that Return on Equity does not affect Corporate Social Responsibility (CSR) (Y) as measured using Islamic Social Reporting (ISR ) at PT. Bank Mega Syariah for the quarterly period of 2014-2021.

The results of the t-test on the variable Non-Performing Financing (X3) obtained a t-count value which refers to the value -2.132089 and a t-table value of 2.05183 (t-count > t-table) with a probability value of 0.0422 (0.0422 <0.05) it can be concluded that the variable Non-Performing Financing affects the variable Corporate Social Responsibility (CSR) (Y) as measured using Islamic Social Reporting (ISR) or H03 is rejected and H3 is accepted, meaning that Non-Performing Financing has a negative effect on Corporate Social Responsibility (CSR) (Y) as measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021.

The results of the t-test on the variable Capital Adequacy Ratio (X4) obtained a t-count value which indicates a value of 3.762305 and a t-table value of 2.05183 (t-count > t-table) with a probability value of 0.0008 (0.0008 <0.05) it can be concluded that the Capital Adequacy Ratio variable has a positive effect on the variable Corporate Social Responsibility (CSR) (Y) as measured using Islamic Social Reporting (ISR) or H04 is rejected and H4 is accepted, meaning that the Capital Adequacy Ratio has a positive effect on Corporate Social Responsibility (CSR) (Y) as measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021.

b. F test (simultaneous)
The F test is used to determine the effect of the variables Return on Assets (X1), Return on Equity (X2), Non Performing Financing (X3) and Capital Adequacy Ratio (X4) simultaneously (simultaneously) on the dependent variable by looking at the value of Fcount and Ftable with a confidence level of 5% with a significance <0.05, so there is a significant influence on Corporate Social Responsibility (CSR) (Y) as measured using

Islamic Social Reporting (ISR). Value of ftable df1 = k-1 = 5-1 = 4. df2 = n-k = 32-5 = 27. Value of ftable 2.73. The following is a table of F test results:

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 0.247889 | 0.134084 | 1.848755 | 0.0755 |
| ROA $X_1$ | 0.060907 | 0.047287 | 1.288010 | 0.2087 |
| ROE $X_2$ | -0.010297 | 0.007190 | -1.432165 | 0.1636 |
| NPF $X_3$ | -0.053124 | 0.024916 | -2.132089 | 0.0422 |
| CAR $X_4$ | 0.023237 | 0.006176 | 3.762305 | 0.0008 |
| R-squared | 0.562326 | Mean dependent var | | 0.620625 |
| Adjusted R-squared | 0.497486 | S.D. dependent var | | 0.108358 |
| S.E. of regression | 0.076813 | Akaike info criterion | | -2.152276 |
| Sum squared resid | 0.159308 | Schwarz criterion | | -1.923255 |
| Log likelihood | 39.43642 | Hannan-Quinn criter. | | -2.076362 |
| F-statistic | 8.672444 | Durbin-Watson stat | | 0.759539 |
| Prob(F-statistic) | 0.000123 | | | |

Source: Secondary data processed 2022 Eviews v. 12

Based on the table above, the f-count value is 8.672444 with an f-table value of 2.73 (f-count > f-table) with a prob value (F-statistic) of 0.000123 <0.05, so the decision is made that H0 is rejected and Ha is accepted. This shows that Return on Assets (X1), Return on Equity (X2), Non-Performing Financing (X3), and Capital Adequacy Ratio (X4) together have a positive effect on Corporate Social Responsibility (CSR) (Y) as measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021.

Coefficient of Determination

The coefficient of determination or R2 test aims to see how much influence the independent variables have on the dependent variable. If the value of the coefficient of determination becomes small or closer to zero, the smaller the effect of all the independent variables on the dependent variable, and vice versa. The coefficient of determination (R2) used in multiple linear regression analysis is Adjusted R Square. [13]

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 0.247889 | 0.134084 | 1.848755 | 0.0755 |
| ROA $X_1$ | 0.060907 | 0.047287 | 1.288010 | 0.2087 |
| ROE $X_2$ | -0.010297 | 0.007190 | -1.432165 | 0.1636 |
| NPF $X_3$ | -0.053124 | 0.024916 | -2.132089 | 0.0422 |
| CAR $X_4$ | 0.023237 | 0.006176 | 3.762305 | 0.0008 |
| R-squared | 0.562326 | Mean dependent var | | 0.620625 |
| Adjusted R-squared | 0.497486 | S.D. dependent var | | 0.108358 |
| S.E. of regression | 0.076813 | Akaike info criterion | | -2.152276 |
| Sum squared resid | 0.159308 | Schwarz criterion | | -1.923255 |
| Log likelihood | 39.43642 | Hannan-Quinn criter. | | -2.076362 |
| F-statistic | 8.672444 | Durbin-Watson stat | | 0.759539 |

