THE EFFECT OF ISLAMIC CORPORATE SOCIAL RESPONSIBILITY, SHARIAH COMPLIANCE, FIRM SIZE AND SHARIASUPERVISORY BOARD ON PROFITABILITY OF SHARIA COMMERCIAL BANKS IN INDONESIA

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Abstact: The purpose of this study was to find out and analyze the influence of Islamic corporate social responsibility, shariah compliance, Firm size and the shariah supervisory board partially and simultaneously on the profitability of sharia commercial banks in Indonesia. The population of this research is as many as 13 sharia commercial banks in Indonesia with 2011 to 2017 observation years. Samples were selected using saturated sample method. Data is processed using panel data regression statistical test methods. The results of this study prove that Islamic corporate social responsibility, Islamic income ratio and Firm size partially have a positive and significant effect on profitability at Islamic commercial banks in Indonesia. While the profit sharing ratio, zakat performance ratio and sharia supervisory board have a positive and not significant effect on profitability in sharia commercial banks in Indonesia. Simultaneously Islamic corporate social responsibility, Islamic income ratio, profit sharing ratio, zakat performance ratio, Firm size and sharia supervisory board have a significant effect on profitability in Islamic commercial banks in Indonesia.

Keyword: Islamic corporate social responsibility, Islamic income ratio, profit sharing ratio, zakat performance ratio, Firm size, sharia supervisory board, profitability

1. INTRODUCTION

The development of Islamic banking institutions has increased since the issuance of Law No. 7 of 1992 concerning banking. In 1992, there were only 1 Sharia Commercial Bank operating in Indonesia, namely Bank Muamalat Indonesia and 9 Sharia Rural Banks. Then in 2008 the government succeeded in making a new regulation governing Islamic banking namely Law No. 21 of 2008. After the issuance of this regulation, the development of Islamic bank institutions has increased from year to year. This is evidenced by the increase in the number of Islamic banking in 2017 to 13 Sharia Commercial Banks, 21 Sharia Business Units, and 167 Islamic People's Financing Banks.

With the progress of its impressive development, which has achieved an average asset growth of more than 65% per year in the last five years, it is expected that the role of the Islamic banking industry in supporting the national economy will be increasingly significant. Asset growth shows that Islamic Commercial Banks in Indonesia are growing rapidly. However, the controversy is that there is a phenomenon that Sharia Commercial Banks have lower ROA values than Conventional Commercial Banks.

From previous studies there were differences in research results. In addition to the differences in the results of previous research, there were other problems. This can be seen in the following table 1.1.

Table 1.1 Value of Islamic Corporate Social Responsibility (ICSR), Islamic Income Ratio (IsIR), Profit Sharing Ratio (PSR), Zakat Performance Ratio (ZPR), Firm Size and Sharia Supervisory Board (SSB)

Years	ICSR %	IsIR %	PSR %	ZPR %	*Size* %	SSB %	ROA %
2013	0,52	0,99	0,29	0,001	15,63	0,64	2,00
2014	0,55	0,98	0,32	0,005	15,44	0,62	0,80
2015	0,55	0,97	0,34	0,004	15,50	0,66	1,15
2016	0,57	0,99	0,36	0,006	15,61	0,57	1,20
2017	0,57	0,99	0,36	0,006	15,71	0,72	1,55

Source: 2017 Financial Services Authority

Based on the table above, the value of Islamic corporate social responsibility (ICSR), Islamic income ratio (IsIR), profit sharing ratio (PSR), zakat performance ratio (ZPR), Firm size, and Sharia Supervisory Board fluctuate from year to year. In Sharia Commercial Banks it is hoped that if Islamic corporate social responsibility (ICSR) increases, ROA will also increase. Table 1.1 shows that Islamic corporate social responsibility (ICSR) has increased from 2013 to 2014 by 0.52% to 0.55%. However, ROA decreased from 2013 by 2.00% to 0.80% in 2014. In Islamic Commercial Banks it is expected that if the Islamic Income ratio (IsIR) increases, ROA also increases. Table 1.1 shows that the Islamic Income ratio (IsIR) in 2014 was 0.98%, down to 0.97% in 2015. However, the value of ROA increased from 2014 by 0.80% to 1.15% in in 2015. The same thing also happened to the value of profit sharing ratio (PSR) and zakat performance ratio (ZPR). If the profit sharing ratio (PSR) and zakat performance ratio (ZPR) increase, ROA also increases. In 2013 and 2014 the value of the profit sharing ratio (PSR) increased from 0.29% to 0.32% and the zakat performance ratio (ZPR) of 0.001% to 0.005%. Meanwhile, the value of ROA decreased from 2.00% in 2013 to 0.80% in 2014. For the Sharia Supervisory Board (SSB) it has a positive effect on ROA where if SSB increases, ROA also increases. In table 1.1 shows that in 2015 the SSB value was 0.66% and decreased to 0.57% in 2016. However, the value of ROA has increased from 2015 by 1.15% to 1.20% in 2016. Based on this, a study entitled "The Effect Of Islamic Corporate Social Responsibility, Shariah Compliance, Firm Size And Sharia Supervisory Board On Profitability Of Sharia Commercial Banks In Indonesia".

