

CEI of Islamic Banks in Asia: Measurement and Effect on Financial Performance

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Abstract

This study aims to determine whether CSR and CEI disclosures affect the financial performance of Islamic banks and whether GCG can increase the influence of CSR and CEI on the financial performance of Islamic banks. Previous studies have different results from each other, and some studies do not use statistical test tools. So this study expands the sample from previous studies. Data was collected using purposive sampling techniques, which were then tested using multiple linear regression analysis techniques. The results showed that CSR and CEI have a significant effect, both partially and simultaneously positively, on the financial performance of Islamic banks. This means that the higher the value of CSR and CEI information disclosure, the higher the financial performance of Islamic banks. Meanwhile, GCG, as a moderating variable, strengthens the relationship between CSR and CEI with financial performance.

Keywords: CSR, CEI, GCG, Financial Performance.

INTRODUCTION

The financial sector, especially banking, can impact economic growth by encouraging investment and increasing capital productivity. Many countries have embraced Islamic finance as a unique banking operating model and alternative financing capital, especially countries in the Middle East and Southeast Asia with a high concentration of Muslims (Nabela & Thamrin, 2022). Data obtained from the Islamic Finance and Wealth Management Report 2021 shows that several Islamic banks in the Asian region managed to occupy the title of the most prominent Islamic bank in the GCC. Among them are Islamic banks from Saudi Arabia, UAE, Kuwait, Bahrain, and Qatar. In addition to the outstanding achievements achieved by some of the countries mentioned above, other states in the Asian region also experienced quite good growth. Such as Malaysia and Bangladesh, based on data from the Islamic Finance and Wealth Management Report 2021, they managed to occupy the title of the ten largest Islamic banks outside the GCC. In addition, several other Asian states, such as Indonesia, Singapore, Oman, Turkey, etc., continue to show positive progress.

Based on data from the Islamic Finance and Wealth Management Report 2021 shows that the growth of Islamic bank assets from US\$ 1.4 billion in 2014 continues to increase to US\$ 1.9 billion in 2019. The growth of Islamic bank assets can be pretty good based on the increase from year to year. However, behind this relatively good growth, Islamic banks still often receive

criticism and fundamental problems. One of the causes is the limited role of Islamic banks in line with the objectives of the Islamic economic system, namely *falah* (the good of the world and the hereafter) (Zubairu et al., 2011). Another indicator is that there is no significant differentiation between Islamic and conventional banks. Meanwhile, Islamic banks need to strengthen their position as a provider of benefits and even deal with issues of inequality of opinion, poverty alleviation, and social justice (Khairany, 2018).

Several things need to be considered by Islamic banks to maintain their existence. A concept known as Corporate Social Responsibility (CSR) emerged to achieve sustainability. CSR is associated with sustainable development. This sustainable development has implications for three policy issues, including economic development, community, and environmental protection (Kelana & Ramdany, 2019).

According to research conducted by Kelana & Ramdany (2019), it was revealed that CSR disclosure is one of the company's efforts to build trust among stakeholders so that these stakeholders are interested in investing their capital. The results of his research show that CSR disclosure has a positive effect on the company's financial performance. This aligns with research conducted by Mardiyah (2020); Rahayu (2020). However, research conducted by Fitriya & Setyorini (2019); Zuliana (2019); shows that CSR does not affect financial performance. Meanwhile, research conducted by Ananda & Erinos NR (2020) shows that CSR disclosure harms the financial performance of Islamic banks.

Zaki et al., (2014) conducted research by exploring the relationship between CEI and financial performance stating that disclosure of Corporate Ethical Identity (CEI) affects the financial performance of Islamic banks, this is in line with research conducted by Fitria & Sulhani (2021); Hanafi (2021) However, research by Sumiyati & Vehtasvili (2021) shows that CEI is not related to the financial performance of Islamic banks and in other research conducted by Khairany (2018) shows that CSR disclosure and CEI affect financial performance.

Islamic banks, as Islamic financial institutions that are different from regular (conventional) banks, must certainly emphasize the basic concept. From this fundamental point of view, Sharia compliance and Islamic banking support are believed to make this integrated economic system and Islamic religion applicable. Ethical Identity is needed to face the challenges of organizations that compete with different cultures but have similar products/services (Khairany, 2018).

The relatively high development of Islamic banks triggers an increasingly competitive level of competition. So every Islamic bank tries to maximize innovation by offering products and building a good reputation. The development of reputation or CEI (Corporate Ethical Identity) is communicated or disclosed through the company's annual report. CEI can be measured using the EII (Ethical Islamic Index), which was developed specifically to measure the value of CEI (Haniffa & Hudaib, 2007).

EII has its own criteria that must be met by Islamic banks. With this level of fulfillment, the final result can be obtained in the form of CEI information disclosure points each year. So that from this, external parties can find out more about the identity of Islamic banks.

