

THE APPLICATION OF THE ISLAMICITY DISCLOSURE INDEX IN MEASURING SHARIA COMPLIANCE AND CORPORATE GOVERNANCE AT BANK ACEH AND BANK SYARIAH INDONESIA

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Abstract

Introduction to The Problem: Transparency and accountability are fundamental principles in Islamic banking, ensuring compliance with Sharia principles and good corporate governance. The Islamicity Disclosure Index (IDI) has been widely recognized as a comprehensive framework for evaluating the extent of Sharia-related disclosures in Islamic financial institutions. However, empirical comparisons of IDI implementation among Islamic banks in Indonesia remain limited, particularly between national and regional Islamic banks.

Purpose/Objective Study: This study aims to analyze and compare the level of Islamicity Disclosure Index (IDI) disclosure between Bank Syariah Indonesia (BSI) and Bank Aceh Syariah during the 2023–2024 period as an indicator of Sharia compliance and corporate governance quality.

Design/Methodology/Approach: This study employed a quantitative descriptive approach using content analysis of the annual reports of Bank Syariah Indonesia and Bank Aceh Syariah for the 2023–2024 period. The assessment was based on three main dimensions of the Islamicity Disclosure Index, namely Shariah Compliance, Corporate Governance, and Social/Environmental Disclosure, with respective weights of 50%, 30%, and 20%. The disclosure scores were calculated and compared to evaluate each bank's level of compliance and transparency.

Findings: Both banks achieved a very high level of Islamicity disclosure. Bank Aceh Syariah recorded an IDI score of 87.30% in both 2023 and 2024, while Bank Syariah Indonesia achieved higher scores of 96.67% in 2023 and 96.88% in 2024. Bank Syariah Indonesia demonstrated superior performance, particularly in the Shariah Compliance dimension. In contrast, Bank Aceh Syariah exhibited relatively lower disclosure regarding non-halal



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income, non-halal investments, and several aspects of corporate governance structure. Nevertheless, both banks performed consistently well in the Social/Environmental Disclosure dimension. These findings indicate that although both institutions have maintained a high level of Shariah disclosure, Bank Syariah Indonesia demonstrates greater consistency and comprehensiveness in its implementation of the Islamicity Disclosure Index.

Paper Type: Research Article.

Keywords: Islamicity Disclosure Index; Shariah Compliance; Corporate Governance; Social and Environmental Disclosure; Bank Syariah Indonesia; Bank Aceh Syariah.

INTRODUCTION

In recent years, the Islamic financial sector in Indonesia has experienced substantial growth and has become an increasingly important pillar of the national financial system. According to the Financial Services Authority (OJK), the total assets of the Islamic banking industry reached IDR 980.30 trillion by the end of 2024, representing an annual growth of nearly 10% annual growth. This achievement reflects the increasing public confidence in the sustainability and credibility of the Islamic banking industry (OJK, 2024). Alongside this rapid expansion, the need for a transparent and comprehensive performance evaluation framework has become increasingly critical for maintaining stakeholders' trust and strengthening the industry's long-term sustainability.

Unlike conventional financial institutions, Islamic banks operate based on Islamic principles that emphasize social justice, ethical conduct, accountability, and the welfare of all stakeholders. Consequently, performance reporting in Islamic banking extends beyond financial accountability and serves as a form of muhasabah (self-accountability), reflecting responsibility not only to stakeholders but also to Allah SWT (Nurfalah & Rofi'atu, 2023). Nevertheless, the evaluation of Islamic bank performance continues to rely predominantly on conventional financial indicators, such as Return on Assets (ROA) and Return on Equity (ROE), which primarily measure profitability and shareholder value (Hameed et al., 2004). These conventional measures are insufficient to capture the distinctive objectives and ethical values embedded in Islamic banking.

The inconsistency between the objectives of Islamic banking and the conventional performance evaluation framework may result in incomplete disclosure and reduced transparency. In Islamic banking, transparent disclosure is fundamental to maintaining public confidence, as it enables stakeholders to assess whether banking operations genuinely comply with Shariah principles. Inadequate disclosure may create information asymmetry, leading customers to question whether their funds are managed in accordance with Islamic principles or are exposed to non-halal activities (Nurfalah & Rofi'atu, 2023). To address this limitation, Hameed et al., (2004) introduced the Islamicity Disclosure

Index (IDI), a disclosure framework grounded in the objectives of maqasid al-shariah. The IDI assesses the extent to which Islamic banks disclose information on Sharia compliance, corporate governance, and social and environmental responsibilities.

