

Islamic Banking Disclosure: A Structured Integrative Review of Governance, Compliance, and Emerging Reporting Issues

Tomi Erlangga¹, Adli Rikanda Saputra^{2*}, and Suhendar³

^{1,2,3}*Department of Sharia Accounting, Faculty of Islamic Economics and Business, Universitas Islam Negeri Raden Intan Lampung, Bandar Lampung, Indonesia*

**Corresponding author: adlirikandas@radenintan.ac.id*

ABSTRACT

Islamic banking disclosure is a distinctive accountability mechanism because Islamic banks must explain both financial performance and compliance with Shariah principles. This study aims to synthesize how governance structures, regulatory frameworks, measurement approaches, and emerging reporting issues shape disclosure in Islamic banking. It applies a structured integrative literature review supplemented by descriptive bibliometric profiling to a curated corpus of 53 publications published between 2010 and 2025; 47 directly relevant studies were retained and coded according to theoretical mechanism, reporting framework, disclosure domain, measurement approach, organizational and governance determinants, consequences, and contextual conditions. The synthesis shows that Islamic banking disclosure is shaped by a dual accountability structure involving investors, depositors, investment account holders, Shariah boards, regulators, and wider society. The coexistence of AAOIFI standards, IFRS, and national regulation creates regulatory pluralism and uneven compliance across institutions and jurisdictions. Disclosure indices and content analysis dominate measurement, but binary scores frequently capture presence rather than depth, credibility, or decision usefulness. Bank size, age, ownership, board composition, Shariah Supervisory Board quality, leverage, listing status, and country institutions influence disclosure, although several relationships vary by disclosure type and setting. Higher disclosure is associated with financial performance, lower cost of capital, legitimacy, trust, satisfaction, and loyalty, while evidence on stock-price volatility and causal direction remains limited. The article develops a dual-accountability disclosure ecosystem linking institutional foundations and governance capacity to disclosure architecture, information attributes, and stakeholder outcomes. Future research should prioritize disclosure quality, Maqasid al-Shariah outcomes, climate accountability, integrated reporting, digital governance, and FinTech-related risks.

Keywords: *Islamic banking disclosure, Islamic banks, Shariah governance, AAOIFI, structured integrative review*

1. INTRODUCTION

Islamic banking disclosure is not merely an extension of conventional bank reporting. It is an accountability mechanism through which Islamic banks explain their financial condition, governance, risk exposure, social role, and conformity with Shariah principles. Conventional financial reporting primarily supports capital allocation and the evaluation of financial performance. Islamic banks must meet those objectives while also demonstrating that contracts, income sources, governance procedures, and social activities are consistent with their religious and ethical identity. Transparency is therefore integral to both financial credibility and Islamic legitimacy (Abdulrahman et al., 2024; Alshater et al., 2022).

This dual accountability creates a broader information environment. Shareholders and regulators require conventional financial and risk information, while depositors, investment account holders (IAHs), Shariah boards, customers, and Muslim communities additionally

require evidence on profit-sharing arrangements, Shariah review, non-compliant income, zakat, social responsibility, and the governance of Islamic banking products. IAHs are especially important because they provide risk-bearing funds under profit-sharing arrangements without voting and monitoring rights equivalent to those of shareholders. Disclosure consequently becomes a primary mechanism for reducing information asymmetry among managers, shareholders, and IAHs (Mnif & Tahari, 2020; Saidani et al., 2021).

The regulatory architecture is also plural. AAOIFI develops standards specifically for Islamic contracts, accounting, ethics, and Shariah governance, whereas IFRS provides internationally recognized principles developed mainly for general-purpose reporting. National regulators combine these frameworks differently. Comparative evidence from Gulf banks shows that IFRS compliance can exceed AAOIFI compliance even though AAOIFI is more closely aligned with the substance of Islamic transactions (Ajili & Bouri, 2017). This suggests that conceptual suitability does not guarantee implementation; professional infrastructure, enforcement, adoption status, and national regulatory capacity remain decisive (Al-Sulaiti et al., 2018; Mukhlisin & Antonio, 2018).

