

A Stakeholder Analysis of Visibility Versus Accountability in the Ethical Identity Disclosures of African Islamic Banks

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Abstract

This study examines the ethical identity disclosure practices of selected Islamic banks in Africa using the Ethical Identity Index (EII) framework. Based on content analysis of annual reports from four banks from 2021 to 2023, the study assesses the extent to which banks communicate key ethical dimensions, including zakah (alms giving), governance, products and services, and commitments to society and debtors. The findings reveal generally high disclosure in publicly visible areas such as debtor policies and vision and mission statements, but weaker disclosure in sharī'ah governance, zakah, and top management transparency. These results suggest that banks prioritise external visibility over internal accountability, a pattern consistent with stakeholder theory. Compared to earlier studies from other regions, the African banks in this sample demonstrate more substantial alignment in some dimensions, which may reflect improved disclosure practices over time. The study contributes to the literature by applying the EII in an underexplored regional context and demonstrates how evolving African markets prioritise publicly visible commitments over internal governance to satisfy stakeholder expectations, thereby providing theoretical insights into how ethical identities are constructed in emerging Islamic finance sectors.

Keywords:

Islamic banking; ethical identity; disclosure practices; Africa

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1. Introduction

The Islamic banking industry is continuously growing, as evidenced by its assets expected to reach USD 6.7 trillion by 2027 (Ghaffour, 2024). This growth showcases increased demand and recognises the ethical and moral foundations upon which Islamic banking is built (Dusuki, 2007). Rooted in the teachings of Islam, Islamic banking prohibits interest-based transactions, promotes the concept of risk-sharing, and places emphasis on fairness, transparency, and the equitable distribution of wealth (Aggarwal & Yousef, 2000; Usman, 2025). An Islamic bank aims to ensure economic prosperity by reducing economic inequality and increasing social welfare programs (Cowen et al., 1987; Farah et al., 2025; Gray et al., 1995). This objective is operationalised by complying with shari'ah principles (Abdulrahman et al., 2024).

The shari'ah forms the foundation of Islamic economic principles, embodying Islam's religious, moral, and ethical teachings (Abdulrahman et al., 2024). The default position is that all economic activity is permissible in Islam provided that 1) transactions are free from interest, 2) risk is shared through profit and loss partnerships, 3) transactions are free from deception, 4) transactions are tied to the real economy, 5) dealings with business that are deemed to be socially and morally harmful (haram) is prohibited and 6) wealth is shared through charitable activities (Haniffa & Hudaib, 2007; Khan, 2010). The paradigm of Islamic economics is based on four foundational axioms: unity, equilibrium, free will, and responsibility (Azid, 2010). These principles form the moral compass that guides economic relationships, wealth distribution, and financial transactions (Haniffa & Hudaib, 2007).

The axiom of unity acknowledges the sovereignty of God over all human activities, including business, and as such expects a moral responsibility in financial transactions (Aydin, 2018). Mohammed (2013) postulated that equilibrium refers to equitable behaviour and seeks to avoid exploitative practices such as transactions that include interest, excessive uncertainty, and speculation. Free will or freedom refers to the right to economic agency while ensuring ethical considerations when making decisions (Mohammed, 2013). Lastly, responsibility refers to the importance of human stewardship of resources; here, wealth is a trust and should be utilised responsibly for both the individual's and society's benefit (Chapra, 2008).

However, despite the claims that Islamic banking is based on religious, moral, and ethical values, researchers have continued to raise concerns regarding modern Islamic banks' ethical conduct and value-based uniqueness (Khan et al., 2021). Although Islamic finance aims to promote socio-economic justice, equity, and ethical wealth redistribution, studies indicate that the operational processes of many Islamic financial institutions deviate from the ideals of Islamic economic principles (Meskovic et al., 2021). According to El-Ghamal (2006), Islamic banks frequently mimic conventional banking structures, substituting interest with a mark-up (Aggarwal & Yousef, 2000) or lease-based (ijarah) contracts, which in practice are like interest-bearing loans. This is termed 'shari'ah arbitrage' or 'form over substance' and undermines the ethical and moral ethos that Islamic banking claims to offer (El-Ghamal, 2006).

