

ABSTRACT

There are differences of opinion among researchers regarding how the influence of company profitability on CSR disclosure and dividend payments. The aim of this study is to contribute to this conundrum by examining how the empirical profitability of firms affects CSR and dividend payouts by adding shariah compliance as moderating variables, firm age, and free cash flow as controls.

The data of this study were taken from the annual reports of Islamic commercial banks in Indonesia during 2010-2019 (N = 101) using purposive sampling. The analytical method used is regression analysis with panel data type.

The results of this study indicate that the company's profitability has a positive effect on CSR but has no effect on dividend payments. While the level of sharia compliance in this study was able to moderate the relationship between company profitability on the implementation of CSR, but did not show any moderation on the relationship between profitability and dividend payments.

Keywords: *Firm Profitability, Sharia Compliance, Islamic Social Reporting, CSR, Ethical Obligation*