

The Effect of Profitability on Stock Prices with Shariah Corporate Social Responsibility as a Moderating Variable (A Study of Shariah Banks Listed on the Indonesia Stock Exchange)

Putri Indah¹, Erniyati Caronge², Halim Usman³

¹²³Fakultas Ekonomi dan Bisnis, Universitas Muhammadiyah Palopo

Email: indabputriindah0@gmail.com

Abstract

Keywords:

Profitability, Stock Price, Shariah Corporate Social Responsibility, Islamic Banks, Indonesia Stock Exchange

This research aims to analyze Islamic banks listed on the Indonesia Stock Exchange (IDX) and their stock prices in relation to profitability and Shariah Corporate Social Responsibility (Shariah CSR). Profitability affects stock prices significantly, with Shariah CSR acting as a moderator, according to the study hypothesis. This study employs a quantitative approach using secondary data obtained from financial statements and annual reports. Profitability is proxied by Return on Assets (ROA), stock prices are proxied by market prices, and Shariah CSR is measured using the Islamic Social Reporting (ISR) index. Data analysis is conducted using Moderated Regression Analysis (MRA). The results indicate that profitability has a significant effect on stock prices and that Shariah CSR is proven to be a significant moderating variable. The implications of this study provide practical contributions for Islamic bank management in improving financial performance and the quality of Shariah CSR disclosure, as well as empirical contributions for investors in making investment decisions in the Islamic capital market.

INTRODUCTION

Although the growth prospects of Islamic banking are quite promising, challenges continue to emerge, such as low levels of public financial literacy, intense competition with conventional banks, as well as regulatory challenges and the integration of work culture following mergers. In the digital era, Islamic banking also faces technological transformation, where digitalization offers opportunities to enhance financial inclusion and service quality, but at the same time creates the need for innovative strategies to address regulatory issues, cybersecurity, and the improvement of public digital literacy. Addressing these challenges requires synergy between public education, product innovation, and collaboration with the fintech industry and regulatory authorities in order to create a sustainable Islamic financial system. (Amelia & Fitri, 2025; Rozin et al., 2025)

The stock prices of Islamic banks in Indonesia have experienced significant fluctuations over the past several years. Although investors have begun to show interest in Shariah-compliant stocks, the stock price performance of Islamic banks such as Bank Syariah Indonesia (BSI) has continued to exhibit high volatility. For example, BSI recorded a stock return increase of 581.8% in 2020 but experienced a decline of up to -27.53% in 2022. This condition raises questions regarding which fundamental factors influence the movement of Islamic bank stock prices and how investors and bank management can mitigate such fluctuations through appropriate financial strategies. (Buchori et al., 2025; Hadi et al., 2025) ; (BSI, 2025)

Islamic bank stock prices in Indonesia are heavily influenced by profitability, among other internal considerations. The two most important measures of a bank's profitability, Return on Assets (ROA) and Return on Equity (ROE), have been shown in several studies to positively and significantly impact stock prices, especially when looked at together. A number of studies have shown that profitability does have an impact on stock prices, but that this effect is conditional and not necessarily partly consistent. The better Islamic banks manage their assets to generate profits,

the stronger their attractiveness to investors in the Islamic capital market. (Lovita, 2025; Pipianti et al., 2024; Sutisna et al, 2022)

A positive level of company profitability indicates that the company generates profits, whereas a negative level of profitability indicates that the company incurs losses (Usman, 2018). In addition to profitability, Shariah Corporate Social Responsibility (Shariah CSR) has also begun to be adopted as a strategy to enhance firm value and attract investors. CSR that is managed based on Shariah principles is considered capable of increasing public trust and strengthening corporate reputation, thereby having the potential to influence stock prices and overall financial performance. Despite evidence from empirical research showing a positive and statistically significant impact of CSR on profitability and stock prices of Shariah-compliant enterprises, not all academic studies have consistently verified that profitability mediates the link between CSR and stock prices. (Safaah., 2018; Sutisna et al, 2022)

In the context of the studies reviewed in the document, Return on Assets (ROA) is frequently used as an independent variable to examine the effect of profitability on various aspects, such as sustainability report disclosure, firm value, and financial performance. Several research findings indicate that an increase in ROA reflects a healthier financial condition, which may encourage companies to be more actively involved in disclosing social responsibility and sustainability information. Other research, however, suggests that disclosure decisions or specific performance outcomes are not always dictated by profit levels but are instead affected by factors like regulation, ownership structure, and corporate governance, and that profitability as measured by ROA does not necessarily have a significant impact. (Caronge, 2022)

Corporate Social Responsibility (CSR) is a way for companies to manage their business not only for the interests of stakeholders but also for others outside the company, such as the environment, society, employees, and local communities. (Afriani et al, 2023). The quality of Shariah CSR disclosure and profitability reveals an important research gap: although Shariah CSR is recognized as a superior strategy for building reputation and trust, many Islamic banks have not been consistent in reporting or managing their CSR activities in accordance with Shariah principles. According to a number of studies conducted on a global scale, stock market stability has not always followed the effective application of Shariah CSR and profitability. This situation highlights the need of doing further studies on Islamic banking in Indonesia to see if Shariah CSR influences the correlation between profitability and stock prices. (Safaah., 2018; Sutisna et al, 2022)