More recently, studies have highlighted how profit-maximisation has over-ridden the moral and developmental goals of Islamic banking (Asutay & Yilmaz, 2025). Muneer and Khan (2022) found that despite claims of ethical commitment, many Islamic banks allocate minimal resources to instruments like benevolent loans (qard al-hasan) or zakah distribution, which are key mechanisms for achieving social justice in Islamic finance. Similarly, Mansour et al. (2015) claim that Islamic banks, particularly in developing countries, have progressively adopted risk-

averse and profit-driven strategies that prioritise shareholder returns over the welfare of other stakeholders.

The preceding discussions raise concern about whether Islamic banks represent the ethical values they claim to stand for (Srairi, 2019). With the global expansion of Islamic banks and the growing disconnect between the stated objectives and their operational reality, there is increasing scrutiny on how well Islamic banks communicate their adherence to Islamic principles (Wijayanti & Setiawan, 2022). As a result, these institutions are held to a higher standard of disclosure and governance than their conventional counterparts (Haniffa & Hudaib, 2007). This has brought the concept of ethical identity to the forefront, defined as the extent to which an Islamic bank publicly discloses its ethical commitments in governance, social responsibility, zakah distribution, and treatment of stakeholders. (Haniffa and Hudaib, 2007). Ethical identity is best investigated through disclosure practices (Haniffa & Hudaib, 2007; Zaki et al., 2014; Sumiyati and Vehtasvili, 2021), because from an internal perspective adherence to sharī'ah principles and ethical conduct is mostly invisible to the public (Srairi, 2019; Usman et al., 2025). Corporate disclosures are the primary medium for Islamic banks to communicate their legitimacy, control stakeholder expectations and to demonstrate their commitment to socioeconomic justice with transparency (Wijayanti and Setiawan, 2022; Mansour et al., 2015; Haniffa & Hudaib, 2007).

The Ethical Identity Index (EII), first conceptualised by Haniffa and Hudaib (2007), is widely adopted as the benchmark for measuring the extent to which Islamic banks communicate their ethical identity through corporate disclosures. This EII evaluates multiple dimensions, including vision and mission, the board and top management, products and services, employee relations, zakah and charitable contributions, environmental concerns, and social responsibility. This Index explores the stated and known ethical identity of an Islamic bank versus the ideal ethical identity of an Islamic bank. In their study, Haniffa and Hudaib (2007) found significant discrepancies between the communicated ethical identity and ideal ethical identities of Islamic banks in the Arabian Gulf, particularly in areas such as zakah, board transparency, social welfare, and the vision and mission statement, which raises concerns about the integrity of communicated values.

Existing literature applying the EII framework across various regions has yielded mixed results regarding its relationship with financial performance. While some studies indicate that ethical disclosures positively impact financial metrics such as Return on Assets and Return on Equity (Syuhada et al., (2019), other studies have found this relationship to be insignificant (Al Faridho et al., 2023; Sumiyati & Vehtasvili, 2021). Beyond financial outcomes, current research points to patterns of selective reporting as Islamic banks prioritise highly visible, regulated disclosures, for example, debtor related information over altruistic dimensions like environmental commitments, zakah or charity in general (Rahman et al., 2014, Rahman et al., 2016). Lastly, studies also highlight internal governance mechanisms, particularly the size and influence of the Sharī'ah Supervisory Board (SSB) as the main driver influencing transparent communication of an Islamic bank's ethical commitment (Rahman et al., 2016).