2. LITERATURE REVIEW

2.1 Stakeholder Theory

Stakeholder theory says that a Firm is not an entity that only operates for its own interests, but must provide benefits to stakeholders (shareholders, creditors, consumers, suppliers, government, society, analysts and other parties). Thus the existence of a Firm is strongly influenced by the support provided by stakeholders to the Firm (Choriri, 2007). Stakeholder theory in this study is used to explain corporate social responsibility where disclosure of corporate social responsibility (CSR) has a positive impact on the growth of profitability of Islamic banks if Islamic banks express their social responsibility to stakeholders. This will increase stakeholder trust in Islamic banking services. From this, loyalty will emerge from the community towards Islamic banks and the use of services in Islamic banks will increase through consideration of the assessment of reports on disclosure of social responsibility (Maria, 2015).

2.2 Stewardship Theory

In the theory of stewardship, managers will behave according to common interests. When the steward and owner's interests are not the same, the steward will try to cooperate rather than oppose it. Stewardship theory has the roots of psychology and sociology that are designed to explain situations where managers are stewards and act in the interests of the owner (Donaldson & Davis, 1991). Stewardship Theory in this study is used to explain the Islamic income ratio and profit sharing ratio. Islamic income ratios sourced from bank operations in a halal way can eliminate people's doubts, so that it will influence the depositor's decision to choose or continue to save in Islamic banks. If the Islamic income ratio increases, the profitability of Islamic banks will also increase (Hasanah, 2015). Profit sharing ratio is a ratio that is assessed from the financing made by Islamic banks. When financing the profit sharing carried out in accordance with the contract provisions and there is no fraud. Then the level of profit sharing shared will also be appropriate. If financing is good, the profitability of Islamic banks will also increase from the profit sharing system. The higher the level of profit sharing, the more people will channel funds to Islamic banks (Meilani et al, 2016).

2.3 Syariah Enterprise Theory

Sharia Enterprise Theory (SET) not only cares about individual interests (in this case shareholders), but also other parties. Therefore, Syariah Enterprise Theory has a great concern for stakeholders. According to Sharia Enterprise Theory, stakeholders include Allah, humans, and nature (Endah, Andraeny, & Rahmayati, 2015). In this research shariah enterprise theory is used to explain the effect of the variable zakat performance ratio on profitability in Islamic banks. The implication, namely where Islamic banks in carrying out their operations there are fulfillment of spiritual aspects, namely zakat performance ratio as a form of servitude to obtain the pleasure of Allah and to bring mercy to all the contents of nature. For the performance of zakat distribution, if the higher or increasing wealth owned by Islamic banks, the zakat issued by banks will also increase. Through increasing the wealth of Islamic banks, this will affect the profitability of Islamic banks (Endah et al., 2015).

2.4 Profitability

Profitability shows the Firm's ability to generate profits (Syahyunan, 2015). Health and sustainability of bank profitability are vital in maintaining banking system stability (Idris et al., 2011). Therefore, to improve performance, banks must maximize profits, reduce operational costs, and manage risk. The study of profitability is an important tool in improving performance, evaluating bank operations and determining management plans to help increase the chances of banks surviving in competitive markets. Furthermore, the study of the profitability of Islamic banking is very important as a guide to improving the economy because banks contribute to economic growth and stability (Muda, Shaharuddin, & Embaya, 2013). The level of profitability in this study is measured using financial ratios of return on assets (ROA) because ROA focuses more on the Firm's ability to obtain earnings in the overall operations of the Firm.

