

Disclosure of Islamic Social Responsibility Index of Islamic Banking in Indonesia

Nur Indah Riwijanti*, Kartika D.S. Susilowati, Bakhrudin Bakhrudin

Accounting Department
 State Polytechnic Malang
 Malang, Indonesia

*nur.indah@polinema.ac.id

Abstract—The aim of this study is to examine the disclosure of Islamic Banking's social responsibility on the basis of the Islamic Social Responsibility Index for 2014-2018 based on 13 Islamic banks as samples. This study applied the criteria developed by Othman; which is based on some aspects include funding and investment, product and services, employee, social community, environment and good corporate governance. The higher the index shows higher level of social awareness. The result shows that Analysis of the 5 years ISR rankings revealed that the Bank Muamalat's ISR index stood at the highest level of 86,84%, followed by 86,21% by Bank Syariah Mandiri, 81,43% by BNI Syariah; while Bank Victoria Syariah is 60 per cent at the lowest disclosure rate.

Keywords: *Islamic Social Responsibility Index, Islamic banks*

I. INTRODUCTION

According to an Islamic view, responsibility should not only to the stakeholders, but also to Allah SWT as the founder of human beings. Social responsibility which include sharia aspects was originally conceived by Haniffa, called the ISR index, and that concept is continuing to grow [1]. This index is commonly used by scholars, including Sharia financial institutions and other institutions which use Sharia values in calculating corporate social responsibility. The Islamic Banking Act No. 21 of 2008 stipulates that Islamic Banking as banks and as other companies shall exercise social responsibility.

In order to establish the component requirements of AAOIFI, the ISR index is an application of Islamic banking transparency. Haniffa provided the earliest basic foundation of the ISR to ensure the incorporation of social aspects of studies on the functioning of Islamic financial institutions from an Islamic viewpoint [1]. This is because it follows a conventional approach which overrides elements of sharia and theology. The CSR declaration has drawbacks from a modern point of view. Therefore, it should be included in this social coverage focused on this ISR. The ISR definition initially covers five themes, including finance, expenditure, products and services, workers, population as well as the environment, which have a total of twelve sub-themes (items) revealed as technical details of the calculated indicators [1]. In addition, it was created by incorporating a corporate governance element to hit 43 disclosures [2].

Every concept of the ISR has its own meaning and function [3]. First, there is the question of wealth and financial financing to ensure that practices do not violate Islamic principles which include usury, gharar and maysir. This subject is based on the verses 278-279 of Al-Quran Surah Al-Baqarah, which forbid usury. Furthermore, the concept of products and services to show the duty of the organization that Islamic banks are not manufacturing illicit products and services. Therefore, not all businesses that collect funding from the banks manufacture illegal goods / services such as beer, swines, gambling, forbidden movies, firearms, etc. Second, the workers' issues are disclosed in order to ensure that the bank works with its employees in equal terms of wages, the work environment, working hours per day, annual leave, welfare and health, policy on time and place of worship, recruitment, education and career opportunities for women and men; Fourthly, the social issue highlights the importance of care for people in the form of non-profit sharing of alms, funds and finance (*Qardhul Hashan*) [1]. Banks are expected to help grow the economy and address social problems such as financial literacy, employment, healthcare, etc. [4]. The Qur'an al Baqarah verse 271 is based on this argument that good deeds should be secret. Fifthly, environmental issues are identified in order to ensure that banks do not damage or place ecosystem at risk. Therefore, activities which have been achieved in regards to environmental protection cannot be disclosed. The basis is Al Quran surah Al Baqarah verse 2 which states that human hands cause damage to the environment. The sixth subject is the management which was demonstrated to insure, for example, that banks do not enforce good governance standards such as collusion, bribery, corruption and other law-violating activities. Al Qur'an Surah Al Baqarah verse two has already stated that an offense cannot be committed and that truth principles cannot be abused.

