







“Islamic governance and ethical framework of Islamic banks with respect to financial performance: Evidence from QISMUT countries”

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ARTICLE INFO	Fatchan Achyani, Ilham Nuryana Fatchan, Zuni Barokah and Fuad Hudaya Fatchan (2025). Islamic governance and ethical framework of Islamic banks with respect to financial performance: Evidence from QISMUT countries. <i>Banks and Bank Systems</i> , 20(3), 58-74. doi: 10.21511/bbs.20(3).2025.05
DOI	http://dx.doi.org/10.21511/bbs.20(3).2025.05
RELEASED ON	Tuesday, 16 September 2025
RECEIVED ON	Wednesday, 30 October 2024
ACCEPTED ON	Monday, 02 June 2025
LICENSE	 This work is licensed under a Creative Commons Attribution 4.0 International License
JOURNAL	"Banks and Bank Systems"
ISSN PRINT	1816-7403
ISSN ONLINE	1991-7074
PUBLISHER	LLC “Consulting Publishing Company “Business Perspectives”
FOUNDER	LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

55



NUMBER OF FIGURES

0



NUMBER OF TABLES

8

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BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine
www.businessperspectives.org

Type of the article: Research Article

Received on: 30th of October, 2024

Accepted on: 2nd of June, 2025

Published on: 16th of September, 2025

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Conflict of interest statement:

Author(s) reported no conflict of interest

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ISLAMIC GOVERNANCE AND ETHICAL FRAMEWORK OF ISLAMIC BANKS WITH RESPECT TO FINANCIAL PERFORMANCE: EVIDENCE FROM QISMUT COUNTRIES

Abstract

This paper empirically analyzes the influence of the Shariah Supervisory Board (SSB) and its characteristics on the disclosure of the Islamic Corporate Ethical Identity (ICEI) among 42 Islamic banks in Qatar, Indonesia, Saudi Arabia, Malaysia, the United Arab Emirates, and Turkey (collectively referred to as QISMUT) during the period 2019–2023. The study employs text analysis to measure the extent to which ICEI information is disclosed in these banks' annual reports, demonstrating a significant increase in such disclosures over the analyzed period.

The study utilizes descriptive statistics to provide a foundational understanding of the trends in ICEI reporting. Furthermore, it applies multiple regression analysis to ascertain the relationship between SSB characteristics and ICEI disclosures, controlling for variables such as bank size, financial performance, and economic performance.

The findings reveal significant disparities in ICEI disclosure rates, with Turkey exhibiting the lowest levels and Saudi Arabia the highest. This variation indicates a notable deficiency in the emphasis on ICEI among Islamic banks within the region. Additionally, the study highlights a positive correlation between SSB characteristics and ICEI disclosure levels. Banks with larger SSBs, possessing diverse expertise, intellect, and reputable credentials, tend to show higher ICEI disclosure levels. This suggests that effective SSBs enhance the governance of Islamic banks, promoting adherence to Islamic ethical standards. However, intriguingly, the study finds a significant impact of ICEI disclosure on the financial performance of these banks. In conclusion, Islamic banks should strengthen governance and improve communication about ICEI disclosures to enhance transparency, accountability, and alignment with Islamic values, boosting financial performance.

Keywords

Islamic banks, Shariah supervision board, Islamic corporate ethical identity, corporate financial performance

JEL Classification

G21, D71, G34

INTRODUCTION

The concept of "identity," as defined in the Indonesian Dictionary, refers to the distinct characteristics that enable individuals to be recognized as unique, influenced by visual cues such as clothing and gestures, alongside deeper attributes like behavior and speech. Organizations also possess identities, which are crucial for communicating with stakeholders and distinguishing themselves from others. Corporate identity articulates what an organization does and encompasses its ethical values, behavior, and communication.

Research indicates that a company's ethical stance is a vital component of its corporate identity and can enhance performance. This iden-

tity includes interdependent characteristics such as organizational philosophy, values, history, strategies, and communication, making it a source of competitive advantage. Additionally, the corporate governance framework represents an institutional effort to facilitate structured dialogue among companies, shareholders, stakeholders, and public institutions. Its goal is to effectively communicate strategic directions to external stakeholders and deepen their understanding of an organization's motives. Overall, both individual and organizational identities are fundamental for establishing distinctiveness and fostering trust in various contexts.

This paper explores the critical function of the Shariah Supervisory Board (SSB) in Islamic banks, concentrating on how the characteristics of the SSB influence the disclosure of the Islamic Corporate Ethical Identity (ICEI) in Islamic banks in Qatar, Indonesia, Saudi Arabia, Malaysia, Uni Emirate Arab and Turkey. The SSB, constituted of Shariah scholars, plays a critical role in ensuring compliance with Shariah principles and fostering ethical governance practices. Their duties include policy development, authorization of financial operations, and encouraging involvement in social responsibility initiatives, which are crucial aspects in maintaining the ethical identity of Islamic banks.

1. LITERATURE REVIEW

The basic purpose of stakeholder theory is to assist firm management in developing additional value through operational activities while limiting possible losses for the organization's stakeholders. The sustainability of a firm strongly relies on the support of stakeholders, making it a main emphasis for the company to secure their support. Social responsibility disclosure has proven an efficient avenue in creating these partnerships (Gray et al., 1995). In line with the perspective of stakeholder theory, many companies in developed countries have incorporated social responsibility practices into a company's business strategy. This has led to increased public expectations of business behavior, so companies in developing countries are also expected to understand the importance of social responsibility practices. In Islamic institutions, with stakeholders who are dominated by Muslim societies, of course, expect more disclosure initiatives because they can reflect the ethical accountability of the organization to its stakeholders. Information disclosed by Islamic financial institutions in social responsibility will facilitate the decision-making of stakeholders.

Businesses operating in Muslim communities, such as Islamic banks, should have more open disclosure procedures and provide a larger variety of disclosures, particularly in social and environmental operations. Islamic Corporate Ethical Identity is one type of wider and voluntary exposure. Haniffa and Hudaib (2007) assert that

the quintessential character of an Islamic bank should be that of an ethical institution grounded on Islamic principles, which emphasize the promotion of justice and societal prosperity. An ethical identity index has been established to assess the ethical standards of Islamic banks. This instrument comprises 78 indicators across eight dimensions: vision and mission statement, board of directors and top management, products and services, zakat, charity, and benevolent loans, commitment to employees, commitment to debtors, commitment to the community, and sharia supervisory board. The dimensions stem from five principles that differentiate Islamic banks from conventional banks:

- 1) core philosophies and values;
- 2) offering products and services devoid of interest;
- 3) limitations on permissible agreements in Islam;
- 4) emphasis on developmental and social objectives; and
- 5) oversight by the Sharia supervisory board (Haniffa & Hudaib, 2007).

