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Influence of Corporate Social Responsibility (CSR) on Financial Performance, Financial Inclusion, and Financial Stability Banking In Indonesia

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Abstract: This study aims to examine the impact of corporate social responsibility on financial performance, financial inclusion, and financial stability of the banking sector in Indonesia. Observation period during the period 2015–2019 on 31 banks registered with IDX with purposive sampling method. The results showed that corporate social responsibility has a significant and positive effect on financial performance and financial inclusion. The level of leverage affects financial performance but has a significant and negative effect on financial stability. The level of tangibility does not affect financial performance and financial stability but has a partial effect on financial inclusion. This can be a reference for the manager, the investors, and the government to improve the bank's financial performance as well as financial inclusion to maintain the bank's financial stability and consideration in investment decision making.
Keywords: Corporate Social Responsibility, Financial Inclusion, Financial Performance, Financial Stability

1. Introduction

The banking industry plays a major role in the economy in Indonesia. The Bank performs its main function in collecting and disbursing public funds, which aims to support the implementation of national development to promote equitable development, economic growth, and national stability. This very important role of banking requires banks to always increase the value of the company and the sustainability of its business while still carrying out its function as one of the development agents.

CSR is one of the instruments that can help banks to improve Financial Performance (Ramzan et al., 2021). Similar findings obtained by Siueia et al. (2019) stated that the company's commitment to CSR could help companies to improve Financial Performance. Good financial performance will increase investors' confidence to continue to invest so that the benefits of sustainability will be achieved. The more banks use their budgets for CSR activities, the greater the benefits to the Bank's internal and external trust (Gangi et al., 2019). Financial Inclusion can encourage human development by providing access for adults who are not yet connected with banking facilities to be active and utilize the financial products and services needed so that it is ultimately able to support the economic growth of a country (Vo et al., 2020). Financial Stability is also one of the factors that are considered for investors in choosing entities in investing. One of the studies stated that CSR can offer risk mitigation for companies and performance gains in the long term (Chollet & Sandwidi, 2018).

Based on the above background, this research aims to analyze the influence of corporate social responsibility on financial performance, financial inclusion, and financial stability of the Indonesian banking sector. Similar research has been conducted on banking in Pakistan. of course, it will be interesting if you can see the influence of CSR in developing countries such as Indonesia on Financial Performance, Financial Inclusion, and Financial Stability of banks.

2. Library Review

2.1 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is the company's commitment to participate in sustainable economic development to improve the quality of life and the environment that is beneficial, both for the company itself, local communities, and society in general. In developed countries, CSR activities are carried out by companies to be further conveyed in reports to the public to obtain financial and non-financial benefits. Financial returns can be reflected in better financial performance (FP), financial stability (FS), and financial inclusion (FI). In developing countries, this CSR needs to be seen as affecting modern companies such as banking because it is oriented towards different stakeholders with traditional oriented approaches to maximizing corporate profits (Paltrinieri et al., 2020). This can be used as a consideration for the banking industry to need to interact with its social environment, among others through CSR activities.

2. 1 Financial Performance

Good financial performance will increase investors' confidence to continue to invest so that the benefits of sustainability will be achieved. One of the factors that can affect a company's financial performance is CSR activities as a form of corporate social responsibility to its environment. The study conducted by Belastri et al. (2020) states that there is a significant positive relationship between CSR and bank efficiency in developed countries. Similar to the results of research conducted by Ramzan et al. (2021) that Financial Performance is positively influenced by CSR activities in banking in Pakistan.

2.2 Financial Inclusion

Financial inclusion can encourage human development by providing access for adults who are not yet connected with banking facilities to be active and utilize the financial products and services needed so that it is ultimately able to support the economic growth of a country (Vo et al., 2020). Based on the results of a study involving 83 countries over for 10 years, it was found that there is a relationship between the structure of banks and individual financial inclusion, namely the larger the banking industry, can be attributed to more access to deposit and credit accounts (Owen & Pereira, 2018). The research conducted by Ramzan et al. (2021) also stated that CSR activities in the banking sector in Pakistan can increase Financial Inclusion.