Previous studies conducted in the international context remain limited in highlighting the specific relationship between profitability, stock prices, and CSR within a Shariah framework, particularly for Islamic banking entities listed in Shariah stock indices. Most existing studies focus on companies in the industrial and service sectors. Islamic banks in Indonesia have grown rapidly due to mergers and digitization of the financial sector, but there is a lack of research on how Shariah CSR acts as a moderator between profitability and stock prices. (Safaah., 2018; Sutisna et al, 2022)

This research is unique because it examines the relationship between profitability and the stock prices of Islamic banks listed on the Indonesia Stock Exchange, with Shariah Corporate Social Responsibility (Shariah CSR) serving as a moderating variable. This research aims to contribute significantly to the development of worldwide Islamic financial literacy by using a more complete Shariah-based framework. It is intended to provide new empirical results that are more relevant and useful for the Indonesian Islamic banking sector.

This study seeks to fill a knowledge vacuum by investigating two points: first, whether Islamic banks listed on the Indonesia Stock Exchange are more profitable, and second, whether Shariah Corporate Social Responsibility (Shariah CSR) can mitigate the effect of profitability on

stock prices. This research aims to investigate the relationship between profitability and stock prices, with a specific focus on the moderating influence of Shariah CSR. This work is anticipated to provide theoretical and empirical contributions to the growth of Islamic capital market literature. It is innovative in that it uses Shariah CSR as a moderating variable in the Islamic banking sector, adopting the Islamic Social Reporting (ISR) methodology.

Profitability Data, Stock Prices, and Sharia CSR for the Years 2020–2024

Table 1. Profitability Data, Stock Prices, and Sharia CSR for the Years 2020–2024

Bank Name (Code)	Year	Profitability	Stock Price	Shariah CSR
Bank Syariah Indonesia (BRIS)	2020	0,81	2250	1
	2021	1,98	1780	0,7
	2022	2,35	1290	0,8
	2023	2,49	1740	0,8
	2024	2,49	2730	0,45
Bank Tabungan Pensiunan Nasional Syariah (BTPS)	2020	7,16	3750	0,75
	2021	10,72	3580	0,9
	2022	11,43	2790	0,8
	2023	6,34	1690	0,8
	2024	6,33	925	0,8
Bank Aladin Syariah (BANK)	2020	6,19	103	0,55
	2021	8,81	2290	0,7
	2022	10,85	1415	0,55
	2023	4,22	1240	0,55
	2024	0,9	825	0,55
Bank Panin Dubai Syariah (PNBS)	2020	0,06	83	0,45
	2021	-6,72	85	0,55
	2022	1,79	63	0,55
	2023	1,62	54	0,55
	2024	0,65	50	0,65

Based on the initial research data on Profitability, Stock Prices, and Shariah CSR for the 2020–2024 period, it can be observed that the levels of profitability (ROA), stock prices, and Shariah CSR among Islamic banks listed on the Bursa Efek Indonesia demonstrate fluctuating dynamics. At Bank Syariah Indonesia (BRIS), profitability increased significantly from 0.81% in 2020 to 2.49% in 2023–2024. This increase was followed by stock price movements that declined in 2022 but then rose sharply to 2730 in 2024. This phenomenon indicates that improvements in financial performance over the medium term tend to be positively responded to by the market, although in the short term stock prices remain influenced by external factors such as macroeconomic conditions and investor sentiment.

In contrast to BRIS, Bank Tabungan Pensiunan Nasional Syariah (BTPS) recorded relatively high profitability levels, particularly in 2021–2022 (above 10%). However, its stock price showed a significant downward trend, declining from 3750 in 2020 to 925 in 2024. This condition indicates that high profitability does not always align with an increase in stock prices. Such a situation may be caused by industry risk factors, changes in investor expectations, as well as economic pressures that influence market perceptions of the company's future prospects.

Meanwhile, Bank Aladin Syariah (BANK) exhibits a highly fluctuating pattern in both profitability and stock prices. Profitability increased to 10.85% in 2022 but then declined sharply to 0.9% in 2024. Its stock price also moved dramatically, rising from 103 in 2020 to 2290 in 2021, before decreasing again to 825 in 2024. This pattern reflects a high sensitivity to market perception, particularly for a bank that is undergoing a phase of transformation or business model expansion.

Meanwhile, Bank Panin Dubai Syariah (PNBS) demonstrates relatively low profitability and even recorded a negative figure in 2021 (-6.72%), with stock prices that tend to stagnate and decline. Interestingly, the Shariah CSR values across all banks remain relatively stable within the range of 0.45–0.9, despite significant changes in profitability and stock prices. This indicates that Shariah CSR disclosure does not necessarily have a direct impact on stock price movements; however, it has the potential to function as a moderating variable that strengthens or weakens the relationship between profitability and stock prices. Therefore, the empirical phenomenon reflected in this data reveals a research gap that is relevant for further investigation regarding the role of Shariah CSR in moderating the effect of profitability on stock prices in Islamic banks in Indonesia.