According to Zaki et al. (2014), who extended the study on Islamic Corporate Ethical Identity and its relationship to the financial performance of Asian banks between 2006 and 2010, performance

is negatively correlated with the disclosure of vision and mission statements, the board of directors and top management, zakat, alms, and soft loans, as well as the sharia supervisory board. In contrast, performance is positively correlated with the disclosure of goods and services and dedication to employees. The Sharia Supervisory Board (SSB) ensures investors the conformity of Islamic banks with Islamic rules and values.

The need for SSB services originates from the perceived necessity to continually analyze changes in banking operations (and in accounting) and despite being opposed to Islamic principles (Karim, 1995). The SSB's principal purpose is to support Islamic banks in formulating policies and regulations based on Sharia principles and norms, to legalize financial transactions from a legal aspect, and to design bank agreements for future transactions that correspond to Islamic standards. Unique qualities of Islamic banks must be explained to strengthen corporate governance processes. Therefore, SSB is the most crucial aspect that differs between Islamic and conventional banks (Farook et al., 2011). Previous research has revealed that the existence of SSBs and their features have enhanced the quality of monitoring and have increased the level of disclosure of social responsibility among Islamic banks (Farook et al., 2011). It may be claimed that Islamic banks that have a strong SSB tend to provide more social responsibility material in their annual reports. So, the possibilities of the corporation will also share optional information such as Islamic Corporate Ethical Identity broadly.

The Islamic governance score (IGSCORE) for Islamic banks represents the whole effect of the existence of SSB and its features. The score reflects the dichotomous features of SSB, namely the number of SSB members, cross memberships, educational qualifications, reputation of SSB members, and expertise of SSB members. Empirical research on corporate governance shows that board size can affect control, monitoring, and disclosure levels (Rahman & Bukair, 2013; Akhtaruddin et al., 2009; Chaganti et al., 1985). Although there is no restriction on the number of SSB members, the recommended amount is three to seven. According to AAOIFI requirements, the average number of SSB members in Islamic banks is three. More SSB members will provide more effective supervision

and be more consistent with Sharia rules and values. According to Chen and Jaggi (2000), a higher number of councils can lessen the potential of information asymmetry. In addition, more board members can help lessen ambiguity and lack of knowledge (Birnbbaum, 1984).

Another facet of corporate governance is that boards of commissioners can sit on more than one board (Haniffa & Cooke, 2002), which is sometimes referred to as Cross Membership. There is evidence that Cross Memberships make information more transparent by comparing knowledge gained from different firms (Dahya et al., 1996); and because choices taken in one board might be part of the information for decisions in another board (Haat et al., 2008; Haniffa & Cooke, 2002). Furthermore, increasing the number of SSB members will lead to an increase in their understanding of the implementation of Sharia principles for business reporting, including enhanced disclosure of social responsibility. Education may be a powerful institutional instrument in shaping accounting ideas and practices (Gray, 1988). Furthermore, schooling may be employed as the only indicator of professional level (Grace et al., 1995). According to Wallace and Cooke (1990), "raising a country's level of education might improve political awareness and demand for corporate accountability.

Previous studies have indicated that boosting the degree of knowledge of SSB members enhances the amount of CSR disclosure by Islamic banks (Farook et al., 2011). To execute the unique role that SSB members are expected to play, SSB members must have awareness of Islamic law, economics, and financial and accounting systems, which will enable them to comprehend not just Sharia problems but also legal and economic difficulties. SSB members with doctorates have exhibited exceptional outcomes in consequences for banks, notably in CSR reports. The results of Farook et al. (2011) demonstrate that reputation plays an essential role in assessing the extent of social responsibility disclosure among Islamic banks. Therefore, renowned thinkers are more likely to persuade Islamic banks to reveal more information on social responsibility.

SSB members must be independent to earn the trust of investors and the public in managing Islamic financial institutions, and to offer a clear

religious picture of the organization. Unlike the board of directors, members of the sharia supervisory board are scholars in Islamic commercial jurisprudence and have the necessary expertise in the field of Islamic financial institutions (AAOIFI, 2005), to enable them fulfilling their responsibilities to oversee the internal control and financial reporting of Islamic banks. Empirical evidence from prior studies (McDaniel et al., 2002; McMullen & Raghunandan, 1996) suggests that the audit committee's financial knowledge can impact the quality of financial reporting. As indicated previously, the roles of SSB and the audit committee are fairly similar. Therefore, it is desired that SSB members with economic or accounting understanding may push Islamic banks to publish more information concerning ICEI in their annual reports.

In the context of disclosure, CEI is additional information supplied by the corporation and is optional. A company's choice to reveal CEI has several motivations, which numerous studies have shown to indicate that the advantages gained from information disclosure can decrease the information asymmetry that is proportionate to the expenses spent (Healy & Palepu, 2001). A study by Reddy and Gordon (2010) results in discrepancies in outcomes between the two nations. In Australian corporations, sustainability reporting has a substantial effect on a company's financial success. In contrast, in New Zealand, there is no substantial influence of sustainability reports on a company's financial success. Vollono (2010) assessed corporate social responsibility disclosure by the corporate social responsibility disclosure index and financial performance factors quantified by ROA. The study sample included 622 companies from the US Fortune-1000 list. The results of the study reveal a favorable association between social responsibility and Corporate Financial Performance (CFP). Empirical research demonstrates that social responsibility may promote reputation, brand, and trust in organizations, attract consumers and workers, and eventually raise company profitability and value (Jones, 1995; Porter & Kramer, 2006, 2011; Fatchan & Trisnawati, 2018; Wahyono et al., 2019; Daud et al., 2023). Past research gives evidence that voluntary disclosure can increase the performance of an organization.

Based on these considerations, the suggested hypotheses are as follows:

H1: There is a positive influence between Islamic Governance and Islamic Corporate Ethical Identity (ICEI) in Islamic banks in QISMUT countries.

H1a: There is a positive influence between the Number of SSB Members and Islamic Corporate Ethical Identity (ICEI) in Islamic banks in QISMUT countries.

H1b: There is a positive influence between the existence of Cross Memberships and Islamic Corporate Ethical Identity (ICEI) in Islamic banks in QISMUT countries.

H1c: There is a positive influence between SSB Education Qualification and Islamic Corporate Ethical Identity (ICEI) in Islamic banks in QISMUT countries.

H1d: There is a positive influence between the existence of Reputable SSB Members and Islamic Corporate Ethical Identity (ICEI) in Islamic banks in QISMUT countries.

