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Social Accounting in Social Justice Morality in Islamic Banks

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General Background: Social issues such as poverty, wealth distribution, and social justice remain critical concerns in many countries. **Specific Background:** In this context, Islamic banks, particularly the 22 institutions operating in Southeast Asia, have the potential to apply social justice principles in their interactions with local communities. **Knowledge Gaps:** While previous studies have examined the commercialisation of Islamic banking, research exploring how these institutions integrate social justice into their operations is limited. **Objectives:** This study aims to investigate the social accounting practices of Islamic banks, focusing on disclosures that reflect a commitment to social justice. **Methods:** Using a qualitative approach, this study analyses data from annual reports and official websites to evaluate how Islamic banks implement social justice in the communities they serve. **Results:** The findings show that these banks seek to align their disclosures with Islamic spiritual and moral teachings, demonstrating an underlying narrative that emphasises ethical accountability and religious conformity. **Novelty:** This study contributes to the limited literature bridging Islamic religious values and the pursuit of social goals in financial institutions. **Implications:** A focus on the misalignment between religious values and banking ethics opens up opportunities for reform among Islamic banks and encourages deeper engagement from stakeholders concerned with ethical financial practices.

Keywords: Islamic Banking, Social Accounting, Social Reporting, Poverty Alleviation, Habermas' Critique

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INTRODUCTION

Problems related to social aspects, such as social justice, poverty, and wealth distribution, are social problems that are of great concern to every nation (Buettner-Schmidt & Lobo, 2012). The causes of the above three social aspects in society are very complex and historical in nature, based on significant basic dimensions, namely many people who are not prosperous, who have the potential to save, and do not have the ability to save, so they are unable to mobilise the existence of public savings into productive use, in addition, people who need financing are increasing due to the absence of advanced financial institutions in rural areas and this causes commercial banks to be reluctant to channel their funds to poor people and micro and medium business owners (Kolk, 2008). Consequently, the banking system is a financial organisation that essentially has a major impact on how money is distributed in society by setting consumption limits on spending and promoting social justice (Alm *et al*., 2017). Moreover, it has been observed that the recent financial crisis has brought considerable attention to the socio-economic aspects of banking and finance as well as the effects of regulation in these two industries, which have an impact on how wealth is distributed in society (Kirchler *et al*., 2018).

This research can explain and explore the 26 Islamic banks in Southeast Asia that engage in social reporting, focusing on information related to income distribution, poverty alleviation, and social justice. Banks that practice Islam are recognised in establishing the precepts of Sharia (Sharia Law), where the goal is to achieve socially just financial institutions (Rashid *et al*., 2024). In this context, this article is able to provide an explanation and description of the disclosures and criticisms of technology and omissions in Islamic bank reports that have elements of social justice. The researcher explains the criticism of the exploration of Islamic banks' commitment claims to Islamic teachings and social justice principles, and whether these claims are able to be supported by specific and actual activity disclosures (Hermawan *et al*., 2023). Therefore, this article is considered to provide insights into the possibility of Islamic banks in Southeast Asia, including Brunei Darussalam, Malaysia, the Philippines, Singapore, and Thailand, in realizing the Islamic morality of social justice.

This research can provide new insights for the development of existing research, in line with how the development of social accounting can be applied and developed in various business entities, including Islamic business entities such as Islamic banks. Because in further development, the development of social accounting must be applied by adhering to the principles of social justice, poverty alleviation, and equitable distribution of welfare (Andrianto, 2025). Many scientific accounting studies are directly related to socially justifiable poverty issues that require further expansion where this can occur even in social and environmental accounting studies, especially those that focus on disclosure categories such as customers, communities, employees, and nature, without placing a specific focus on reducing poverty or promoting social justice (Ball & Seal, 2005). Moreover, non-Western contexts and viewpoints, as well as industries that potentially offer advantages, have so far received little attention in the social and environmental accounting literature (Andrianto & Nuraini, 2020).