Hypothesis Development

1. The Effect of Profitability on Stock Prices

Return on Assets (ROA) is used as a measure of profitability because it assesses a company's ability, in this case an Islamic bank, to generate profit from its total assets. By using ROA, we can evaluate how effectively management utilizes assets in managing the company to produce earnings. ROA is appropriate for Islamic banks because it reflects overall financial performance and the efficiency of asset management in generating profits. This measurement allows for performance comparisons among banks with different asset sizes, which is important in cross-institutional analyses such as studies on Islamic banks listed on the Indonesia Stock Exchange (IDX). Bank Indonesia and related research on Islamic banking profitability frequently use ROA as an indicator of bank soundness and performance. (Astuti, 2021; Mastura, 2023)

H1: Profitability has a positive and significant effect on the stock prices of Islamic banks listed on the Indonesia Stock Exchange.

2. The Role of Sharia CSR as a Moderating Variable in the Relationship between Profitability and Stock Prices

The role of Sharia CSR as a moderating variable means that this variable can strengthen or weaken the relationship between the independent and dependent variables, in this case profitability measured by ROA as the independent variable and stock price as the dependent variable. The implementation of Sharia CSR in Islamic banking includes programs aligned with Islamic values, such as community economic empowerment, education, healthcare, and environmental sustainability. Research shows that Sharia CSR can enhance a bank's reputation, increase customer trust, and ultimately contribute to improved financial performance and firm value, particularly reflected in stock prices. (Lestari, 2021; Nurdyanzah et al., 2023)

H2: Sharia CSR moderates the effect of profitability on the stock prices of Islamic banks listed on the Indonesia Stock Exchange.

Conceptual Framework

This research examines the link between profitability (ROA) and stock prices using profitability as the independent variable and Shariah Corporate Social Responsibility (Shariah CSR) as the moderating variable. As a result, below is a simplified representation of the study's theoretical framework:

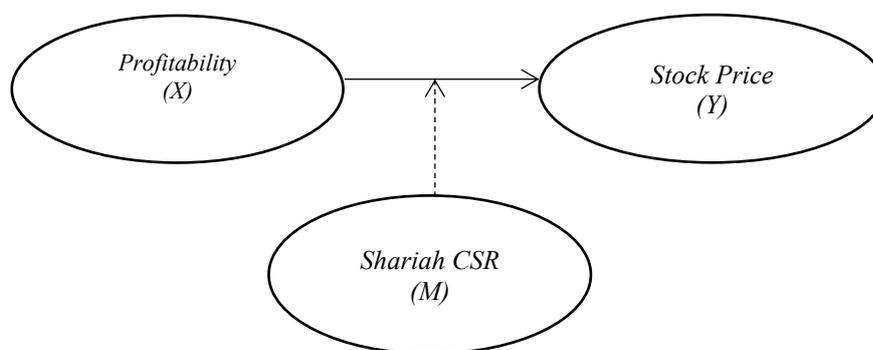


Figure 1. Conceptual Framework

METHODS

Research Design

The researchers in this study used a quantitative methodology and an associative (causal) research strategy. This research employs a quantitative methodology as it seeks to test hypotheses about the interrelationships of variables by way of numerical data extracted from Islamic banks' annual reports and financial statements. Investigating the potential moderating effect of Shariah Corporate Social Responsibility (Shariah CSR) on the relationship between profitability and stock price is the primary goal of associative research. The study also seeks to explain the cause-and-effect relationship between the two variables. (Satria, 2024)

Population and Research Sample

All Islamic commercial banks that were listed on the Indonesia Stock Exchange between 2020 and 2024 make up the population of this research. Following the recommendations of Astuti (2019) and Santoso et al., the sample is selected using a purposive sampling methodology, a criterion-based sampling method. (2024), including:

- Islamic banks that are publicly listed and registered on the Indonesia Stock Exchange during the research period;
- Consistently publishing annual financial statements and sustainability/CSR reports for at least

three consecutive years;

- The required variable data are available in complete form.