H1e: There is a positive influence between the expertise of the Sharia Supervisory Board and the Islamic Corporate Ethical Identity (ICEI) in Islamic banks in QISMUT countries.

H2: There is a positive influence between Islamic Corporate Ethical Identity (ICEI) and Corporate Financial Performance (CFP) in Islamic banks in QISMUT countries.

2. METHOD

Islamic banks serve roughly 38 million people globally, with two-thirds of customers concentrated in seven countries: Qatar, Indonesia, Saudi Arabia, Malaysia, UAE, Turkiye, and Bahrain. Excluding Bahrain, the six additional nations are among the 25 fastest-expanding markets in the world connected to Islamic banking. These six nations are now recognized through new titles because of their speed in establishing the supremacy of the Islamic-based finance industry. They are known as QISMUT: Qatar, Indonesia, Saudi Arabia, Malaysia, United Arab Emirates, and Turkey (Ernst & Young, 2013). The population of this study is Sharia-based banks operating in

QISMUT nations (Qatar, Indonesia, Saudi Arabia, Malaysia, United Arab Emirates, and Turkey). Ernst and Young (2013) projected that these six countries will become key drivers of global Islamic finance in the future. Research on Islamic banks operating in QISMUT countries is essential due to their leading position in the global Islamic banking landscape. These nations are not just expanding their own financial markets but also shaping the future of Islamic finance worldwide.

The study of these markets can shed light on the factors driving the success of Islamic banking, particularly in emerging economies, and help determine the broader implications for financial systems around the world. Additionally, the diversity within the QISMUT countries offers a unique opportunity to study how cultural, economic, and political factors influence the development and regulation of Islamic banking. From the Middle Eastern landscape of Qatar and Saudi Arabia to the Southeast Asian markets of Malaysia and Indonesia, and the European presence of Turkey, the different contexts within which Islamic banks operate provide a comprehensive understanding of the industry's global reach (Siddiqi, 2014). This geographical and cultural diversity enriches the understanding of how Islamic banking adapts to local needs and how these adaptations might inform the practices of Islamic financial institutions in other regions. The innovative financial products, services, and regulatory frameworks developed in these countries serve as models for others considering the implementation of Islamic banking systems. As pioneers in Islamic finance, these nations are setting benchmarks for the industry. By studying the governance structures, ethical frameworks, and financial performance of Islamic banks in QISMUT countries, researchers can identify best practices and strategies for growth that can be adopted globally (Iqbal & Mirakhor, 2011).

Furthermore, the regulatory environment in these countries provides valuable insights into the governance of Islamic finance. The distinct regulatory frameworks developed in QISMUT countries offer lessons in overcoming the challenges of integrating Sharia-compliant principles into mainstream financial systems. These experiences demonstrate how diverse approaches to Shariah governance can serve as important references for other nations

seeking to strengthen or develop their Islamic banking systems (Asri et al., 2020).

Based on this, the study sets specific criteria for population selection, namely:

- 1) Islamic banks operating in QISMUT countries between 2019 and 2023;
- 2) Islamic banks that consistently published annual reports between 2019 and 2023, available on their official websites; and
- 3) Annual reports that are available in English.

Research data were taken from the yearly financial accounts of Islamic banks. Based on the sample selection procedure utilizing a purposive sampling technique, 42 Islamic banks in the QISMUT region were selected that matched the sample requirements for 5 years of observation. Therefore, this study involved 210 observations.

In this study, ICEI was assessed using the Ethical Identity Index (EII) created by Haniffa and Hudaib (2007) with the following formula:

$$EII_j = \frac{\sum_{i=1}^{n_j} X_{ij}}{n_j}, \quad (1)$$

where EII_j refers to the Ethical Identity Index, n_j represents the number of constructs or items disclosed by company j , with $n_j \leq 78$, and $X_{ij} = 1$ if the construct or item is disclosed, and 0 if the construct or item is not disclosed.

The independent variable in this study is the Islamic Governance Mechanism, which is measured using IGSCORE. IGSCORE is obtained based on the total value of each Sharia Supervisory Board (SSB) characteristic. Each SSB characteristic is measured dichotomically as follows: a value 1 if there is an SSB, and 0 if not; 1 if there are more than five SSB members, and 0 if not; 1 if there are SSB members who have membership elsewhere (Cross Memberships), and 0 if not; 1 if SSB members have a doctorate qualification, and 0 if not; 1 if there are experts in good standing, and 0 if not; 1 if there are members who have experience in Islamic bank institutions, and 0 if not.

Table 1. Summary of operationalization of variables

Independent Variable	Operationalization
Islamic Governance – Sharia Supervisory Board	
IG-Score	Number of SSB characteristics
Number of SSB Members	Dichotomy: 1 for banks with 3 or more members, and 0 less than 3
Cross Memberships	Dichotomy: SSB members with cross memberships – 1, 0 if not
SSB Education Qualifications	Dichotomy: SSB members with doctoral qualifications – 1, 0 if not
SSB's reputation	Dichotomy: Reputable SSB members: 1, 0 vice versa (SSB reputation is an SSB member who has served in AAOIFI and has had at least one SSB membership)
SSB expertise	Dichotomy: 1, if there is at least one SSB member with experience and knowledge about Islamic bank institutions, 0 if not
Control Variable	
Bank Size	Natural logarithm of total assets
Economic Performance	Natural logarithm of gross domestic product per capita (GDP)

The Corporate Financial Performance (CFP) variable in this study is measured using Return on Average Assets (ROAA). Accounting-based financial performance measures are generally considered as an indication of past or short-term financial performance. In contrast, market-based measures reflect future or long-term financial performance (Gentry & Shen, 2010). It is important to note that ROAA serves as a key indicator of a bank's financial performance and managerial efficiency, as it measures how well management can generate profits from assets and how efficiently it manages assets to generate revenue. This study uses the average asset value to allow for the analysis of asset changes over the fiscal year. This ratio has been recognized in financial literature as one of the most fundamental and frequently used performance ratios in banking (Dietrich & Wanzenried, 2011). In another study, such as that conducted by Platonova et al. (2016), which examined the impact of corporate social responsibility disclosure on financial performance with a focus on Islamic banks in the Gulf Cooperation Council (GCC) region, ROAA was also used as a proxy to measure bank financial performance.

This study uses total assets as a control variable. This variable is assessed using the natural logarithm of total assets transformed into US dollars at the end of the year using the applicable exchange rate. Firm size (SIZE) has been utilized as a control variable in earlier research on social disclosure (Berrone et al., 2007). In this study, gross domestic product (GDP) is used to adjust for a country's degree of economic growth (Samuelson & Nordhaus, 1989) and is commonly acknowledged as a measure of the overall quality of the in-

stitutional environment. In addition, GDP is also utilized as a primary determinant of a country's national economic performance. Previous empirical studies have revealed no association between a country's economic status as defined by economic performance and CSR disclosure across Asian enterprises from seven different nations (Chambers et al., 2003). Therefore, no link is predicted between GDP and ICEI disclosure by Islamic banks in the QISMUT area.