The Islamic Finance industry in Asia and the Middle East represent mature finance environments due to their established regulatory frameworks and strong cultural acceptance of sharī'ah compliant finance (Farah et al., 2025; Asutay & Yilmaz, 2025, and Srairi, 2019). Consequently, the EII framework has been extensively applied in these regions (Haniffa &

Hudaib, 2007; Zaki et al., 2014; Sumiyati and Vehtasvili, 2021), however comparatively the African Islamic finance sector is relatively underexplored as it is still emerging and operates largely within existing conventional finance systems (Farah et al. 2025; Khan et al., 2021). This creates a unique context where Islamic banks must actively establish and communicate their ethical identity to stakeholders, which is considered a necessary process for building credibility and showing commitment to religious standards (Srairi, 2019; Wijayanti & Setiawan, 2022). Therefore, comparing African Islamic banks with their counterparts in Asia and the Middle East may provide useful insights into how organisations within emerging markets use visible disclosures to build stakeholder trust (Usman et al., 2025) and address the ongoing tension of mere figurative ethical reporting and genuine ethical practice (Mansour et al., 2015; Asutay & Yilmaz, 2025).

2. Methods

This study employed content analysis to examine selected African Islamic banks' ethical identity disclosure practices over three years from 2021 to 2023. Content analysis is a well-established method for assessing corporate communication, particularly in ethical and social reporting, as it allows for systematic coding and comparison of disclosed information based on predefined categories (Krippendorff, 1980). The EII framework, developed by Haniffa and Hudaib (2007), was adopted to assess the extent to which ethical identity is disclosed across its key dimensions. Consistent with the foundational EII methodology established by Haniffa and Hudaib (2007), content analysis is an appropriate method for this study as ethical identity is fundamentally a communicated construct representing how institutions wish to be perceived by their stakeholders. Consequently, the chosen method provides a means to systematically quantify narratives embedded in corporate disclosures.

The unit of analysis was the annual report, which is the primary channel through which Islamic banks communicate their ethical commitments to stakeholders. Only publicly available annual reports were included in the analysis. A dichotomous scoring method was used, where each disclosure item scored one if present and zero if absent. This additive and equally weighted approach is consistent with prior studies, including Haniffa and Hudaib (2007), Rahman et al. (2014), and Zaki et al. (2014).

As previously indicated, we considered disclosure practices over three years from 2021 to 2023. This period was specifically selected to capture the most recent publicly available data reflecting the ethical disclosure realities of the selected banks. The sample consisted of four Islamic banks operating in Africa. As Islamic finance in the region is relatively young and consistently evolving, identifying banks with complete and accessible annual reports across multiple years proved challenging. Some banks published only summarised reports, while others provided reports for selected years or not at all. As such, the final sample includes only those banks that published complete annual reports for at least the three years under review in English. As a sample of four banks is relatively small, the use of purposive sampling was appropriate due to the limited availability of annual reports. Limiting the sample to four banks aligns with earlier studies using small, focused samples to explore ethical identity disclosures in Islamic banking. For example, Haniffa and Hudaib (2007) included seven banks in their Gulf-region analysis, while similar sample sizes were used in Zaki et al. (2014) and Sumiyati and Vehtasvili (2021).

A research assistant was first trained on using the coding framework and criteria to improve reliability and reduce subjectivity in the coding process. The assistant then performed the initial scoring, referencing the specific page numbers where each disclosure item appeared in the reports. Following this, one of the researchers conducted a follow-up analysis to verify the accuracy and completeness of the initial coding. To ensure inter-coder reliability, any discrepancies regarding the presence or absence of a disclosure item were resolved through mutual discussion until a consensus was achieved, in line with validation procedures performed by Haniffa and Hudaib (2007). This two-step process ensured greater consistency in identifying and recording disclosures across banks and reporting periods. In reporting the results, average scores for each of the eight EII components were calculated for each year, and an overall average was calculated across the three years. An aggregate average across all banks and years was also computed for each component to support cross-institutional comparisons. Per the ethical clearance for this study, the names and locations of the banks have been anonymised. Each institution is called Bank A, B, C, or D.