Moreover, although Islamic accounting is three times more concerned with ethical and social issues, none of them offer the level of social justice, equality, or poverty eradication (Velayutham, 2014). By using social justice and poverty eradication as the main issues to analyse social reporting in Islamic banks, the author of this study attempts to close the gap in the literature in his attempt to use a critical lens towards existing studies on Islamic accounting and insights in his attempt towards religious leaders and critical theories that have been put forward by scholars (Alshater *et al*., 2022). Thus, this study is expected to go beyond some previous studies that can be criticised against Islamic banks in its emphasis on topics that reveal disputes in pursuing the objectives of Islamic banks. The practical implication of this research is how Islamic banking can carry out social accounting practices that are based on the values of social justice, wealth distribution, and poverty eradication in accordance with Islamic values in Islamic banking business. This should provide the possibility for the growth of Islamic banks (and stakeholders) to understand the importance of the existence of these financial institutions and claim these roles by drawing attention to the gap. This can foster social conditions for the future role of Islamic banks.

METHODS

This research looks at how 22 Islamic banks in Southeast Asia, as financial institutions, apply social justice principles to the banking industry in the local communities where they do business. This research uses content analysis, which is one of the analytical techniques in qualitative research. The use of content analysis is done to explore whether certain topics and themes of objectivity in the field related to the principle of social justice based on the values of Sharia teachings can be present or implemented by Islamic banks, as disclosed in the annual reports of Islamic banks. The use of annual reports and websites is indispensable in the discussion using this content analysis (Dusuki, 2008). The researcher also hopes that through the use of Habermas' critique, it can achieve this goal and can highlight the claims that have been assumed by Islamic banks for their adherence to social justice and Sharia teachings, as well as the refutation of these assertions by regulating the level and quality of disclosure of information relating to specific social activities.

In this section, it is very important to remember that the disclosure basis of Islamic banking companies is not considered as such because it is always an accurate reflection of the information disclosure of the actual events and practices facing Islamic banking. However, these companies are expected to identify what they consider to be their ownership in the achievement and objectives that are considered most important through social disclosure. In addition, as far as the reporting of social justice principles is concerned, it is mandatory for them to disclose it, explaining that the main assumption underlying this study is that the volume of social disclosure in this case indicates how important the issue of social justice principles based on sharia values is for companies (Khan, 2010). In line with this, disclosure in annual reports and other media, such as the internet, is considered the main place for Islamic banks to do this to show that their company operations are consistent and in accordance with the teachings of Sharia and the principles of social justice.

This content analysis has been widely used in qualitative research, such as in social accounting science. These studies are able to analyse the quality of information that has been disclosed by Islamic banks in the annual report, and also the disclosure either in the form of words or certain themes. Basically, the annual report is a very important source of information that is made systematically and can be accessed more widely by the public, and communicates in detail both in the form of numbers and other explanations of how the company operates. The purpose of researchers using content analysis related to this research is to study how the disclosure in the company's annual report is related to the practice of disclosing information in the annual report. According to his research, the annual report is a report that can provide reliable information, which, in the next step, can make good findings in disclosure practices or be researched, as in this study. According to researchers, annual reports play an important role in terms of reflection or awareness of information users historically in the company's own organisation, and have a role in shaping scientific views and social ideologies that are able to legitimise certain social conditions.

Further research conducted by explained that the main message of the annual report itself is a tool to describe the rhetorical choices of the company's own strategic state. The use of content analysis is considered to be one of the most popular methods of analysing various media, including newspapers and political speeches, but few studies have been able to apply it to the methodology for website analysis. However with the increasing emphasis on public communication such as in electronic media, there has been an increase in such research especially in the advancement of accounting science, according to, the International Accounting Standards Committee (IASC) has stated that the idea of corporate reporting will eventually shift to websites as the main format bridge for the distribution of information about a company's business operations. This move has been able to encourage most researchers to turn to corporate websites in conducting textual material analyses.