In addition to the above variables, this study uses GCG as a moderator. Corporate governance was first introduced by the Cadbury Committee (1992) in a report known as the Cadbury Report. GCG (Good Corporate Governance) is needed as a system that can encourage the creation of an efficient, transparent and consistent market. GCG implementation can be successful with the support of three interconnected pillars, namely the state as a regulator, the business world as a market player, and the community as a user of products and services.

ADB (Asian Development Bank) states that the crisis that occurred in Asia was caused by the weak implementation of corporate governance. So that with the concept of good corporate governance, it is hoped that it can protect shareholders and creditors can benefit from their investment. As in research conducted by Hastuti (2020) states that GCG can moderate or strengthen the relationship between leverage and CSR on firm value. while Karina (2020) states in her research that GCG as a moderating variable can weaken the relationship between CSR and firm value. In other research conducted by Permatasari (2020) states that GCG cannot moderate the effect of CSR disclosure on financial performance. This is in line with research conducted by Ardila (2018); Putra (2021). Meanwhile, research by Hastuti (2020) states that GCG can moderate or strengthen the relationship between leverage and CSR on firm value.

Based on the description above and the differences in results among previous studies regarding the impact of CSR and CEI disclosures with GCG as a moderating variable, this study was conducted to prove the results of these studies by using the latest financial reporting period. Because changes in the business world are very significant every year. While the novelty of this research is to expand the research location, namely Asian countries, from 48 countries spread across the Asian region, several countries are taken that meet the research criteria. Because not all countries in Asia have Islamic banks.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Signalling Theory

Signaling theory was first introduced by Spence in his research entitled "Job Market Signaling". Spence (1973) suggests that a signal is sent to provide relevant information to the recipient, after which the recipient will make a decision or action based on the signal received. According to Brigham & J. F. Houston (2016): "Signal Theory is a signal given by company management to investors as an indication of the company's prospects." Meanwhile, Ratnasari (2017) reveals that signal theory suggests how companies should provide signals to users of financial statements. The signals provided can be in the form of information about management actions to fulfil the wishes of stakeholders and other information about the company.

The business world is synonymous with transparency, be it in terms of finance or company operations. It is also beneficial for companies to form "trust," both for internal and external parties to the company. Regarding the disclosure of information or transparency intended in this signaling theory is in line with the words of Allah SWT in surah Al-Baqarah verse 284, which means: *To Allah belongs what is in the heavens and what is on earth. If you reveal or hide what is in your heart, Allah will surely consider it (about the deed) for you. He forgives whom He wills and punishes whom He wills. (QS. Al-Baqarah:284)*

CSR

The World Business Council for Sustainable Development describes CSR (Corporate Social Responsibility) as the sustainable commitment of business to act ethically, operating legally, and contributing to the global economic turnaround while improving the quality of local communities in the world, and improving the quality of local communities in general.

In other words, CSR is a concept/form of responsibility of an organisation or company. Where this responsibility is addressed to the surrounding environment and society, this responsibility can be in the form of reliable service for each product, operations, social activities in the community, etc. This is explicitly stated in the Qur'an surah Al-A'raf verse 85, which means:

... Surely there has come to you clear evidence from your Lord. Perfect the measure and the balance, and do not harm anyone. Do not corrupt the earth after it has been made good. That is better for you if you are believers. (QS. Al-A'raf:84)

The above verse emphasizes the prohibition of cheating and something that can harm the environment. This is also confirmed in the hadith, which means: *The best of people are those most beneficial to people (HR Ahmad, ath-Thabrani, ad-Daruqutni).*

CSR disclosure can be done by using the ISR index. ISR (Islamic Social Reporting) is a CSR standard in the context of sharia issued by AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions). The CSR standard issued by AAOIFI continues to be developed by researchers such as Haniffa (2002), Othman et al., (2010), and so on. The ISR index that is often used is created by Othman et al., (2010). The ISR index is the result of the development of the ISR index created by Haniffa (2002). The IRS index is divided into six themes, with each indicator, such as:

1. Investment and finance, consisting of 9 indicators
2. Products and services, including 3 indicators
3. Labour, comprising 14 indicators
4. Community (social), consisting of 16 indicators
5. Environment, consisting of 3 indicators
6. Corporate governance, consisting of 8 indicators

CEI

CEI (Corporate Ethical Identity) is the value and behaviour reflected in the organisation that reflects the basis and beliefs, as well as the uniqueness of the organisation itself, the company will always show good performance so that it will voluntarily disclose better corporate financial information to show a different side with other companies. The company's commitment to voluntary disclosure of personal information is likely to reduce information asymmetry and increase company liquidity (Khairany, 2018).