Empirical findings reveal persistent and domain-specific disclosure gaps. AAOIFI governance compliance and Shariah compliance disclosure are generally moderate, corporate social responsibility (CSR) disclosure remains low in several settings, and Islamic banks sometimes disclose less risk and climate information than conventional banks (Albarrak & El-Halaby, 2019; Grassa et al., 2020b; Harun et al., 2020; Şimşek et al., 2024). By contrast, web-based reporting is relatively extensive in parts of the Gulf and Oman (Al-Sartawi & Reyad, 2019; Sarea et al., 2020). Results for leverage, listing status, board size, and Shariah board size are also inconsistent because studies assess different disclosure domains, channels, institutional settings, and dimensions of quality.

Table 1. Empirical context and disclosure gaps in Islamic banking

Dimension	Selected empirical evidence	Implication for the research problem
Shariah and governance compliance	Mean AAOIFI governance compliance was 52.1%; Shariah disclosure was approximately 53%; later cross-country evidence reported 57.38% with improvement over time (Albarrak & El-Halaby, 2019; Mnif & Tahari, 2020; Abdulrahman et al., 2024).	Progress is visible but remains moderate and uneven; an Islamic identity does not automatically ensure substantive transparency.

Dimension	Selected empirical evidence	Implication for the research problem
Online reporting	Reported online disclosure reached 72.5% in Gulf Islamic banks, 69% in Oman, and 76% in selected Saudi banks (Al-Sartawi & Reyad, 2019; Sarea, 2020; Sarea et al., 2020).	Digital accessibility has advanced faster than disclosure quality in social, governance, and institution-specific risk domains.
CSR, risk, and climate accountability	CSR disclosure remains low in several settings; findings on risk disclosure are mixed; climate-related disclosure is often lower than in conventional banks (Grassa et al., 2020b; Harun et al., 2020; Şimşek et al., 2024).	Disclosure must be examined by domain rather than reduced to one aggregate score.
Industry expansion and banking dominance	Global IFSI assets increased from USD 2.70 trillion in 2020 to USD 4.40 trillion in 2025 (10.3% five-year CAGR), while Islamic banking represented 69.2% of total assets in 2025 (IFSB, 2026).	The scale and dominance of Islamic banking make disclosure quality increasingly material for depositors, investment account holders, regulators, and capital-market participants.

Source: Authors' compilation based on the reviewed literature and IFSB (2026).

The rapid expansion of the industry further increases the materiality of transparent reporting. The Islamic Financial Services Board (IFSB, 2026) reports that global Islamic financial services industry assets rose from USD 2.70 trillion in 2020 to USD 4.40 trillion in 2025, equivalent to a five-year compound annual growth rate of 10.3%. Islamic banking remained the dominant segment, representing 69.2% of total industry assets in 2025. This scale and market concentration increase the number of stakeholders exposed to disclosure quality and strengthen the need for comparable, credible, and decision-useful information.

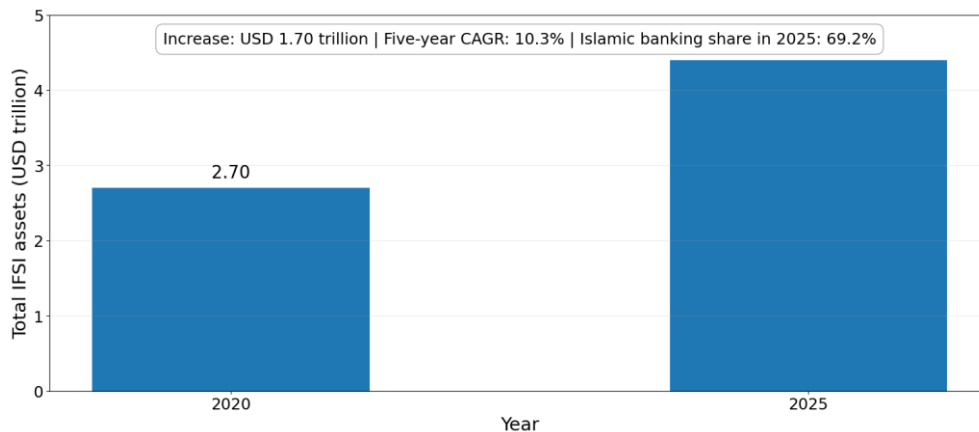


Figure 1. Comparison of global Islamic financial services industry assets, 2020 and 2025

Source: Authors' visualization based on IFSB (2026, Figure 1.1).