In terms of the application of content analysis to qualitative research methodologies, analyses used on corporate websites can be considered to have a number of difficulties and limitations. The majority of these problems can be identified by opening up a wealth of information on research relating to "setting up content analysis methods," which makes it more relevant in the presence of inductive research and using summative content analysis techniques (Hermawan & Hariyanto, 2022a). When this research is applied using descriptive content analysis techniques and using a deductive-type approach, the predetermined themes and subjects in the annual reports and web pages become the main focus of data collection and analysis to be further analysed and to capture the meaning of the disclosures, as well as to be allocated into categories corresponding to the themes. In applying this conceptual analysis and relational approach, these techniques are considered to provide an insight into whether these practices are common and used by many banks, both conventional and Islamic, or whether they are rarely used or even non-existent (Rouane-Hacene *et al*., 2013). In this case, by using individual themes as the unit of analysis, the researcher was able to look for issues in the data that relate to the concept of social justice. The researcher periodically examined the annual reports of 22 Islamic banks, looking at which parts of the websites the researcher thought contained information related to social justice practices. This included the Board of Directors' statement, which is included in the vision section of the bank's operations, the number of employees, corporate social responsibility, financial statements, and service products. The researcher then searched for keywords using the search function on the website, which included all spellings of the word in Arabic. Such as the connotations of the words "poverty", "zakat", "charity", "qardh hasan", "microfinance", and so on. The development of the coding scheme was very helpful in analysing the topics covered in the bank's website and annual report. In the early stages of the analysis process, a coding scheme was created and verified (Ali *et al*., 2023).

[Table 1 about here.]

The researcher initially coded the sample data and verified it by using an agreement assessment among coders to check the coherence and clarity of the categories. After that, the researcher applied the coding guidelines to the remaining annual reports and web pages, taking into account the uniformity that had been achieved. Table 1 contains all the data pertaining to the 22 Islamic banks to be examined in this study; all the selected institutions are from Muslim countries, and the sample consists of Islamic banks only, so the value window of Islamic teachings is not included. In sampling the sample of operating banks, the researcher did so by identifying annual reports and websites where identification was done to check whether the quality and themes reported differed between countries compared to the application of the precepts of the socio-economic context (Müller, 2009).

The emphasis made by the researcher is on Islamic banks operating worldwide, particularly in Islamic countries, as they are more likely to be able to provide voluntary disclosure ideas (Hartadinata *et al*., 2023). The starting point of this research is focused on Islamic business and finance websites, particularly in Muslim countries. However, it is clear that some Islamic countries in the world, such as the Gulf countries (especially Bahrain), also experience the emphasis of the focus of this study, which is influenced by the larger and more numerous Islamic banking presence compared to others. Of the Arab world countries, 13 banks belong to the Gulf countries, and the rest are drawn from Malaysia and Indonesia, which represent the majority of Muslims in the world. Many factors influence the decision to use these Islamic banks, some of which are the oldest and most established in the Gulf region. The main regulatory and governing body of Islamic financial institutions, AAOIFI, is based in Bahrain and is also part of the Gulf states. Eight banks were selected from Malaysia and Indonesia, the two largest Muslim-majority countries in the world. Table I also presents the Annual Reports to be analysed, the total assets of the banks to be analysed, and the shareholder ownership in each bank. This article is an adoption of the development of previous studies, such as Guthrie and Petty, who also analysed the annual reports for disclosure of nine items in five areas listed in 2 categories.

The researchers now have certain disclosure categories that can be reliably assessed and provide statistical support for the conclusions of this study, which can be generalised thanks to

the development of disclosure categories that still exist in the literature from previous studies (Brennan, 2001) uses two-way coding, but adopts the ideas and techniques of four-way numerical coding.

The study in this research focuses on the exploration, understanding, and interpretation of the meaning contained in the research study. In using this analysis technique, the researcher used exploratory and interpretative analysis, where the researcher clarified things that were considered ambiguous, contradictory parts, or even silences contained in the material. This study also measures the amount of disclosure by using the calculation technique in sentences used by Hackston and Milne in their paper. In measuring the extent of disclosure through calculations on the maximum limit of disclosure in providing a comprehensive picture of the principles of social justice in Islamic banks, as written in the sample in Table 1.

[Table 2 about here.]

Based on the measure used to determine the overall disclosure, the annual reports of Islamic banks have an average of 20 sentences per page when compared to the average number of sentences per page in the annual reports of commercial banks. Table 2 shows that there are 447 disclosure sentences, with an average of 20 sentences per report. Each bank may not present more than 45 sentences.