3. Results and Discussion

The analysis, as shown in Table 1 of the Vision and Mission Statements component across the four banks, reveals consistently high levels of ethical identity disclosure. Of the nine disclosure categories, the line items most disclosed include operating within shari'ah principles and providing halal returns. In contrast, the least-disclosed items include commitment to contract statements and serving the Muslim community. Banks C and D demonstrated an average score of 89 percent across the three years. Bank A scored 85 percent over the period, showing an improvement in disclosures from 2021, 78 percent, to 89 percent in 2022 and 2023. Bank B had the lowest scores, obtaining an average score of 63 percent, a static score of 67 percent for 2022 and 2023, and a lower score of 56 percent in 2021. The overall mean score across all the banks and years stands at 81 percent, accompanied by a notable improvement over the three years, signalling a positive trend in disclosing vision and mission statements among the African Islamic banks sampled. When we consider these disclosures from a stakeholder perspective, this level of disclosure is expected as vision and mission statements are outward facing tools to assist with establishing ethical legitimacy with stakeholders without the need for internal operational accountability.

Table 1: Vision and Mission Statement

Year/Average	Bank A	Bank B	Bank C	Bank D	Average
2023	0,89	0,67	0,89	0,89	0,83
2022	0,89	0,67	0,89	0,89	0,83
2021	0,78	0,56	0,89	0,89	0,78
Average	0,85	0,63	0,89	0,89	0,81

Source: Author's work

The results in Table 2 for the Board and Top Management disclosure show a clear stratification among the four banks. The uniformity of scores across the analysis period suggests a lack of evolution in disclosure practices, as no substantial improvement or deterioration in disclosure content is noted. Considering the 13 disclosure categories, items most consistently disclosed among the four banks include names and positions of board members, membership of audit committees, and board composition. Items least disclosed

include pictures of board members and management team, management team profile, role duality, and shareholdings of board members, indicating that the banks sampled are less likely to share qualitative, identity-specific, or governance-sensitive information. Regarding the individual bank performance, Bank B stands out with a score of 92 percent, while Bank A performed second best with a result of 62 percent. Bank D scored 54 percent, while Bank C underperformed, scoring just 31 percent. The overall average across all banks and years is 60 percent, indicating a moderate level of disclosure for this component. The reluctance to disclose sensitive information such as role duality suggests a hesitation with internal transparency which reflects surface level compliance over structural accountability.

Table 2: Board and Top Management

Year/Average	Bank A	Bank B	Bank C	Bank D	Average
2023	0,62	0,92	0,31	0,54	0,60
2022	0,62	0,92	0,31	0,54	0,60
2021	0,62	0,92	0,31	0,54	0,60
Average	0,62	0,92	0,31	0,54	0,60

Source: Author's work

The Products and Services dimension scores show in Table 3 a generally moderate to strong level of ethical disclosure among the four banks. Considering the 10 disclosure items, non involvement in non-permissible activities and the reason for involvement in non-permissible activities were the most disclosed. In contrast, glossary/definition of products and approval ex ante by SSB for new products were least disclosed. Bank C led the way at an average score of 83 percent. Bank A also performed strongly with an average score of 77 percent, while Bank B displayed moderate disclosure levels at 67 percent. Bank D, however, had the lowest score of just 47 percent, which was below the 50 percent threshold. The overall average score across all the banks is 68 percent, suggesting that the banks sampled have room for improvement concerning their disclosure practices. The frequent disclosure of non-permissible activities while omitting SSB approvals for new products suggests an eagerness by banks to project general levels of shari'ah compliance, however there is less transparency regarding the internal oversight required to validate these claims.

Table 3: Products and Services

Year/Average	Bank A	Bank B	Bank C	Bank D	Average
2023	0,80	0,60	0,90	0,50	0,70
2022	0,80	0,50	0,80	0,40	0,63
2021	0,70	0,90	0,80	0,50	0,73
Average	0,77	0,67	0,83	0,47	0,68

Source: Author's work

The disclosures for Zakah, Charity, and Benevolent Loans presented in Table 4 show a moderately high level of disclosure across the banks. Across the 15 disclosure categories, amount paid for zakah and sources of zakah were most disclosed; however, the Bank is liable for zakah, and SSB attestation that zakah has been computed was the least disclosed. Bank A and B had the strongest performance, scoring 78 percent and 76 percent, respectively. Bank D shows moderate performance, averaging a score of 58 percent, while Bank C, by contrast, demonstrates persistently weak performance with a static score of 47 percent across all three years. The overall average for all banks is 64 percent, indicating there remains scope for

enhanced disclosures in this area. These disclosures indicate a tendency to present basic zakah amounts while omitting SSB attestation highlighting a form over substance approach, where banks signal charitable intent but avoid documenting religious accountability.