Data Sources and Collection Methods

Secondary data for this study was sourced from official documents such as the Financial Services Authority's publications, the official websites of Islamic banks, the Thomson Reuters/Eikon database, and the Indonesia Stock Exchange's annual financial statements, sustainability reports, and stock price data. In line with the study's goals, all data is gathered during the appropriate observation period. (Aminy & Sauqi, 2020; Pipianti et al., 2024)

Operational Definition of Research Variables

Table 2. Operational Definition of Variables

Variable	Definition	Indicator / Formula	Source
Profitability (X)	The bank's ability to generate profits during a given period	ROA (Return on Assets) = Net Income / Total Assets	(Aminy & Sauqi, 2020; Pipianti et al., 2024)
Stock Price (Y)	The market price of Islamic bank shares listed on the Indonesia Stock Exchange (IDX)	Stock closing price at the end of each period (Unit: IDR per share)	(Astuti, 2019)
Shariah CSR (M)	Social responsibility activities and disclosures conducted by banks in accordance with Shariah principles	ISR Score (Islamic Social Reporting Index) and Shariah CSR score in the regression model, $ISR = (\text{Number of disclosed items} / \text{Total disclosure items}) \times 100\%$	(Astuti, 2019; Santoso et al., 2024)

Data Analysis Techniques

The following steps are involved in data analysis:

- Statistical methods for offering a descriptive account of the data, including measures such as median, standard deviation, minimum, and maximum.
- The heteroskedasticity, multicollinearity, and normalcy tests are examples of classical assumption tests.
- The direct impact of profitability on stock prices may be investigated using multiple linear regression analysis.
- An interaction test or Moderated Regression Analysis (MRA) to determine if Shariah CSR moderates the link between profitability and stock prices.

All statistical tests are conducted using statistical software such as EViews. (Astuti, 2019; Humaira, 2021; Pipianti et al., 2024)

This study's regression model is constructed as follows:

$$Y = \alpha + \beta_1 X + \beta_2 M + \beta_3 (X \times M) + \epsilon$$

- Y : Stock price

- X : Profitability (ROA)
- M : Shariah (CSR)
- X × M : Interaction between profitability and Shariah CSR
- α : Constant
- β : Regression coefficient
- ε : Error term

Hypothesis Testing

At a significance threshold of 5% ($\alpha=0.05$), hypothesis testing is carried out. Regression coefficients and p-values provide the basis for hypothesis testing. If the coefficient agrees with the expected theoretical direction and the p-value is less than 0.05, we may say that the hypothesis is accepted. While the t-test looks at the independent variables' partial effects, the moderation test looks at how profitability and Shariah CSR (Corporate Social Responsibility) interact with stock prices. (Astuti, 2019; Humaira, 2021; Pipianti et al., 2024)

RESULTS AND DISCUSSION

Descriptive Statistics

Table 3. Descriptive Statistics

	Profitability (X)	Interaction between Profitability and Shariah Corporate Social Responsibility (XM)	Close Price (Y)
Mean	4.023500	2.923525	1436.650
Median	2.490000	1.936000	1352.500
Maximum	11.43000	9.648000	3750.000
Minimum	-6.720000	-3.696000	50.00000
Std. Dev.	4.469238	3.274835	1191.408
Observations	20	20	20

Source: Results of data processing using EViews 13, 2025

The data for variable X is distributed as follows: mean 4.023, median 2.490, maximum 11.430, minimum -6.720, and standard deviation 4.469. The range of values for variable M is from 0.450 to 1.000 with a standard deviation of 0.154, and within these extremes, the median is 0.675 and the mean is 0.672. The XM variable has a range of values: 2.923 for the mean, 1.936 for the median, 9.648 for the maximum, and -3.696 for the lowest. The standard deviation is 3.274. The range of values for variable Y is 1,436.650, 1,352.500, 3,750.000, and 50,000, with a standard deviation of 1,191.408.

Results of Panel Data Model Selection Tests

1) Chow Test

Effects Test	Statistic	d.f.	Prob
Cross-section F	3.359238	(3,13)	0.0520
Cross-section Chi-square	11.478360	3	0.0094

Source: Results of data processing using EViews 13, 2025

The F-statistic value is 3.359 with a probability value of 0.052; so, H_1 is accepted and H_0 is rejected according to the findings of the Chow test. The findings of the Chow test led to the selection of the Fixed Effect Model (FEM) as the estimate model.

2) Hausman Test

Table 5. Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	10.077714	3	0.0179

Source: Results of data processing using EViews 13, 2025

We accept H_1 and reject H_2 according to the Hausman test findings, which show a computed Chi-square statistic of 10.077 with a probability value of 0.0179. Accordingly, the FEM was chosen as the model to use.