RESULTS AND DISCUSSION

In this study, researchers tried to describe and explain some of the research findings in six categories. In these categories, the first category tries to clearly describe the social disclosures made by banks with Sharia values and some matters related to the principles of social justice. The other five categories are used to highlight which themes will be expressed in the scarcity of information regarding the activities of social justice principles in some realities by linking certain activities with the circumstances of concern raised in previous research related to the scarcity of empirical data regarding the social conditions of banks in their efforts to achieve social justice principles in reality. The other category section provides a broader analytical view of the various discussions found in this research by further linking them to the context category above.

Compliance with Social Disclosure

The existence of Islamic banks' business operations is significantly influenced by how they market and promote themselves towards business operations that are based on where they operate in accordance with the teachings and values of Sharia as a basic guideline in conducting business (Haryati *et al*., 2023). Table 3 explains the main bank disclosures in Islamic banks, seen from how the Islamic bank is able to not only describe the limits of business disclosures but also social disclosures expected in the purpose of establishing the Islamic bank, but how the level of conformity with both disclosures can be run and be described in accordance with Islamic teachings. In general, there are a total of 447 sentences calculated in 22 annual reports, all of which can be explained in accordance with the teachings of Islamic values. Table 3 also shows that all Islamic banks analysed in this study still refer to their business operations as being conducted in accordance with the principles and teachings of Islamic values. For example, Abu Dhabi Islamic Bank explains on its website how the bank is committed to conducting business while upholding Islamic banking regulations and Islamic principles in all areas of banking operations. Maybank Islamic Bank also explains that all product and service activities provided to the community remain in line with Islamic principles and values while focusing on achieving an improved work ethic, increased distribution of corporate assets, and the principle of socio-economic justice. Likewise, Islamic banks also refer to the values of Sharia teachings by referring to the reporting and disclosure of Islamic banks in accordance with the mission and vision statements of Indonesian Islamic banks. Emirates Islamic Bank is also able to refer to its vision and mission in illustrating the emphasis on Sharia concepts. In addition, the bank's website states that so far, the bank's business operations are in line with Sharia principles (Hermawan & Hariyanto, 2022b).

[Table 3 about here.]

The Islamic Development Bank (IDB) was established in 1974 by a conference of Muslim foreign ministers with the aim of promoting the social and economic progress of Muslim countries in accordance with Sharia law. In fact, most of the statutes of early Islamic banks stated that their purpose was to fulfil the socio-economic needs of the community and comply with Sharia law. Since the establishment of the first Islamic commercial bank, Dubai Islamic Bank, in 1975, Islamic banks have expanded globally, and by 2015, the assets of the Islamic finance industry were expected to reach US$2 trillion (Maali *et al*., 2006; Ariff & Rosly, 2011).

From the above explanations, it is clear that the principle of compliance of Islamic banking business operations implemented against the principles of Islamic teachings can be said to have implications for business and social ethics in the bank's business operations. For example, Bank Syariah Indonesia explains in its vision and mission statement that the bank aims to "respect and care for others" in providing social justice principles for the implementation of a fair economic system and providing a strong principle foundation in building a just and prosperous society through low-cost financing and social justice principles for fellow human beings (Kulmie & Omar, 2024). Some banks in table 1 mostly refer to Islamic principles on their websites and in their annual report disclosures without explaining the principle of conformity of business operations with Islamic principles intended in their business operations. Some Islamic banking companies have elaborated and explained how Islamic principles and values can influence their business activities (Muamalat, Abu Dhabi Islamic Bank, Islamic Bank Website, Indonesian Islamic Bank Website). However, there are some banks listed in the table above that, in their annual reports and websites, ensure that the level of compliance with the principles that have been applied in accordance with Islamic ethics in their business operations, which makes the position of Islamic banks in general and their organisations in particular (Ahmad & Sadeq, 2002; Aripratiwi *et al*., 2023). In this regard, the existence of Islamic banks can argue that the emphasis on the concept of "Ethics, community, and justice in Islamic banking operations is not only an alternative for Muslims in business and non-business

transactions, but also applies to non-Muslims who choose to invest their money in a manner that is in accordance with the principles of Islamic teachings.

