

ABSTRACT

Corporate Social Responsibility (CSR) is a mandatory obligation for all companies in Indonesia. This study aims to provide empirical evidence on the relationship between social and environmental responsibility and corporate financial performance. CSR disclosure and CSR expenditure are used to represent the company's implementation of CSR obligations, while Return on Assets (ROA), Return on Equity (ROE), and Net Interest Margin (NIM) serve as proxies for financial performance.

A quantitative approach is employed in this research. The sample includes banks in Indonesia listed on the Indonesia Stock Exchange (IDX) during the 2012–2023 period. Secondary data were obtained from annual reports, sustainability reports, financial statements, and the Bloomberg database. The data were analyzed using the System Generalized Method of Moments with the assistance of Stata 17 software.

The findings reveal that CSR disclosure has a positive and significant effect on ROA and ROE. Meanwhile, CSR expenditure has a positive and significant effect on NIM. These results suggest that greater CSR disclosure leads to higher returns on assets and equity, while increased CSR spending results in a higher net interest margin.

Keywords: CSR Disclosure, CSR Expenditure, Financial Performance.