2.3 Financial Stability

Financial Stability is also one of the factors that are considered for investors in choosing entities in investing. One of the studies stated that CSR can offer risk mitigation for companies and performance gains in the long term (Chollet & Sandwidi, 2018). Through increasingly mitigated risks, the possibility to lower the company's performance will be smaller, thus affecting the stability of the company.

2.4 Conceptual Framework

The study conducted by Belastri et al. (2020) states that there is a significant positive relationship between CSR and bank efficiency in developed countries. Similar to the results of research conducted by Ramzan et al. (2021) that Financial Performance is positively influenced by CSR activities in banking in Pakistan. Besides, Malik et al. (2019) also found that the CSR budget issued by the bank is not only able to increase current profits, but also future profits. Siueia et al. (2019) in his research found a significant positive relationship between the company's CSR statements and Financial Performance, using ROA and ROE approaches.

Vo et al. (2020) found in their research, that Financial Inclusion with a higher level in the form of providing access to banking facilities can contribute positively and significantly to the stability of the banking sector so that the company's resilience can increase. Studies discussing the influence of CSR and Financial Inclusion are still very limited. As for the research conducted by Kim et al. (2018) explained that there is a significant positive relationship between Financial Inclusion and economic growth rate. Ramzan et al. (2021) found a positive and significant relationship between CSR and Financial Inclusion.

Financial Stability is a macro-economic indicator of a country's financial performance. Ramzan et al. (2021) conducted research and found that there is a significant positive relationship between CSR and Financial Stability (FS) which means that increasing banking CSR activities will increase Financial Stability (FS). Shah,S.S.A. & Khan (2019) found that consumer perception of corporate CSR has a positive and significant impact on customer commitment on an ongoing basis.

As described above, the conceptual framework can be described as follows:

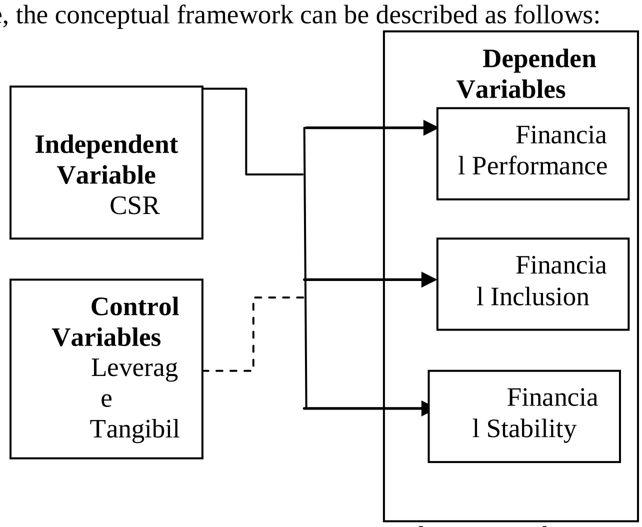

Fig 1. Conceptual Framework

2.5 Hypothesis Development

Previous research conducted by Ramzan et al. (2021) shows that there is a significant positive relationship between CSR conducted by Banks in Pakistan with ROA, ROE, NPM, and EPS as proxies of Financial Performance measurement. The results of the study were also supported by Siueia et al. (2019) who stated that there is a significant positive relationship between CSR and Financial Performance of the banking sector in Africa with ROA and ROE as a proxy for FP measurement, where the report on CSR implementation provides positive support to the improvement of Financial Performance. The results of research in China showed a significant positive relationship between CSR and ROA in the banking sector (Wu et al., 2020). The results of the research found by Das (2019) also showed that CSR contributes positively to the share price of Private Banks in India. Based on this explanation, the hypothesis is formulated as follows:

H_1: There is a significant influence of Corporate Social Responsibility on Financial Performance in the banking sector in Indonesia