3. RESULTS

3.1. Description of variables

Based on Table 2, regarding the descriptive statistics of ICEI disclosure variables in the QISMUT region, there are four countries with an average level of ICEI disclosure in Islamic banks above 50%, namely Indonesia, Saudi Arabia, Malaysia, and UAE, with a percentage of 56.25%, 57.72%, 54.31%, and 54.45%, respectively. Meanwhile, the lowest ICEI disclosure rate of 26.27% was found in Turkey and also shows each component of ICEI disclosure, namely the vision and mission statement dimensions, BOD and top management, products, zakat, charity and good loans (zakat, charity and benevolent loans), employees (employees), debtors (debtors), community (community), and sharia supervisory board (shari'ah supervisory board). In the dimensions of the vision and mission statement, overall, the average value is 62.67%. From these data, Islamic banks in the UAE made an average (median) disclosure with the highest percentage of 74.07% (66.67%). Whereas Islamic banks in Qatar and Turkey, on

average (median), only revealed the financial and investment components of 61.11% (58.33%) and 31.85% (25.93%). The average (median) disclosure of financial and investment components in Islamic banks in Indonesia, Saudi Arabia, and Malaysia is not much different, namely 70.71% (63.64%), 71.60% (70.37%), and 68.63% (60.78%).

The second component of the ICEI dimension disclosure is BOD and top management. The average value on the BOD and top management dimensions in Islamic banks in the QISMUT region is 50.41%. Islamic banks in Indonesia make an average (median) disclosure with the highest percentage of 57.90% (56.64%). Meanwhile, Islamic banks in Turkey revealed the BOD dimension and top management at 24.62%. Furthermore, the third component of ICEI disclosure is the product. On average, Islamic banks in the QISMUT region made disclosures of 52.76%, with the highest (lowest) percentage of disclosures found in Islamic banks in Saudi Arabia (Turkey) at 65.56% (29.33%).

The next components of ICEI disclosure are zakat, charity, and soft loans. Disclosure items in the components of zakat, charity, and soft loans; the average disclosure of these items in Islamic banks

in the QISMUT region is 37.50%. Islamic banks in Indonesia make the highest disclosure of 42.67%. Meanwhile, Islamic banks in Turkey only revealed 17.78%. On average, Islamic banks in each country do not disclose the source and use of qard al-hassan and endorsement from SSB regarding the source and use of zakat according to Sharia.

The fifth ICEI disclosure component is the employee dimension in the employee component, consisting of appreciation of employees, number of employees, policies regarding equality in getting opportunities, employee welfare, training, and appreciation for employees. The average disclosure of these items in Islamic banks in the QISMUT region was 56.81%. Islamic banks in Saudi Arabia made the highest disclosure at 71.36%. Meanwhile, Islamic banks in Turkey only revealed 28.15%. On average, Islamic banks in each country do not disclose the number of employees and their policy on equality in getting the opportunity.

In the debtor dimension, overall, the average value is 52.65%. From these data, Islamic banks in Qatar made an average (median) disclosure with the highest percentage of 65.00% (62.50%). Whereas Islamic banks in Malaysia, on average, are not

Table 2. Descriptive statistics of Islamic Corporate Ethical Identity (ICEI)

ICEI disclosure component (%)	QISMUT countries												Average
	Qatar		Indonesia		Saudi Arabia		Malaysia		UAE		Turkey		
	Mean (Median)	Max (Min)	Mean (Median)	Max (Min)	Mean (Median)	Max (Min)	Mean (Median)	Max (Min)	Mean (Median)	Max (Min)	Mean (Median)	Max (Min)	
Overall disclosure	49.73 (48.75)	-	56.25 (52.24)	-	57.72 (60.04)	-	54.31 (54.01)	-	54.45 (55.61)	-	26.27 (18.78)	-	49.79
Disclosures per component													
Vision and mission statement	61.11 (58.33)	66.67 (55.56)	70.71 (63.64)	83.84 (58.59)	71.60 (70.37)	85.19% (54.32)%	68.63 (60.78)	83.33 (55.88)	74.07% (66.67)	85.19 (59.26)	31.85 (25.93)	66.67 (18.52)	62.67
BOD and top management	55.00 (55.77)	59.62 (51.92)	57.90 (56.64)	60.84 (55.24)	57.09 (58.97)	59.83% (52.99)%	54.74 (53.85)	58.33 (51.28)	49.23% (48.72)	53.85 (46.15)	24.62 (20.51)	51.28 (15.38)	50.41
Product	51.50 (52.50)	67.50 (42.50)	54.00 (57.27)	61.82 (46.36)	65.56 (64.44)	72.22% (58.89)%	56.33 (54.17)	61.67 (50.83)	52.67% (56.67)	56.67 (46.67)	29.33 (20.00)	70.00 (16.67)	52.76
Zakat, charity, and soft loans	37.67 (45.00)	58.33 (20.00)	42.67 (47.27)	61.21 (28.48)	36.00 (42.22)	62.22% (15.56)%	35.67 (43.33)	60.56 (15.00)	37.78 (46.67)	55.56 (20.00)	17.78 (13.33)	53.33 (4.44)	37.50
Employee	45.00 (44.44)	50.00 (41.67)	67.88 (71.72)	72.73 (53.54)	71.36 (74.07)	75.31% (58.02)%	63.70 (65.74)	65.74 (56.48)	65.19% (66.67)	66.67 (59.26)	28.15 (18.52)	62.96 (18.52)	56.81
Debtor	65.00 (62.50)	68.75 (62.50)	54.55 (52.27)	63.64 (52.27)	58.89 (61.11)	69.44% (44.44)%	60.42 (60.42)	62.50 (58.33)	50.00 (50.00)	58.33 (41.67)	23.33 (16.67)	50.00 (16.67)	52.65
Community	40.71 (39.29)	71.43 (25.00)	51.43 (55.84)	57.14 (42.86)	50.16 (50.79)	73.02% (38.10)%	46.67 (50.00)	60.71 (35.71)	53.33% (57.14)	66.67 (42.86)	31.43 (19.05)	90.48 (14.29)	48.50
Sharia Supervisory Board	41.82 (38.64)	68.18 (31.82)	50.91 (52.07)	61.98 (42.98)	51.11 (51.52)	59.60% (45.45)%	48.33 (46.97)	66.67 (37.12)	53.33% (54.55)	63.64 (45.45)	23.64 (18.18)	51.52 (15.15)	46.69

