

### 3.5 Estimation method

**Table I.**

Findings of tests of panel data.

	Chi2	P-value	Durbin-Watson
<b>Hausman Test</b>	19.88	0.01***	
<b>Modified Wald Test</b>	1.3	0.00***	
<b>Durbin-Watson Test</b>			0.50

\*\*\* Significant at 1% level.

### 3.6 Description statistics and correlation analysis

**Table II.**

Descriptive statistics

	DCI	ROA	ROE	NIM	EPS	BOD	AC	SSB	SIZE	LEV	AGE
<b>Mean</b>	0.77	0.37	0.47	0.14	-1.71	12.95	2.15	7.60	20.64	0.51	20.30
<b>Std. Dev.</b>	0.26	3.63	0.99	0.89	29.41	6.04	2.07	2.41	2.31	2.51	10.14

**Notes:** the period of data is of 2012 to 2019, the dependent variable is the DCI: Disclosure index; the independent variables are the ROA, the ROE, the EPS, the NIM, the BOD, the AC and the SSB, and the control variables are the SIZE, the LEV and the AGE

**Table III.**

Results of test of Correlation matrix and VIF.

	DCI	ROA	ROE	NIM	EPS	BOD-index	AC-index	SSB-index
<b>Panel A: Correlation matrix</b>								
<b>DCI</b>	1							
<b>ROA</b>	-0.19***	1						
<b>ROE</b>	-0.12**	0.01	1					
<b>NIM</b>	0.13*	-0.01	-0.07	1				
<b>EPS</b>	0.09	0.00	-0.00	0.00	1			
<b>BOD-index</b>	0.21***	0.06	-0.01	-0.11**	0.02	1		
<b>AC-index</b>	0.40***	0.06	-0.09***	0.13	0.10**	0.41***	1	
<b>SSB-index</b>	0.30***	0.01	-0.01	-0.06	0.08	0.43***	0.52***	1
<b>Panel B: VIF test results</b>								
	1.08	1.07	1.16	1.02	1.46	1.68	1.66	

**Note:** \*, \*\* and \*\*\* indicate significance at the 10%, 5% and 1% levels, respectively.

## 4. Empirical findings

**Table IV.**

Estimate results of the impact of each of financial performance measures on AAOIFI disclosure.

	DCI			
	ROA	ROE	NIM	EPS
<b>Performance</b>	-0.0164*** (0.00)	-0.0362*** (0.00)	0.0291*** (0.00)	0.0009 (0.20)
<b>Constant</b>	0.7954*** (0.00)	0.7726*** (0.00)	0.6877*** (0.00)	0.7170*** (0.00)
<b>R2</b>	0.0001	0.0003	0.0001	0.0000
<b>Wald Chi2</b>	9.00	18.26	15.03	6.48
<b>Prob&gt;Chi2</b>	0.0612	0.0011	0.0046	0.1661

**Note:** This table shows the regression findings of performance on disclosure. With: ROA = Net income / Total assets, ROE = Net Profit / Total Capital, EPS: Earnings per share, NIM: Net interest margin. \*, \*\* and \*\*\* indicate significance at the 10%, 5% and 1%, levels, respectively.

**Table V.**

Estimate results of the impact of each Shariah Governance mechanisms on AAOIFI disclosure.

	DCI		
	BOD	AC	SSB
<b>Governance</b>	0.0070*** (0.00)	0.0557*** (0.00)	0.0328*** (0.00)
<b>Constant</b>	0.6875*** (0.00)	0.5526*** (0.00)	0.6265*** (0.00)
<b>R2</b>	0.0086	0.0002	0.0080
<b>Wald Chi2</b>	35.49	151.96	290.40
<b>Prob&gt;Chi2</b>	0.0000	0.0000	0.0000

**Note:** This table shows the regression findings of governance on disclosure. With: BOD = mean of the valor allocated to every member administration; AC = mean of the valor allocated to every member of Audit Committee; SSB = mean of the valor allocated to every member of Shariah council. \*, \*\* and \*\*\* indicate significance at the 10%, 5% and 1%, levels, respectively.

## 5. Robustness study

**Table VI.**

Estimate results of the impact of financial performance and Shariah Governance mechanisms on AAOIFI disclosure (GMM estimation).

	Coefficient	Probability
<b>DCI<sub>t-1</sub></b>	-1.1667**	0.04
<b>ROA</b>	-0.0106***	0.01
<b>ROE</b>	-0.0222**	0.03
<b>NIM</b>	0.0656**	0.03
<b>EPS</b>	0.0009	0.26
<b>BOD</b>	0.0088**	0.02
<b>AC</b>	0.0039***	0.00
<b>SSB</b>	0.0105***	0.00
<b>Constant</b>	0.9553***	0.00
<b>F-statistics</b>	41.58***	0.00
<b>AR (1)</b>	-2.34	0.42
<b>AR (2)</b>	-0.62	0.55
<b>Hansen Test</b>	6.32	0.17

**Note:** \*, \*\* and \*\*\* indicate Significance at the 10%, 5% and 1% levels, respectively.

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