There is not much research that discusses the influence of CSR on Financial Inclusion, but Ongo Nkoa & Song (2020) found that institutional quality can increase financial inclusion in terms of accessibility, penetration, and use of Financial Services Institutions in Africa. Other findings related to CSR and financial inclusion were indicated by Haldar et al. (2016) that Commercial Private Banks are better able to increase Financial Inclusion through CSR, compared to State-Owned Commercial Banks. Le et al. (2019) in their research found that Financial Inclusion has a positive and significant influence on the level of financial sustainability in 31 Asian countries. The results of research conducted by Ramzan et al. (2021) showed that there is a significant positive relationship between CSR and Financial Inclusion at banks in Pakistan. Based on this explanation, the hypothesis is formulated as follows:

H_2: There is a significant influence of Corporate Social Responsibility on Financial Inclusion in the banking sector in Indonesia

Shah, S.S.A. & Khan (2019) researched with the results stating that there is a positive relationship between CSR and customer commitment, in other words, the bank's CSR activities will be able to bind customer commitments, so that the Bank will achieve a sustainable competitive advantage that also has implications for financial profit and stability. The results are in line with research conducted by Ramzan et al. (2021) which found that the Bank will be more financially stable in line with the increase in CSR activities. On the other hand, Chollet & Sandwidi (2018) stated in their research that CSR can provide potential mitigation of long-term risks, as well as performance gains. This can mean that the risks that can be mitigated, will be able to improve the financial stability of the company. Based on this explanation, the hypothesis is formulated as follows:

H_3: There is a significant influence of Corporate Social Responsibility on Financial Stability in the banking sector in Indonesia

3. Research Methods

3.1 Sampling Method

The data used in this study is secondary data, where secondary data is research data obtained indirectly or derived from sources that have been published by relevant companies or accountable official institutions so that the data is available. The data sources used in this study came from the Website of the Indonesia Stock Exchange (www.idx.co.id), the website of the Central Statistics Agency (www.bps.go.id), the website of the Financial Services Authority (www.ojk.go.id), as well as the official website of the relevant Bank.

The method of determining samples using purposive sampling techniques, where the Bank has taken as a sample is a bank that has Go-Public and listed CSR budget data in annual reports and financial statements during the period 2015-2019, obtained a number of 31 Banks.

3.2 Identify Variable Measurements

Variable identification aims to analyze the relationship between dependent variables, namely Financial Performance, Financial Stability, and Financial Inclusion, and independent variables, namely Corporate Social Responsibility (CSR), as well as control variables, among others Leverage, and Tangibility.The measurement of each variable is described in the following table 1.

3.3. Equation

We estimate the impact of Independent variables on dependent variables as well as control variables with equations to analyze the results:

$$FP_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 Leverage_{it} + \beta_3 Tagibility_{it} + \mu_{it}$$
(1)

$$FI_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 Leverage_{it} + \beta_3 Tagibility_{it} + \mu_{it}$$
(2)

$$FS_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 Leverage_{it} + \beta_3 Tagibility_{it} + \mu_{it}$$
(3)

Where FP_{it} are ROA, ROE, EPS, NPM i in period t, FI_{it} are NOBB dan NOBA i in period t, FS_{it} are Z SCORE i in period t, CSR_{it} are Corporate Social Responsibility i in period t, $Leverage_{it}$ are Leverage i in period t, and μ_{it} are Error term banki in period t.

Table 1: Identify Variable Measurements

Variable Type	Variable	Symbol	Operational definition
Dependent Variables	Financial Performance (FP)	ROA	Net Income divided by Total Assets
		ROE	Net Income divided by Total Equity
		EPS	Net Income divided by Number of Shares Outstanding
		NPM	Net income divided by Total Revenue.
	Financial Inclusion (FI)	NOBB	Number of Branch Offices per 100,000 adult population
		NOBA	Number of ATMs per 100,000 adult population
	Financial Stability (FS)	*Z-Score*	$\frac{\text{ROA+(Total Equity/ Total Assets)}}{\text{Std. Deviation (ROA)}}$
Independent Variables	Corporate Social Responsibility	CSR	The amount of CSR costs incurred by the company and listed in the Annual Report.
Control Variables	Leverage	*Leverage*	Total debt to total assets
	Tangibility	*Tangibility*	Non-Current Assets to Total Assets