Ethical identity in Islam can be explained from the net fair value method by comparing haram (prohibited) and halal (permitted) issues. RI Beekun (2005) revealed that Islamic Sharia explains haram and halal very clearly. Islamic banks as business entities must operate optimally with Sharia guidelines. Islam considers all work as part of the worship of God. Therefore, the actions and principles of Islamic banks should also be directed toward religious beliefs in their daily financial affairs. Banks are accountable to stakeholders. For Islamic banks, compliance with Shariah is a key stakeholder.

Haniffa & Hudaib (2007) They revealed that the ideal identity of a Shariah bank should be an ethical institution based on Islamic principles, such as promoting justice and social welfare. Haniffa & Hudaib (2007) Have developed EII (Ethical Identity Index) to measure the ethical level of Islamic banks based on CEI disclosed by Islamic banks. The Ethical Identity Index (EII) components usually consist of five key components, which are then translated into eight dimensions and 78 rating points. The first component consists of 2 dimensions and 22 rating points, components 2 and 3 form 1 dimension with 10 points, component 4 is divided into four dimensions and 35 points, and the last component consists of 1 dimension with 11 rating points. The five components are:

1. Underlying values and philosophy.

Islamic banks that carry out operational activities such as funding, investment, and profit sharing activities must be based on sharia principles in the Qur'an and Al-Hadith. The

disclosure of activities based on Sharia principles is expected that stakeholders will be more confident to invest in Islamic banks. In addition, Islamic banks need to disclose all aspects of good corporate governance, management profiles, and so on (Khasanah & Amalia, 2021)

2. Provision of interest-free products and services.
Islamic banks are required to issue products and services that are free from usury and ensure that every mechanism is in accordance with sharia. Therefore, this information should be known by users of financial statements (Fitria & Sulhani, 2021).
3. Shariah-compliant transactions or agreements.
Legitimate transactions or contracts are one of the key points for Islamic banks, as most of the activities of Islamic banks involve financial transactions and services. Therefore, in the ethical ideals of Islamic identity, information regarding the transaction mechanism should be clear and include the type of contract used (Fauziyah & Siswantoro, 2016).
4. Focus on social development and goals.
Islamic banks are expected to be more socially responsible than conventional banks, as Islam emphasises social justice (Haniffa & Hudaib, 2007). The responsibility of Islamic banks is not only to customers, but also to employees and the wider community. The form of responsibility of Islamic banks is to channel zakat funds, shodaqah, and benefactors in order to contribute to economic improvement. In addition, Islamic banks also need to pay attention to aspects to improve employee welfare (Khasanah & Amalia, 2021).
5. Obligation to be reviewed by the Sharia Supervisory Board
Islamic banks have a Shariah Supervisory Board (SSB) whose role is to ensure that all formulations, products and services offered are in accordance with Shariah principles and within the framework of Islamic standards. In terms of ideal moral identity, Islamic banks must disclose information about each party on the Sharia Supervisory Board (SSB) (Haniffa & Hudaib, 2007).

While the 8 (eight) dimensions mentioned above are as follows:

1. Vision and Mission Statements
According to Wibisono (2006), vision is the vision of the company in the future, generally the vision is prepared for the long term, which is about 3 to 10 years ahead. Meanwhile, the mission is a description of the company's goals or objectives in the short term, usually around 1 to 3 years.
The mission here is a statement about what the company needs to do to achieve the vision that has been mentioned earlier. The mission will also provide direction and boundaries for the process of achieving the company's goals (Sumiyati & Vehtasvili, 2021).
2. Board of Directors (BOD) and Top management
The Board of Directors has the responsibility to manage the company. The duties of the board of directors (BOD) include managing and controlling the company to achieve predetermined goals, Adam (2022) explains that the BOD is responsible for making operational decisions and performance reports that will be submitted to stakeholders. BOD is also responsible for the company's activities because it can have an impact on company performance.
3. Product and Service
Islamic banks' products and services must be more transparent than conventional banks. Because information about Islamic bank products and services is useful for interested parties. Therefore, information about Islamic bank products and services must

be disclosed in the annual report. Where it can be used to assess performance and as a source of information for users of financial statements.