Previous research by Nurfalah & Rofi'atu (2023) examined the implementation of the Islamicity Disclosure Index in Islamic banks globally. However, empirical studies comparing the implementation of the IDI within the Indonesian Islamic banking industry remain limited. This study, therefore, focuses on Bank Aceh Syariah and Bank Syariah Indonesia (BSI), representing two distinct models of Islamic banking development in Indonesia. Bank Aceh Syariah is recognized as one of the most successful regional development banks to have fully converted into an Islamic commercial bank, a success supported by its strong regional and socio-cultural characteristics. In contrast, Bank Syariah Indonesia, established through the merger of three state-owned Islamic banks, has become the largest Islamic commercial bank in Indonesia with extensive national operations. Comparing these two institutions using the Islamicity Disclosure Index is essential to determine whether their substantial asset growth and financial performance are accompanied by an equally strong commitment to transparency, accountability, and the objectives of maqasid al-shariah (Haniffa & Hudaib, 2007).

Based on this background, this study aims to analyze and compare the implementation of the Islamicity Disclosure Index as a measure of Sharia compliance and corporate governance quality in Bank Aceh Syariah and Bank Syariah Indonesia during the 2023–2024 period. Specifically, the study seeks to examine whether the market leadership of Bank Syariah Indonesia and the successful Islamic conversion of Bank Aceh Syariah are supported by a comparable level of transparency and socio-spiritual accountability. The findings are expected to provide valuable insights for Islamic bank management and regulators in strengthening disclosure standards that are more closely aligned with the objectives of maqasid al-shariah and the sustainable development of the Islamic banking industry.

LITERATURE REVIEW

The examination of non-financial aspects has become increasingly important for Islamic banking institutions in Indonesia, given that Islamic banks are not solely profit-oriented but are also grounded in Islamic ethical and social values. From a transparency perspective, non-financial disclosure reduces information asymmetry between management and stakeholders while strengthening public accountability. (Baydoun & Willett, 2002). Adequate disclosure has also been shown to enhance customers' trust in Islamic banking products and operational mechanisms (Platonova et al., 2018).

The concept of Maqāṣid al-Sharīʿah is generally classified into three hierarchical levels: dharuriyyāt (necessities), which represent fundamental interests that must be protected; hājiyyāt (complementary needs), which facilitate human well-being; and taḥsīniyyāt (embellishments), which promote moral and social excellence. These are further supported by mukammilāt, complementary principles that ensure the comprehensive realization of Sharia objectives. This hierarchical framework reflects the fundamental mission of Islamic law in preserving the five essential human interests (al-kulliyāt al-khams): religion, life, intellect, lineage, and wealth (Afridawati, 2015).

Within the context of Islamic financial transactions (muʿāmalāt māliyyah), the objectives of Sharia are translated into fundamental principles that promote fairness, transparency, and social welfare. One of the most important principles is al-ṣidq wa al-bayān (truthfulness and transparency), which requires all financial contracts and transactions to be conducted honestly, openly, and with complete disclosure of relevant information. Such transparency minimizes information asymmetry and prevents disputes that may undermine public welfare (maṣlaḥah) (Putra & Yaqin, 2023).

The rapid development of modern Islamic financial institutions has encouraged the formulation of various quantitative and qualitative measurement frameworks to assess the implementation of maqāṣid al-sharīʿah. These include the Maqasid Shariah Performance Index (MSPI), Islamic Social Reporting (ISR) Index, Islamic Corporate Governance Index, and Islamic Disclosure Index (IDI). These indices evaluate the extent to which Islamic financial institutions implement Sharia principles not only in contractual compliance but also in ethical conduct, social responsibility, economic justice, and governance practices.

Before discussing the Islamicity Disclosure Index in greater detail, it is important to review several established disclosure indices that have provided the conceptual foundation for measuring corporate transparency and accountability. These include the Disclosure Index, the Environmental Disclosure Index, the Corporate Governance Index, and the Corporate Responsibility Index.

Corporate Disclosure Index

Corporate disclosure refers to the communication of both financial and non-financial information that may influence stakeholders' economic decisions (Muda, 2003). In financial accounting, disclosure plays a crucial role in reducing information asymmetry between management and investors. Botosan, (1997) developed the Disclosure Index to examine the relationship between voluntary disclosure and firms' cost of equity capital. The index categorizes disclosure into five major components: (1) corporate background information, (2) historical financial performance,

(3) non-financial statistics, (4) forecast information, and (5) management discussion and analysis. This framework has become one of the most influential references in voluntary disclosure research and signaling theory.