Reference: Ramzan et al. (2021)

4. Results and Discussions

4.1 Model Analysis

The results of descriptive statistics and normality of data are presented in table 3. Based on 155 observations, normal distributed data with probability of Jarque-Bera test is greater than 0.05 value. The average value of financial performance indicates that the bank is performing well and making a profit. The average ROA of 0.007 ranges from -0.0484 to 0.0624. The ROE average of 0.025 from -0.854 to 0.062; EPS has an average value of 130,545, the range of values from -562,152to 823,242 is greater than the NPM mean of 0.069, the range of values from -0.506 to 0.644; The average value of bank branches (NOBB) is 411,750, the range of values from -2020,901 to 3068,839; and the average number of bank ATMs (NOBA) per 100,000 inhabitants is 5831,456, a range of values from -17948.86 to 40059.06; The average FS is 55,128, ranges from -167,037 to 277, 293. Independent variables, CSR has a range of values from -111081.9 to 15.13089, the average value is 15512.53; debt levels range from 0.598 to 1.070, with an average value of 0.834; tangibility has a range of values from -0.082 to 030, the average value is 0.024.

Table 3(a): Descriptive Statistics and Normality Test

	CSR	ROA	ROE	EPS	NPM
Mean	15512.53	0.007018	0.025256	130.5453	0.069154
Median	15512.53	0.007018	0.025256	130.5453	0.069154
Maximum	111081.9	0.062452	0.904818	823.2429	0.644263
Minimum	-80056.81	-0.048416	-0.854307	-562.1524	-0.505955
Std. Dev.	34118.80	0.019790	0.314011	247.2977	0.205319
Jarque-Bera	0.022052	0.021961	0.021961	0.021979	0.021961
Probability	0.989035	0.989080	0.989080	0.989071	0.989080
Observations	155	155	155	155	155

Source:Data Processing

Table 3(b): Descriptive Statistics and Normality Test

	NOBB	NOBA	ZSCORE	*LEVERAGE*	*TANGIBILITY*
Mean	411.7505	5831.456	55.12792	0.834427	0.024063
Median	415.6012	5831.456	55.12792	0.834427	0.024063
Maximum	3068.839	40059.06	277.2926	1.070480	0.130422
Minimum	-2024.961	-17948.86	-167.0368	0.598374	-0.082296
Std. Dev.	948.2249	12164.43	79.31470	0.084273	0.037971
Jarque-Bera	0.046384	0.472872	0.021961	0.021961	0.021961
Probability	0.977075	0.789437	0.989080	0.989080	0.989080
Observations	155	155	155	155	155

Source:Data Processing

The multicollinearity diagnostic test and The Pearson correlation matrix of variables and their probabilities are presented in table 4. The VIF value verifies that there is no multicollinearity. CSR correlates significantly and positively with all other variables, except in Z-score and Leverage variables, there is no correlation. Leverage is negatively correlated with ROA, EPS, NPM, and Zscore, except in NOBA number variables, positively correlated. Tangibility is positively correlated with ROA, ROE, EPS, and NPM, except in NOBA and Leverage variables, negatively correlated.

Table 4: Multicollinearity Test and Correlation Matrix

	VIF	CSR	ROA	ROE	EPS	NPM	NOBB	NOBA	ZScore	Leverage	Tangibility
CSR	1,08	1									
ROA	-	.389**	1								
ROE	-	.418**	.928**	1							
EPS	-	.559**	.872**	.855**	1						
NPM	-	.400**	.969**	.910**	.864**	1					
NOBB	-	.566**	.582**	.659**	.739**	.580**	1				
NOBA	-	.237**	0.112	.160*	.186*	0.138	.324**	1			
ZScore	-	-0.053	.317**	.194*	.244**	.331**	.176*	-0.106	1		
Leverage	1,12	0.034	-.319**	-0.134	-.184*	-.323**	0.086	.171*	-.305**	1	
Tangibility	1,19	.251**	.255**	.205*	.261**	.271**	0.141	-.181*	0.045	-.310**	1

Source: Data Processing, Information *, **, *** denotes significance at 1%, 5%, and 10% levels, respective.