Table 4: Zakah, Charity, and Benevolent Loans

Year/Average	Bank A	Bank B	Bank C	Bank D	Average
2023	0,80	0,73	0,47	0,53	0,63
2022	0,80	0,73	0,47	0,60	0,65
2021	0,73	0,80	0,47	0,60	0,65
Average	0,78	0,76	0,47	0,58	0,64

Source: Author's work

In Table 5, the results about Commitment Toward Employees reflect a generally consistent level of disclosure across the banks. Items most disclosed include the number of employees and the equal opportunity policy, and items least disclosed include training, monetary rewards, and rewards for employees. An average score of 67 percent over the three years is attributed to Banks A, B, and C, with Bank A's performance increasing from 44 percent in 2021 to 78 percent in 2022 and 2023. Bank D is the only outlier, with a slightly lower average score of 56 percent, showing no improvement across the years. The overall average score across all banks is 64 percent, indicating a moderate to strong commitment to disclosing employee-related information. These disclosures suggest banks prioritise easily verifiable policy-level information to satisfy stakeholder expectations, while simultaneously not providing disclosures about financial investments in staff, for training and monetary rewards.

Table 5: Commitments Toward Employees

Year/Average	Bank A	Bank B	Bank C	Bank D	Average
2023	0,78	0,67	0,67	0,56	0,67
2022	0,78	0,67	0,67	0,56	0,67
2021	0,44	0,67	0,67	0,56	0,58
Average	0,67	0,67	0,67	0,56	0,64

Source: Author's work

Concerning Commitments Toward Debtors, every Bank in the sample consistently scored 100 percent from 2021 to 2023 (refer to Table 6). This indicates full disclosure on all four identity elements related to debtor commitments, which included debt policy, amounts of bad debts written off, and types of lending activities, both general and detailed. This outcome suggests a robust commitment to disclosing debtor information, which may be driven by legal requirements or a culture of transparency. It is likely that these comprehensive disclosures are driven by the materiality of debtor information and regulatory reporting requirements, thus these disclosures represent unavoidable areas of external visibility.

Table 6: Commitments Toward Debtors

Year/Average	Bank A	Bank B	Bank C	Bank D	Average
2023	1,00	1,00	1,00	1,00	1,00
2022	1,00	1,00	1,00	1,00	1,00
2021	1,00	1,00	1,00	1,00	1,00
Average	1,00	1,00	1,00	1,00	1,00

Source: Author's work

The analysis of Commitment Towards Society, as shown in Table 7, reveals moderately low to high levels of disclosure. Considering the 10 disclosure items, creating job opportunities and support for organisations that benefit society were the most disclosed, while having a women's branch and conferences on Islamic economics were the least disclosed. Bank B leads the group with an average score of 90 percent, maintaining scores of 86 percent in 2022 and 2023, and peaking at 100 percent in 2021. Bank A and Bank C show stable but slightly lower scores, averaging 71 percent and 67 percent, respectively. Bank D, however, underperformed when compared to the rest of the group with a consistent score of 43 percent, thus bringing down the overall average score for this dimension to 68 percent. The disclosures focused on job creation and societal support rather than hosting conferences or women's branches suggesting a preference for visibility in broader public relations efforts to build external legitimacy.