13 Syafrida Hafni Sahir, Buku *Metodologi Penelitian* (Medan: KBM Indonesia, 2021): h. 54

| | |
|---|---|
| Prob(F-statistic) | 0.000123 |

Source: Secondary data processed 2022 Eviews v. 12

The value of R ranges from 0 to 1; if it is close to 1, the relationship is getting closer, but if it is close to 0, it is getting weaker. From the results of Table 4.7 above, the R-squared test shows an r-squared value of 0.562326 or close to 1, so it can be concluded that the independent variables have a reasonably strong influence, evidenced by the Adjusted R-squared value of 0.497486.

This value means that the independent variables' Return on Assets (X1), Return on Equity (X2), Non-Performing Financing (X3), and Capital Adequacy Ratio (X4), contribute 0.497 or 49.7% in influencing the dependent variable, namely Corporate Social Responsibility (CSR) (Y) as measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021 and the remaining 50.3% is influenced by other variables outside this study.

Interpretation of Results and Discussion

Effect of Return on Assets (ROA) on Disclosure of Corporate Social Responsibility as measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021

Corporate Social Responsibility is based on the transparency of social impacts or activities carried out by the company. Disclosure of information disclosed is not only in the form of financial information, but companies must also disclose social and environmental impacts. They must also disclose information regarding social and environmental impacts resulting from company activities.

Based on the study's results, Return on Assets had no effect on the disclosure of Corporate Social Responsibility, measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021. This shows that the level of bank profitability does not affect a company in disclosing corporate social responsibility.

The results of this study support previous research conducted by Tantri Puji Rahayu & Agung Budi [14] The results of their research show that the projected profitability of Return on Assets does not indicate any influence on the disclosure of corporate social responsibility in Islamic banking in 2011-2014.

A company's high or low profitability will not affect the disclosure of corporate social responsibility; this is because a company, including banks, discloses corporate social responsibility in annual reports as a way for report users to see company performance.

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Based on Gray, Kouhy, and Lavers' legitimacy theory which is directly related to financial performance, the company's profitability will show its success through results (return).

2). Effect of Return on Equity (ROE) on Disclosure of Corporate Social Responsibility as measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021

Corporate Social Responsibility is often considered the core of business ethics, which means that companies are concerned not only with the interests of management and owners of investor capital but also consumers, employees, society, and the environment. CSR is essential in increasing company sales by conducting various social activities in the surrounding environment. One of the company's operations objectives is to generate profits that benefit shareholders. The greater Return on Equity (ROE) reflects the company's ability to generate high shareholder profits.

Based on the study's results, Return on Equity had no effect on the disclosure of Corporate Social Responsibility as measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021. The results of this study support previous research conducted by Susi Astuti, [15] which stated that Return on Equity (ROE) did not affect Corporate Social Responsibility.
This shows that ROE profitability is not a factor that can influence the disclosure of Corporate Social Responsibility in a company, namely Bank Mega Syariah.

Return On Equity does not significantly influence the disclosure of Corporate Social Responsibility. This is only a consideration for investors to invest. Companies such as banks in Indonesia still provide significant growth opportunities, so investors will continue to invest in banking companies with good prospects in the future. Banking companies have products that are not directly related to the environment, such as depository funds and loan funds.

3). The Effect of Non-Performing Financing (NPF) on Disclosure of Corporate Social Responsibility as measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021

NPF performs well and is classified as substandard, doubtful, and jammed. Based on research on Non-Performing Financing, the negative impact on disclosure of Corporate Social Responsibility is measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021. This study's results align with research conducted by Afif Satriyadi Rahmatullah. [16]

NPF are loans that do not perform well and are classified as substandard, doubtful, and loss. Companies with low NPF do not need to provide more funds to cover company losses caused by non-performing loans (non-performing financing). Thus, companies can use available funds to disclose corporate social responsibility (CSR).

However, the bank's CSR activities can decrease when the company's NPF is high. This is because, with the increasing risk of non-performing loans borne by banks, it is likely that banks will focus more on using their funds to reduce losses caused by

15 Susi Astuti dan Ika Neni Kristanti, "Analisis Faktor-Faktor Yang Memengaruhi Pengungkapan Corporate Social Responsibility ( CSR ) Perbankan Syariah Di Timur Tengah," *Jurnal ekonomi dan bisnis*, 22.1 (2019), 1–6.