Environmental Disclosure Index

The Environmental Disclosure Index evaluates corporate environmental responsiveness by considering organizational characteristics such as financial performance, capital expenditure, and pollution emissions. The index compares environmental information disclosed through internal corporate sources, including annual reports and official company documents, with information obtained from external sources such as newspapers, journals, magazines, and press releases (Stanwick & Stanwick, 1998). This approach enables researchers to assess the consistency and credibility of corporate environmental reporting.

Corporate Governance Index

Corporate governance refers to the structures, principles, and processes through which organizations are directed and controlled to achieve sustainable organizational objectives (Thomson, 2009). Klapper & Love, (2002), using the Credit Lyonnais Securities Asia (CLSA) methodology, proposed a governance assessment based on binary questions across seven dimensions: discipline (15%), transparency (15%), independence (15%), accountability (15%), responsibility (15%), fairness (15%), and social awareness (10%). This framework has become one of the most widely adopted governance assessment models in emerging markets.

Corporate Responsibility Index

The Corporate Responsibility Index (CRI) serves as a benchmarking instrument to evaluate the extent to which organizations integrate responsible and sustainable business practices into their daily operations (Hansen, 2010). Since its introduction in 2002, the CRI has become one of the principal standards for assessing corporate social performance. Griffin & Mahon (1997) further developed social performance measurement through the KLD Index, which evaluates eight dimensions: community, employee relations, environment, product quality, minority relations, military contracting, nuclear power, and South African involvement. Each dimension is assessed using scores ranging from strengths (+2) to major concerns (−2) (Hameed et al., 2004).

Islamicity Disclosure Index

The Islamicity Disclosure Index (IDI) was introduced to evaluate the extent of non-financial disclosure by Islamic financial institutions in reflecting Islamic values, particularly Sharia compliance, corporate governance, and social responsibility (Hameed et al., 2004). The

primary strength of the IDI lies in its ability to capture dimensions of organizational performance that are overlooked by conventional financial indicators, thereby providing a more comprehensive assessment of Islamic banks' accountability toward their stakeholders (R. Haniffa & Hudaib, 2007).

Recent empirical studies have confirmed the relevance of the Islamicity Disclosure Index as a benchmark for transparency and institutional legitimacy, particularly regarding compliance with the objectives of *maqāṣid al-sharīʿah* (Arianugrahini & Firmansyah, 2020; Platonova et al., 2018). Furthermore, the IDI is conceptually aligned with stakeholder theory and legitimacy theory, both of which emphasize the importance of ethical and social disclosure in maintaining organizational legitimacy and public trust (Farook et al., 2011).

Despite its strengths, several limitations of the Islamicity Disclosure Index have been identified. First, the index relies heavily on voluntary disclosures contained in annual reports, making it susceptible to reporting bias and selective disclosure practices (Platonova et al., 2018). Second, there is no universally accepted standard for weighting or evaluating individual IDI indicators, which may lead to inconsistent interpretations across studies (Nugraheni & Anuar, 2014). Third, several empirical studies have found that relatively low IDI scores do not necessarily indicate weak Sharia implementation; rather, they may reflect insufficient transparency in non-financial reporting (Arianugrahini & Firmansyah, 2020).

METHODOLOGY

This study adopts a descriptive-comparative approach using content analysis to evaluate the level of Islamicity Disclosure Index (IDI) disclosure in the annual reports of Bank Aceh Syariah and Bank Syariah Indonesia (BSI) for the 2023–2024 period. The descriptive approach is employed to map disclosure patterns systematically, in line with recent studies suggesting that descriptive analysis is effective in capturing governance and Sharia-based reporting practices in the modern financial industry (Mukhibad et al., 2022). Meanwhile, the comparative approach is essential to identify differences in disclosure practices between two institutions with contrasting organizational structures and asset scales (Fatmawati et al., 2022). The analysis relies entirely on secondary data obtained from the annual reports of both banks, supported by recent literature on IDI, *maqasid syariah*, governance, and Islamic disclosure standards (Nurfalah & Rofi'atu, 2023; OJK, 2024). The sample is selected using purposive sampling, focusing on strategically significant Islamic banking institutions in Indonesia that consistently publish complete annual reports during the study period.