Research on ISR has been carried out by several previous researchers using only Islamic banks or companies as research objects [1-12]. The results of the study show that the level of disclosure of social responsibility of the Islamic Bank varies considerably for each country. This study would examine the information provided by the ISR for the period 2014-2018 by the Indonesian Islamic Banking.

II. RESEARCH METHODS

In this analysis, the exact circumstances of objects studied can be described using a qualitative analytical approach. Research is conducted on 13 Islamic banks registered by the Financial Service Authority (OJK) during 2014-2018. The secondary data obtained from Islamic Banking financial reports and governance reports are the main data to reveal ISR-based social responsibility. A five-year data for monitoring from 2014 and 2018, to illustrate the bank's current conditions. The research compares 13 Islamic banking activities in Indonesia. The methodology used for sampling was purposive sampling according to Islamic Banking criteria: (i) registered with the OJK in 2014-2018, and (ii) reported financial statements in 2014-2018.

The content analysis tool is applied to figure out whether the relevant material suits what is given in financial reports and governance reports. The information is gathered in order to determine the extent of ISR transparency. When the data specified in the ISR index is available, the value 1 will be given, meaning that the evaluation component has been found by the bank in this area. On the other hand, the data is given a score of 0, if no expected data is detected. The data analysis stages include: 1). Compile on each bank's official website the audited annual report and 2). Analyze these reports in accordance with the readiness and appropriateness of the information provided in the report with the ISR index, by providing a score of 1 or 0. The ISR index used is a modification of the initial concepts [1,2,7]

III. RESULTS

The results of content analysis of 13 Islamic banks presented below:

A. Funding and Investment

The theme of funding and investment in the ISR index has 6 sub-themes, namely activities that contain usury, activities that contain *gharar*, zakat, uncollectible receivable payment policies, financing projects, investment activities. The results of the funding and investment theme scoring show that Bank Muamalat Indonesia (BMI) has a fixed disclosure value of 75% from 2014 to 2018. During the 5 year reporting period, BMI revealed 5 (five) sub themes, namely activities that contain usury in the form of interest income and other non-halal activities, zakat activities, uncollectible payment policy, customer financing projects, and investment activities. Sub themes not disclosed are activities that contain *gharar*. The results of the scoring on the theme of funding and investment, Bank Bukopin Syariah obtained a disclosure value of 63% from 2014 to 2017 then increased to 66% in 2018. Bank Bukopin revealed usury activities obtained from income and interest expenses but did not show a percentage of the report finance. As for activities containing *gharar* not disclosed in the report. Based on the results of the assessment of funding and investment themes in Bank Syariah Mandiri (BSM), a score of 66% began from 2014 to 2018. From the 6 (six) sub themes, BSM only revealed 5 (five) themes, namely activities containing usury without shows the percentage of profit, zakat, financing problems, financing projects, and investment

activities. Sub themes not disclosed are activities that contain *gharar*. The results of the assessment of funding and investment themes at the National Bank of Indonesia Sharia (BNIS) were 63% during the 2014-2018 reporting period. BNIS revealed 5 (five) sub themes of 6 (six) sub-themes, namely activities containing usury, zakat, uncollectible financing policies, project financing, and investment. While activities containing *gharar* were not disclosed in a report by BNIS.

The results of the assessment of the theme of funding and investment in Bank Rakyat Indonesia Syariah (BRIS) were 63% during the 2014-2018 reporting period. This shows that BRIS only revealed 5 (five) sub-themes from 6 (six) sub themes. Sub themes revealed are activities that contain usury, zakat, problem financing policies, financing projects and investment activities. The activities containing *gharar* were not disclosed by BRIS.