2.5 Islamic Corporate Social Responsibility

Islamic Corporate Social Responsibility (ICSR) is an Islamic Corporate Social Responsibility concept developed from conventional Corporate Social Responsibility. Related to the need for disclosure of social responsibility in Islamic banking. Some Islamic economics experts began to form a form of reporting on the social performance of sharia business institutions. This is because the CSR reporting of sharia companies uses conventional CSR reporting standards that do not include Islamic principles. Then the index used in the disclosure of CSR is the Islamic Social Reporting (ISR). The Islamic Social Reporting (ISR) index can be grouped into five disclosure themes namely investment and financial themes, products and services, labor, social and environment. The use of this ISR index is intended for reporting social aspects in the activities of Islamic financial institutions in Islamic perspective as an alternative to minimize weaknesses in practice in Islamic financial institutions (Haniffa, 2002).

2.6 Shariah Compliance

Islamic banks are banks that carry out their business activities based on sharia principles (Yaya, 2014: 166). Fulfillment of sharia values (sharia compliance) is one of the fundamental aspects that distinguishes conventional Islamic banking (Maradita, 2014: 202). Shariah compliance can be measured quantitatively. In this study shariah compliance is measured by ratios based on sharia principles, namely Islamic income ratio, profit sharing ratio and zakat performance ratio. Islamic income ratio is income derived from activities and investments that are in accordance with sharia principles. Sharia principles prohibit transactions involving usury, gharar, gambling and other illicit matters and require transactions that are halal (Khasanah, 2016). Profit sharing ratio is a ratio that is assessed from the financing made by Islamic banks. Zakat performance ratio issued by Islamic banks comes from net income before it is distributed to shareholders or retained earnings. The distribution of zakat from Islamic banks makes people know how much zakat is distributed.

2.7 Firm Size

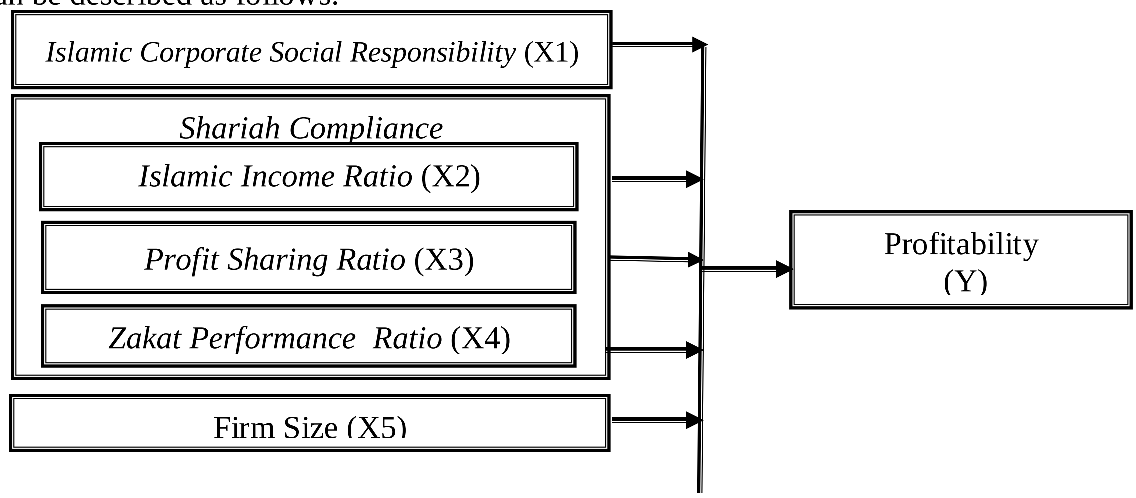
Firm size is associated with an economies of scale concept. In economic theory, if an industry is the subject of economies of scale, large institutions will be more efficient so that they can produce product services with lower costs, and vice versa. Large banks are assumed to enjoy economies of scale, they are able to produce their outputs or services that are cheaper and more efficient than small banks (Haron, 2004). In general, the greater the size of the bank, the greater the profitability. This is due to the large size of the bank that allows results in economies of scale that will reduce the costs of gathering and processing information (Abduh & Yameen, 2013). This is because large companies that have large resources to conduct broader disclosures and are able to finance the provision of information for internal purposes. This information is also a material for the purposes of disclosure of information to external parties such as investors and creditors so that it does not require a large additional cost to make wider disclosures. Thus, large companies have lower information costs than small companies.