Data collection is conducted through documentation techniques,

involving the extraction of all relevant information from annual reports based on Islamicity Disclosure Index indicators. The IDI consists of three main components: Shariah Compliance, Corporate Governance, and Social/Environmental Disclosure. This structure aligns with recent studies emphasizing these three dimensions as the fundamental pillars of transparency in contemporary Islamic banking (Abdallah & Bahloul, 2021). Each category contains a different number of indicators: 15 for Shariah Compliance, 35 for Corporate Governance, and 14 for Social/Environmental Disclosure. The operational definition of each indicator follows the standard IDI framework commonly applied in recent empirical studies, including disclosure on Sharia Supervisory Boards (DPS), halal and non-halal income, audit committee structure, and social-environmental policies (Ziyad et al., 2026).

Data analysis employs a dichotomous scoring method, where disclosed items are assigned a score of "1" (✓) and non-disclosed items are assigned "0" (X). This approach is widely used in transparency index studies and provides high reliability in assessing reporting consistency (Haniffa & Cooke, 2005). The disclosure percentage is calculated as the ratio of disclosed items to the total indicators. The overall IDI score is then computed using a weighted formula adapted from Hameed et al., which has been widely applied in recent studies on Sharia compliance (Anshori & Tachiyat, 2025). The weighting scheme assigns 50% to Shariah Compliance, 30% to Corporate Governance, and 20% to Social/Environmental Disclosure. The results are presented using a narrative-comparative approach supported by tables, disclosure scores, and a detailed interpretation of variations in disclosure quality between the two banks (Hasan et al., 2025).

RESULTS AND DISCUSSION

The analysis presented in Table 1 on the Shariah Compliance indicators disclosed in the 2023–2024 annual reports demonstrates that Bank Aceh Syariah and Bank Syariah Indonesia (BSI) exhibit a strong commitment to Shariah governance disclosure. This commitment is reflected in their perfect scores for the Shari'ah Supervisory Board and Basic Information indicators. Both banks consistently disclose essential information regarding the appointment, responsibilities, and reports of the Shari'ah Supervisory Board, as well as the institution's vision and mission. Such consistency indicates that both institutions have established Shariah governance as a fundamental component of their corporate governance framework, in line with the principles of transparency that emphasize the disclosure of an Islamic bank's ethical identity to stakeholders (Haniffa & Hudaib, 2007).

Despite these strengths, notable differences emerge in the disclosure of financial statement information, particularly regarding the

identification of non-Islamic investments. Bank Syariah Indonesia (BSI) demonstrates superior disclosure practices by reporting the identification of non-Islamic investments. In contrast, Bank Aceh Syariah did not disclose this information throughout the two-year observation period. Within the framework of the Islamicity Disclosure Index, disclosure of non-halal income or investment is considered essential regardless of whether such transactions occur, as it reflects the bank's commitment to maintaining a clear separation between Shariah-compliant funds and income derived from non-permissible sources (Hameed et al., 2004). The absence of this disclosure may reduce Bank Aceh Syariah's overall Shariah compliance score relative to BSI.

The analysis also identifies a common weakness in both banks: the absence of a Value-Added Statement in their annual reports. Beyond its significance in Islamic accounting for demonstrating the equitable distribution of wealth among stakeholders, the integration of a Value Added Statement has been shown to strengthen corporate governance practices (Baydoun & Willett, 2002). Baltzer & Ulrich (2025) argue that the ValueAdded Statement serves as an important mechanism for bridging governance theory with measurable transparency by providing a more comprehensive understanding of how value is created and distributed among all stakeholders, rather than focusing solely on shareholders. Therefore, both Bank Aceh Syariah and Bank Syariah Indonesia are encouraged to incorporate this report in future disclosures to enhance the quality of corporate governance and achieve a more comprehensive standard of Shariah compliance.