The results of the disclosure of funding and investment themes in Maybank Syariah were 47% for 2014-2015 then increased to 54% in 2016 and again increased to 57% in 2017 and 2018. In 2014 and 2015, Maybank only revealed 4 (four) sub themes are activities that contain usury, project financing, and investment. Before 2016, Maybank Syariah still conducted conventional activities in its operations so that it did not disclose zakat in its report. Disclosure of new zakat is carried out in 2016 without mentioning who the recipients of the zakat are. Mustahiq zakat was only disclosed in a 2017 report. During the research period, Maybank Syariah did not disclose the fines incurred due to problematic financing. In addition, Maybank Syariah also does not disclose activities that contain *gharar* both types of activities and a percentage of profit. With an assessment of 47% in 2014 and 2015, Maybank has an uninformative title. Whereas for 2016 amounted to 54% and 57% for 2017 and 2018, then Maybank Syariah received a less informative title.

The results of the scoring of funding and investment themes in the Central Bank Syariah Asia (BCAS) were 52% for 2014 and then increased to 63% in the period 2015 to 2018. In 2014, BCAS only revealed 4 (four) themes and revealed 5 (five) themes from 2015 to 2018. Themes not disclosed in 2014 are activities that contain *gharar* and problem receivable policies. Whereas in 2015 to 2018, BCAS began to reveal sub-themes of problem receivable policy covering payment policies and payment penalties. The fines obtained from this doubtful account will be used entirely for corporate social funds and will be disclosed in the Sources and Use of Virtue Funds Report. With an index of 52% for 2014 and 63% for 2015 to 2018, the level of disclosure of funding and investment themes in BCAS is less informative.

Based on the results of the assessment of funding and investment themes, Bank Victoria Syariah obtained a percentage of 52% for 2014 to 2017 and increased to 61% in 2018. In 2014 to 2017, Bank Victoria Syariah only revealed 4 (four) themes, namely activities containing usury, zakat, project financing, and investment. Whereas the problematic accounts receivable sub-theme was only disclosed in 2018 and the activity sub-theme containing *gharar* was not disclosed at all during the 5 (five) research periods. With an assessment of 52% in 2014-2017 and 61% in 2018, Bank Victoria Syariah

received a less informative predicate for disclosure of funding and investment themes.

Based on the results of the scoring of funding and investment themes, Bank Jabar Banten Syariah (BJBS) obtained a percentage of 52% for 2014 - 2017 and 63% for 2018. In 2014 to 2017, BJBS only revealed 4 (four) themes, namely activities containing usury obtained from the calculation of interest expense on employee benefits, zakat whose management is submitted to LAZNAS, project financing and investment. Whereas the problematic receivables sub-theme policy was only disclosed in 2018, covering the policy and payment penalty. However, BJBS did not disclose *gharar*-containing activities in the report period of 2014 to 2018. With a disclosure value of 52% for 2014-2017 and 62% for 2018, BJBS received a less informative title on the theme of funding and investment.

The results of the funding and investment theme scoring at Bank Mega Syariah (BMS) were 52% for 2014 and 2015 then increased to 63% for 2016 to 2018. The increase in percentage was due to BMS starting to reveal the uncollectible accounts sub-theme policy that was not disclosed in the previous report. Usury activities carried out by BMS include interest expenses that arise from the calculation of employee expenses (benefits) as well as non-halal funds obtained from fines. BMS also collects and distributes zakat whose management is submitted to LAZISNU and then disclosed in the Source and Use ZIS Report. Based on the results of the assessment, BMS obtained a less informative title for disclosure of funding and investment themes.

Based on the results of the assessment of funding and investment themes, Bank Panin Dubai Syariah (BPDS) consistently obtained a score of 57% from 2014 to 2018. BPDS revealed 5 (five) sub-themes out of 6 (six) sub-themes namely activities that contain usury, zakat, policies uncollectible accounts and investment activities. Usury activities carried out by BPDS include interest expense on the calculation of employee expenses (benefits) and non-halal funds. However, BPDS does not disclose not accounting for non-halal funds in 2018. In addition, there are also differences in the management of zakat on BPDS disclosed in the Source and Use of ZIS Funds Report in the 2014 to 2018 reports. In 2014 zakat was managed entirely by the company and used for social activities. In 2015 and 2016, the management of the company's zakat was partly managed by itself and partly handed over to the national zakat institution and starting in 2017 the management of zakat was fully left to the independent zakat institution. In addition, the BPDS does not disclose the presence or absence of fines for problem loans and DPS opinions related to this matter. With an assessment index of 57% from 2014 to 2018, the level of disclosure of funding and investment themes to BPDS is less informative.

