

ABSTRACT

The purpose of this study was to examine the level of social disclosure (Corporate Social Responsibility) of Islamic Banks in Indonesia and Malaysia based on Islamic Social Reporting index (ISR). Then, this research ensures determinants on the disclosure. Hypothesis testing is based on CSR disclosure in the Annual Report of Islamic Banks.

Using the stakeholder theory, theory of legitimacy and agency theory, the research examined the determinants of CSR disclosure in Islamic Banks based on Islamic principles. Samples were taken from 25 Islamic Banks in Indonesia and Malaysia for 3 years. The study design using multiple regression analysis.

The test results showed that IG-SCORE as oversight of corporate governance and IAH (Investment Account Holders) significantly with CSR disclosure of Islamic Bank. While the proportion of Muslim population does not significantly with CSR Bank Syariah caused by the difference of the predicted direction.

Keywords: Islamic Banks, Corporate Social responsibility, Islamic Social Reporting index, the proportion of the Muslim population, corporate governance, Investment Account Holders.