Table 3. Descriptive statistics of variables

Variable	ROA	SIZE (USD)	LN Asset	GDP per capita (USD)	LN GDP
All countries (N = 210)					
Mean	0.009	18,244	22.637	23,162	9.668
Median	0.010	9,827	23.008	15,002	9.569
Minimum	0.062	119,825	25.509	57,003	10.951
Maximum	-0.169	134	18.717	3,503	8.161
Std. Dev.	0.022	24,885	1.654	18,990	0.940
Qatar (N = 20)					
Mean	0.019	23,561	23.777	55,502	10.924
Median	0.019	25,125	23.947	55,001	10.915
Minimum	0.025	38,409	24.372	57,003	10.951
Maximum	0.014	10,540	23.078	54,003	10.897
Std. Dev.	0.004	10,532	0.494	1,225	0.022
Indonesia (N = 55)					
Mean	-0.002	1,995	20.702	3,662	8.205
Median	0.005	726	20.403	3,601	8.189
Minimum	0.051	7,907	22.791	3,901	8.269
Maximum	-0.169	134	18.717	3,503	8.161
Std. Dev.	0.036	2,381	1.241	151	0.041
Saudi Arabia (N = 45)					
Mean	0.016	47,083	24.328	20,001	9.903
Median	0.016	28,039	24.057	19,999	9.903
Minimum	0.026	119,825	25.509	20,501	9.928
Maximum	0.002	12,061	23.213	19,503	9.878
Std. Dev.	0.006	34,084	0.709	353	0.018
Malaysia (N = 60)					
Mean	0.011	8,445	22.488	9,502	9.159
Median	0.008	5,074	22.348	9,501	9.159
Minimum	0.062	40,565	24.426	9,801	9.190
Maximum	-0.003	1,647	21.223	9,003	9.105
Std. Dev.	0.012	9,442	0.793	308	0.033
United Arab Emirates (N = 15)					
Mean	0.011	23,368	23.696	40,302	10.604
Median	0.004	16,121	23.503	40,007	10.597
Minimum	0.026	47,656	24.587	41,501	10.633
Maximum	0.002	11,239	23.143	39,501	10.584
Std. Dev.	0.010	15,195	0.598	758	0.019
Turkey (N = 15)					
Mean	0.012	23,682	23.888	10,001	9.210
Median	0.012	23,457	23.878	10,001	9.210
Minimum	0.012	24,618	23.927	10,501	9.259
Maximum	0.011	23,425	23.877	9,503	9.159
Std. Dev.	0.000	523	0.022	380	0.038

much different, namely only disclosing debtors at 60,42%. Furthermore, the seventh component of ICEI disclosure is the Community. On average, Islamic banks in the QISMUT region made disclosures of 48.50%, with the high percentage of disclosures at Islamic banks in three countries, namely Indonesia, Saudi Arabia, and the UAE, which were 51.43%, 50.16%, and 53.33%, respectively; whereas Islamic banks in Turkey only revealed the community dimension of 31.43%.

The final component in ICEI is the Sharia Supervisory Board dimension. Disclosure items in the Islamic supervisory board component; the average disclosure of these items in Islamic banks in the QISMUT region is 46.69%. Islamic banks in the UAE made the highest disclosure at 53.33%. Meanwhile, Islamic banks in Turkey only revealed 23.64%. On average, Islamic banks in each country do not disclose reports of product defects: specific and detailed and recommendations for correcting defects in products.

Overall, the ICEI component most widely reported by Islamic banks is the vision and mission statement dimensions and the least is the zakat, charity and soft loan components. Meanwhile, the average level of ICEI disclosure in Islamic banks in the QISMUT region ranged from 48.29% to 57.83%.

Table 3 shows the descriptive statistics of the research variables. Based on the data in the table, the average value of Islamic bank financial performance in the QISMUT region, which is proxied by the level of return on average assets (ROAA), is 0.009%. Islamic banks in Qatar have the best average ROAA of 0.019%, while Indonesia has an average of -0.002%, which means bank management is less efficient in managing assets to generate profits.

Data on the size of Islamic bank assets (SIZE) shows that the average number of assets in Islamic banks in the QISMUT region is USD 18,244 million. The average largest number of assets is in Islamic banks in Saudi Arabia, with a total of USD 47,083 million. Meanwhile, per capita gross domestic product (GDP) data have been transformed using natural logarithms, with an average value of 9.67 or USD 123,162. The highest GDP is owned by Qatar with an average of USD 55,502, and the lowest GDP per capita is owned by Indonesia, USD 3,662.

Table 4. Descriptive statistics of dummy variables

Variable	Yes (1)	N (%)	No (0)	N (%)	Total
Number of SSB members (NSSB)					
All Countries	155	73.8	55	26.2	210
Qatar	15	75	5	25	20
Indonesia	20	36.4	35	63.6	55
Saudi Arabia	45	100	0	0	45
Malaysia	55	91.7	5	8.3	60
UAE	15	100	0	0	15
Turkey	5	33.3	10	66.7	15
SSB Cross Membership (CROSS)					
All Countries	135	64.3	75	35.7	210
Qatar	15	75	5	25	20
Indonesia	35	63.6	20	36.4	55
Saudi Arabia	40	88.9	5	11.1	45
Malaysia	25	41.7	35	58.3	60
UAE	15	100	0	0	15
Turkey	5	33.3	10	66.7	15
SSB Education Qualifications (PHD)					
All Countries	195	92.9	15	7.1	210
Qatar	15	75	5	25	20
Indonesia	55	100	0	0	55
Saudi Arabia	45	100	0	0	45
Malaysia	60	100	0	0	60

Variable	Yes (1)	N (%)	No (0)	N (%)	Total
UAE	15	100	0	0	15
Turkey	5	33.3	10	66.7	15
SSB's Reputation (REP)					
All Countries	40	19	170	81	210
Qatar	15	75	5	25	20
Indonesia	0	0	55	100	55
Saudi Arabia	20	44.4	25	55.6	45
Malaysia	0	0	60	100	60
UAE	5	33.3	10	66.7	15
Turkey	0	0.0	15	100	15
SSB Expertise (ESSB)					
All Countries	195	92.9	15	7.1	210
Qatar	15	75	5	25	20
Indonesia	55	100	0	0	55
Saudi Arabia	45	100	0	0	45
Malaysia	60	100	0	0	60
UAE	15	100	0	0	15
Turkey	5	33.3	10	66.7	15

Based on Table 4, regarding descriptive statistics of categorical variable disclosure of SSB characteristics in the QISMUT region, the characteristics possessed by SSB consist of the number of SSB members (NSSB), the presence of cross membership (CROSS), educational qualification of SSB members (PHD), reputable SSB members (REP), and SSB expertise (ESSB).