Overall, the sub-themes that were widely disclosed were activities containing usury, zakat activities, problematic receivable policies, project financing, and investment activities. While the sub themes that are not disclosed by all banks are activities that contain *gharar*.

B. Product and Services

The assessment of product and service themes includes 4 (four) sub themes, namely the halal status of the product, product development, service improvement, and handling customer complaints. The following are the results of the analysis of the disclosure of product and service themes on Islamic Banks in Indonesia:

Based on the results of the scoring of funding and investment themes in BMI that is 100% during the 2014 to 2018 report, it shows that BMI has revealed 4 (four) sub themes as a whole. The *halal* of the product is seen from the DPS opinion which states that all bank operational activities are in accordance with Islamic law. Responsibilities to customers include complaint services, complaint handling, fines for violators, as well as customer satisfaction surveys that are carried out routinely every year. This customer service can be accessed via email, twitter, or contact customer service directly through the call center service. In addition, BMI also has a Customer Complaints Handling Application (APPN) with a core banking system that enables officers to service complaints coming from customers. The scoring results of product and service themes at Bukopin Syariah Bank (BSB) were 81% for 2014 and 2015 which then increased to 88% for 2016-2018. The customer complaint service can be accessed via email and telephone to directly connect with customer service. In addition, BSB also continues to make efforts to improve services by training employees to improve work ethic and customer satisfaction. However, BSB does not conduct customer satisfaction surveys for services that have been provided. Based on the results of the assessment of product and service themes, BSM consistently obtained a score of 100% by disclosing 4 (four) sub themes as a whole. Referring to the determination of DPS opinion, all products and services offered by BSM are in accordance with Islamic Sharia. The DPS's opinion can be in the DPS Supervision Report which is disclosed in the Corporate Governance Report. Whereas information about products and services and handling customer complaints is given in a separate chapter. The assessment of product and service themes shows that BNIS obtained a score of 88% for 2014 and 94% for 2015 to 2018. BNIS has revealed 4 (four) sub themes but has not yet revealed the complete customer complaint handling sub-theme. An undisclosed component of customer complaint handling is the penalty for handling customer complaints. Whereas the customer satisfaction survey began in 2015. This difference in disclosure has led to an increase in the assessment index of this theme at BNIS. Based on the results of the assessment of product and service themes it is known that BRIS obtained a score of 75% for 2014 and 94% for the years after that. BRIS revealed 3 (three) sub-theme assessments in 2014 and did not disclose the handling of customer complaints in the annual report. BRIS only revealed the halal status of products, product development and service improvement for customers. Therefore, BRIS only obtained a score of 75% with an informative title.

Based on the results of the assessment of product and service themes it is known that Maybank Syariah obtained a value of 81% for the years 2014 to 2018. Maybank Syariah did not disclose the sub-theme handling complaints to customers as a whole. Maybank Syariah only reports how to handle

incoming reports from customers, namely through the call center, e-mail, or the company's social media. As for the number of complaints received, fines for handling, as well as customer satisfaction surveys are not disclosed in the report.

Based on the results of the assessment of product and service themes, Bank BCA Syariah obtained a score of 75% for 2014-2015 and increased to 94% in 2017-2018. This increase was due to additional disclosures regarding customer complaint services in 2017-2018. Complaint services disclosed include the number of complaints received, the handling of the complaint, as well as fines for handling the complaint. Obtained from the annual BCAS report, the number of complaints every year is very volatile, but can always be resolved with an ever-increasing level of resolution. BCAS has also made many additional CSR programs specifically for consumers as a form of service commitment to customers. One of the programs is the procurement of lucky draws for certain products or services for lucky customers. With a 75% assessment, the predicate for disclosure of BCAS in 2014-2015 is informative. Whereas the predicate of disclosure with a value of 94% in 2017 and 2018 is very informative.