4.2. Regression Analysis
4.2.1 The Effect of CSR on Financial Performance

Table 5 presents the results of the estimated CSR influence model on ROA, ROE, EPS, and NPM, with bank leverage and tangibility as control variables. The value of Durbin Watson on each estimate is high enough to verify that the regression model estimates have no autocorrelation issues. The Probability Value of Chi-Square is greater than the real level of 0.05 in each estimate, indicating that the estimated regression model does not exist heteroscedasticity. The partial regression estimation results showed a significant and positive influence between ROA and CSR at the level of 1%. This indicates that banks that invest more in CSR activities will increase greater financial profits, in line with the findings of Ramzan et al. (2021) and Siueia et al. (2019) . Leverage level has a significant and negative effect with ROA at 1%, while tangibility does not affect ROA. It identifies that a high level of leverage can decrease ROA. The result of simultaneous regression estimation at the level of 1% shows CSR, leverage, and tangibility as joint control variables - equally affecting ROA. The Coefficient of determination shows the value of 0.2644 indicates that ROA diversity of 26.44% can be explained by CSR, leverage, and tangibility as control variables while the rest can be explained other variables that are not described in this study.

The result of the partial regression estimate, CSR to ROE has a significant and positive influence at the level of 1%, this indicates that the bank's investment in CSR will increase its revenue, supporting the findings of Ramzan et al. (2021) and Siueia et al. (2019). The level of leverage and tangibility does not affect the growth of ROE. The result of simultaneous regression estimation at the level of 1% shows CSR, leverage, and tangibility as control variables together affect ROE. The coefficient of determination shows a value of 0.432 indicates that roe diversity of 43.2% can be explained by CSR, leverage, and tangibility as control variables while the rest can be explained other variables that are not described in this study.

The partial regression estimation result, CSR has a significant and positive effect on EPS at the level of 1% indicates that the increasing investment of banks in CSR activities improve the image of the bank itself. The public can feel the existence of the company and increase the public's interest in buying products from the company and become customers of the bank so that the level of sales increases so that the income of its shareholders also increases. These results are in line with previous research Flammer (2013), Ofori et al. (2014), and Ramzan et al. (2021) the level of leverage also had a significant and negative effect on EPS at the level of 1%, indicating that an increase in the debt ratio would lower shareholder confidence, whose EPS also declined. Tangibility has no effect on EPS. The result of simultaneous regression estimation at the level of 1% indicates CSR, leverage, and tangibility as control variables together affect eps. The Coefficient value of determination of 0.357 indicates that EPS diversity of 35.7% can be explained by CSR, leverage, and tangibility as control variables while the rest can be explained other variables that are not described in this study.

The result of partial regression estimation, CSR has a significant and positive effect on NPM at the level of 1%, indicating that increasing CSR investment will increase NPM. These findings are in line with Belastri et al. (2020), and Ramzan et al. (2021) previous research. Leverage and tangibility have no effect on NPM. The result of simultaneous regression estimation at the level of 1% shows CSR, leverage, and tangibility as control variables together affect the NPM. The coefficient of determination of 0.278 indicates that the diversity of NPM of 27.8% can be explained by CSR, leverage and tangibility as control variables while the rest can be explained by other variables not described in this study.