The first characteristic is that the number of SSB members shows that banks in the QISMUT region have more than three SSB members (73.8%). Islamic banks in Qatar, Saudi Arabia, and the UAE have more than 2 SSBs with 100% disclosures, or all banks in the country have more than two SSBs, while the lowest is found in Turkey, which is only 33.3%. The next characteristic is the presence of SSB cross-membership members. Banks in the QISMUT region that have SSB cross membership members amounted to 64.3%, mostly in Qatar, Saudi Arabia, and the UAE, which have SSB members who also serve in other companies. Meanwhile, the lowest disclosure of CROSS was found in Turkey, which was only 33.3%.

The third characteristic is the level of education possessed by SSB (PHD). Overall, almost all countries possess an SSB that has a doctoral degree, accounting for 92.9 % of banks that have an SSB with a doctoral degree. Furthermore, the fourth characteristic is the reputation held by SSB members (REP). The country average that

revealed these characteristics was 19%, so that it became the SSB characteristic with the lowest disclosure value. Islamic banks in Qatar make the highest disclosure of 75%, while those that do not report the characteristics are Indonesia, Malaysia, and Turkey.

The last characteristic component is the expertise possessed by SSB members, namely, SSB members who have knowledge and experience about bank institutions. The average value of this acquisition is 92.9%, or almost all banks in the QISMUT region report ESSB characteristics, but only Qatar (75%) and Turkey (33.3%) do not.

3.2. Results of the analysis of the impact of Islamic Governance and Islamic Corporate Ethical Identity

Based on the test results of the regression model shown in Table 5, hypothesis 1 (*H1*) was declared supported because the coefficient of the Islamic Governance variable was positive (0.045) and significant at the 5% level. Disclosure of Islamic Governance is proven to have a positive effect on Islamic Corporate Ethical Identity (ICEI). Meanwhile, the control variable that was proven to have a significant effect on the relationship between IGSCORE and EII in this regression model was LNGDP (0.009 < 0.05). The SIZE variable has no effect because it has a P value >0.05.

Table 5. Testing regression, model 1

Model	Unstandardized Coefficients		t Sig.	
	B	Std. Error		
(Constant)	0.663	0.109	6.053	0.000
IGSCORE	0.045	0.009	5.083	0.000***
Control Variable				
SIZE	-1.012	0.000	-0.210	0.834
LNGDP	-0.032	0.012	-2.650	0.009***
Dependent Variable: EII				
N	210			
R Squared	0.135			
Adjusted R Squared	0.123			
F Statistic	10.762	(<i>P</i> ≤ 0.001)		

Note: *** significant at *P* < 0.01, ** significant at *P* < 0.05, * significant at *P* < 0.1.

3.3. Results of the analysis of the impact of Number of SSB Members, Cross Membership, SSB Education, SSB Reputation, SSB Expertise, and Islamic Corporate Ethical Identity

Table 6 shows that the hypotheses *H1a*, *H1c*, *H1d*, and *H1e* have coefficients of NSSB, PHD, REP, and ESSB values that are positive, 0.057, 0.142, 0.074, and 0.237, which are significant at the 5% level so declared supported. That is, the existence of SSB members who have the same position in other companies, as well as those who have a reputation, doctoral education, and experience in the field of Islamic banking, economics, or accounting, has proven to have a positive effect on ICEI disclosures in Islamic banks. Meanwhile, the SIZE and LNGDP control variables (0.878 > 0.05) were proven not to affect the relationship between NSSB, CROSS, PHD, REP, ESSB, and EII.

Table 6. Testing regression, model 2

Model	Unstandardized Coefficients		t Sig.	
	B	Std. error		
(Constant)	0.295	0.124	2.381	0.018
NSSB	0.057	0.023	2.497	0.014**
CROSS	0.014	0.019	0.765	0.446
PHD	0.142	0.050	2.849	0.005***
REP	0.074	0.029	2.546	0.012**
ESSB	0.237	0.050	4.712	0.000***
Control Variable				
SIZE	-0.021	0.000	-0.154	0.878
LNGDP	-6.510	0.012	-1.721	0.087
Dependent Variable: EII				
N	210			
R Squared	0.551			
Adjusted R Squared	0.532			
F Statistic	28.765	(<i>P</i> ≤ 0.001)		

Note: *** significant at *P* < 0.01, ** significant at *P* < 0.05, * significant at *P* < 0.1.

3.4. Results of the analysis of the effect of Islamic Corporate Ethical Identity and Corporate Financial Performance

Based on the output of the regression model testing results shown in Table 7, hypothesis 2 (*H2*) is declared supported because the coefficient of the

Islamic Corporate Ethical Identity variable is positive (0.022) and significant at the 5% level.

Table 7. Testing regression, model 3

Model	Unstandardized Coefficients		t Sig.	
	B	Std. error		
(Constant)	-0.057	0.018	-3.224	0.001
EII	0.022	0.010	2.283	0.023**
Control Variable				
SIZE	1.088	0.000	1.669	0.097
LNGDP	0.006	0.002	3.141	0.002***
Dependent Variable: ROAA				
N	210		-	
R Squared	0.123		-	
Adjusted R Squared	0.110		-	
F Statistic	9.641	($P \leq 0.001$)		-

Note: *** significant at $P < 0.01$, ** significant at $P < 0.05$, * significant at $P < 0.1$;

In the third regression model, LNGDP (0.002 < 0.05), becomes the control variable, which is proven to have a significant effect. The SIZE variable has no effect because it has a sig value. > 0.05.

4. DISCUSSION

The results of the first hypothesis test give empirical evidence of a positive effect between Islamic Governance transparency and Islamic Corporate Ethical Identity, as evaluated by EII. This illustrates that the higher the level of Islamic Governance transparency, the more and wider the information given regarding Islamic Corporate Ethical Identity in Islamic banks.

The relevance of the aggregate SSB score demonstrates that SSB and its features are key determinants in influencing ICEI disclosure. This conclusion is in accordance with the study by Farook et al. (2011), which revealed that IGSCORE is a key factor determining the amount of social responsibility disclosure. This suggests that SSBs with more members, cross-membership, PhD credentials, strong reputations, and more suitable knowledge and experience may be more successful in monitoring and managing Islamic bank activities connected to social concerns in compliance with Islamic principles and laws.