Against this rapid industry expansion, existing research remains fragmented across theories, standards, disclosure indices, governance variables, and specialized reporting domains. A list of determinants alone cannot explain why an institution may exhibit extensive online disclosure but weak social accountability, or why formal adoption of AAOIFI does not always produce substantive compliance. This study addresses that problem through a structured integrative review supplemented by descriptive bibliometric profiling. It asks: (1) how Islamic banking disclosure differs conceptually from conventional reporting; (2) how standards and national institutions shape compliance; (3) which organizational and governance factors determine disclosure; (4) what economic and stakeholder outcomes are associated with reporting; and (5) how sustainability and digitalization are changing the field. Its contribution is a dual-accountability disclosure ecosystem linking institutional foundations and governance capacity to the scope, quality, and consequences of disclosure.

2. METHODS

2.1. Research Design and Review Scope

The study employs a structured integrative literature review supplemented by descriptive bibliometric profiling. Because the source set was a curated corpus rather than records generated through a documented database query, the study does not claim an exhaustive PRISMA-based systematic literature review. Instead, it follows a transparent and reproducible review protocol comprising corpus audit, eligibility screening, data extraction, descriptive mapping, thematic coding, comparative synthesis, and framework development. The integrative design is appropriate because the evidence includes cross-country archival analyses, single-country content analyses, surveys, comparative studies, bibliometric reviews, systematic reviews, and conceptual contributions. The bibliometric component is deliberately descriptive and is limited to publication-year and outlet distributions; no citation-network, co-authorship, bibliographic-coupling, or keyword co-occurrence claims are made.

The initial corpus comprised 53 publications dated 2010-2025. The unit of analysis was the study-level claim concerning Islamic banking disclosure, including its conceptual basis, regulatory framework, measurement, compliance level, determinant, consequence, or emerging domain. Following eligibility screening, 47 publications were retained for synthesis. Studies on waqf, sukuk, non-financial firms, and Islamic social enterprises were treated only as extension evidence when they clarified the wider accountability ecosystem; they were not interpreted as direct evidence on Islamic banks. The IFSB (2026) industry report is used solely to contextualize recent sector development and is not counted among the 47 retained studies.

2.2. Eligibility and Study Selection

The 53-record source corpus was audited through title, abstract, and full-text relevance checks. A publication was included when it examined disclosure by Islamic banks or another Islamic financial institution; evaluated AAOIFI, IFRS, national Shariah governance, or a related reporting framework; measured financial, governance, Shariah, social, risk, online, integrated, environmental, or FinTech disclosure; or tested a determinant or consequence of disclosure. Six records were excluded from direct synthesis when they addressed performance or governance without an explicit disclosure mechanism, treated formal standard adoption as equivalent to actual compliance, or lacked sufficient information to identify the disclosure construct. This procedure is reported as a transparent corpus audit rather than an exhaustive database search.

2.3. Data Extraction, Descriptive Bibliometric Profiling, and Coding

Each retained study was coded for author and year, country or region, institution type, reporting framework, disclosure domain, measurement approach, governance and organizational variables, outcome variables, main finding, and boundary conditions. The descriptive bibliometric profile summarized publication counts by year and the dispersion of studies across journal outlets. The thematic coding distinguished mandatory from voluntary disclosure, annual-report from online disclosure, overall from domain-specific indices, quantity from quality, and direct Islamic-bank evidence from related institutional evidence. These distinctions were necessary because the same explanatory variable can generate different signs across risk, governance, social, and web disclosure.

Table 2. Review protocol and analytical dimensions

Stage	Procedure	Analytical purpose
Corpus audit	Curated set of 53 publications (2010-2025).	Defines scope without claiming an exhaustive database search.
Eligibility screening	Title, abstract, and full-text checks; 47 retained and six excluded.	Separates direct disclosure evidence

Stage	Procedure	Analytical purpose
		from adjacent research.
Data extraction and coding	Context, framework, domain, measure, governance, outcomes, and findings.	Creates a study-level comparison matrix.
Descriptive bibliometric profile	Publication-year and outlet distributions for 47 studies.	Maps evidence-base development without network-analysis claims.
Thematic synthesis and framework development	Theory, standards, measurement, determinants, outcomes, heterogeneity, and emerging issues.	Builds the dual-accountability disclosure ecosystem.