In addition, the inclusion of statements from stakeholders in the annual reports of Islamic banks can show how the Islamic economy, which includes banking, can also be used to solve humanitarian issues such as poverty alleviation and equalisation of social justice principles (Darmadi, 2011). This is in accordance with a quote from an Islamic economics expert who said:

"Many of us believe that only a miracle can free us from the disaster that the world is facing today, and that the presence of the western economic system has created new, almost insurmountable challenges for the sustainability of human prosperity. In this situation, the government must be able to carry out the operation of the economic system based on the Islamic principle of equal social justice, as government involvement is deemed to have failed to provide social justice at the international level."

Although in practice the rhetoric of adherence to the precepts of sharia values and principles of social justice is more widely used in Islamic banks, these banks are perceived to be unable to describe and explain in detail how such ideas and concepts are broadly incorporated and translated into bank operations (other than in avoiding the concept of interest and having zakat funds). Of these, an important dimension of underwriting capability is the position of the Sharia Supervisory Board (DPS) function and the government. The role of DPS in this context is often referred to as the assurance capability that DPS in banking is able to act as a mechanism in supervising and ensuring the running of bank activities with Sharia values. Nevertheless, the findings of this study are able to show that the annual reports of Islamic banks on many occasions and opportunities provide very brief and general statements regarding the level of compliance of banks with the teachings of sharia (Hamoudi, 2013).

Most of the time, there are statements that are focused on the transactions of the concept of interest charging and zakat payment. On the other hand, many cases of Islamic banks in this study are considered to have been able to disclose their commitments extensively in accordance with Islamic principles, and these disclosures are often used in terms of distinguishing them from conventional banks in banking activities socially and ethically. The financial statements and annual reports of Islamic banks seem to be important as a tool to express to the reader that all this is true. In research described by (Haniffa & Hudaib, 2007), Islamic banks are more interested in the desire to promote themselves as ethical suppliers of alternative financial solutions to all parties involved and as followers of Islamic teachings. Therefore, disclosures related to Islamic teachings are highlighted more in this study, which is natural in describing Islamic banks as the ideals and principles that guide them (Jan *et al*., 2021). In the next section, the researcher will explore, execute, assess and reflect on the understanding of whether it can be done in the disclosures made by Islamic banks where it can show that these statements can be translated into concrete actions that aim to fulfil the Islamic demands for social justice and equality, and are able to make Islamic banks as banks that are proclaimed as banks that are considered capable of bringing social welfare principles in accordance with Islamic principles (Garcés *et al*., 2003).

Investment Funding and Socially Motivated Funding Projects

To discuss this theme, the researcher conducted research findings that in Islamic banks' commitment to ethical and social, in accordance with the business dimension of Islamic principles, where Islamic banks are expected to be able to prioritise funding for investment and projects that are considered socially motivated (Kargar & Lin, 2021). The emphasis on both is geared towards further enhancing equality and social justice in society. Where the research findings are able to claim that although the calculation of sentence disclosure is only 20.3% of the overall sentence disclosed related to social justice, the Islamic banks sampled by the researcher only disclose a few very clear policies related to funding for investment and investment-based funding projects. The majority of the 12 Islamic banks that concentrate on activities that are not carried out by banks would be considered to be able to do both, which would not be prohibited by Islamic principles. For example, on the website of Abu Dhabi Islamic Bank (ADIB), it is explained that the existence and role of banks are considered ethical boundaries, which is the "most important" position when the bank's operations are considered to be involved in commercial banking activities (Dong *et al*., 2016). In addition, few banks are considered able to provide specific information on their investment funding policies or procedures, but they have made general statements about their commitment to developing projects that benefit the country's position and the public interest regarding the project practices they follow in their business operations (Chatzoudes *et al*., 2015).

Some Islamic banks in this study mentioned that there are one or two projects that are considered to fulfil needs driven by social criteria motives (Boluk & Mottiar, 2014). Islamic Dubai Bank, for example, is considered to have been able to provide compliance information related to the role of investment capital in several commercial companies whose activities are considered capable of producing goods and services that are considered to be in the public interest of the community and the nation's economy, while still being guided by the guidelines of sharia values (Prasojo *et al*., 2023). However, on the contrary. According to the Islamic Dubai Bank's website, it has allegedly managed to bypass detailed quantitative information in revealing that the funding of public facilities and services totalled only 0.75% of the total investments made by ADIB. The majority of the investment funding composition (up to 75%) is considered to be for real estate, buildings, and general trading.