Based on the scoring results of product and service themes, Bank Victoria scored 75% for 2014 - 2017 and increased to 83% for 20. Based on the results of the ISR index assessment of product and service themes, Bank Mega Syariah got a score of 88% for the 2014-2017 period and then increased to 94% in 2018. During the five years of reporting, BMS has revealed 4 (four) product disclosure sub-themes and services, namely product halal status, service improvement, product development, and customer complaint services which include the number of complaints and handling carried out as well as fines for handling that were only disclosed in 2018. In 2017, the number of complaints that came to Bank Mega Syariah was zero. This shows that BMS has provided excellent service and indirectly reflects the excellent employee performance so as to obtain a high level of customer satisfaction. However, BMS does not directly conduct customer satisfaction surveys on services provided by Bank Mega Syariah. With the results of the 2014-2018 assessment, BMS obtained the title of very informative disclosure.

The results of the ISR index assessment of BPDS product and service themes are 75% for 2014 and 94% for 2015-2018. In 2014, BPDS revealed 3 (three) sub-themes, namely the halal status of products and services, as well as service improvement to customers. The sub-theme not disclosed this year is service for customer complaints. In its annual report, BPDS does not include the number of customer procurement and settlement and the customer service provided. With a value of 75%, the 2014 BPDS disclosure predicate for product and service themes is informative. The increase in the level of disclosure of product and service themes is due to the start of disclosure related to customer complaint services, including the number of complaints and complaint handling from 2015 to 2018. The complaints and settlement process is done through the BPDS call center. The number of complaints coming in varies from year to year, but certainly the level of complaint resolution continues to increase. Based on an assessment score of 94% in 2015-2018, BPDS obtained the title of very informative disclosure for the theme of products and services. Overall, the

level of disclosure of product and service themes is informative. Almost all Islamic banks revealed 4 (four) sub themes in total.

C. Employee

Disclosure of employee themes consists of 9 (nine) sub themes including employee characteristics, education and training, equal opportunities, K3 policy, work environment, special recruitment, worship opportunities, religious activities, and adequate places of worship. The following is an analysis of employee themes.

Based on the results of the employee theme scoring shows that Bank Muamalat Indonesia obtained a value of 97% in 2014-2017 which then increased to 100% in 2018. BMI has revealed 9 (nine) sub themes, but did not disclose the number of hours worked and holidays employees included in the sub-theme of employee characteristics. This was only revealed in the 2018 report, which caused the percentage of assessments to increase that year. The number of employees owned by BMI fluctuates according to the number of company needs. As stated in the report starting in 2016, BMI has decreased the number of employees with the aim of minimizing employee turnover. The results of the employee theme scoring at Bank Bukopin were 72% in 2014 which then became 83% in the years that followed. In order to improve the quality and professionalism of human resources, Bank Bukopin has several stages of development. It starts from the recruitment process of employees, the process of increasing employee competency through competencies development programs, followed by management development programs, then continued with career guidance programs or career paths, performance appraisal, as well as the provision of reward and punishment in return for employee rewards. In addition to the implementation of these programs, Bank Bukopin also provides remuneration and benefits in accordance with the work capacity of employees. The remuneration and benefits system refers to the concept of pay for person and pay for performance.

In 2015, Bank Bukopin launched an internet-based application e-sdi to support employee empowerment programs that can be accessed by all employees. Bank Bukopin also regularly holds competitions for employees to improve their work ethic and run a Management Development Program to support the career development of employees. In addition, almost all employees of Bank Bukopin are dominated by S-1 graduates; who are tailored to the needs of the company. With assessment results above 80%, the level of employee theme disclosure at Bank Bukopin received a very informative predicate. The results of employee theme scoring at BSM were 86% in 2014-2017 and 89% in 2018. Overall, BSM revealed 8 (eight) sub themes and did not disclose sub

D. Social Community

Quantitative assessment of community themes in this study was carried out by evaluating 12 (twelve) disclosure sub-themes. Eleven sub-themes on Community Themes, namely donations or alms, endowments, qard hasan or benevolent loans, zakat or donations from employees, education, health assistance for economic empowerment, care for orphans, construction or renovation of mosques, youth activities, other

social activities, and sponsors of events held by community and educational institutions.