Source: Developed by the authors based on the review protocol (2026).

2.4. Synthesis Procedure and Reliability

The analysis proceeded in five stages. First, corpus auditing and eligibility screening established the final evidence base. Second, descriptive bibliometric profiling mapped the temporal development of the 47 retained studies. Third, conceptual coding mapped agency, stakeholder, legitimacy, signalling, and resource-dependence mechanisms, while regulatory and measurement coding distinguished AAOIFI, IFRS, national rules, disclosure domains, and index designs. Fourth, comparative synthesis examined recurring findings and contradictions across countries, ownership structures, listed status, institution types, and disclosure domains. Fifth, the synthesis was translated into an ecosystem framework connecting institutional foundations, governance capacity, disclosure architecture, information attributes, and outcomes.

Analytical reliability was strengthened by retaining negative and statistically insignificant findings, separating association from causality, avoiding simple vote counting, and cross-checking all in-text citations against the reference list. The review does not equate a high disclosure score with high-quality accountability, formal adoption with implementation, or Shariah disclosure with actual Shariah compliance. Because the corpus is curated rather than database-exhaustive and the underlying designs are heterogeneous, the conclusions identify recurring mechanisms and boundary conditions rather than universal coefficient signs.

3. RESULTS AND DISCUSSIONS

3.1. Descriptive Profile and Evolution of the Field

The descriptive bibliometric profile confirms a substantial expansion of the evidence base after 2020. Of the 47 retained publications, 30 (63.8%) appeared during 2020-2025, 15 during

2015-2019, and two during 2010-2014. The studies are dispersed across accounting, finance, governance, sustainability, and Islamic-business journals rather than concentrated in a single outlet. Earlier work focused mainly on CSR, voluntary reporting, and basic compliance questions, whereas recent studies increasingly examine Shariah governance quality, investment account holder disclosure, integrated reporting, climate accountability, digital governance, and FinTech. This pattern indicates a transition from disclosure quantity and formal compliance toward multidomain disclosure quality and outcome-oriented accountability.

3.2. Islamic Banking Disclosure as Dual Accountability

No single theory fully explains Islamic financial disclosure. Agency theory interprets disclosure as a response to information asymmetry and monitoring problems, particularly where managers control funds supplied by shareholders and IAHs (Mnif & Tahari, 2020; Saidani et al., 2021). Stakeholder theory broadens accountability to depositors, customers, regulators, employees, Shariah scholars, and society, reflecting the Islamic expectation that communities have a legitimate interest in the effects of institutional activities (Ousama & Fatima, 2010; Shahar et al., 2020).

Legitimacy theory adds a distinctive identity mechanism. IFIs must demonstrate not only legal and financial legitimacy but also congruence between their Islamic label and actual governance practices. Shariah compliance disclosure, Shariah board reports, zakat information, and explanations of non-compliant income are therefore part of organizational legitimation (Abdulrahman et al., 2024; Hassan & Harahap, 2010). Signalling theory predicts that credible disclosure can differentiate institutions with stronger governance or compliance, while resource-dependence reasoning explains how transparency can improve reputation, access to capital, and stakeholder support (Grassa et al., 2020a).

These theories are complementary rather than competing. Financial information supports monitoring and capital allocation; Shariah information supports religious legitimacy and stakeholder assurance; social and environmental information supports ethical accountability; and online reporting improves accessibility. The distinctive feature is thus not the presence of an additional checklist, but a dual accountability structure in which decision usefulness and Shariah faithfulness must be achieved simultaneously.

3.3. Regulatory Pluralism: AAOIFI, IFRS, and National Frameworks

AAOIFI standards address the accounting treatment and disclosure of Islamic contracts and establish governance expectations for Shariah boards and review processes. Empirical work consistently associates AAOIFI adoption with greater Shariah or risk disclosure and, in several samples, stronger financial performance (Albarrak & El-Halaby, 2019; Grassa et al., 2020a; Mnif & Tahari, 2023). Yet compliance remains incomplete. Al-Sulaiti et al. (2018) identify non-compliance with Murabaha, Mudarabah, and Musharakah disclosure requirements in Bahrain and Qatar even as compliance improved over time.