It is generally accepted that very little evidence of bank financing of projects in this research study will be supervised, and this is in line with research findings by the (Shabbir & Rehman, 2019) heavily invested in Islamic banks where the pattern of real estate financing and in general favour financing practices that lead to the trade sector rather than project

financing. In a further study, it explains that when Islamic banks are involved in project financing, Islamic banks prefer financing with a short-term time concentration rather than long-term financing (Bidabad & Sherafati, 2017). In this case, short-term financing is more focused on the trade sector and is considered safer than long-term project financing, where financing in this sector often brings uncertainty in the completion of financing

In general, Islamic banks can be said to have made general statements that are considered to be made by some Islamic banks in Muslim countries. In this study, compared to other commercial banks, there is little evidence that Islamic banks are actually perceived to promote socially motivated enterprises (Andrianto, 2017). For example, there is no information to indicate that Islamic banks often prefer to fund labour-intensive companies or are perceived to pay more attention to sectors with non-financial criteria compared to financial sector criteria. Indeed, the findings in this study support the study's claim that Islamic banks are perceived to operate not much differently from conventional banks in that they focus heavily on the investment and funding sectors. Likewise, in the Islamic Finance News report in 2022 on its website, it has also been mentioned so far that there is a lack of funding in development projects in countries by Islamic banks in Asia and Africa (Abdul *et al*., 2021). The research states that it is something that is considered to be a lost opportunity for Islamic banks to really make an impact, especially in this case with development projects in Asia and Africa through funding infrastructure projects (Cumming, 2007). When African countries are seen as being stricken with supply shortages, both in terms of raw materials and so on, investment funds are needed, and the role of Islamic banks, which are largely funded by Gulf countries, is considered to bridge the gap

In this case, the researcher did not find any evidence that the existence of Islamic banks tends to favour the financing of long-term projects, where the project is more aimed at obtaining relatively fast and large financial returns, or evidence of social motives related to environmental issues. Indeed, this can be seen from how the researchers have examined the disclosures, where this is a concern for Islamic banks (Aliyu *et al*., 2017). What is found in this study is very much in line with the explanation of the low level of environmental disclosure made by companies in Saudi Arabia, including Islamic banks. Whereas the scope of environmental disclosure is usually considered to be given by environmentally sensitive industries, so that banks can be considered to report the various impacts of environmental consideration policies when investing in these industries, or in other words, can be considered to provide financing to these sectors (Song *et al*., 2018).

In fact, there are more and more demands on how bank strategies can do what is guided in this regard, as well as the existence and guidance from the GRI for financial institutions that require the concept of disclosure. Of course, this also contradicts the holistic nature of Islamic teachings. Much of the Islamic finance literature can be considered to emphasise the important role of Islamic finance in funding projects that are deemed to have social and environmental viability (Goel *et al*., 2020). Hence, it is indispensable for fulfilling social justice objectives. However, disclosures by Islamic banks in this study were able to show that such projects are actually not considered as a specific and significant part of Islamic banks' income. In addition, despite the existence of Islamic banks expressing their commitment to such matters, especially to the teachings of Islamic values, it certainly does not seem to translate into their commitment to funding commitments that are oriented towards social motives, at least as shown in their disclosures.

The Role of Society, Zakat, and Donations in Social Justice

The empowerment of people who are considered disadvantaged and classified as poor has been carried out using existing financing schemes by applying the principle of social justice as the main value in Islamic banking practices and providing long-term benefits as a solution to alleviate poverty problems. On the website of Indonesian Islamic banks, it is explained how the concept of the zakat fund works, which has been running for approximately 10 years. On the other hand, banks have also prepared zakat funds that are used to distribute zakat that comes from bank funds, such as the amount of reserves and profits that can be used for the company's business operations (Desiana *et al*., 2021). The fund also comes from the collection of zakat from customers who wish to donate on their behalf. Likewise, in the annual report of Islamic Dubai Bank, the company also discloses zakat payments and social activities that fall under "philanthropic activities" and "donations" to people in need in accordance with the principles of social justice. According to the report, corporate social responsibility is also carried out as part of the company's dedication to social activities. For banking companies located in the Gulf countries, the implementation of social responsibility activities is carried out through the payment of zakat and other charitable activities, such as those carried out by Qatar Islamic Bank and Abu Dhabi Islamic Bank. On their website, they are able to detail the amount of zakat that has been distributed by the two banks which reached US$ 450,000 in the period 2020-2021, where the distribution of funds was carried out and distributed to orphanages, widows, public and private students from various universities, non-profit organisations and organisations that focus a lot on charitable activities.