BMI as the first Islamic commercial bank in Indonesia has always been a pioneer bank that carries out its social responsibilities. Through social education programs, BMI also contributes significantly to the prosperity of the Indonesian people. BMI's social responsibilities are mapped into several fields including education, health, social society, economy and responsibilities to employees and consumers (customers).

Based on the results of the assessment of community themes, BSM achieved the value of perfect disclosure for 2014 to 2017, and declined in 2018. The reason for the decrease in percentage was that BSM did not contribute to the development of educational institutions in Indonesia. BSM programs and social responsibilities are divided into several fields such as economics, education, social and health. Some of the programs carried out by BSM are scholarships for outstanding students, free insurance for Hajj participants, material and non-material education assistance, construction and renovation of mosques, providing prayer rooms for outdoor events, and in collaboration with 6 hospitals to facilitate their medical treatment. With an assessment of above 90%, the disclosure of community themes to BSM has been very informative.

The results of the disclosure of community themes on BRIS showed 89% results for 2014 to 2017, and 56% for 2018. The percentage reduction was due to BRIS not disclosing CSR activities in detail in that year. In implementing the environmental responsibility program, BRIS refers to the company's internal regulations issued in 2011. The regulation explained that CSR is very important to increase the company's credibility in the community. BRIS divides its CSR program into several fields, including education, the environment, occupational health and safety, economy and public health, as well as responsibility to customers.

E. Environment

The assessment of environmental themes is divided into 7 (seven) sub themes, including the go green campaign, environmental conservation, policies to reduce pollution, protection of flora and fauna, improvement of public facilities, environmental audits and environmental management systems. Overall, the banks do not disclose environmental management and policies to reduce pollution. This is due to the indirect relationship between the banking business and the environment. So the level of disclosure of this theme is very low. Following are the results of the analysis of environmental themes.

The results of the environmental theme scoring in BMI were 29% for 2014 to 2016 and then increased to 43% in 2017 and 2018. However, overall BMI received an uninformative predicate for disclosure of this theme. BMI routinely builds MCK for people in rural areas who are less educated about bathroom hygiene problems. BMI also runs an environmental conservation program that includes planting mangroves, making water wells, making drinking water hydrants, and water sanitation programs. BMI has just launched a go green campaign in 2017 and specifically reported its activities in the

annual report. Internally, BMI also requires employees and staff to save electricity and water and optimize the use of e-mail in the transfer of data between employees and used paper to print the required data. The results of the assessment of environmental themes in BSM are 43% from 2014 to 2018. Sub themes that have been disclosed are the go green campaign, environmental conservation and improvement of public facilities. The environmental greening campaign is implemented by BSM through office regulations that require every employee to save electricity, water and paper. In addition, BSM also makes policies for examining risks and environmental impacts on the financing that will be provided. In addition, BSM also procures MCK for river or rural areas, procurement of garbage banks and barrels or garbage transporters, and mangrove planting activities along the coast outside Java. With the disclosure result of 44%, BSM obtained the title of not informative.

Based on the results of the environmental theme scoring, BRIS scored 29% in 2014-2015 and 43% in 2016-2017, and decreased in 2018 to 29%. The decrease in the percentage of assessments is due to the absence of disclosure of improvements to public facilities by BRIS in the report as it had been done in the previous two years. The new green campaign was conducted in 2016, so in that year the disclosure of environmental themes became higher than the previous year. The greening campaign carried out by BRIS was realized with the regulation of saving paper, electricity, and water in the company's environment. In carrying out its responsibilities to the environment, BRIS also provides assistance for the improvement and procurement of MCK in disadvantaged communities. Based on the results of the analysis, BRIS received an informative title for disclosing environmental themes.