IFRS provides broader international comparability but does not explicitly represent all contractual and governance features of Islamic finance. Ajili and Bouri (2017) find higher IFRS than AAOIFI compliance among Gulf Islamic banks, particularly for larger and older institutions. The result illustrates regulatory pluralism: a globally institutionalized framework can be implemented more consistently even when a specialized framework better captures Islamic substance. Mukhlisin and Antonio (2018) further show that national legal systems, taxation, professional institutions, language, economic integration, and financing structures influence the direction of accounting standards.

National regulation mediates this relationship. Malaysia requires Shariah Committee reporting through its governance framework, but most institutions satisfy minimum requirements rather than provide extensive voluntary accountability (Ghani et al., 2023). Saudi evidence indicates limited voluntary Shariah governance disclosure and significant effects from industry, ownership, and board composition (Azid & Alnodel, 2018). Standard adoption should therefore be modelled together with enforcement, institutional capacity, and the authority of Shariah governance bodies.

3.4. Measuring Disclosure: From Presence to Quality

Disclosure indices and content analysis dominate the literature. Binary unweighted indices assign one point when an item appears and zero otherwise, improving transparency and replicability while avoiding subjective weights (Al-Sulaiti et al., 2018). Specialized indices cover financial and social reporting, AAOIFI governance standards, Shariah compliance, risk, CSR, and web reporting (Abdulrahman et al., 2024; Marsidi et al., 2017; Mnif & Tahari, 2020). Content analysis then codes annual reports or websites according to these items (Hassan & Harahap, 2010).

The approach has a central limitation: it often measures presence rather than quality. A brief boilerplate statement can receive the same score as a detailed explanation supported by monetary amounts, negative events, remediation, and comparative information. Weighted indices can reflect stakeholder priorities but introduce judgement. Website studies measure accessibility and presentation, yet technologically sophisticated reporting may coexist with weak substantive accountability. The qualitative characteristics identified in Islamic reporting—relevance, reliability, prudence, understandability, comparability, and overall quality—show why quantity alone is insufficient (Ahmed, 2020).

Future measurement should distinguish completeness, depth, credibility, timeliness, and decision usefulness. It should also code positive and negative information, monetary and narrative detail, mandatory and voluntary items, and links between disclosures and actual outcomes. The field otherwise risks interpreting communication intensity as compliance quality.

3.5. Patterns of Compliance and Disclosure Gaps

The evidence indicates moderate and uneven compliance. Mnif and Tahari (2020) report mean compliance of 52.1% with AAOIFI governance standards, while Albarrak and El-Halaby (2019) report Shariah disclosure around 53% across a multi-country sample. Abdulrahman et al. (2024) find an average Shariah compliance disclosure level of 57.38% with improvement over time. These values indicate progress but also show that formal Islamic identity does not ensure complete governance transparency.

Disclosure also varies by domain. CSR disclosure is low in early and recent studies of Islamic banks in the Gulf and Indonesia, although comparative evidence from Indonesia and Malaysia shows gradual growth, particularly for workplace and community information (Amran et al., 2017; Harun et al., 2020; Nugraheni & Khasanah, 2019). Risk disclosure is sometimes lower for Islamic than conventional banks, but other Gulf evidence reports no significant difference and an upward trend for both bank types (Grassa et al., 2020b; Haddad & Alali, 2021).

Online disclosure is generally higher: reported levels include 72.5% in Gulf Islamic banks, 69% in Oman, and 76% in selected Saudi banks (Al-Sartawi & Reyad, 2019; Sarea, 2020; Sarea et al., 2020). The contrast suggests that standardized financial items and digital availability are easier to improve than disclosure of social responsibility, governance substance, and institution-specific risks. Compliance analysis should therefore avoid collapsing all domains into a single score.

3.6. Governance and Organizational Determinants

Bank size and age are the most recurrent organizational determinants. Larger and older banks typically possess more mature reporting systems, greater compliance resources, higher visibility, and stronger incentives to reduce agency costs. They show higher IFRS/AAOIFI compliance, risk disclosure, governance disclosure, and web reporting in several studies (Ajili & Bouri, 2017; Grassa, 2018; Grassa et al., 2020b; Sarea, 2020). Size, however, should not be interpreted as quality; it may raise the quantity of standardized information without improving the candour of adverse or Shariah-specific reporting.