The annual report and website of Bank Meezan (Malaysia) also provide a more detailed and comprehensive breakdown of the distribution of zakat funds used for social action initiatives such as the creation of vocational training centres for underprivileged communities eligible to receive zakat. In addition to these institutions, zakat funds were also handed over to orphanages, whose social responsibility activities have started since January 2008. In another development, according to the report, Bank Mandiri has also donated US$27 million in zakat funds, while other funds came from grants, investors, account holders, donations, and other sources. In addition to the social activities mentioned above, the charitable activities referred to in this study include the provision of food and drink to those in need, knowledge transfer and education, donations for unique buildings such as mosques and libraries, provision of health services, financial assistance for wedding expenses, and religious activities such as Hajj and Umrah.

Payment of money zakat and Qardh Hasan must be made through the Zakat Management Agency, namely the National Amil Zakat Agency appointed by the management in this case, Bank Muamalat Indonesia. Therefore, the bank is not considered to be actively involved in the administration of zakat funds in this case. Social charity activities in Islamic banks in Indonesia are divided into several fields and activity programmes, including health, education, social and cultural, improvement, and environmental protection. However, Islamic banks are allowed to assert that they actively seek methods to advance society and improve everyone's standard of living for charity, education, health organisations, science, culture, social, and environmental. In daily life, the role of banks is able to illustrate its activities by being able to see efforts and steps in building educational activities, such as building financial study centres in universities in some Gulf countries, and development with university funds. In his research, he explained that the use of zakat funds is considered to play only a very small role in overcoming or preventing poverty problems. This is because it requires a higher rate than what is usually determined compared to other social aspects that have been practised by Islamic Banks. The research also shows that there is a bias in the disclosures made by Islamic Banks to overcome the problem of poverty in the short term rather than considering long-term solutions. Similarly, according to (Mustafa *et al*. 2013), the intention of banks to project a positive image is related to the preference to report charitable operations and distribute zakat funds within the framework of the principles of social justice and religious image in accordance with the vision and mission of Islamic banks, by giving social charity and paying zakat to show the religious dimension and diversity of organisations with Islamic characteristics.

CONCLUSION

The results of this study are expected to have a number of consequences for the Islamic banking industry. Our analysis suggests that the failure of Islamic banks to assert their ideological understanding can be attributed to the failure to make social justice a core value of operations. Undoubtedly, the presence of global capitalism and imperialism may make it difficult for Islamic banks and the Islamic financial system to use the principle of social justice in the teachings of Islamic values to realise the concept of morality both spiritually and secularly. Therefore, Islamic banks should be compelled to end poverty and advance the ideals of social justice, but they cannot afford not to. They can mobilise in various ways within the Islamic financial system and should be viewed as components of a vast network. Islamic banks still have a chance to change perceptions if their actions are both domestic and international. Nonetheless, there are already some effective programmes, such as the Grameen Bank.

The contributions in this study, in terms of theoretical implications, can be expected to provide new insights into the gaps in the literature including social justice and poverty alleviation as central themes for researching Islamic banks' social statements and this study in its attempt to use a critical lens towards research on Islamic accounting and insights into its efforts towards religious leaders and critical theories that have been put forward by experts. The practical implication of this research is how Islamic banking can carry out social accounting practices based on the values of social justice, wealth distribution, and poverty eradication in accordance with Islamic values in Islamic banking business.