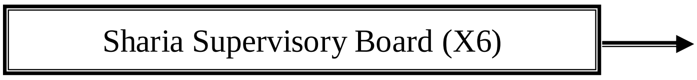
2.8 Sharia Supervisory Board

The Sharia Supervisory Board is a body authorized to supervise and closely observe the activities of sharia financial institutions so that the institution always follows the rules and principles of sharia. The Sharia Supervisory Board (SSB) consists of sharia experts who oversee the activities and operations of financial institutions to ensure compliance with sharia principles. SSB is domiciled at the head office and is obliged to directly see the implementation of a sharia financial institution so as not to deviate from the provisions that have been declared by the National Sharia Council (DSN). The DSN is part of the MUI which consists of scholars, practitioners and experts in fields related to the economy and sharia which are tasked with developing the application of Islamic values.

3. CONCEPTUAL FRAMEWORK AND HYPOTHESIS

This study measures Islamic corporate social responsibility, shariah compliance, Firm size and Sharia Supervisory Board on profitability in Islamic banks through financial reports and annual reports published to the public. The indicator used in measuring shariah compliance is the Islamic Performance Index consisting of Islamic income ratio, profit sharing ratio and zakat performance ratio (Hameed, et. Al. 2004). The choice of Islamic income ratio, profit sharing ratio and zakat performance ratio was chosen as an indicator to measure sharia compliance because these three indicators can be traced in the financial statements of Islamic banks. Islamic corporate social responsibility and the Sharia Supervisory Board are important for Islamic banks as information tools for stakeholders in the implementation of bank operations. Firm size is a characteristic that is no less important. The larger the size of the Firm the greater the profitability. Based on the description that has been explained, then the research concept is compiled which is a logical relationship from the theoretical foundation and empirical studies which can be described as follows:





Picture 3.1. Conceptual Framework

Based on the conceptual framework, the research hypothesis is as follows:

H1: Islamic corporate social responsibility has a positive effect on profitability in Islamic Commercial Banks
H2: Islamic income ratio has a positive effect on profitability in Islamic Commercial Banks.
H3: Profit sharing ratio has a positive effect on profitability in Islamic Commercial Banks.
H4: Zakat performance ratio has a positive effect on profitability in Islamic Commercial Banks.
H5: Firm size has a positive effect on profitability in Islamic Commercial Banks
H6: Sharia Supervisory Board has a positive effect on profitability in Sharia Commercial Banks

4. RESEARCH METHODS

The type of research used in this study is associative - causal research. Associative causal research aims to analyze the relationship between one variable with another variable or how an independent variable affects the dependent variable (Sugiyono, 2016) and identify / test the causal relationship between variables (Erlina, 2011).

The population in this study is Sharia Commercial Banks in Indonesia from 2011 to 2017. The sampling technique used was saturated samples. The population in this study amounted to 13 Islamic banks with a period of 7 periods so that there were 91 observations. The data analysis method used in this study uses panel data regression analysis using the Eviews application.

Descriptive statistics are used to provide a description or description of a data that is seen from the mean, standard deviation, maximum and minimum values (Ghozali, 2013).

The classic assumption test is the assumption underlying the regression analysis with the aim of measuring associations or attachments between independent variables. There are four tests related to the classic assumption test, namely the normality test of the data, the multicollinearity test, the heteroscedasticity test and the autocorrelation test.

This study uses panel data. Panel data is a combination of time series data (time series) and cross data (cross section) (Widarjono, 2013). There are three models of approaches used to estimate panel data, namely the Common Effect, Fixed Effect, and Random Effect models. There are several tests conducted to be able to estimate panel data, namely the chow test or the likelyhood test, haustman test and lagrange multiplier test.

To do hypothesis testing is done by estimating the accuracy test to find out how much the relationship between the independent variable and the dependent variable.

Testing the hypothesis in this study using the test coefficient of determination (R2), Simultaneous Significant Test (F-Test) and Partial Significant Test (T-Test).

5. RESEARCH RESULTS AND DISCUSSION

5.1 Research Result

Based on data obtained from Firm reports that were used as samples in the study from 2011 to 2017 the descriptive statistics in this study can be shown in Table 5.1 as follows.