Table 7: Commitments Toward Society

Year/Average	Bank A	Bank B	Bank C	Bank D	Average
2023	0,71	0,86	0,71	0,43	0,68
2022	0,71	0,86	0,71	0,43	0,68
2021	0,71	1,00	0,57	0,43	0,68
Average	0,71	0,90	0,67	0,43	0,68

Source: Author's work

The results in Table 8 for the SSB disclosure show modest and slightly variable performance across the banks. When looking at the 11 disclosure items, the most disclosed items include the members' names and reports signed by all members. In contrast, recommendations to rectify product defects and actions taken by management to rectify product defects were the least disclosed. Bank C presented the highest average score of 64 percent, maintaining a consistent score across all three years. Bank D followed with 61 percent, reflecting relative consistency with some fluctuation in 2022. Bank B maintained a mid-level 55 percent average score across all years, while Bank A underperformed with a static score of 45 percent. The overall average for this component across all four banks is 0.56, indicating a lower tier of disclosure compared to most other EII dimensions previously reviewed. The underwhelming disclosures in this important area, particularly the failure to disclose how product defects were rectified reinforces that these Islamic banks struggle with internal accountability thereby shielding their religious governance processes from public scrutiny.

Table 8: Shari'ah Supervisory Board

Year/Average	Bank A	Bank B	Bank C	Bank D	Average
2023	0,45	0,55	0,64	0,64	0,57
2022	0,45	0,55	0,64	0,55	0,55
2021	0,45	0,55	0,64	0,64	0,57
Average	0,45	0,55	0,64	0,61	0,56

Source: Author's work



Figure 1: Average EII Scores Source:

Source: Author's work

Finally, when considering the EII components collectively, the average disclosure scores from 2021 to 2023 reveal clear patterns in how Islamic banks prioritise and communicate their ethical commitments. As shown in Figure 1, Debtors achieved the highest average score at 100 percent, followed by Vision and Mission Statements at 81 percent. Products and Services and Commitment to Society scored 68 percent, while Zakah, Charity, Loans, and Employee Commitments averaged 64 percent. The lowest scores were recorded for Board and Top Management at 60 percent, and the SSB at 56 percent. Collectively, the average EII among all banks sampled was 70 percent, indicating a moderate disclosure level. These results suggest that Islamic banks are more consistent in disclosing outward-facing ethical practices than in reporting on internal structures and governance processes.

The findings of this study reveal that African Islamic banks display high levels of ethical identity disclosure in particularly noticeable areas such as commitments towards debtors (100%) and vision and mission statements (81%). These results imply that African Islamic banks may be adapting their disclosures according to the 'market logic' which is commonly found in conventional financial markets (Asutay & Yilmaz, 2025). In contrast prior studies conducted on mature Islamic Financial institutions point to a continuing ethical identity gap where deeper ethical commitments are not fully reflected in disclosures (Haniffa & Hudaib, 2007; Zaki et al., 2014).

When considering stakeholder theory, Islamic banks seem to be prioritising disclosures that have greater visibility and that are more relevant to stakeholders such as debtor policies and institutional values (Wijayanti & Setiawan, 2022). These disclosure practices may therefore act as a signalling mechanism that builds trust among stakeholders that are familiar with conventional banking practices (Usman et al., 2025). Furthermore, the focus on visible disclosures often highlights the preference of legal form over ethical substance (Mansour et al., 2015). This phenomenon is described as the 'Murabaha syndrome' whereby conventional debt-based instruments are presented using Islamic terminology (Khan, 2010; Asutay & Yilmaz, 2025). While these practices may comply with formal sharī'ah requirements, they may not fully reflect the wider purposes of maqāsid al-sharī'ah which emphasises social welfare, justice, transparency and fair economic development.

The African context has particular importance to interpret these findings because Islamic banking in Africa is still developing and is largely operational within conventional banking systems making it an evolving financial model instead of a fully institutionalised one (Khan et al., 2021). Differing to the mature financial markets in Asia and the Middle East where Islamic banking operates within established regulatory frameworks and is culturally accepted, African Islamic banks are still establishing their legitimacy (Farah et al., 2025). The high disclosure rate of mission and vision statement may indicate an effort by these banks to signal their ethical identity and to differentiate themselves from their conventional counterparts. Thus, in markets where Islamic banking is still developing, its communicated identity is an important strategy to establish stakeholder trust.