4. **Zakah, Charity, and benevolent loans**
The difference between conventional banks and Islamic banks is the existence of zakat activities in Islamic banks. Therefore, Islamic banks must manage zakat, which means paying, collecting, managing and distributing the zakat. This dimension is an inherent role function of Islamic banks to mobilise social funds (zakat, donations, sadaqah). (Zaki et al., 2014).
5. **Commitment Toward Employess (CTE)**
Employees are the company's biggest asset, so employee welfare must be considered. Therefore, the company must provide the rights that employees should get, such as fair treatment, work that suits their abilities and wages according to performance.
6. **Commitment Toward Debtors (CTD)**
The debtor is a third party of the company. Therefore, information about debtors must be disclosed so that debtors can find out this information. The indicators measured in this dimension are debt policy, the amount of debt written off, the types of general and special loans, and the amount of debt written off (Haniffa & Hudaib, 2007).
7. **Commitment Toward Society (CTS)**
The company will always be in contact with the community. The company's commitment to the community can be illustrated by the recruitment of employees from the surrounding community, this can create a positive value among the community. Indicators of this aspect are women-only branches, job creation, support of organisations that benefit the community, participation in government social activities, funding of community activities, committing to a social role and organising an Islamic economic conference (Haniffa & Hudaib, 2007).
8. **Syariah Supervisory Bord (SSB)**
Islamic banks have a Shariah Supervisory Board (SSB). The SSB is responsible for ensuring that the bank operates following sharia principles and Islamic norms. SSB members are drawn from Islamic legal professionals (ulama), (Gambling, 1993).

GCG

Good Corporate Governance (GCG) is a system that regulates, manages, and supervises companies to increase company value and pay attention to stakeholder interests (Darwis, Nurdin, & Marjanputri, 2018). In the code of corporate governance made by the KNKCG, the company must carry out five principles: transparency, accountability, responsibility, independence, and fairness. Good Corporate Governance (GCG) can be measured by several indicators, namely institutional ownership, board size, and independent board of commissioners.

Institutional ownership is a company's shares owned by the government, incorporated institutions, representative funds, foreign institutions, and so on that can monitor the management in managing the company (Permatasari & Widianingsih, 2020). Institutional ownership is also defined as share ownership from other institutional parties such as banks, insurance institutions, investment companies, and other institutions (Nurastikha, 2020). According to Nurastikha (2020), Institutional ownership is the proportion of share ownership owned by institutions at the end of the year as measured in the percentage of shares owned by

institutional investors in companies such as insurance companies, banks, pension funds, and investment banking.

Apart from institutional ownership, GCG is also measured by the size of the board of commissioners. The size of the board of Commissioners is the highest internal control mechanism responsible for overseeing the actions of top management. GCG is also measured by the independent board of commissioners (DKI) indicator.

The Independent Board of Commissioners is a party that has nothing to do with the company's management, with the number owned by shareholders at least 30% of all commissioners (Permatasari & Widianingsih, 2020). Independent commissioners are members of the Board of Commissioners who do not have financial, management, share ownership, or family relationships with other members of the Board of Commissioners, directors and controlling shareholders, or other relationships that can affect their ability to act independently (PBI No. 8/4/PBI/2006). The independent board of commissioners is measured based on the percentage of independent commissioners to the total number of commissioners in the company's board of commissioners (Rahmawati, 2013).

Hypothesis

According to Sugiyono (2017) the hypothesis is a temporary response to the formulation of the problem. As quoted in the book Quantitative Research Methods Darwin (2021), Fraenkel and Wallen define a hypothesis as a prediction about the possible outcomes of a study. The hypothesis of this study is as follows:

The effect of CSR disclosure on financial performance compliance

Hamdani (2016) defines CSR as the company's ethical responsibility to stakeholders, especially the community around the company's operating area. A company can be considered socially responsible if it has a vision not only to increase profits but also to improve society and the social environment.

The effect of CSR disclosure on financial performance has been studied by Khairany (2018). The results of his research state that CSR disclosure affects financial performance, this is in line with research conducted by Kelana & Ramdany (2019), but in contrast to research conducted by Fitriya & Setyorini (2019), which states that CSR disclosure has no effect on banking financial performance. From these differences, researchers decided on the following hypothesis:

H1: CSR disclosure is expected to have a positive effect on the financial performance of Islamic banks in Asia.

Effect of CEI disclosure on financial performance

Various factors can affect financial performance, as mentioned in research conducted by Khairany (2018); Kelana & Ramdany (2019), and Hastuti & R. Bambang B (2020). One of them is the disclosure of CEI, as with the research conducted by Zaki et al., (2014) which states that the disclosure of vision and mission; BOD; zakat, charity and benevolent loans; and DPS has a positive effect on the company's financial performance. Meanwhile, Sumiyati & Vehtasvili (2021) state that EII value is not related to financial performance. Based on this difference of opinion, the following hypothesis is obtained:

H2: CEI disclosure is expected to have a positive effect on the financial performance of Islamic banks in Asia.

The effect of CSR disclosure and CEI on financial performance

In research conducted by Khairany (2018), CSR and CEI disclosures partially affect the financial performance of Islamic banks in Indonesia. However, in his research no simultaneous test was conducted, so the following hypothesis arises to prove whether simultaneously CSR disclosure and CEI affect the financial performance of Islamic banks in Asia.

H3: CSR disclosure and CEI are expected to simultaneously affect the financial performance of Islamic banks in Asia.