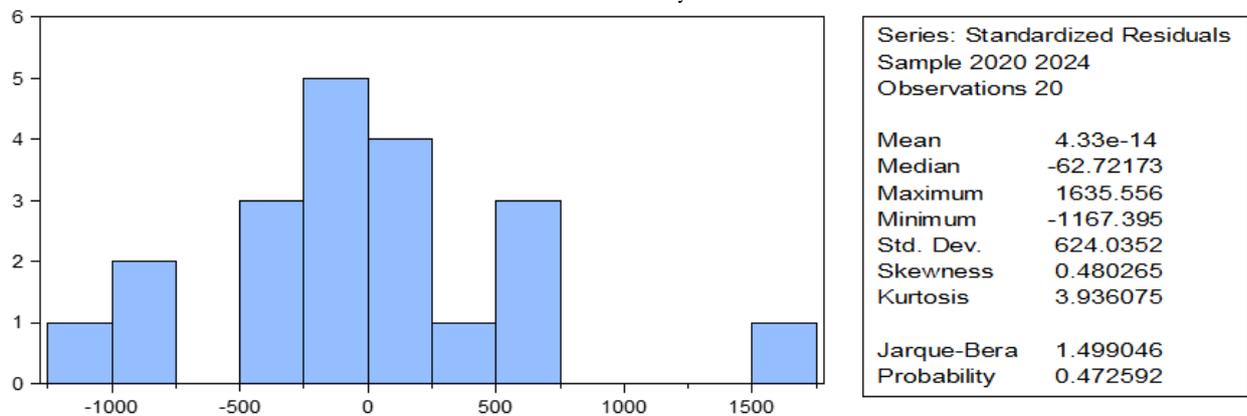
3) Model Conclusion

The Fixed Effect Model (FEM) was chosen after evaluating both the Chow test and the Hausman test, which are panel data regression models. Findings from this study of Islamic banks trading on the Indonesia Stock Exchange suggest that the Fixed Effect Model is the best fit for future estimates aiming to quantify the relationship between profitability and stock prices, with Shariah CSR serving as a moderating variable.

Classical Assumption Tests

1) Normality Test

Tabel 6. Normality Test



Source: Results of data processing using EViews 13, 2025

The data are normally distributed, according to the findings of the normalcy test, as the Jarque-Bera value is 1.499 and the probability value is 0.472, both of which are larger than 0.05.

2) Multicollinearity Test

Table 7. Multicollinearity Test

	Profitability (X)	Shariah Corporate Social Responsibility (M)	Interaction between Profitability and Shariah Corporate Social Responsibility (XM)
Profitability	1.000000	0.332331	0.769589

(X)			
Shariah CSR (M)	0.332331	1.000000	0.468818
Interaction between Profitability and Shariah Corporate Social Responsibility (XM)	0.769589	0.468818	1.000000

Source: Results of data processing using EViews 13, 2025

None of the independent variables had correlation values higher than 0.80, according to the multicollinearity test (Ghozali, 2016). The results do not show any signs of multicollinearity among the independent variables, hence we may draw that conclusion. Table 6 shows that the correlation values—0.332, 0.769, and 0.468—are less than 0.80.

3) Heteroskedasticity Test

Table 8. Heteroskedasticity Test

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
(Constant) C	1809.359	786.0387	2.301870	0.0385
Profitability (X)	333.6520	163.7868	2.037112	0.0625
Shariah CSR (M)	-1580.584	1213.574	-1.302421	0.2154
Interaction between Profitability and Shariah Corporate Social Responsibility (XM)	-511.4797	250.0376	-2.045611	0.0616

According to Table 7, the panel data analysis passes the heteroskedasticity test since the Glejser test yielded probability values more than 0.05 (specifically, 0.062, 0.215, and 0.061).

Analisis Regresi Data Panel

Table 9. Panel Data Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
(Constant) C	1947.389	1259.345	1.546351	0.1460
Profitability (X)	290.5911	262.4096	1.107395	0.0282
Shariah CSR (M)	-1614.097	1944.316	-0.830162	0.0114
Interaction between Profitability and Shariah Corporate Social Responsibility (XM)	596.5177	400.5955	1.489077	0.0403

Source: Results of data processing using EViews 13, 2025

$$Y = 1947.38 + 290.59X - 1614.09M + 596.51XM$$

Multiple linear regression analysis yielded a constant value of 1,947.388, indicating that when X, M, and XM are equal to zero, Y equals 1,947.388. Each one-unit increase in X increases Y by 290.591. Each one-unit increase in M decreases Y by 1,614.096. Each one-unit increase in XM increases Y by 596.517.

Hypothesis Testing

1) Partial Test (t-Test)

Table 10. Partial Test (t-Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
(Constant) C	1947.389	1259.345	1.546351	0.1460
Profitability (X)	290.5911	262.4096	1.107395	0.0282
Shariah CSR (M)	-1614.097	1944.316	-0.830162	0.0114
Interaction between Profitability and Shariah Corporate Social Responsibility (XM)	596.5177	400.5955	1.489077	0.0403

Source: Results of data processing using EViews 13, 2025

- 1) X has a statistically significant impact on Y as the probability value of this effect is less than 0.05, namely 0.0282.
- 2) M's impact on Y is statistically significant, since the probability value (0.0114) is lower than the significance level (0.05).
- 3) The probability value of the interaction (XM) between X and Y is less than 0.05, namely 0.0403, which means that M may mitigate the influence of X on Y.

2) Simultaneous Test (F-Test)

Table 11. Simultaneous Test (F-Test)

R-squared	0.725655	Mean dependent var	1436.650
Adjusted R-squared	0.599034	S.D. dependent var	1191.408
S.E. of regression	754.4217	Akaike info criterion	16.35900
Sum squared resid	7398978.	Schwarz criterion	16.70750
Log likelihood	-156.5900	Hannan-Quinn criter.	16.42703
F-statistic	5.730934	Durbin-Watson stat	1.286779
Prob(F-statistic)	0.004143		

Source: Results of data processing using EViews 13, 2025

At the same time, the combined impact of variables X, M, and XM is statistically significant, with a probability value of 0.004 (< 0.05) for the F-statistic.