Table 1. Shariah Compliance Indicator

Item	Bank Aceh Syariah		Bank Syariah Indonesia	
	2023	2024	2023	2024
1. Shari'ah Supervisory Board				
a. The appointment of SSB	✓	✓	✓	✓
b. The report of SSB	✓	✓	✓	✓
c. Identification of the actual activity conducted	✓	✓	✓	✓
d. The SSB members' background	✓	✓	✓	✓
2. Basic Information				
a. The Vision, Mission, and Objectives	✓	✓	✓	✓
b. Principal activity	✓	✓	✓	✓

Item	Bank Aceh Syariah		Bank Syariah Indonesia	
	2023	2024	2023	2024
3. Financial Statement				
a. Identification of Islamic investment	✓	✓	✓	✓
b. Identification of non-Islamic investments	X	X	✓	✓
c. Identification of Islamic revenue	✓	✓	✓	✓
d. Identification of non-Islamic revenue	✓	✓	✓	✓
e. Provide the statement of sources and uses of funds in Zakat and charity	✓	✓	✓	✓
f. Provide the statement of sources and uses of funds in the qard fund	✓	✓	✓	✓
g. Identification of sources of revenue:				
✓ exclude revenue attribute to depositors	✓	✓	✓	✓
✓ exclude revenue attribute to Murabaha financing				
h. The adoption of the current value whenever it is possible	✓	✓	✓	✓
i. Value-added statement	X	X	X	X

Sources: Researcher (2026)

The second component of the Islamicity Disclosure Index assesses Corporate Governance, which is categorized into nine major dimensions, as presented in Table 2. The comparative analysis indicates that Bank Syariah Indonesia (BSI) demonstrates a higher level of governance compliance in terms of both the depth and comprehensiveness of disclosure than Bank Aceh Syariah. Overall, both institutions satisfy the fundamental corporate governance requirements, including disclosure of board composition, board rotation, and board meeting frequency; the establishment of key committees (Nomination, Remuneration, Audit, and

Risk Management Committees); and directors' reports and corporate governance reports.

Nevertheless, several significant differences reflect the varying levels of governance maturity between the two banks. Bank Aceh Syariah exhibits notable disclosure gaps, particularly regarding remuneration transparency (Items 4b and 4c), the independence of the Nomination Committee (Item 5b), and the implementation of effective checks and balances within the Audit Committee, as evidenced by the absence of meetings between the Audit Committee and the external auditor without the presence of executive management (Item 7e). Furthermore, BSI provides more comprehensive disclosures regarding the integration of Shariah expertise within the Board of Directors and the accounting expertise of the Shari'ah Supervisory Board (Items 1b and 8a), which Bank Aceh Syariah does not disclose. These findings suggest that although Bank Aceh Syariah has established the essential framework of corporate governance, BSI has achieved a more mature level of good corporate governance by placing greater emphasis on transparency, institutional independence, and the comprehensive integration of Shariah principles into its governance structure.

Table 2. Corporate Governance Indicator

Item	Bank Aceh Syariah		Bank Syariah Indonesia	
	2023	2024	2023	2024
1. Composition of the board of directors				
a. The board of directors comprises at least one-third of independent non-executive directors	✓	✓	✓	✓
b. The board of directors has representatives from the Shari'ah board	X	X	✓	✓
2. Appointment and Re-Appointment				
a. The director retires by rotation, one in three years, and is subsequently eligible for re-appointment.	✓	✓	✓	✓
b. The re-appointment of non-executive directors is not automatic.	X	X	✓	✓

Item	Bank Aceh Syariah		Bank Syariah Indonesia	
	2023	2024	2023	2024
c. The terms of appointment of the non-executive directors are disclosed	✓	✓	✓	✓
3. Board meetings				
a. Board meetings were conducted at least four times a year	✓	✓	✓	✓
b. The number of board meetings held in a year and the details of attendance of each director in respect of meetings held are disclosed	✓	✓	✓	✓
c. Directors attend at least 75% of meetings on average	✓	✓	✓	✓
4. Director's fees and remuneration				
a. Directors' remuneration is disclosed	✓	✓	✓	✓
b. Separate figures for salary and performance-related elements, and the basis on which performance is measured are explained.	X	X	✓	✓
c. Shareholders approve directors' aggregate pay	X	X	✓	✓
5. Nomination committee				
a. The company has a nomination committee	✓	✓	✓	✓
b. The committee should exclusively consist of nonexecutive directors, of whom the majority are independent.	X	X	✓	✓
6. Remuneration committee				
a. There is a Remuneration Committee	✓	✓	✓	✓