Based on the results of the environmental theme scoring at BNIS is 29% for 201 and 2015, then increased to 43% in 2016 and 2017, and increased again in the years thereafter to 57%. Until 2015, BNIS only revealed 2 (two) sub themes, namely the go green campaign and improvement of public facilities. Whereas in the following years until 2017, disclosure increased by 1 (one) sub-theme, namely environmental conservation. This environmental conservation is realized through the movement of saving electricity, water and paper for all BNIS employees. Re-disclosure increased by 1 (one) sub-theme in 2018, namely environmental management embodied by the company by applying rules for all partner companies to attach AMDAL permits if they want to establish relations with BNIS. Based on the results of the analysis, the disclosure predicate for 2014-2017 is not informative. then in 2018, the predicate for disclosure would become less informative.

F. Good Corporate Governance

Quantitative assessment on this theme is based on 15 (fifteen) sub themes, include: organizational profile and strategy, organizational structure, implementation of duties and responsibilities of commissioners, implementation of duties and responsibilities of directors, implementation of DPS duties and responsibilities, completeness of duties and responsibilities of committees, implementation of sharia principles, handling conflicts of interest, applying compliance principles,

implementing internal audits, applying external audits, maximum distribution of funds, applying APU-PPT policies, transparency of financial and non-financial conditions, and corporate ethics. Disclosure on this theme will be discussed in the corporate governance report. The following are the results of evaluating the theme of corporate governance. Disclosure of the theme of corporate governance has been carried out very well by all Islamic banks in Indonesia. Most of the banks has reached 100% disclosure for this theme. At BMI, BSM, BCAS, BRIS, BNIS, Bukopin the level of disclosure of this theme was 100% during the study period with a very informative predicate. Whereas for Maybank Syariah and BPDS obtained 93% in 2014 and the following year was 100%. At Bank Victoria Syariah and BMS the level of disclosure of the theme of corporate governance was 93% until 2015 and 100% in the following year with a very informative predicate. In BJBS, the level of disclosure of this theme was 80% for 2014 and 2015

with a predicate quite informative, and 100% in the following year with a very informative title.

IV. DISCUSSION

The findings of the Islamic Banking review can be compared to determine how much each bank is revealed its social responsibility. The analysis reveals that all banks have an average level of ISR information of 75 percent for five years. It shows that the banking firms are very serious with reporting and revealing governance in the annual report and GCG report. Analysis of the 5 years ISR rankings revealed that the Bank Muamalat's ISR index stood at the highest level of 86,84%, followed by 86,21% by Bank Syariah Mandiri, 81,43% by BNI Syariah. While Bank Victoria Syariah is 60 per cent at the lowest disclosure rate. The following table is the overall analysis result for all Islamic banks:

TABLE I. ISLAMIC SOCIAL REPORTING INDEX OF ISLAMIC BANKING IN INDONESIA (SEQUENCE ORDER)

No	Islamic Bank	2014	2015	2016	2017	2018	Average
1	Bank Muamalat Indonesia	86.62%	86.62%	86.62%	89.13%	85.21%	86.84%
2	Bank Syariah Mandiri	86.23%	86.25%	86.25%	86.25%	86.08%	86.21%
3	BNI Syariah	78.79%	78.62%	82.40%	83.04%	84.28%	81.43%
4	BRI syariah	79.09%	80.51%	82.87%	82.87%	73.43%	79.75%
5	Bank Panin Syariah	66.68%	78.47%	78.47%	80.36%	75.49%	75.89%
6	Bank Bukopin Syariah	69.51%	71.40%	75.64%	78.79%	80.42%	75.15%
7	BCA Syariah	68.26%	70.13%	75.32%	79.74%	79.09%	74.51%
8	Bank Jabar Syariah	69.83%	64.02%	76.91%	77.85%	75.32%	72.78%
9	Bank Mega Syariah	63.70%	67.47%	76.74%	78.62%	75.32%	72.37%
10	Bank Aceh Syariah	66.26%	66.26%	71.92%	75.08%	76.23%	71.15%
11	Maybank Syariah	58.32%	59.74%	67.25%	67.62%	67.00%	63.98%
12	Victoria Syariah	53.49%	59.62%	61.98%	61.98%	64.23%	60.26%