3) Coefficient of Determination Test (R² Test)

R-squared	0.725655	Mean dependent var	1436.650
Adjusted R-squared	0.599034	S.D. dependent var	1191.408
S.E. of regression	754.4217	Akaike info criterion	16.35900
Sum squared resid	7398978.	Schwarz criterion	16.70750
Log likelihood	-156.5900	Hannan-Quinn criter.	16.42703
F-statistic	5.730934	Durbin-Watson stat	1.286779
Prob(F-statistic)	0.004143		

Table 12. Coefficient of Determination Test (R^2 Test)

Source: Results of data processing using EViews 13, 2025

A modified R-squared value of 0.59, or 59%, suggests that X, M, and XM can account for 59% of the variance in Y. Inclusion of non-research factors in the model accounts for the remaining 41%.

DISCUSSION

a. The Effect of Profitability on Stock Prices of Islamic Banks Listed on the Indonesia Stock Exchange

Profitability (X) significantly affects stock prices, according to hypothesis testing, as the variable's probability value is less than 0.05, specifically 0.0282. One measure of a bank's profitability is its Return on Assets (ROA). If a bank has a high return on assets (ROA), it means it is doing well financially because it is making the most of its assets to make money. From 2020 to 2024, BRIS, BTPS, BANK, and PNBS all had varying returns on assets (ROA). The COVID-19 epidemic of 2020–2021, which forced financial institutions to increase their productivity and profits or perish, contributed to these variations. In addition, restructuring efforts and increased digitalization of Islamic banking encouraged the growth of productive assets. Furthermore, rising interest from both individual and institutional investors in the Islamic financial sector, who consider ROA as a key fundamental indicator, also contributed to these dynamics.

Companies send signals to investors via their financial performance, according to Signaling Theory, which is supported by the results of this research. When a company has a high profit margin, it means they are good at making money and keeping their assets in order (Suwardjono, 2020). The results of this study are in line with the findings of (Pipianti et al., 2024) and (Santoso et al., 2024), studies show that return on assets (ROA) significantly impacts stock prices. On the other hand, these results run counter to what was found in (Safitri, 2023) and (Baarsyah, 2025), They found no evidence that return on assets (ROA) influences stock prices.

b. The Effect of Shariah Corporate Social Responsibility (CSR) on Stock Prices of Islamic Banks Listed on the Indonesia Stock Exchange

Results from hypothesis testing show that Shariah CSR (M) significantly affects stock prices ($p = 0.0114$), which is less than the significance level of 0.05. Corporate social responsibility (CSR) affects stock prices by establishing credibility and confidence among stakeholders including consumers, investors, and government agencies. Corporate social responsibility (CSR) is an excellent way for Islamic banks to boost their image and reputation as it shows that they are committed to ethical ideals, sustainability, and social responsibility. The confidence of investors is boosted, which leads to an increase in stock prices (Ramadhan et al., 2022). In addition, the Shariah investor community holds CSR that is carried out in line with Shariah principles in high esteem since it is consistent with Islamic ideals. The alignment has a favorable effect on stock prices since

it makes Islamic bank equities more appealing to investors who are looking for ethical investments (Maulida, 2024).

Stakeholder theory, which this research backs up, holds that businesses should aim to benefit all of their stakeholders, not just shareholders. Improved public perception and faith in corporations may have a positive effect on their stock price when Shariah CSR initiatives are put into place (Astuti, 2019). The results of this study are in line with the findings of (Mifta, 2022) and (Rovishany, 2025), which indicate that CSR has a significant effect on stock prices. However, these findings contradict the results of (Djumaiyah, 2022) and (Rahmawati, 2022), who found that CSR does not have a significant effect on stock prices.

c. The Moderating Role of Shariah Corporate Social Responsibility (CSR) in the Relationship between Profitability and Stock Prices of Islamic Banks Listed on the Indonesia Stock Exchange

With a probability value of less than 0.05, specifically 0.0403, and a positive interaction coefficient of 596.517, the findings of hypothesis testing imply that Shariah CSR may attenuate the link between profitability and stock prices. Shariah CSR amplifies the impact of profitability on stock values, according to this research. This happens because investors see a combination of strong signals of business sustainability, quality of corporate governance, and conformity with Shariah principles when they see high profitability backed by consistent Shariah CSR implementation. Relationships with stakeholders, like as consumers, regulators, and the community, may be strengthened by Shariah CSR. Maintaining positive connections with key stakeholders helps keep businesses afloat, which boosts long-term profits and makes stock more appealing to investors (Adelia, 2025).