Item	Bank Aceh Syariah		Bank Syariah Indonesia	
	2023	2024	2023	2024
b. Remuneration consisting wholly or mainly of non-executive directors	✓	✓	✓	✓
c. Membership of the remuneration committee should appear in the directors' report	✓	✓	✓	✓
7. Audit committee				
a. There is an audit committee	✓	✓	✓	✓
b. The Audit Committee consists of at least three non-executive directors, of whom the majority are independent.	✓	✓	✓	✓
c. Audit committee includes someone with expertise in accounting	✓	✓	✓	✓
d. The audit committee recommends the external auditor at the annual shareholders meeting.	✓	✓	✓	✓
e. At least once a year, the committee met with the external auditors without executive board members present, to review the financial statements.	X	X	✓	✓
f. Details of the activities of audit committees, the number of audit meetings held in a year, and details of attendance of each director in respect of meetings are disclosed.	✓	✓	✓	✓
g. Audit committee members attend at least 75% of meetings on average	✓	✓	✓	✓

Item	Bank Aceh Syariah		Bank Syariah Indonesia	
	2023	2024	2023	2024
8. Shari'ah supervisory board				
a. Include someone with expertise in accounting	X	X	✓	✓
b. SSB meets with the audit committee and/or external auditor to review financial statements	✓	✓	✓	✓
c. Details of the activities of SSB, the number of board meetings held in a year, and details of attendance of each member in respect of meetings are disclosed.	✓	✓	✓	✓
d. SSB committee members attend at least 75% of meetings on average	✓	✓	✓	✓
e. SSB is an independent body	✓	✓	✓	✓
9. Others				
a. Directors and senior management are qualified persons in terms of educational background, working experience, etc.	✓	✓	✓	✓
b. Chairman and CEO are different persons	✓	✓	✓	✓
c. There is a Risk Management Committee	✓	✓	✓	✓
d. English disclosure exists	✓	✓	✓	✓
e. There is a statement on Corporate Governance	✓	✓	✓	✓
f. The maintenance of an effective system of internal controls is disclosed	✓	✓	✓	✓
g. There is a director's report	✓	✓	✓	✓

Sources: Researcher (2026)

Table 3 presents the level of Social Disclosure based on four key dimensions: policy and objectives, community issues, employee issues, and environmental issues. The analysis reveals that both Bank Aceh Syariah and Bank Syariah Indonesia achieved full compliance with all social disclosure indicators throughout the 2023–2024 observation period. This consistent performance demonstrates the strong commitment of both Islamic banks to corporate social responsibility in accordance with the ethical values and principles of Islamic finance.

The complete fulfillment of all disclosure indicators suggests that both banks have reached a comparable and mature level of social responsibility implementation. These findings indicate that sustainability and social ethics have been effectively integrated into their operational practices, enabling the institutions to balance financial performance with social and environmental accountability. Such comprehensive disclosure also reflects the stakeholder-oriented nature of Islamic banking, which emphasizes transparency, social welfare, and sustainable value creation alongside financial objectives.

Table 3. Social Indicator

Item	Bank Aceh Syariah		Bank Syariah Indonesia	
	2023	2024	2023	2024
1. Policy and Objectives				
a) Mission statement/statement of environmental policy	✓	✓	✓	✓
b) Mission statement/statement of social policy	✓	✓	✓	✓
c) Environmental target and objective	✓	✓	✓	✓
d) Social target and objective	✓	✓	✓	✓
2. Community issues				
a) Consumer care	✓	✓	✓	✓
b) Community involvement	✓	✓	✓	✓
3. Employee issues				
a) Health and safety	✓	✓	✓	✓
b) Employee training	✓	✓	✓	✓
c) Reporting on other issues	✓	✓	✓	✓

Item	Bank Aceh Syariah		Bank Syariah Indonesia	
	2023	2024	2023	2024
4. Environmental issues				
a) Environmental protection	✓	✓	✓	✓
b) View on environmental issues	✓	✓	✓	✓
c) Environmental Management System	✓	✓	✓	✓
d) Energy saving	✓	✓	✓	✓
e) Environmental indicators and targets	✓	✓	✓	✓

Sources: Researcher (2026)

Table 4 shows that both Bank Aceh Syariah and Bank Syariah Indonesia achieved relatively high levels of disclosure, as measured by the Islamicity Disclosure Index (IDI), throughout the 2023–2024 observation period. The Islamicity Disclosure Index is widely used to evaluate the extent to which Islamic banks disclose information regarding Shariah compliance, corporate governance practices, and social and environmental responsibilities in their annual reports.