In contrast the weaker disclosure areas such as Zakah administration and SSB activities (56%) receive significantly less attention revealing important gaps in ethical reporting (Meskovic et al., 2021). These areas have close ties to the social governance dimensions of Islamic finance and are fundamental in achieving the broader objectives of *maqāṣid al-sharī'ah*. Zaki et al. (2014) found that disclosures relating to these philanthropical aspects are possibly linked to weaker financial performance and as a result discourages banks from complete transparency in these areas. This implies that managers may face a trade-off between short-term financial performance and fully transparent ethical disclosure. In competitive markets this trade-off signals that banks prioritise capital accumulation and growth over meaningful social and ethical commitments (Asutay & Yilmaz, 2025).

The findings have significant implications on stakeholder trust. Lack of transparency in *sharī'ah* governance and social commitments may weaken the confidence of Investment Account Holders and may trigger a withdrawal of funds, as they rely on these disclosures to ensure that their investments comply with Islamic principles (Usman et al., 2025; Srairi, 2019). Ultimately, Islamic banks are expected to uphold not only financial responsibility but also the ethical objectives entrenched in *maqāṣid al-sharī'ah*. For Islamic banking in Africa to transition beyond just visible ethical disclosures, institutions may need to strengthen governance disclosures, by aligning disclosure practices more closely with both stakeholder expectations and the broader principles of the Islamic Moral Economy.

This study highlights areas where Islamic bank managers can strengthen ethical disclosure, particularly in Africa. While disclosures on debtors and vision statements are strong, gaps remain in *sharī'ah* governance, zakah, and board and top management transparency. Managers should treat ethical identity as central to stakeholder trust, not just a compliance issue. Improving reporting in less visible but important areas can reinforce credibility and align operations more closely with Islamic values. Managers should ensure *sharī'ah* processes are clearly explained, and ethical goals are reflected consistently in reporting.

6. Conclusion

This study assessed selected African Islamic banks' ethical identity disclosure practices using the EII framework. The findings show generally high levels of disclosure in areas such as commitments toward debtors and vision and mission statements, indicating responsiveness to stakeholder expectations. However, disclosure was less consistent in *sharī'ah* governance, zakah, and board and top management transparency, suggesting that internal accountability and religious oversight remain underreported. The study contributes to the literature by

extending the application of the EII to African Islamic banks in emerging market contexts. It also highlights how stakeholder theory can help explain patterns in disclosure, particularly the prioritisation of publicly visible commitments over internal governance.

An important theoretical contribution of this study lies in its extension of stakeholder theory within the context of emerging Islamic finance markets. Specifically, the findings conceptualise a tension between external visibility and internal accountability in the provided disclosures. The study demonstrates how emerging African Islamic banks strategically prioritise outward-facing, high visibility disclosures while underreporting on internal shari'ah governance. As such, this study provides empirical evidence of a 'form over substance' approach to ethical identity construction by using targeted disclosures, thereby offering insights into how institutional legitimacy is built in growing and underexplored financial sectors compared to mature global hubs. From a practical standpoint, the findings indicate the need for more balanced disclosure strategies that align with ethical expectations and the banks' religious foundations.

As with any study, there are limitations. The analysis is based on publicly available annual reports, which may not capture all dimensions of ethical identity or the internal processes guiding disclosure decisions. The sample is also limited to four banks in one region, which may affect generalisability. Nevertheless, to build on this study's findings, longitudinal studies that track disclosure practices over an extended period would be valuable in revealing how ethical identities of African Islamic banks evolve as the regional sector matures. In addition, cross-regional comparative studies contrasting African institutions with established hubs in the Middle East or Asia could assist in isolating the impact of regulatory and cultural environments on disclosure behaviour. Finally, qualitative approaches, such as interviews with bank officials, may also help better understand the motivations and barriers behind disclosure choices.

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