Ownership changes public information demand. Concentrated owners can obtain private access to management and may reduce incentives for broad governance or risk disclosure, whereas foreign investors tend to require more comparable and credible information (Abdulrahman et al., 2024; Grassa, 2018; Grassa et al., 2020a). Institutional ownership is not consistently significant, demonstrating that investor identity, regulatory rights, and the disclosure domain matter more than ownership labels alone.

Shariah Supervisory Board characteristics are central but multidimensional. Compliance is associated with remuneration, industry expertise, combined industry and accounting expertise, internal Shariah audit, reputation, and the scale of IAH funds (Abdulrahman et al., 2024; Mnif

& Tahari, 2020). Evidence on SSB size is mixed, including negative relationships with financial disclosure in some MENA samples (Bechihi & Nafti, 2025). Effectiveness should therefore be inferred from competence, independence, authority, information access, and audit support rather than headcount alone. Ajili and Bouri (2018) show that stronger SSB quality can sustain accounting disclosure even when financial performance declines, suggesting an accountability role that is not merely symbolic.

Conventional board attributes also matter. Board independence, female directors, foreign directors, board size, and meeting structures are associated with financial or CSR disclosure in several contexts (Ali et al., 2021; Alotaibi & Hussainey, 2016; Bechihi & Nafti, 2025; Harun et al., 2020). Leverage and listing status produce mixed findings. Creditor and market scrutiny can increase transparency, but financial pressure can also discourage risk disclosure. These contradictions are best treated as domain- and context-dependent rather than as evidence that governance theory fails.

Table 3. Integrated synthesis of disclosure determinants and mechanisms

Domain	Representative factors	Primary disclosure mechanism	Boundary conditions
Standards and institutions	AAOIFI adoption, IFRS, national regulation, legal system	Defines required content and enforcement incentives	Adoption status, professional capacity, country transparency
Organizational capacity	Size, age, profitability, digital infrastructure	Provides reporting systems and compliance resources	Disclosure quantity versus substantive quality
Ownership and market pressure	Concentration, foreign ownership, institutional investors, listing	Changes demand for public information and access to private monitoring	Investor rights, capital-market scrutiny, distress
Board governance	Independence, gender, foreign directors, meetings, audit quality	Strengthens monitoring and voluntary transparency	Board authority, expertise, CEO power, disclosure domain
Shariah governance	SSB expertise, reputation, remuneration, internal Shariah audit	Validates compliance and communicates Islamic accountability	SSB independence, national governance architecture, IAH exposure

Source: Authors' synthesis of the reviewed literature (2026).

3.7. Architecture of Islamic-Specific Disclosure

IAH disclosure illustrates the strongest departure from conventional banking. IAHs share investment risk but cannot directly monitor fund management, making information on fund size, returns, liquidity, profit allocation, reserves, and AAOIFI adoption essential (Saidani et al., 2021). Shariah governance disclosure similarly covers board composition, expertise, independence, audit and review processes, non-compliance events, purification, and the Shariah opinion. Minimum committee reports satisfy formal accountability, but meaningful transparency requires explaining how judgements were reached and how exceptions were resolved (Ghani et al., 2023; Shahar et al., 2020).

Zakat disclosure must clarify whether the institution pays zakat, calculates shareholder obligations, reports the amount per share, and explains distribution. Homaiddi et al. (2021) associate zakat disclosure with Islamic-bank performance, while Marsidi et al. (2017) regard zakat information as necessary for shareholders and depositors. CSR disclosure extends the social identity of Islamic banks beyond charitable claims to employment, community, product responsibility, and ethical conduct, yet empirical levels remain low (Hassan & Harahap, 2010; Harun et al., 2020).