Regarding the Shari'ah Compliance dimension, Bank Aceh Syariah received a score of 13 out of 15, indicating that most Shari'ah compliance requirements were met. However, several disclosure items remain incomplete, particularly those related to contract transparency, zakat distribution, and the reporting of non-halal income or investments. In comparison, Bank Syariah Indonesia achieved a score of 14 out of 15, reflecting a slightly higher level of Shariah compliance disclosure. This finding is consistent with previous studies suggesting that larger Islamic banks generally maintain more comprehensive Shariah governance systems and product documentation, resulting in more complete and transparent disclosures.

For the Corporate Governance dimension, Bank Aceh Syariah recorded a score of 28 out of 35, indicating that its governance practices have been implemented effectively but still leave room for improvement. The remaining gaps primarily relate to the disclosure of board structure, the independence and role of governance committees, and internal control mechanisms. By contrast, Bank Syariah Indonesia achieved the maximum score of 35/35, demonstrating full compliance with all governance disclosure indicators. This result supports empirical evidence that stronger Islamic corporate governance practices are associated

with higher levels of transparency and accountability in Islamic banking institutions.

In the Social and Environmental Disclosure dimension, both banks attained the maximum score of 14 out of 14, indicating full compliance with all disclosure indicators. This finding is consistent with previous studies reporting that Islamic banks actively disclose corporate social responsibility (CSR) activities, community development programs, and environmental initiatives as manifestations of the objectives of *Maqāṣid al-Sharī'ah*, which emphasize social welfare, environmental stewardship, and sustainable development.

From a longitudinal perspective, the disclosure scores of both banks remained stable between 2023 and 2024, with no significant increases or decreases across the three dimensions. This stability suggests that both institutions have established consistent disclosure policies and reporting practices. Nevertheless, Bank Aceh Syariah still has opportunities to enhance its Shariah compliance and corporate governance disclosures to achieve a level comparable to Bank Syariah Indonesia's. Meanwhile, Bank Syariah Indonesia should maintain its high standard of disclosure while continuously strengthening the integration of transparency, financial performance, and long-term sustainability, as emphasized in the literature on the Islamicity Performance Index and sustainable Islamic banking.

Table 4. Overall Islamicity Disclosure Index

Indicator	Bank Aceh Syariah		Bank Syariah Indonesia	
	2023	2024	2023	2024
Shari'ah Compliance	13/15	13/15	14/15	14/15
Corporate Governance	28/35	28/35	35/35	35/35
Social / Environmental	14/14	14/14	14/14	14/14

Sources: Researcher (2026)

Table 5 presents the overall achievement of the Islamic Disclosure Index (IDI) for both Islamic banks, indicating consistently high disclosure performance. For Bank Aceh Syariah, the Shari'ah Compliance (SC) score, weighted at 50%, contributed 43.33% to the overall IDI score. The Corporate Governance (CG) score of 80%, weighted at 30%, contributed 24.00%, while the Social/Environmental (S/E) score of 100%, weighted at 20%, contributed 20.00%. Consequently, the bank achieved an overall IDI score of 87.33% in both 2023 and 2024. This result indicates a high level of disclosure performance, as it exceeds the 80% threshold commonly adopted in Islamic banking disclosure studies to represent strong compliance and transparency.

Bank Syariah Indonesia demonstrated slightly superior performance in the Shari'ah Compliance dimension, recording a score of approximately 93.33–93.75%. After applying the 50% weighting, this dimension contributed 46.67–46.88% to the overall IDI score. The bank also achieved 100% in both the Corporate Governance and Social/Environmental dimensions, contributing 30.00% and 20.00%, respectively. As a result, Bank Syariah Indonesia obtained an overall IDI score ranging from 96.67% to 96.88%. This near-perfect score indicates that the bank has disclosed almost all indicators related to Shariah compliance, corporate governance, and social and environmental responsibility. Such findings are consistent with previous studies suggesting that large Islamic banks with well-established Islamic corporate governance frameworks tend to demonstrate higher levels of transparency, accountability, and disclosure quality.

A comparison between the two banks reveals that the primary differences lie in the Shari'ah Compliance and Corporate Governance dimensions. In contrast, both institutions achieved full compliance in the Social/Environmental dimension. These differences may be explained by variations in organizational scale, governance complexity, and the more rigorous regulatory and market disclosure requirements that Bank Syariah Indonesia faces. Furthermore, the stability of the IDI scores between 2023 and 2024 indicates that both banks have maintained consistent disclosure policies and reporting practices. Nevertheless, Bank Aceh Syariah still has opportunities to strengthen its disclosures in the Shari'ah Compliance and Corporate Governance dimensions to achieve a level comparable to Bank Syariah Indonesia. Enhancing these aspects would further improve the quality of transparency, governance, and overall Islamicity disclosure in line with best practices recommended in the Islamic banking literature.