These findings imply that the combination of SSB internal qualities contributes to more effective su-

per vision, which in turn enhances conformity with Sharia principles and laws and supports higher levels of ICEI disclosure. In addition, these results are in line with Rahman and Bukair (2013), who discovered an effect of SSB traits on the amount of social responsibility disclosure. They stated that Islamic banks disclose information about social responsibility because of the existence of SSB and its membership, not merely as part of a bank’s obligations to the public based on the principles of accountability and full disclosure, which should be the guidelines for these banks.

The initial hypothesis test examining the relationship between the number of SSB members (NSSB) and the quality of ICEI disclosure yields compelling empirical evidence of a positive correlation. This finding underscores the notion that an increased SSB membership enhances oversight and fosters more comprehensive discussions, thereby elevating the effectiveness of ICEI disclosures. While this result aligns with prior research by Rahman and Bukair (2013), Akhtaruddin et al. (2009), Fakhruddin et al. (2020) and Chaganti et al. (1985), it further suggests that a larger SSB can promote greater attentiveness and meticulousness within the disclosure process, ultimately fortifying organizational transparency.

This positive association resonates with recent studies emphasizing that an optimal SSB size contributes significantly to improved communication, oversight, and decision-making (Lipton & Lorsch, 1992; Raheja, 2003; Zulfikar et al., 2023; Fatchan et al., 2023). Consequently, ensuring an adequate number of SSB members is pivotal in enhancing the quality of social responsibility disclosures, highlighting the vital role of a well-structured SSB in fostering organizational accountability and integrity.

The first hypothesis testing on the characteristics of cross-membership (CROSS) provides empirical evidence that there is no influence of cross-membership on those who have ICEI. The coefficient value suggests no significant effect, indicating that an increase in ICEI disclosure is not correlated with a greater likelihood of cross-membership within the SSB in Islamic banks. This finding contradicts the study conducted by Farook et al. (2011), which suggests that SSB members

with cross-membership exhibit greater openness in debating the implementation of Islamic law in banking. However, in this case, cross-membership does not appear to significantly influence the disclosure of social responsibility, particularly in the context of ICEI.

Although cross membership where board members serve on multiple corporate boards has been argued to facilitate knowledge sharing and improve transparency (Dahya et al., 1996), this study's findings suggest that such arrangements do not necessarily enhance governance quality; in fact, empirical evidence from international research indicates that cross membership can lead to conflicts of interest, entrenchment, and reduced independence of directors, which may impair the effectiveness of oversight and decision-making (Aguilera et al., 2020). For example, highlight that multiple directorships often increase the risk of divided loyalties and limit the ability of directors to perform their duties objectively, ultimately undermining transparency rather than promoting it. Aguilera et al. (2020) found that cross membership could sometimes concentrate power among a few directors, thus restricting the diversity of perspectives and weakening accountability mechanisms. These findings challenge the notion that cross membership automatically improves governance outcomes and emphasize the complexity of its impact across different legal and institutional contexts.

Testing the first hypothesis on the characteristics of SSB education qualifications (PHD) provides empirical evidence that there is an influence of the educational qualifications held by SSB members on ICEI disclosure. The results of this study are consistent with the findings of Farook et al. (2011), Ujunwa (2012), Francis et al. (2015) and Fauzan et al. (2021).

In the same way to the findings of other investigations, this one supports those of Assenga et al. (2018), Jhunjunwala and Mishra (2012), and Kim and Rasheed (2014) who show the influence between educational qualifications and disclosure of social responsibility, and the findings support arguments that educational qualifications can provide knowledge and skills that are important for monitoring, advising, and decision making (Jhunjunwala & Mishra, 2012;

Kim & Rasheed, 2014) to disclose reporting on social responsibility, specifically ICEI.

The first hypothesis testing on the reputation characteristics of SSB members (REP) provides empirical evidence that there is an effect on the ICEI disclosure. A positive value for the coefficient implies a positive influence, meaning that the more ICEI disclosures there are, the more likely it is that this is a result of the standing of SSB members in Islamic banks. These findings support the study by Farook et al. (2011), which indicates that reputation is a significant factor in determining how much social responsibility is disclosed by Islamic banks. Therefore, credible SSBs tend to encourage Islamic banks to provide additional information regarding social responsibility, notably Islamic corporate ethical identity.

The first hypothesis test about the Shariah Supervisory Board (SSB) members' expertise offers empirical proof that the supervisory board's knowledge affects ICEI disclosure. There is a positive association between the expertise of SSB members and ICEI reporting, suggesting that the more respected the SSB members are, the higher the level of ICEI disclosure. This conclusion is similar to the work by Rahman and Bukair (2013), which reveals that the expertise of SSB members influences social responsibility disclosures. SSB members with knowledge and experience in finance are more effective in completing their obligations compared to those without such knowledge. Additionally, Islamic banks with SSB members who are finance specialists will be more transparent and ethical in revealing their activities to stakeholders and the public.

The second hypothesis test in this study demonstrates that the ethical identity of Islamic enterprises positively affects the financial performance of Islamic banks, as indicated by the significance value being less than alpha. This conclusion supports stakeholder theory, suggesting that Muslim stakeholders may perceive the social responsibility disclosure of Islamic banks in ICEI as a genuine reflection of the bank's commitment to Islamic values in its operations.

The findings of this study align with earlier research by Vollono (2010), Jones (1995), and Porter and Kramer (2006, 2011), which indicates a positive relationship between CSR performance and

business value. Several studies, such as those by Margolis et al. (2009), Matsumura et al. (2011), Dhaliwal et al. (2011), and Plumlee et al. (2010), also support this positive association. Moreover, a recent study by Izzo and Magnanelli (2012) acknowledges that CSR performance can be associated with increased financial benefits, although it

also highlights potential challenges such as higher debt costs. Nevertheless, the overall evidence from this study confirms that Islamic corporate ethical identity efforts contribute positively to the financial outcomes of Islamic banks, reaffirming the strategic value of ethical and social responsibility initiatives.

CONCLUSIONS

The study explores the relationship between the financial performance of Islamic banks in the QISMUT region, comprising Qatar, Indonesia, Saudi Arabia, Malaysia, the United Arab Emirates, and Turkey, and the characteristics of sharia supervisory boards (SSBs) alongside the disclosure of Islamic corporate ethical identity (ICEI). The analysis reveals that the average level of ICEI disclosures among the banks ranges from 31.43% to 57.72%. Notably, Turkey reports the lowest level of ICEI disclosure, while Saudi Arabia leads with the highest rates.

The study further indicates that specific parameters of SSBs are positively correlated with higher ICEI disclosure levels. Larger SSBs, PhD credentials, strong reputations, and a wealth of knowledge and experience tend to provide more effective oversight. This enhanced supervision ensures that Islamic banks adhere to their operational norms as mandated by Islamic law, consequently leading to better ICEI disclosures.