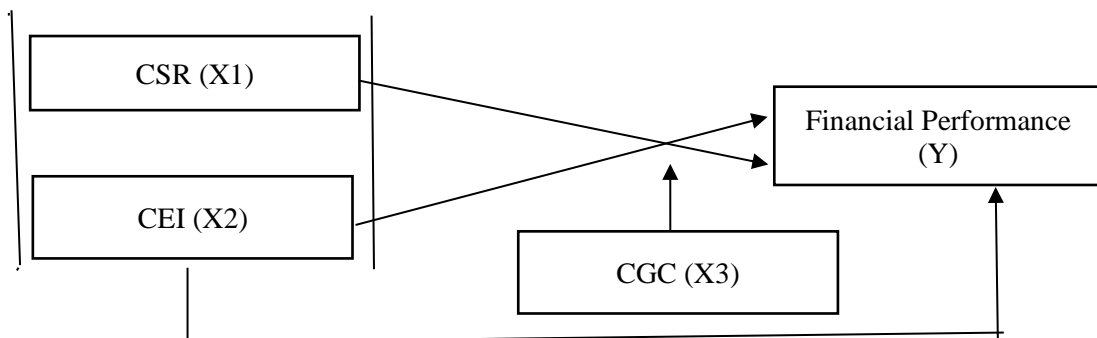
CGC disclosure strengthens the relationship between CSR and CEI disclosure and financial performance.

Karina & Setiadi (2020) mentioned in her research that GCG as a moderating variable can weaken the relationship between CSR and firm value. In other research conducted by Permatasari & Widianingsih (2020) states that GCG cannot moderate the effect of CSR disclosure on financial performance. This is in line with research conducted by Ardila (2018); Putra & Dwija (2021). Meanwhile, research by Hastuti & R. Bambang B (2020) states that GCG can moderate or strengthen the relationship between leverage and CSR on firm value. Based on the differences in opinion between previous researchers, the following hypothesis emerges, to prove whether this research will show the results of strengthening or weakening the relationship between variables.

H4: CGC disclosure is expected to strengthen the relationship between CSR and CEI disclosure and financial performance of Islamic commercial banks in Asia.

RESEARCH METHOD

Conceptual Framework



Source: researched

Type and Research Approach

This research will use quantitative research methods. Quantitative research is a method used to test data in the form of numbers, where the data collected will later be tested or analyzed using statistical formulations (Ghozali, 2018).

Research Location

The research location is the place where researchers find phenomena and define the site as a research framework. Moleong (2018) explains that the selection of research locations is guided by empirical theory, which is then constructed as temporary data, which is then compared and confirmed based on data obtained at the scene. This research was conducted at several Islamic commercial banks in the Asian region. The locations chosen for this research are the United Arab Emirates, Indonesia, Malaysia, Bahrain, Qatar, Saudi Arabia, Brunei Darussalam, Maldives, Pakistan, Sri Lanka, and Jordan. Of the 48 countries in Asia, only 11 countries were selected as research locations, because not all countries have Islamic banks or fit the research criteria. The object of this research is to reveal CSR, CEI and profitability (financial performance) obtained from the annual financial statements of several Islamic banks in the last 4 years.

Population and Sample

Research Population

Hasan (2001) asserts that population is a global possible value that is the result of measurement or calculation, quantitatively or qualitatively related to some characteristics of the whole group of interest. The population used in this study is Islamic commercial banks in the Asian region.

Research Sample

In his book, Sugiyono (2019) states that a sample is a small part of the quantity and can represent a population. The sample used for this research is the best Islamic commercial banks from each country in the Asian region mentioned in the population group above.

Sampling Technique

This research uses a purposive sampling technique for the selection of the research sample, *aldapun kriterial sampel* as follows:

1. Countries that have Islamic Commercial Banks
2. The largest inverted Islamic commercial bank/total assets in the country.
3. Islamic commercial banks that have a current/accessible *laporan* for the period 2018-2021.

The following samples were taken from the *masing-masing* state:

Table 1. Research Sample

No	Name Bank	Code Bank	Country
1	Abu Dhabi Islamic Bank	ADIB	United Arab Emirates (UAE)
2	Al-Bahrain	AB	Bahrain
3	Al-Rajhi	AR	Saudi Arabia
4	Bank Islamic Brunei Darussalam	BIBD	Brunei Darussalam
5	Bank Syariah Indonesia (BSI)	BSI	Indonesia
6	Qatar Islamic Banking	QIB	Qatar
7	CIMB Islamic Bank	CIMB	Malaysia
8	Jordan Islamic Bank	JIB	Jordan
9	Meezan Bank Limited	MBL	Pakistan

10	Amanah Bank Limited	ABL	Sri Langka
11	Maldives Islamic Bank	MIB	Maladewa

Source: researched

Data and Data Types

This research uses secondary data with the type of data qualitative and quantitative data contained in the annual reports of Islamic banks. The annual report is obtained from the official website of each Islamic bank, where the annual period used is 2018 to 2021.