Table 5: Regression Result of CSR on Financial Performance

Variable	ROA	ROE	EPS	NPM
CSR	5.262791*	5.34841*	8.044519)*	5.416040*
	(0.0000)	(0.0000)	(0.0000)	(0.0000)
LEVERAGE	-4.209903*	-1.654390	-2.616132	-4.246180*
	(0.0000)	(0.1001)	(0.0098)	(0.0000)
TANGIBILITY	0.813456	0.787313	0.945160	1.007661
	(0.4172)	0.4323	(0.3461)	(0.3152)
R-squared	0,264	0.4323	0.357310	0.277813
F Statistik	17,979	12.49268	27.79806	19.23418
Probabilitas	0.000000	0.000000	0.000000	0.000000
Durbin Watson Sat	2.287154	2.312275	2.283646	2.206936
Prob. Chi-Square	0.6286	0.4943	0.1006	0.8171

Source: Data Processing, Information *, denotes significance at 1% level

4.2.2. The Effect of CSR on Financial Inclusion

Table 6 presents the estimated results of the CSR influence model on NOBB and NOBA, with leverage and bank Tangibility as control variables. Durbin Watson's value on each estimate is high enough to verify that the regression model estimates have no autocorrelation issues. The Probability Value of Chi-Square is greater than the real level of 0.05 in each estimate, indicating that the estimated regression model does not exist heteroscedasticity. The results of partial regression estimates showed a significant and positive influence between NOBB and CSR at the level of 1%. This indicates that banks that invest more in CSR activities have more branches, in line with the findings of Ongo Nkoa & Song (2020) and Ramzan et al. (2021). Leverage levels do not affect NOBB, and tangibility levels do not affect NOBB. This identifies that the level of leverage and tangibility has no effect on the number of branches owned by banks. The estimated results of regression together at the level of 1% show CSR, leverage, and tangibility as control variables together affect ROA. The coefficient of determination shows the value of 0.3256 indicates that NOBB diversity of 32.56% can be explained by CSR, leverage, and tangibility as control variables while the rest can be explained by other variables not described in this study.

The partial regression estimation results showed a significant and positive influence between NOBA and CSR at the 1% level. This indicates that banks that invest more in CSR activities will be better financial inclusion shown by the number of ATMs owned by banks, in line with the findings of Haldar et al. (2016), Ongo Nkoa & Song (2020), and Ramzan et al. (2021). The leverage level does not affect NOBA, while the tangibility rate has a significant and negative effect with NOBA at the level of 1%. This identifies that a high level of tangibility can decrease atm use. The result of estimated regression together at the level of 1% shows CSR, Leverage, and Tangibility as control variables together affecting NOBA. The coefficient of determination shows the value of 0.1252 indicates that NOBA diversity of 12.52% can be explained by CSR, leverage, and tangibility as control variables while the rest can be explained other variables that are not described in this study.

Table 6: Regression Result of CSR on Financial Inclution

Variable	**NOBB**	**NOBA**
CSR	0,015495*	0,103524*
	(0.0000)	(0,0004)
LEVERAGE	844,3265	13155,86
	(0.2926)	(0,2618)
TANGIBILITY	612,2704	-72271,45*
	(0.7386)	(0,0077)
R-squared	0,3256	0.1252
F Statistic	24.14133	7.153734
Probabilitas	0.000000	0.000160
Durbin Watson Sat	2.182185	2.169919
Prob.Chi-Square	0.4660	0.0558

Source: Data Processing, Information *, denotes significance at 1% level

4.2.3. The Effect of CSR on Financial Stability

Table 7 presents the estimated results of the CSR influence model on ZScore, with leverage and bank protection as control variables. Durbin Watson's value at the estimate is high enough to verify that the estimation of the regression model is no autocorrelation problem. The Probability Value of Chi-Square is greater than the real level of 0.05 in each estimate, indicating that the estimated regression model does not exist heteroscedasticity. Partial regression estimation results showed no influence between Zscore and CSR. This indicates that the amount of funds invested in the form of CSR does not affect the Bank's Financial Stability, this result contradicts the findings of Ongo Nkoa & Song (2020) and Ramzan et al. (2021). The implementation of corporate social responsibility is one of the proofs that companies care about the environment and society, not focused on profit alone. Leverage level has a significant and negative effect with Z Score at 1%, while tangibility level does not affect Z Score. This identifies that a high level of leverage can lower the financial stability of the bank. The result of estimated regression together at the level of 1% shows CSR, leverage, and tangibility as control variables together affecting Z Score. The coefficient of determination shows the value of 0.0965 indicates that the diversity of Z Score of 9.65% can be explained by CSR, Leverage, and tangibility as control variables while the rest can be explained other variables that are not described in this study.