Risk disclosure must capture both conventional banking risks and distinctive exposures such as Shariah non-compliance, fiduciary risk, displaced commercial risk, withdrawal risk, profit-sharing investment risk, and reputational risk. Online and FinTech reporting add accessibility, timeliness, cybersecurity, data governance, platform risk, and the Shariah status of digital products. Web 2.0 presentation and content dimensions are also associated with firm value in Islamic financial institutions (Al-Sartawi et al., 2021). Shehadeh et al. (2024) find that board activity and Big 4 audit are important to FinTech disclosure and that Islamic banks can outperform conventional banks in this domain, demonstrating that Islamic institutions are not uniformly less transparent.

3.8. Economic and Stakeholder Consequences

Disclosure is positively associated with several financial outcomes. AAOIFI and Shariah disclosure compliance is linked to ROA, market valuation, and other performance measures, while integrated reporting quality is associated with stronger financial performance and lower cost of equity (Albarrak & El-Halaby, 2019; Chouaibi et al., 2022; Mnif & Tahari, 2023). Governance disclosure is also associated with operating performance in cross-country Islamic-bank evidence (Khanifah et al., 2020). These findings are consistent with improved monitoring, lower information risk, greater legitimacy, and access to capital.

Causal interpretation remains limited. Better-performing and larger banks may possess more resources to disclose, producing reverse causality. Shariah board quality can also alter the performance-disclosure relationship (Ajili & Bouri, 2018). Studies should therefore use lagged

structures, fixed effects, instrumental variables, natural experiments, or regulatory changes before concluding that disclosure causes performance.

Stakeholder outcomes provide a more direct accountability channel. El-Halaby et al. (2018) find that disclosure is associated with trust, satisfaction, and loyalty, with trust and satisfaction partly mediating loyalty. Information can therefore generate relational value when stakeholders perceive it as credible and relevant. The effect on stock-price volatility is much weaker: Azrak et al. (2020) find an economically negligible relationship in Gulf banks. Not every disclosure consequence is material, and market outcomes should not be assumed to respond as strongly as stakeholder confidence.

3.9. Comparative and Institutional Heterogeneity

Comparisons between Islamic and conventional banks do not produce a single hierarchy. Islamic banks disclose less risk information in some international samples, show no significant difference in other Gulf or governance studies, and disclose more FinTech information in Jordan (Grassa et al., 2020b; Haddad & Alali, 2021; Nobanee & Ellili, 2021; Shehadeh et al., 2024). Global conventional banks can also exceed Islamic banks in online CSR disclosure because they operate in stronger governance and investment environments (Radwan et al., 2025).

Climate disclosure exposes a specific strategic gap. Şimşek et al. (2024) find higher climate-related disclosure among conventional banks and argue that Islamic governance has traditionally emphasized transactional Shariah compliance more than environmental protection. Muneer et al. (2025), however, associate environmental disclosure and sustainability governance with financial sustainability in Saudi Islamic banks. The contrast suggests an emerging transition rather than an inherent incompatibility between Islamic finance and environmental accountability.

Evidence from waqf and other Islamic social institutions reinforces the importance of trust and financial governance. Waqf disclosure is associated with donor commitment through trust, while disclosure practices remain stronger for financial than non-financial performance (Jalil et al., 2019; Kamaruddin et al., 2019). These studies extend the accountability logic but should not be merged directly with bank evidence because objectives, stakeholders, and regulatory structures differ.

3.10. Emerging Reporting Transition and Integrated Framework

The field is moving from formal compliance toward outcome-oriented accountability. Maqasid Shariah reporting asks whether institutions promote justice, welfare, protection of wealth, and broader social benefit rather than merely documenting contract form. Malaysian evidence shows uneven achievement and supports the need for clearer standards and fuller disclosure of Maqasid objectives (Rahman et al., 2023). The expansion of integrated reporting similarly connects governance, strategy, risk, and value creation, with reporting quality

influenced by profitability, size, leverage, and legal systems (Chouaibi et al., 2022; Vitolla et al., 2020).

Digitalization widens the agenda further. Online availability must evolve into reporting on cybersecurity, data protection, algorithmic decisions, platform governance, and the Shariah compliance of digital products. Bibliometric and review studies show the rapid expansion of Islamic accounting and Shariah governance research while identifying continued gaps in non-economic consequences, digital reporting, and cross-jurisdictional evidence (Alshater et al., 2020, 2022; Grassa et al., 2025).