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***Table1** / List of Banks to be Analysed*

Bank	Country	Annual Report	Total Assets	Ownership
Al Rajhi Bank	Saudi Arabia	2019	348.44	Public (75%)
Islamic Dubai Bank	UAE	2022	288,238	Public (60%)
Maybank Islamic	Malaysia	2018	85,509	BIMB Holdings 55%, Dubai Islamic Investment Group 40%, Public 5%
Qatar Islamic Bank	Qatar	2018	55,893	Malaysian Building Society Bhd (MBSB) 70%
RHB Islamic	Malaysia	2017	152,352	Employees Provident Fund Board 40.26%, OSK Holdings Berhad 10.24%, Pensaraan Money Group 5.87%, Others: Local 28.07%, Others: Foreign 15.56%
Abu Dhabi Islamic Bank	UAE	2020	44,799	Emirates International Investment Company LLC, 39.40%. Mamoura Diversified Global Holding Company 7.62%, Other Investors 52.98%
Boubyan Islamic Bank	Kuwait	2021	43,269	common stock
Emirates Islamic Bank	UAE	2022	35.935	Common stock
Malaysia Islamic Bank	Malaysia	2020	32.163	Khazanah Nasional 23%, EPF 13.8%, GNP 11.1%, KWAP 6%, Others 46.1%
Qatar International Islamic Bank	Qatar	2019	30,807	Qatar Investment Authority (QIA) 75%, Others 25%
Bangladesh Islamic Bank	Bangladesh	2019	35,522	Islamic Development Bank; Dubai Islamic Bank; Luxembourg Islamic Bank 63%, 37% Public
Sharia Islamic Bank	UAE	2018	29,547	Individuals 45.3%, Investment Companies 27%, Kuwaiti Government 29.8%, Public 7.2%
United Bank Kuwait Expert	Kuwait	2020	28,705	Temdent Investment Co. in Kuwait 7.71%, Social Insurance Organization in Bahrain 10.01%, Public Institution of Social Security in Kuwait 18.67%, and Public 63.61%
AmBank Islamic	Malaysia	2021	24,622	ANZ Group Australia 23.78%, Amcorp 32.9%, Public 43.32%
MBSB Bank	Malaysia	2020	29.302	Malaysian Industrial Development Finance Berhad 65.47%, Public 34.53%
Masraf Al Rayan Islamic Bank	Qatar	2021	22.162	Qatar Government Entities 53%, Public 47%

Dukhan Bank	Qatar	2020	19,214	Public 49%, Qatar Financial Markets Authority 51%
Meezan Bank	Malaysia	2019	18,572	Public 24.43%, Islamic Development Bank 10.32%, Pak Kuwait Investment Company 30%, and Noor Financial Investment Company 35.25%
Itzmaar Bank	Bahrain	2019	17,807	Public 23.81%, Kuwait Investment Authority 18.70%, Bank Ithmaar BSC 25.38%, Social Insurance Organization 13.34%, and Pension Fund Commission 18.77%
Unicorn Investment Bank	Bahrain	2019	19,482	common stock
Indonesian Sharia Bank	Indonesia	2022	30,600	PT. Bank Mandiri (51.74%), PT. BNI (23.24%), PT. BRI (15.38%)
Muamalat Bank	Indonesia	2021	66,100	BPKH (82.66%), IsDB (2.04%), Public (15.30%)

***Table 2** / Overall Social Justice Disclosure in the Annual Report*

	Disclosure Sentence	**Percentage of Disclosure Pages**
Total	447	17.88
Average	20.3	0.95
Minimum	9	0.35
Maximum	45	2.3

***Table 3** / Frequency of Social Justice Reporting in Islamic Bank Annual Reports*

	Disclosure By Bank	**Total Sampling Percentage**	**Number of Sentence Disclosures**	**Percentage of Sentences Expressed**
Sharia reference	22	100	158	43
Funding for Investment and Socially Motivated Projects	12	45	72	13
Access to financing and financial inclusion schemes for the poor				
- Microfinance and microfinance schemes serving rural communities	8	29	28	8
-Poor community empowerment scheme with mudharabah scheme	4	13	14	4
-Training scheme for bank staff related to helping the poor	20	98	33	4.5
Community contributions, zakat and charity activities or donations				
- Collection / Disbursement of zakat	15	81	51	8.9
- Social activities / donations	19	97	41	10.3
- Waqf	22	75	36	4
- Qardh hasan	19	66	14	4.3
TOTAL			**447**	**100**