16 Afif Satriyadi Rahmatullah, "Analisis Faktor-Faktor yang Berpengaruh terhadap Pengungkapan Corporate Social Responsibility (CSR) (Studi pada Bank Syariah dan Bank Konvensional selama Tahun 2013-2016*), Jurnal Fakultas Ekonomi dan Bisnis*, Universitas Muhhamadiyah Yogyakarta, (2018), 4.

the bank's high bad loans. Thus, the available funds for disclosing corporate social responsibility will be less and not optimal.

4). Effect of Capital Adequacy Ratio on Disclosure of Corporate Social Responsibility as measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021

CAR indicates a bank's ability to cover the decline in its assets due to bank losses caused by risky assets. Bank assets that contain risks (loans, investments, securities, claims to other banks) are also financed from the bank's capital funds, in addition to obtaining funds from sources outside the bank, such as public funds, loans (debt), and others. Based on the research results, there is a positive influence of the Capital Adequacy Ratio on the disclosure of Corporate Social Responsibility as measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021. The results of this study are supported by research conducted by Dewi Ayou Masrurroh et al. [17] This is because many banking companies budget CSR funds relatively low, while the bank's capital adequacy level is relatively large.

The capital adequacy ratio at a bank where CSR disclosure cannot change the size of the capital obtained by the bank. This is presumably because the bank will focus more on customers and shareholders. Then the capital has more influence on financing or lending or the bank's operational costs, so the bank is not so focused on CSR disclosure by using its capital. This is suspected because the bank was ready with special funds for CSR at the beginning of implementing CSR. However, the following year needed more capital to be allocated to CSR programs. Bank management should be even more creative in determining CSR programs for the community so that disclosing CSR that can attract investors or partners to help CSR programs at the bank—especially helping funds to launch CSR programs for the community so that the program is better and of better quality.

5). The effect of Return on Assets, Return on Equity, Non-Performing Financing, and Capital Adequacy Ratio on Disclosure of Corporate Social Responsibility as measured using Islamic Social Reporting (ISR) PT. Bank Mega Syariah for the quarterly period of 2014-2021

Based on the research results ROA, ROE, NPF, and CAR simultaneously positively affect the disclosure of Corporate Social Responsibility, measured using Islamic Social Reporting (ISR) at PT. Bank Mega Syariah for the quarterly period of 2014-2021. This shows that the better a company's financial performance in a certain period, the better the disclosure of corporate social responsibility will be.

The results of this study support previous research conducted by M. Fajrul Novrijal & Meutia Fitri whose research results show that financial performance simultaneously influences the disclosure of corporate social responsibility by using Islamic social reporting as a benchmark for companies listed in the 2014 Jakarta Islamic Index.

## CONCLUSION

Conclusion

17 Dewi Ayou Masrurroh dan Ade Sofyan Mulazid, "Analisis Pengaruh Size Perusahaan, Capital Adequacy Ratio (CAR)Return On Asset (ROA), Financing Deposit Ratio (FDR) Terhadap Pengungkapan Corporate Social Responsibility (CSR) Bank Umum Syariah Di Indonesia Periode 2012-2015," *Human Falah*, 4.1 (2017), 1–18.

Based on the tests on several hypotheses in the study, the results show that not all of these independent variables can affect the dependent variable. The results of the study can be drawn the following conclusions:

Financial performance consisting of Return on Assets, Return on Equity, Non-Performing Financing, and Capital Adequacy Ratio simultaneously has a positive effect on the disclosure of Corporate Social Responsibility (CSR) as measured using Islamic Social Reporting (ISR).
Return on Assets has no effect on the disclosure of Corporate Social Responsibility (CSR) as measured using Islamic Social Reporting (ISR).
Return on Equity has no effect on the disclosure of Corporate Social Responsibility (CSR) as measured using Islamic Social Reporting (ISR).
There is a negative effect of Non-Performing Financing on the disclosure of Corporate Social Responsibility (CSR) as measured using Islamic Social Reporting (ISR).
There is a positive influence of the Capital Adequacy Ratio on the disclosure of Corporate Social Responsibility (CSR) as measured using Islamic Social Reporting (ISR).

Suggestion

It is hoped that further research will increase the number of research samples and not be limited to Bank Mega Syariah, so it is expected to increase the accuracy of the research results.
This study only focuses on several proxied ratios, namely Return on Assets (ROA), Return on Equity (ROE), Non-Performing Financing, and Capital Adequacy Ratio (CAR). So, for further research, it is expected to add proxies from other ratios, for example, Net Profit Margin (NPM), Earning Per Share (EPS), Operating Expenses to Operating Income (BOPO), etc.
Expand research by extending the research period by adding years of observation.

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