Figure 2 integrates the findings. Institutional foundations define the reporting environment; governance and organizational capacity determine implementation; disclosure architecture covers financial, Shariah, social, risk, and digital domains; and information attributes determine whether disclosure is decision-useful. Stakeholder and economic outcomes then feed back through reputation, resources, and regulatory learning. The framework explains why adoption, quantity, quality, and performance associations cannot be interpreted separately.

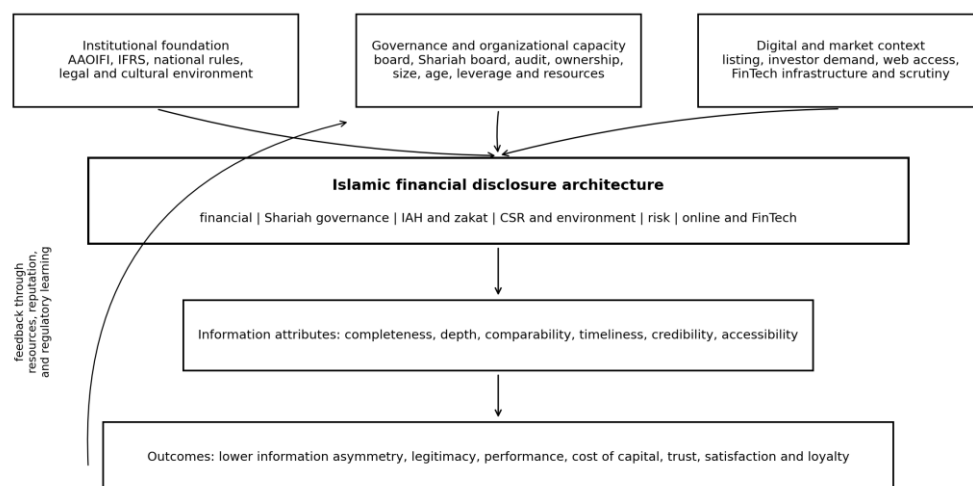


Figure 2. Dual-accountability Islamic banking disclosure ecosystem

Source: Developed by the authors based on the literature synthesis (2026).

4. CONCLUSIONS

Islamic banking disclosure is a dual-accountability system rather than conventional reporting with additional Shariah items. It supports financial monitoring, stakeholder accountability, religious legitimacy, market signalling, and access to resources. The coexistence of AAOIFI, IFRS, and national rules creates regulatory pluralism in which adoption, enforcement, professional capacity, and the authority of Shariah governance bodies jointly determine compliance. Moderate AAOIFI and Shariah disclosure scores, low CSR

reporting, and uneven risk and climate disclosure demonstrate that Islamic identity alone does not ensure substantive transparency.

Theoretical implications. The review integrates agency, stakeholder, legitimacy, signalling, resource-dependence, and institutional perspectives within a dual-accountability ecosystem. It shows that disclosure outcomes depend not only on the presence of standards or governance bodies but also on the interaction among institutional foundations, governance capacity, disclosure architecture, and information quality. This framework helps explain why the same determinant may have different effects across financial, Shariah, social, risk, and digital disclosure domains.

Practical implications and recommendations. Regulators should clarify the relationship between AAOIFI, IFRS, and national requirements, standardize minimum disclosure on investment account holders, Shariah non-compliance, purification, climate risk, and digital governance, and strengthen enforcement rather than relying on formal adoption. Islamic banks should evaluate Shariah Supervisory Boards through expertise, independence, authority, information access, and internal Shariah audit support rather than size alone. Preparers should move beyond binary checklists by reporting depth, monetary effects, adverse events, remediation, comparatives, and decision-useful explanations. Investors and other stakeholders should assess disclosure by domain and quality instead of relying on a single aggregate score.

Limitations and future research. The study is limited by its curated rather than database-exhaustive corpus, heterogeneous source designs, and the absence of meta-analytic effect sizes and network-based bibliometric analysis. Future studies should develop quality-sensitive disclosure measures, investigate adverse and non-compliance information, exploit regulatory changes for stronger causal identification, and expand evidence beyond the Gulf and Malaysia. Maqasid al-Shariah outcomes, climate responsibility, integrated reporting, cybersecurity, data governance, algorithmic accountability, and FinTech disclosure should form the next stage of Islamic banking accountability research.

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