According to Signaling Theory, which this research confirms, investors get a good signal from profitability performance as it shows that management can make money. Supported by Shariah Corporate Social Responsibility (Shariah CSR), this signal is amplified by a conscientious public perception of the company, social responsibility grounded on Islamic values, and an enduring dedication to environmental preservation. Consistent with previous research, this study found that (Hidayati, 2024), Results show that CSR may mitigate the impact of ROA on stock prices. Nonetheless, these results run counter to what the research found by (Dhana, 2025), indicating that CSR fails to mitigate the correlation with stock prices.

Islamic banks traded on the Indonesia Stock Exchange have a strong correlation between profitability and stock price performance, according to this research. Moreover, it has been shown that Shariah Corporate Social Responsibility (Shariah CSR) acts as a moderator in the correlation between profitability and stock prices. This finding highlights the significance of social responsibility based on Shariah in the processes of market valuation. In a theoretical sense, these results enhance the use of stakeholder theory and signaling theory within the framework of Islamic banking.

The study's limitations remain, however, in areas such as the number of variables, the duration of the observation, and the breadth of the research objectives. Additional factors, a longer study period, and the inclusion of other Islamic industrial sectors should be considered in future studies. When making judgments that include financial performance and disclosure of Shariah CSR, the results of this research might be useful for investors and managers of Islamic banks.

REFERENCES

- Adelia. (2025). Pengaruh Corporate Social Responsibility (CSR) terhadap Sustainability Financial Pada Perbankan (Studi Kasus Pada Bank. 7(1), 523–531.
- Afriani et al, (2023). Implementasi Corporate Social Responsibility (CSR) Dalam Meningkatkan Citra Perusahaan di Masyarakat. *Jurnal Riset Terapan Akuntansi*, 07, 16–26.
- Usman et al, (2018). *Pengaruh Ukuran Perusahaan, Profitabilitas, Likuiditas dan Pertumbuhan Perusahaan Terhadap Opini Audit Going Concern Pada Perusahaan Manufaktur Yang Terdaftar di BEI Tahun 2014-2018*.
- Amelia, P., & Fitri, A. O. (2025). Tinjauan Literatur: Perkembangan Dan Tantangan Perbankan Syariah Di Indonesia Di Era Digital Literature Review: Development and Challenges of. *Jurnal Intelek Insan Cendikia*, 8667–8672. <https://jicnusantara.com/index.php/jiic/article/view/3347%0>
- Aminy, M. M., & Sauqi, A. (2020). The Determinants of Islamic Banks' Stock Prices: Evidence from the GCC Countries. *Jurnal Ilmiah Ekonomi Islam*, 6(3), 535. <https://doi.org/10.29040/jiei.v6i3.1284>
- Astuti. (2021). Faktor-faktor yang Mempengaruhi Profitabilitas Bank Syariah. *Jurnal Ilmiah Ekonomi Islam*, 7(02), 2021, 1053-1067, 7(02), 1053–1067.
- Astuti,. (2019). Persepsi Stakholder Terhadap Pelaksanaan Corporate Social Responsibility: Kasus Pada Bank Syariah di DIY. *Sinergi Kajian Bisnis dan Manajemen*, 1–9.
- Baarsyah. (2025). Pengaruh Good Corporate Governance dan Corporate Social Responsibility Terhadap Provitabilitas Bank Umum Syariah.. 2(1), 1–8.
- Buchori, et al (2025). The Effect of Financial Performance on Stock Returns of Islamic Banks with Inflation as a Control Variable. *Nisbah: Jurnal Perbankan Syariah*, 11(1), 73–80.
- Dhana. (2025). *Pengaruh Kinerja Keuangan terhadap Harga Saham Perusahaan Teknologi di BEI dengan CSR sebagai Variabel Moderasi*. 14(2), 40–51.
- Djumaiyah. (2022). Pengaruh Corporate Social Responsibility , Return On Investment , dan Return On Equity Terhadap Harga Saham.
- Caronge (2022). Pengaruh Asean Corporate Governance Scorecard (ACGS) dan Kinerja Keuangan terhadap Nilai Perusahaan dengan Mediasi Sustainability Reporting. 1(10), 578–602. <https://doi.org/10.36713/epra2013>
- Ghozali. (2016). Pengaruh Disiplin Kerja dan Fasilitas Kerja Terhadap Kinerja Karyawan Pada Kedai 27 di Surabaya Fregrace Meissy Purnawijaya.7(1).
- Hadi, Y. P., Syahla, A. N. A., Himmah, Z. D., Efendi, A. C., & Azis, L. I. (2025). Analisis Perkembangan Saham BSI dengan “The Big Four Bank” di Indonesia. *Jurnal Manajemen Pembangunan Daerah*, 18(1), 63–71. https://doi.org/10.29244/jurnal_mpd.v18i1.66666
- Hidayati. (2024).). Pengaruh Kinerja Keuangan Terhadap Harga Saham Dengan Pengungkapan CSR Sebagai Variabel Moderasi. *Jurnal Ilmu Pemerintahan Dan Administrasi Publik*, 2.
- Humaira, Z. A. (2021). Analysis of The Influence of Return on Equity on Sharia Stock Price Moderated by Corporate Social Responsibility. *EKONOMIKA SYARIAH: Journal of Economic Studies*, 5(1), 72. <https://doi.org/10.30983/es.v5i1.2578>
- Lestari, R. T. (2021). Pengaruh Zakat Dan Corporate Social Responsibility terhadap Kinerja keuangan (Studi Pada Bank Umum Syariah di Indonesia Periode 2014-2018). *Skripsi. Fakultas*

Ekonomi Dan Bisnis Islam. UIN Raden Intan Lampung.