Data Collection Techniques

The data collection technique in this study used documentary techniques. According to Sugiyono (2019) documentation is a technique that researchers can use to collect data sourced from reports, records and so on. Where later the document will be processed to obtain research data that suits the needs of the researcher. In this study, data was obtained from the annual reports of Islamic banks.

Variable Operational Definition

Dependent Variable

Sugiyono (2019) points out that dependent variables are often referred to as output variables, criteria, and consequences. In Indonesia it is often called the dependent variable. The dependent variable is the variable that is influenced or the result of the independent variable. The dependent variable used in this study is financial performance. The financial performance of a company is measured by the ROA (Return of Assets) ratio. The formula for calculating ROA is as follows:

$$ROA = \frac{Net\ Profit}{Total\ Asset} \times 100\%$$

Independent Variable

Sugiyono (2019) states that independent variables are variables that can have an impact or cause changes in the dependent variable. The independent variables used in this study are CSR and CEI.

CSR measurement uses data sources obtained from the Full Disclosure of the ISR Indicators. CSR is measured using ISR (Islamic Social Reporting), ISR is a CSR measurement index specifically formed by AAOFI to measure CSR in an Islamic or sharia context. If the company discloses an item, it gets a score of one (1), while if it does not disclose, it gets a score of zero (0). The maximum number of indicators to be disclosed is 57 (Khairany, 2018). The following is the formula for calculating the CSR score:

$$CSRIj = \frac{\sum X_{ij}}{N_{ij}}$$

Description:

CSRIj : Islamic Social Responsibility Company Index

$\sum X_{ij}$: Total CSR disclosure of the company

N_{ij} : 57 (number of CSR indicators)

Calculation of CEI disclosure altals by using EII (Ethical Identity Index). EII is a measuring index developed specifically to calculate the value of CEI disclosure in Islamic financial institutions or an index to measure the ideal Islamic identity. Haniffa & Hudaib (2007) formulated the EII calculation as follows:

$$EII_j = \frac{\sum_{t=1}^{n_j} X_{ij}}{n_j}$$

Description:

EII_j = Ethical Identity Index

n_j = total points disclosed, with $n_j \leq 78$

x_{ij} = 1 (if the indicator is disclosed), 0 (if the indicator is not disclosed).

Moderating Variable

GCG value can be calculated by disclosing GCG factors or indicators. The GCG factors that need to be disclosed are the ownership structure, be it managerial or institutional ownership, the next is the proportion of independent commissioners (Nurfitriana Sasmita & Candra Bondan, 2018). The following is the formula for calculating the value of GCG:

$$GCG_j = \frac{\sum X_{ij}}{N_{ij}}$$

Description:

GCG_j = Good Corporate Governance Index

n_j = total points disclosed

x_{ij} = 1 (if the indicator is disclosed), 0 (if the indicator is not disclosed).

Data Analysis

Data analysis using multiple linear regression. Multiple linear regression is a regression model that uses two or more independent variables. Multiple linear regression is used to determine the direction and range of the independent variable on the dependent variable (I. Ghozali, 2018). Before doing regression analysis, it is necessary to conduct descriptive statistical tests and classical assumption tests to find out the data used is well distributed and normal.

RESULTS AND DISCUSSION

Multiple Linear Regression Test

Hypothesis testing in this study uses multiple linear regression tests. This test is conducted to prove whether there is an influence between variables, either simultaneously (overall) or partially (each variable). This test is also used to determine how much influence the independent variable has on the dependent variable used in this study.

Statistical Test t

The t test is used to determine whether there is an influence between each independent variable or partially on the dependent variable used in a study. If the probability <0.05 then H0 is rejected, if the probability > 0.05 then H0 is accepted.

Table 2. t Statistical Test results

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1	(Constant)	-,527	,037		
	CSR (X1)	1,419	,163	,229	8,698
	CEI (X2)	,092	,002	1,112	42,255

a. Dependent Variable: Financial Performance (Y)

Source: researched

From the multiple linear regression test process, a significance value of 0.05 was obtained so that the following equation was obtained:

$$Y = (-0,0527) + 1,419 (X1) + 0,092 (X2) + e$$

Based on this equation, the following conclusions can be drawn:

1. CSR disclosure has a coefficient value of 1.419. So it can be concluded that every 1 point increase in CSR disclosure will have an impact on the increase in financial performance by 1.419 and vice versa. It can be concluded that CSR disclosure has an increasing impact of 1.419 on financial performance, assuming other independent variables are constant.
2. CEI disclosure has a coefficient value of 0.092. This shows that every 1 point increase in CEI disclosure will have an impact on the increase in financial performance by 0.092 and vice versa. It can be concluded that CEI disclosure has an upward impact of 0.092 on financial performance, assuming other independent variables are constant.