V. CONCLUSION

This study towards ISR index of 13 Islamic banks found that Bank Muamalat reached the highest ISR index which show that the bank revealed high social responsibility, despite its financial difficulty faced for some years. The government owned banks, BSM and BNIS, had lower ISR index compared to Bank Muamalat. On average, the ISR Index reached 75 percent for five years. The social responsibility should be put on higher concern by Islamic Banks to show banks' awareness in social aspect rather than just being profit oriented institution. The higher the disclosure of social awareness, the higher potential to get customers trust.

REFERENCES

- [1] H. Ros, "Social repoting disclosure: an Islamic perspective", *Indonesia Management and Accounting Research*, vol. 1, no. 2, pp. 128-146, 2002.
- [2] O. Rohana, A.M. Thani, and E.K. Ghani, "Determinants of Islamic social reporting among top Shariah-approved companies in Bursa Malaysia." *Research Journal of International Studies*, vol. 12, no. 10, pp. 4-20, 2009.
- [3] O. Rohana and A.M. Thani, "Islamic Social reporting of listed companies in Malaysia" *International Business and Economic Research Journal*, vol. 9, no. 4, p. 135, 2010.
- [4] B. Maali, P. Casson, and C. Napier, "Socla Reporting by Islamic Banks," *ABACUS*, vol. 42, no. 2, pp. 266-289, 2006.
- [5] Y. Al-Fakhri, M. Nurunnagi, and D. Alfakhri, "A citation analysis of corporate social responsibility (1970-2014): insight from Islamic perspective," *Journal of Islamic marketing*, 2018.
- [6] S. Farook, K. Hassan, and R. Lanis, "Determinan of corporate social responsibility disclosure: the case of Islamic Banks," *Journal of Islamic Accounting and Business Research*, vol. 2, no. 2, pp. 114-141, 2011.
- [7] Gustani, "Model pelaporan kinerja social perbankan syariah: implementasi Islamic Social Reporting Index (Indeks ISR) di Indonesia," *Jurnal Akuntansi dan keuangan Islam*, vol. 1, no. 2, pp. 35-49, 2014.
- [8] A. Hassan and S.S. Harahap, "Eksplorng corporate social responsibility disclosure: the case of Islamic banks," *International Journal of Islamic and Middle Eastern Finance*, vol. 3, no. 3, pp. 203-227, 2010.
- [9] R.S. Rahayu and A.D. Cahyati, "Faktor-faktor yang mempengaruhi Corporate Social Responsibility (CSR) pada perbankan syariah," *Jurnal Riset Akuntansi dan Keuangan*, vol. 5, no. 2, pp. 74-87, 2014.
- [10] M.A. Rama, "Analisis Pengungkapan Islamic Social Reporting study Kasus Bank Umum Syariah Di Indonesia. *EQUILIBRIUM*," *Jurnal Ekonomi Syariah*, vol. 2, no. 1, pp. 84-103, 2014.
- [11] A.D. Widayati and R. Sukmana, "Difference Analysis of social performance with the Islamic social reporting (ISR) in syariah banking in Indonesia dan Malaysia," *AFEBI Islamic Finance and Economic Review*, vol. 1, no. 01, 2017.
- [12] A. Zanariyatim, A.N. Bayinah and O. Sahroni, "Pengungkapan Corporate Social Responsibility (CSR) Bank Umum Syariah berdasarkan Islamic Social Reporting Index (Indeks ISR)," *Jurnal Akuntansi dan Keuangan Islam*, vol. 4, no. 1, pp. 85-103, 2016.