Table 5. Overall Calculation

No	%	Bank Aceh Syariah		Bank Syariah Indonesia	
		2023	2024	2023	2024
1	SC %	86.7%	86.7%	93.33%	93.75%
	At 50%	43.33%	43.3%	46.67%	46.88%
2	CG %	80%	80%	100.00%	100%
	At 30%	24%	24%	30%	30%
3	S/E %	100%	100%	100%	100%
	At 20%	20%	20%	20%	20%
	Total	87.33%	87.3%	96.67%	96.88%

Sources: Researcher (2026)

CONCLUSION

Based on the analysis of the Islamicity Disclosure Index (IDI) for the 2023–2024 period, both Bank Aceh Syariah and Bank Syariah Indonesia (BSI) demonstrated a high level of disclosure across the three principal dimensions of the index, namely Shari'ah Compliance, Corporate Governance, and Social/Environmental Disclosure. Both institutions exceeded the 80% disclosure benchmark commonly adopted in the Islamic Disclosure Index literature, indicating a strong commitment to transparency and adherence to Shariah principles. However, Bank Syariah Indonesia achieved a higher overall disclosure score (approximately 97%) than Bank Aceh Syariah (approximately 87%), reflecting a comparatively more comprehensive disclosure practice.

In the Shari'ah Compliance dimension, both banks satisfied most of the disclosure indicators. Bank Aceh Syariah fulfilled 13 of the 15 indicators, while Bank Syariah Indonesia fulfilled 14 of the 15 indicators. These findings indicate that both institutions have established comprehensive Shariah governance and supervisory mechanisms. Nevertheless, Bank Syariah Indonesia provided more extensive disclosures, particularly regarding the implementation of Shariah principles. In contrast, Bank Aceh Syariah still has room for improvement in its disclosure of information on contract transparency, zakat management, and the treatment of non-halal income or investments.

More substantial differences were observed in the Corporate Governance dimension. Bank Syariah Indonesia achieved full compliance with all 35 governance indicators, demonstrating a highly transparent governance framework consistent with best practices in Islamic banking. In contrast, Bank Aceh Syariah fulfilled 28 of the 35 indicators. Although this result indicates that the bank has established an adequate governance framework, several disclosure items related to board structure, the role and independence of governance committees, and internal control mechanisms remain incomplete. These findings suggest that corporate governance disclosure represents the primary area in which Bank Aceh Syariah differs from Bank Syariah Indonesia.

In contrast, both banks demonstrated equally strong performance in the Social and Environmental Disclosure dimension, each achieving the maximum score of 14/14. This result reflects a strong commitment to corporate social responsibility, environmental stewardship, employee welfare, and community development. The complete disclosure of social and environmental information indicates that both institutions have effectively incorporated the ethical and social objectives of *Maqāṣid al-Sharī'ah* into their reporting practices.

From a longitudinal perspective, the IDI scores of both banks remained stable between 2023 and 2024, with no significant changes

across the three disclosure dimensions. This consistency suggests that both institutions have established well-developed disclosure policies and reporting practices. At the same time, the stable scores indicate that the remaining disclosure gaps, particularly those observed in Bank Aceh Syariah, have not yet been addressed during the observation period. While Bank Syariah Indonesia has consistently maintained high disclosure quality, Bank Aceh Syariah still has opportunities to strengthen the completeness of its Shari'ah Compliance and Corporate Governance disclosures.

Overall, Bank Syariah Indonesia demonstrated superior disclosure performance across most dimensions, particularly in corporate governance, thereby serving as a benchmark for disclosure practices among Islamic banks in Indonesia. Although Bank Aceh Syariah also exhibited strong performance—especially in the Social and Environmental dimension and a relatively high level of Shari'ah Compliance—the greater completeness of Bank Syariah Indonesia's disclosures resulted in a higher overall IDI score. Nevertheless, both institutions have demonstrated a strong commitment to promoting transparency, accountability, and adherence to Shariah principles. These findings suggest that strengthening Islamic disclosure practices can enhance stakeholder confidence and support the sustainable development of the Islamic banking industry.

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