From the table 2, we can also draw another conclusion, namely the coefficient value of X1 is 1.419 with a significance value of 0.000. If the significance value <0.05 then the variable has a significant effect, while 0.000 <0.05 then the variable X1 (CSR deployment) has a significant effect. The coefficient value of X1 (1.419) indicates that the variable X1 has a positive effect of 1.419 on the financial performance of Islamic commercial banks. The next independent variable, X2 (CEI disclosure) has a coefficient value of 0.092 and a significance value of 0.000 or 0.000 <0.05. So it can be concluded that the variable X2 (CEI disclosure) has a significant positive effect on the financial performance of Islamic banks by 0.092.

Uji Statistik F

The F statistical test was conducted to determine the effect of independent variables simultaneously (overall) on the dependent variable. On the basis of decision making, if the probability <0.05 then H0 is rejected or the hypothesis is accepted. If the probability > 0.05 then H0 is accepted or the hypothesis is rejected.

Table 3. F Statistical Test Results

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5,517	2	2,758	1113,458	,000 ^b
	Residual	,102	41	,002		
	Total	5,618	43			

a, a. Dependent Variable: Financial Performance (Y)

b, b. Predictors: (Constant), CEI, CSR

Source: researched

From the table 3, it can be seen that the F value is 1113.458 with a significance value of 0.000. The significance value of $0.000 < 0.05$, it can be concluded that the variables X1 and X2 simultaneously or simultaneously have a significant effect with a positive coefficient value on financial performance. So it can be concluded that H0 is rejected and the hypothesis is accepted.

Test Coefficient of Determination (R Square)

The R Square test is used to determine how much the percentage of the influence of the independent variable on the dependent variable.

Table 4. R Square Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,991 ^a	,982	,981	,04977

a. Predictors: (Constant), CEI, CSR

Source: researched

From the table 4, it can be seen that the R Square value is 0.982 or 98%. This means that the level of influence of CSR and CEI disclosure on financial performance is 98.2%. While 1.8% is influenced by other variables outside the independent variables used in this study.

Moderating Regression Analysis

This modersi regression analysis is carried out to determine whether the moderation variable can increase the influence of the independent variable on the dependent variable.

Table 5. Moderation Regression Test Results

Model Summary				
Model	R	R square	Adjusted R square	Std. Error of the Estimate
1	,994 ^a	,989	,987	,04057

a. Predictors: (Constant), Moderate2, Moderate1, CSR, CEI

Source: researched

Based on the data above, it can be seen that GCG disclosure can increase the effect of CSR and CEI on the financial performance of Islamic commercial banks in Asia. Although not in a large range of 0.007, it is greater when compared to the R Square value before moderation.

However, it can prove that the disclosure of GCG causes an increase in the effect of CSR and CEI on the financial performance of Islamic commercial banks in Asia.

RESULT AND DISCUSSION

1. CSR disclosure affects the financial performance of Islamic commercial banks in Asia

Based on the results of the tests conducted, CSR disclosure has a significant effect with a positive direction on financial performance. This is in line with research conducted by Khairany (2018) that CSR disclosure affects financial performance. This opinion is also supported by research conducted by Kelana & Ramdany (2019); Mardiyah (2020); Rahayu (2020). However, this is contrary to the results of research conducted by Fitriya & Setyorini (2019); Zuliana (2019) which concluded that CSR disclosure has no effect on financial performance. Meanwhile, research conducted by Ananda & Erinos NR (2020) shows that CSR disclosure has a negative effect on the financial performance of Islamic banks.

From the test results obtained, the higher the value of CSR disclosure in Islamic commercial banks, the higher the financial performance and vice versa. So it can be illustrated that the more information about CSR disclosed by Islamic banks, the more it will attract the attention of investors or customers, which in turn can cause growth in the value of the bank's financial performance.

Looking at the condition of the annual report of each Islamic bank, there are various forms of CSR information disclosure. Some change every year and some remain the same, such as Al-Baraka, Bank Islamic Brunei Darussalam, Qatar Islamic Bank, Maybank Islamic, Jordan Islamic Bank, Meezan Bank, and Amanah Bank. The bank also has a constant ROA value, so it can be concluded that with no change in the CSR disclosure points of Islamic banks there is also no change in their financial performance. Unlike the case with Muamalat Bank, Abu Dhabi Islamic Bank, Al-Rajhi and Maldives Islamic Bank which have changes in the disclosure of CSR information in each year.

2. CEI disclosure affects the financial performance of Islamic commercial banks in Asia

The test results that have been carried out previously show that CEI disclosure partially has a significant positive effect on financial performance. This is in line with research conducted by Hanafi (2021) and supported by Khairany (2018); Fitria & Sulhani (2021); Zaki et al., (2014). This contradicts the research of Sumiyati & Vehtasvili (2021) which states that CEI disclosure has no effect on financial performance.