Table 5.1 Descriptive Statistics

Variable	N	Min	Max	Mean	Std. Deviation
Islamic Corporate Social Responsibility (X1)	91	0.00	0.77	0.501	0.201
Islamic Income Ratio (X2)	91	0.00	1.000	0.838	0.279
Profit Sharing Ratio (X3)	91	0.00	0.895	0.253	0.217
Zakat Performance Ratio (X4)	91	0.00	0.059	0.008	0.013
Firm Size (X5)	91	0.00	18.292	14.584	4.770
Sharia Supervisory Board (X6)	91	0.00	1.000	0.713	0.256
Return On Asset (Y)	91	-20.13	12.49	0.407	4.398

The classic assumption test in this study is the normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. The normality test of the probability value of the J-B statistic is 0.082933 greater than the significance level, which is 0.05. This means that the assumption of normality is fulfilled. To test the multicollinearity of this study, the symptoms of multicollinearity can be seen from the correlation value between the variables contained in the correlation matrix. The results of the multicollinearity test are presented in Table 5.2.

Table 5.2 Multicollinearity Test with the Correlation Matrix

	X1	X2	X3	X4	X5	X6
X1	1.000000	0.382901	0.379308	0.069965	0.432971	0.508442
X2	0.382901	1.000000	0.287198	0.179516	0.361393	0.417438
X3	0.379308	0.287198	1.000000	0.082528	0.426087	0.374038
X4	0.069965	0.179516	0.082528	1.000000	0.162214	0.179846
X5	0.432971	0.361393	0.426087	0.162214	1.000000	0.439053
X6	0.508442	0.417438	0.374038	0.179846	0.439053	1.000000

Based on Table 5.2 the results of multicollinearity testing, it can be concluded that there are no symptoms of multicollinearity between independent variables. This is because the correlation value between independent variables is not more than 0.9. In this study the presence or absence of heteroscedasticity can be done by the Breusch-Pagan test which is known from the Prob Obs * R-Squared value is 0.1490> 0.05, which means there is no heteroscedasticity. The autocorrelation test in this study is known from the value of the Durbin-Watson statistic, which is 1.622799. This value is located between 1 and 3, which is 1 <1.622799 <3, so the assumption of non-autocorrelation is fulfilled. In other words, there are no symptoms of high residual autocorrelation.

Based on the results of the Chow test in this study, the probability value is 0.0318. Because the probability value is 0.0318 <0.05, the estimation model used is the fixed effect model (FEM) model. The next is a hausman test where the probability value is 0.0101. Because the probability value is 0.0101 <0.05, the estimation model used is the fixed effect model (FEM) model.

To test the hypothesis of the coefficient of determination, it is known that the coefficient of determination (Adjusted R-squared) of R ^ 2 is 0.433. This value can be interpreted Islamic corporate social responsibility, Islamic income ratio, profit sharing ratio, zakat performance ratio, Firm size and the sharia supervisory board simultaneously or jointly affect profitability by 43.3%, the remaining 56.7% is influenced by others factor. The result of the F test shows the Prob value. (F-statistics), which is 0.000001 <0.05, it can be concluded that all independent variables, namely Islamic corporate social responsibility, Islamic income ratio, profit sharing ratio, zakat performance ratio, Firm size and the sharia supervisory board simultaneously, significant effect on profitability variables.

Based on the t test, the panel data regression equation is obtained as follows.

$$Y_{t-1} = 2,55 + 0,31X_{1_{t-1}} + 0,43X_{2_{t-1}} + 0,06X_{3_{t-1}} + 0,83X_{4_{t-1}} + 0,18X_{5_{t-1}} + 0,27X_{6_{t-1}} + e$$

From the regression equation it can be stated that:

1. Constant value of 2.55 means that if Islamic corporate social responsibility, Islamic income ratio, profit sharing ratio, zakat performance ratio, Firm size and sharia supervisory board are constant, then the value of profitability is 2.55
2. The Islamic corporate social responsibility regression coefficient is 0.31, which means that every increase in Islamic corporate social responsibility is equal to one unit, then profitability will increase by 0.31 units with variable assumptions other than Islamic corporate social responsibility considered constant.
3. Islamic income ratio regression coefficient of 0.43, which means that each increase in Islamic income ratio by one unit, then profitability will increase by 0.43 units with variable assumptions in addition to the Islamic income ratio is considered constant.
4. The regression coefficient of profit sharing ratio is 0.06, which means that each increase in profit sharing ratio by one unit, then profitability will increase by 0.06 units with the assumption that the variables other than the profit sharing ratio are considered constant.
5. The zakat performance ratio regression coefficient is 0.83, which means that each increase in zakat performance ratio is one unit, then profitability will increase by 0.83 units assuming variables other than zakat performance ratio are considered constant.