- Lovita, (2025). Pengaruh Faktor Fundamental Terhadap Harga Saham PT Bank Syariah Indonesia Tbk Yang Terdaftar Di Bursa Efek Indonesia.
- Mastura. (2023). Pengaruh Good Corporate Governance Dan Islamic Corporate Social Responsibility Terhadap Profitabilitas (ROA) Pada Bank Umum Syariah di Indonesia Tahun 2017-2020. *Jurnal Ilmiah Manajemen, Ekonomi Dan Akuntansi Vol.3, No.3 November 2023*, 3(3), 240–250.
- Maulida. (2024). *Islamic corporate governance.*
- Mifta. (2022). PENGARUH TINGKAT PROFITABILITAS TERHADAP HARGA SAHAM BANK SYARIAH YANG TERDAFTAR DI BURSA EFEK INDONESIA. *New Phytologist*, 51(1), 2022. https://doi.org/10.20935/AL189%0Ahttps://www.researchgate.net/publication/269107473_What_is_governance/link/548173090cf22525dcb61443/download%0Ahttp://www.econ.upf.edu/~reynal/Civil_wars_12December2010.pdf%0Ahttps://thinkasia.org/handle/11540/8282%0Ahttp
- Nurdyanzah et al, (2023). The Role of Islamic Banks' Financial Performance on Corporate Social Responsibility (CSR). *JESI (Jurnal Ekonomi Syariah Indonesia)*, 13(1), 14. [https://doi.org/10.21927/jesi.2023.13\(1\).14-23](https://doi.org/10.21927/jesi.2023.13(1).14-23)
- Pipianti, R., Brahmono, B., Syahrul, S., & Meldayani, O. (2024). Pengaruh Profitabilitas Terhadap Harga Saham Pada Bank Syariah Indonesia Periode 2021 -2023. *Jurnal Ilmiah Mahasiswa Perbankan Syariah (JIMPA)*, 4(1), 27–38. <https://doi.org/10.36908/jimpa.v4i1.315>
- Rahmawati. (2022). Pengaruh Corporate Social Responsibility, Return On Equity , Dan Earning Per Share Terhadap Harga Saham Pada Perusahaan Subsektor , Hotel ,. 0717, 1–12.
- Ramadhan, P. R., Panggabean, F. Y., & Lubis, N. P. (2022). *Pelaporan Corporate Social Responsibility Perbankan Syariah dalam Rangka Meningkatkan Nilai Perusahaan yang Terdaftar di Otoritas Jasa Keuangan.* 3(1), 23–29. <https://doi.org/10.47065/jbe.v3i1.1657>
- Rovishany. (2025). *Pengaruh Pengungkapan Corporate Social Responsibility dan Kinerja Lingkungan terhadap Harga Saham The Effect of Corporate Social Responsibility Disclosure and Environmental Performance on Stock Price.* 05(02), 193–209.
- Rozin, H., Anam, M. K., & Setianingrum, N. (2025). Gudang Jurnal Multidisiplin Ilmu Analisis Pertumbuhan Dan Tantangan Bank Syariah Indonesia. *Gudang Jurnal Muti Disiplin Ilmu*, 3, 927–930.
- Safaah., 2018. (2018). Analisis Pengaruh Corporate Social Responsibility (CSR) Terhadap Harga Saham Dengan Profitabilitas Sebagai Variabel Intervening. *Jurnal Perbankan Syariah Fakultas Ekonomi Dan Bisnis Islam Universitas Salatiga*, 119.
- Safitri. (2023). *Corporate social responsibility.*
- Santoso, A. K., Wijyantini, B., & Hafidzi, A. H. (2024). Sharia banking stocks : The role of profitability and financial performance. *American Journal of Economics and Business Management*, 7(12), 1463–1469.
- Satria. (2024). Al-Kharaj: Jurnal Ekonomi , Keuangan & Bisnis Syariah Al-Kharaj: Jurnal Ekonomi , Keuangan & Bisnis Syariah. *Ekonomi , Keuangan & Bisnis Syariah*, 6, 5490–5500. <https://doi.org/10.47467/alkharaj.v6i7.3020>
- Sutisna et al, 2022. (2022). Dampak Kinerja Keuangan Terhadap Harga Saham Bank Syariah Tbk. *Economics and Digital Business Review*, 3(2), 41–58.

<https://ojs.stieamkop.ac.id/index.php/ecotal/article/view/1171/851>

Suwardjono, 2013. (2020). *Landasan teori signaling theory*. July, 1–23.