Based on the test results, CEI disclosure has a positive effect on financial performance. This shows that the higher the CEI disclosure value of Islamic banks, the higher the financial performance will be. It can be concluded that if Islamic banks increase their identity disclosure (CEI) as a differentiator from other banks, it can cause an increase in the value of public attention or customers and investors to Islamic banks. So that this can help banks to increase the value of their financial performance.

Looking at the ROA (financial performance) value of several banks that have no change or are constant every year, they also have the same CEI information disclosure points, in other words, banks do not make changes or add information related to CEI, one of which is Amanah Bank. In contrast to other banks that have different amounts of CEI information disclosed each year also have different ROA values, one of which has a difference in value is Bank Muamalat Indonesia.

3. CSR disclosure and CEI simultaneously affect the financial performance of Islamic commercial banks in Asia.

The test results above illustrate that CSR and CEI disclosure simultaneously or simultaneously have a significant positive effect on financial performance. In the research conducted by Khairany (2018) no mention was made of the simultaneous test results of the two variables. However, Khairany's research (2018) states that CSR and CEI disclosures have a partial positive effect on financial performance. Therefore, in this study it is mentioned to emphasize the effect of CSR and CEI disclosure on financial performance.

Based on the test results, it can be concluded that the more points of disclosure of CSR and CEI information in the annual report of Islamic banks will cause an increase in the value of the financial performance of the Islamic bank. Because the amount of information disclosed can help the public to get to know Islamic banks better. Because of course it will be a basic reference in determining public decisions or investors and customers.

As mentioned earlier, the difference in the amount of disclosure of CSR and CEI information in Islamic commercial banks in Asia has two types of disclosure. Some decide to remain consistent every year on CSR and CEI disclosure points where the value of the bank's financial performance is also consistent every year or in other words there is no change. Others decide to make changes, either reducing or adding CSR and CEI disclosure points in the bank's annual report, causing the value of financial performance (ROA) to also change.

4. GCG disclosure strengthens the relationship between CSR and CEI disclosure and financial performance of Islamic commercial banks in Asia.

The test results above illustrate that GCG as a moderating variable can strengthen or improve the relationship between CSR disclosure and CEI with financial performance. This is in line with research conducted by Hastuti & R. Bambang B (2020). Meanwhile, Karina & Setiadi (2020) states that GCG as a moderating variable can weaken the relationship between CSR and firm value. Permatasari & Widianingsih (2020) states that GCG cannot moderate the effect of CSR disclosure on financial performance. This is in line with research conducted by Ardila (2018).

From the tests conducted above, it illustrates that the disclosure of GCG information can strengthen the relationship between CSR and CEI on the financial performance of Islamic commercial banks in Asia. So that with this, the higher the value of GCG disclosure of Islamic banks, the higher the relationship between CSR and CEI disclosure and the financial performance of Islamic banks. Therefore, Islamic banks need to increase the disclosure of GCG information, because it will help external parties to get to know Islamic banks better and increase the trust value of Islamic banks.

The condition of GCG disclosure of Islamic commercial banks in Asia is similar to the condition of CSR and CEI disclosure. There are some banks that decide to make changes to the disclosure of GCG information, either increasing or decreasing the amount of GCG information disclosure. While others decide to stay in a constant position, not to make any changes in the number of GCG disclosures of Islamic banks.

CONCLUSION

This study aims to provide heuristic evidence regarding, the effect of CSR (Corporate

Social Responsibility) disclosure, and CEI (Corporate Ethical Identity) on the financial performance of Islamic commercial banks in Asia and GCG can increase the effect of CSR and CEI on the financial performance of Islamic commercial banks in Asia. After testing and analysis, the following conclusions were obtained:

1. Disclosure of CSR information can affect the financial performance of Islamic banks. So the more CSR information disclosed will cause the value of financial performance will also increase.
2. Disclosure of CEI information can affect the financial performance of Islamic banks. If Islamic banks disclose more CEI information, the financial performance of Islamic banks will also be higher.
3. Disclosure of CSR and CEI information can simultaneously affect the financial performance of Islamic banks. So it can be concluded that the more CSR and CEI information disclosed by Islamic banks, the more the financial performance of Islamic banks will increase.
4. GCG disclosure can strengthen or increase the influence of CSR and CEI on the financial performance of Islamic commercial banks in Asia.

Based on the above conclusions, it is expected to provide information to Islamic banks regarding the impact of CSR, CEI and GCC information disclosure on financial performance. So that this is expected to help Islamic banks to make decisions in the future. In addition, this research is far from perfect and is still limited to several variables used in research with the sample as mentioned above. So that with this it is hoped that this research can be further refined by future researchers by expanding the sample and adding variables that might affect the results of further research.

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