6. The Firm size regression coefficient is 0.18 which means that every increase in Firm size is equal to one unit, then profitability will increase by 0.18 units with assumptions of variables other than the size of the Firm considered constant.
7. The sharia supervisory board regression coefficient is 0.27, which means that every increase in the shariah supervisory board is one unit, then profitability will increase by 0.27 units assuming variables other than the sharia supervisory board are considered constant.

5.2 Discussion of Research Results

5.2.1 Effect of Islamic Corporate Social Responsibility (ICSR) on Profitability

The results of the tests carried out get the regression coefficient results are 0.31 and prob 0.0405 (prob <0.05) which means that Islamic corporate social responsibility has a positive and significant effect on profitability. This is in line with research that shows that CSR disclosure has a positive effect on ROA (Platonova, Asutay, Dixon, & Mohammad, 2018), (Awan & Muhammad Amir shah, 2018), (Iqbal, Ahmad, & Kanwal, 2013) and (Odetayo , Adeyemi, & Sajuyigbe, 2014). This shows that the first hypothesis in this study is accepted which states that Islamic corporate social responsibility has a positive effect on profitability. Islamic banks that disclose corporate social responsibility are able to have a significant positive impact on profitability at sharia commercial banks in Indonesia.

The better disclosure of corporate social responsibility of Islamic banking which includes the themes of funding and investment, products and services, employees, society and the environment, the more it shows that Islamic banking has performed its function well as a social body. Where the Firm that was established has the main goal, namely to prosper shareholders and its secondary objectives are for the welfare of stakeholders (consumers, employees, communities and creditors) (Fachrudin, 2009). This research supports stakeholder theory where disclosure of corporate social responsibility (CSR) has a positive impact on the growth of profitability of Islamic banks if Islamic banks express their social responsibility to stakeholders.

Sharia Commercial Banks that disclose Islamic corporate social responsibility in the annual report will be able to provide positive values in the eyes of the public and investors. This is one form of achievement both in the fields of funding and investment, products and services, health of employees and the community and the environment. So with the increase in sales or the achievement of significant Islamic banking transactions, profitability will be better and this will be able to attract investors and customers to invest so that a sustainable investment will be realized. Sustainable investment is socially responsible investment seen from the Firm's business and products (Fachrudin, 2018).

5.2.2 Effect of Islamic Income Ratio on Profitability

The test results carried out get the regression coefficient is 0.43 and the prob value is 0.0146 (prob <0.05) which means that Islamic income ratio has a positive and significant effect on profitability. This is in line with research conducted by (Hameed, 2004) and (Falikhatun & Assegaf, 2012) which proves that the ratio of Islamic income has a positive effect on the profitability of Islamic banks. . Islamic income ratios sourced from bank operations in a halal manner can eliminate public doubts, which will influence the decision of depositors to choose or continue to save in Islamic banks. If the Islamic income ratio increases, the profitability of Islamic banks will also increase (Hasanah, 2015). All income from Islamic banks comes from halal income. The increase is significant for profitability because all Islamic bank products and services such as financing and others are in accordance with sharia principles and do not recognize non-halal income.

The results also support the theory of stewardship which prioritizes shared interests for organizational purposes. Where the purpose of sharia banking in every Sharia banking operation activities prioritizes sharia principles. Islamic banks must receive income only from sources that are lawful and based on sharia principles. If an Islamic bank receives non-halal transaction revenue, then Islamic banks must disclose information (what amount, source, and procedure is available) to prevent the entry of transactions prohibited by sharia.

5.2.3 Effect of Profit Sharing Ratio on Profitability

The test results carried out get the results of the regression coefficient is 0.06 and the prob value is 0.6743 (prob> 0.05) which means that the profit sharing ratio has a positive and not significant effect on profitability. This result is in line with the research conducted by (Khasanah, 2016). These results state that mudharabah and musyarakah financing increases, net income will increase. This means that the higher the ratio of mudharabah and musyarakah financing launched to the public, the higher the profitability of Islamic commercial banks in Indonesia.