Table 7: Regression Result of CSR on Financial Stability

Variable	ZScore
CSR	- 0.0000712
	(0.7051)
LEVERAGE	-299.1460*
	(0.0002)
TANGIBILITY	-94.72966
	(0,5940)
R-squared	0.0965
F Statisti	5.337018
Probabilitas	0.001605
Durbin Watson Sat	2.160435
Prob. Chi-Square	0,2722

Source: Data Processing, Information *, denotes significance at 1% level

5. Conclusion

Based on the research titled "The Influence of Corporate Social Responsibility (CSR) on Banking Performance, Inclusion, and Financial Stability in Indonesia" tested on 31 Banks listed on the Indonesia Stock Exchange in the period 2015-2019, the following conclusions can be obtained:

1. There is a significant influence between Corporate Social Responsibility on financial performance in the banking sector in Indonesia. These results show that the amount of CSR funds used by banks is able to improve the financial performance of banks. These results are in line with research conducted by Siueia et al. (2019), Wu et al. (2020), and Ramzan et al. (2021) which showed that CSR has a significant and positive influence on financial performance;

2. There is a significant influence among Corporate Social Responsibility on financial inclusion in the banking sector in Indonesia. This result shows that the amount of CSR funds used by banks is able to increase financial inclusion in terms of accessibility, penetration and use of financial services institutions in Indonesia. These results are in line with research conducted by Haldar et al. (2016), Ongo Nkoa & Song (2020), and Ramzan et al. (2021) and which showed that CSR has a significant and positive influence on financial inclusion;
3. There is no significant influence of Corporate Social Responsibility on financial stability in the banking sector in Indonesia. These results show that the amount of CSR funds used by banks does not guarantee the bank has good financial stability. These results contradict research conducted by Shah,S.S.A. & Khan (2019) and Ramzan et al. (2021) which showed that CSR has a significant and positive influence on financial stability.

1. Implications

1. For Financial Managers

The results showed a positive influence between CSR and financial performance and inclusion of banks in Indonesia. This can be used as a basis for bank financial managers to improve the bank's financial performance as well as financial inclusion. The bank's good financial performance will be able to attract investors to invest, although CSR does not have any influence on the bank's financial stability, but if the bank's performance and financial inclusion improve, then the bank's financial stability will be well maintained.

2. For Investors

CSR disclosure for the company is a form of corporate concern for the surrounding environment that needs to be considered in investment decision making. Before making an investment, investors can pay attention to the company's CSR activity report in addition to paying attention to the company's financial performance because companies with high CSR activities will increase customer loyalty so that financial performance will be maintained.

3. For Government

Based on the results of calculations that show that there is a positive relationship between CSR and Inclusive Finance, it can be concluded that CSR activities carried out by banks can increase the number of people who are served financially through the utilization of banking financial access channels (in this study represented by access through branch offices and ATMs). This is in line with one government program contained in Presidential Regulation No. 82 of 2016 on the National Strategy on Inclusive Finance (SNKI) which states that every member of the public has access to a variety of formal financial services that are quality, timely, smooth, and safe at an affordable cost in accordance with their respective needs and capabilities. Thus, through this CSR activity, in addition to being one of the ways for banks to interact with the public/customers to obtain financial and non-financial benefits, it is also able to support government programs to increase financial inclusion.

7. Limitations and Suggestions

Some limitations in this study include the scope of bank samples taken, namely there are only 31 banks listed on the Indonesia Stock Exchange that can be sampled in connection with the incomplete disclosure of CSR data from all banks listed on the IDX (44 banks). The limitations of this data can be overcome by obtaining information directly to the relevant bank through various communication media (letters / emails etc.) so that more complete data can be obtained.

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