The observed positive correlation between ICEI (Islamic Corporate Ethical Disclosures and Information) reporting and the financial performance of Islamic banks suggests that transparent communication of ethical and religious commitments plays a vital role in the banks' overall success. Enhanced ICEI disclosures serve as a signal of integrity and ethical conduct, which can bolster stakeholder confidence, including customers, investors, regulators, and partners. When stakeholders perceive the bank as transparent and faithful to Islamic principles, they are more likely to develop trust, leading to increased customer loyalty and retention, which directly impacts revenue streams.

Moreover, transparent ICEI reporting can improve operational efficiency by fostering internal cultures aligned with Islamic ethical standards, encouraging responsible banking practices that reduce risks and enhance long-term sustainability. Such transparency also reinforces a bank's reputation as a responsible and principled institution committed to ethical finance, which can differentiate it within a competitive market. This improved reputation can attract ethically motivated investors and strategic partners who prioritize value-driven investment, thereby increasing the bank's access to funding and collaboration opportunities.

Furthermore, consistent and comprehensive ICEI disclosures may also comply with regulatory expectations and international best practices, positioning the bank as a leader in Islamic finance governance. This proactive stance can lead to better regulatory support, reduced legal and compliance risks, and ultimately a positive impact on the bank's financial outcomes. In summary, thorough ICEI reporting acts not only as a reflection of ethical commitment but also as a strategic tool that enhances stakeholder trust, reputation, and operational performance, thereby fostering improved financial results for Islamic banks.

AUTHOR CONTRIBUTIONS

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APPENDIX A

Table A1. List of Islamic banks included in the sample

No.	Bank Name	Description	No.	Bank Name	Description
1	(QIB) Qatar Islamic Bank	A leading bank in Qatar providing Sharia-compliant banking services	22	(BAB) Bank Al Bilad	Provides Islamic banking services in Saudi Arabia with a focus on retail and corporate banking
2	(MAS) Masraf Al-Rayan	Known for offering Islamic banking services in Qatar, focusing on retail and corporate banking	23	(NCB) National Commercial Bank	One of Saudi Arabia's largest banks, offering a wide range of Islamic financial services
3	(QIIB) Qatar International Islamic Bank	A major Islamic bank in Qatar offering a range of Sharia-compliant services	24	(SHB) Saudi Hollandi Bank	A major bank in Saudi Arabia offering Sharia-compliant financial products
4	(ABQ) Ahli Bank Qatar	Provides Sharia-compliant financial services in Qatar, including retail and corporate banking	25	(AIBB) Affin Islamic Bank Berhad	A Malaysian bank offering a full range of Sharia-compliant financial services
5	(BMI) Bank Muamalat Indonesia	One of Indonesia's prominent Islamic banks, specializing in retail banking	26	(ALIBB) Alliance Islamic Bank Berhad	A leading Islamic bank in Malaysia, providing comprehensive financial services
6	(BSM) Bank Syariah Mandiri	A key player in Indonesia's Islamic banking sector, providing a variety of financial products	27	(BIMB) Bank Islam Malaysia Berhad	One of the largest Islamic banks in Malaysia, offering retail and corporate banking
7	(BMS) Bank Mega Syariah	A part of Bank Mega, focusing on Islamic banking services in Indonesia	28	(M5) Kuwait Finance House (Malaysia) Berhad	An international Islamic bank providing comprehensive financial services
8	(BRIS) Bank Rakyat Indonesia Syariah	The Islamic banking arm of BRI, offering a full range of Sharia-compliant services	29	(M6) Bank Muamalat Malaysia Berhad	Provides Sharia-compliant banking services in Malaysia
9	(BBS) Bank Bukopin Syariah	Specializes in Islamic banking and finance services in Indonesia	30	(M7) CIMB Islamic Bank Berhad	A subsidiary of CIMB Bank, offering Islamic banking services
10	(BNIS) Bank Negara Indonesia Syariah	The Islamic division of BNI, offering banking solutions in compliance with Sharia law	31	(M8) Hong Leong Islamic Bank Berhad	Part of the Hong Leong Group, offering Islamic banking solutions in Malaysia
11	(BJBS) Bank Jawa Barat Banten Syanah	A regional bank offering Sharia-compliant products and services	32	(M9) HSBC Amanah Malaysia Berhad	HSBC's Islamic banking arm, offering a range of Sharia-compliant services
12	(BCAS) Bank Central Asia Syariah	BCA's Islamic banking division, providing retail and corporate banking	33	(M10) Maybank Islamic Berhad	The Islamic banking arm of Maybank, offering a wide range of financial services
13	(BVS) Bank Victoria Syariah	Offers Islamic banking services in Indonesia with a focus on community banking	34	(M11) OCBC Al-Amin Bank Berhad	OCBC's Islamic banking division, offering comprehensive financial solutions
14	(MBS) Maybank Syariah	A Malaysian bank offering Islamic banking services with an international presence	35	(M12) Public Islamic Bank Berhad	Public Bank's Islamic banking unit offering a variety of Sharia-compliant services
15	(BPDS) Bank Panin Dubai Syariah	A joint venture bank offering Sharia-compliant financial solutions	36	(M13) RHB Islamic Bank Berhad	The Islamic banking unit of RHB Group, offering retail and corporate banking services
16	(ARB) Al Rajhi Bank	One of the largest Islamic banks in Saudi Arabia, focusing on retail and corporate services	37	(U1) Dubai Islamic Bank	A leading Islamic bank in the UAE, providing Sharia-compliant financial services
17	(AB) Ahnma Bank	A Saudi Arabian bank offering Sharia-compliant banking solutions	38	(U2) Emirates Islamic Bank	One of the largest Islamic banks in the UAE, offering comprehensive services
18	(BAJ) Bank Aljazira	Provides Islamic banking services across Saudi Arabia	39	(U3) Al Hilal Bank	An Islamic bank in the UAE providing retail and corporate banking services
19	(RB) Riyad Bank	A major bank in Saudi Arabia, offering a variety of Islamic financial products.	40	(T1) Albaraka Turk Participation Bank	Provides Islamic banking services in Turkey
20	(GIB) Gulf International Bank	A multinational bank based in Bahrain, providing Islamic financial services	41	(T2) Turkiye Finance Participation Bank	A Turkish bank offering Sharia-compliant financial solutions
21	(BSF) Banque Saudi Fransi	A leading Saudi Arabian bank offering a wide range of Sharia-compliant banking services	42	(T3) Kuwait Turk Participation Bank	A Turkish Islamic bank providing retail and corporate banking services