However, this increase is not significant because there are other factors that can increase profitability in Islamic commercial banks. The amount of profit sharing financing is relatively small compared to other financing such as buying and selling financing, so the contribution of profit sharing is less able to optimize the ability of Islamic Commercial Banks to generate profits.

5.2.4 Effect of Zakat Performance Ratio on Profitability

The test results carried out get the results of the regression coefficient is 0.83 and the prob value is 0.1180 (prob> 0.05) which means that the zakat performance ratio has a positive and not significant effect on profitability. This is in line with the research conducted by (Maisaroh, 2015) and (Endah et al., 2015) because if wealth increases it affects profitability but the increase is not significant. This is because there are still many other factors that affect profitability, for example financing of buying and selling or other financing in Islamic banks.

A good and transparent distribution of zakat will increase the trust of customers and the public to use Islamic banking services and products. This supports the enterprise sharia theory which not only cares about individual interests but includes Allah, humans and nature. Islamic banks in carrying out their operations have the fulfillment of spiritual aspects by channeling zakat as a form of servitude to obtain the pleasure of Allah and to bring mercy to all the contents of nature. If the higher or increased wealth owned by Islamic banks, the zakat issued by banks will also increase. Through increasing the wealth of Islamic banks, this will affect the profitability of Islamic banks (Endah et al., 2015).

5.2.5 Effect of Firm Size on Profitability

The test results carried out get the results of the regression coefficient is 0.18 and the value of prob is 0.0415 (prob <0.05) which means that the size of the Firm has a positive and significant effect on profitability. This is in line with research that shows that firm size affects profitability (Abduh & Yameen, 2013), (Al-Qudah & Jaradat, 2013), (Idris et al., 2011), (Petria, Capraru, & Ihnatov, 2015) and (Smaoui & Salah, 2011).

The bigger the size of the bank, the greater the profitability. This is due to the large size of the bank that allows results on an economic scale that will reduce the costs of gathering and processing information. This is because large companies that have large resources to conduct broader disclosures and are able to finance the provision of information for internal purposes. This information is also a material for the purposes of disclosure of information to external parties such as investors and creditors so that it does not require a large additional cost to make wider disclosures. Thus, large companies have lower information costs than small companies.

5.2.6 Effect of Sharia Supervisory Board on Profitability

The test results carried out get the results of the regression coefficient is 0.27 and the prob value is 0.1103 (prob> 0.05) which means that the shariah supervisory board has a positive and not significant effect on profitability. This is in line with research that shows that the disclosure of the Shariah Supervisory Board which is part of Islamic corporate governance disclosure has a positive effect on ROA (Yadiat et al., 2017).

The more information disclosed by the Sharia Supervisory Board, the better the mechanism for monitoring corporate management. Thus, the more information disclosure of the Sharia Supervisory Board will increase supervision of the management of banks in accordance with sharia principles, so there is no use of funds that are not sharia principles that can reduce profitability. Thus, bank profitability will increase. But the increase is not significant because of other factors that affect profitability in Islamic banks.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

Based on the results of research and hypothesis testing that has been done, some conclusions can be taken as follows:

1. Islamic corporate social responsibility has a positive and significant effect on profitability in Islamic Commercial Banks in Indonesia.
2. The Islamic income ratio has a positive and significant effect on profitability in Islamic Commercial Banks in Indonesia.
3. The profit sharing ratio has a positive and not significant effect on profitability in Islamic Commercial Banks in Indonesia.
4. Zakat performance ratio has a positive and not significant effect on profitability in Islamic Commercial Banks in Indonesia.
5. Firm size has a positive and significant effect on profitability in Islamic Commercial Banks in Indonesia.

6. The sharia supervisory board has a positive and not significant effect on profitability in Islamic Commercial Banks in Indonesia.

6.2 Recommendations

The suggestions that can be given on the basis of these conclusions are as follows:

1. For further researchers it is recommended to conduct research not only on Islamic Commercial Banks (ICB) but in other sharia banking industries such as Sharia Business Units (SBU).
2. For further researchers to add other variables such as ROE, CAR, NPF, sukuk, buying and selling financing or other variables.

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