DO YOU CAPTURE FINANCIAL CRISIS?

Murniati Mukhlisin 1  
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Abstract

This article summarizes the multitude of 330 empirical studies in the area of Islamic banking and finance with purpose to analyze impact of Islamic banking and finance studies to practice by mapping research direction and the depth of the study. The studies are categorized based on research paradigm, countries being researched, methods employed, and results that lead to policy direction in the particular period. The research found that the research direction of the papers under study mostly employ positivist paradigm with countries being researched are generally Malaysia, Pakistan, Indonesia, UAE and Saudi Arabia. It documents that the papers did not link directly to the future policy directions for instance to predict and prepare for financial crisis, rather they merely responded to the undergoing policies or themes of the journals. This review provides insights for understanding the importance of guiding future policy direction in the area of Islamic banking and finance by publishing more research policy papers authored by both academics and professionals.

Keywords: Meta Analysis, Islamic Banking, Islamic Finance, Financial Crisis

JEL Classification: M10, M16

Received: September 21, 2017; Revised: January 31, 2018;  
Accepted: February 13, 2018

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I. CONVENTIONAL AND ISLAMIC BANKING AND FINANCE CURRENT RESEARCH PAPERS

Current research papers on conventional or Islamic banking and finance mostly employ quantitative analysis using statistical methods. During the past two decades from 1990 to 2009 most studies used regression analysis and positivist paradigm (Jang & Park, 2010). As such, quantitative analysis is deemed appropriate to analyse secondary data that are conveniently obtained from online database such as Bankscope, Bloomberg, Mix Market, Zawya and handpick from annual reports. According to Kothari (2004), the purpose of conducting research is to find answers to research questions by applying scientific procedures to achieve new insights; to predict characteristics of a particular individual, situation or a group; to define the frequency of an event; and to test a hypothesis of variables. However, there are not many studies that could help the audience use the research output for their decision making process. This is due to several factors, such as the ability the researchers to relate their studies to the real problems. In other predicament, their research papers may be relevant for future direction but their research takes long time to publish. For Scopus journal for instance, the process could take one to three years and high impact journals would take one to seven years to publish. Obviously, after the publication, most data becomes absolute or merely a report.

The financial crisis in 2008 that hit Greek and the whole Europe was a shock to Queen Elizabeth, Her Majesty Queen of England (Guardian, 2012). The Queen questioned the academics and experts at London School of Economics (LSE) and Bank of England (BoE) why the crisis could happen. "Oh," she said, slightly taken aback, as Kapadia went on to explain that as the global economy boomed in the pre-crisis years, the City had got "complacent" and many thought regulation wasn’t necessary. The Queen was unpleasant when knowing even the academics of LSE; a world ranking school of economics could not respond the real economic problems. This evidence is telling us that the academics at LSE and BoE were not able to predict the 2008 financial crisis. It went on to say for instance, Journal of Finance, in 2007 and 2009 (one year before and one year after the financial crisis) issued 152 research papers in 12 issues. Only three from the 152 research papers that discussed financial crisis although they were not directly on Greek where the crisis first started.

What about in the area of Islamic banking and finance research? This is what the research would like to investigate; do research papers on Islamic banking and finance inform decision makers to issue on-time policies to
anticipate financial crisis? This research summarizes the multitude of empirical studies in the area of Islamic banking and finance with purpose to analyze impact of Islamic banking and finance studies to practice by mapping past research according to exogeneous and endogeneous factors suggested by Beaver (1996). The article proceeds as follows. Section 2 presents a discussion on research mapping studies, followed by Section 3 on theory of financial crisis and meta analysis method. While Section 4 maps Islamic banking and finance papers, Section 5 concludes the paper and provides recommendation for future research.

II. STUDIES ON RESEARCH MAPPINGS

Berger, Hunter & Timme (1993) in Journal of Banking and Finance (4*) collect citational data over the ten-year period 1984 to 1993 from every issue of the Journal of International Business Studies. They found that management, economics, marketing, and finance disciplines have had significant influence on international business research and identified researchers such as Dunning, Porter, Vernon, Casson, Rugman, and Hofstede as having made significant contributions to international business research. Loe, Ferrell & Mansfield (2000) in Journal of Business Ethics (3*) summarizes empirical studies that test ethical decision-making in business and suggests additional research necessary to further theory in this area. The studies are related to awareness, individual and organizational factors, intent, and the role of moral intensity in ethical decision making with purpose to provide insights for understanding organizational ethical decision constructs and future empirical work on organizational ethical decision making. In accounting research, similar work was conducted by Luft & Shields (2003) in Accounting, Organization and Society (4*) that provides a summary graphic representation of the theory-consistent evidence about the causes and effects of management accounting. It summarizes 275 articles published in six leading journal that highlights connections and disconnects in the diverse streams of management accounting literature, in terms of what has been researched, the direction and shape of the explanatory links proposed, and the levels of analysis. Based on criteria from social-science research, the authors offer 17 guidelines to help future research capture natural connections, avoid artifactual connections, and develop a more complete and valid map of the causes and effects of management accounting.

In other management accounting research, Van der Stede, Young, & Chen (2005) in Accounting, Organization and Society (4*) address the
quality of survey research in management accounting using framework containing the five key elements of a well-designed survey to assess the quality of all mail surveys in management accounting published in eight accounting journals over a 20-year period (1982–2001). Their analysis shows that over time survey research in management accounting has improved, however, more attention to improving the ways in which the survey method is deployed. Lastly, Beaver (1996) in Accounting Horizon (4*) affirms that Not so-Early Research (NEAR) and Future Accounting Research (FAR) are influenced by several factors among others exogeneous and endogeneous factors. From 25-years study, he concludes that factors such as data availability, environment, theory and academic research are significant.

The above papers are published in the highest ranking journals with focus on the area of finance and accounting. The studies are examined very thoroughly and the recommendation is helpful for decision-making process and research future direction. However, there is no evidence that shows a similar study conducted in the area of Islamic banking and finance. Aliyu et al. (2017) conduct a literature review on the Islamic banking sustainability but did not cover other Islamic financial institutions such as Islamic insurance, Islamic capital market and general finance. Therefore this is the motivation of the research that expands the coverage while at the same time focuses on the role of Islamic finance research to avoid financial crisis.

III. THEORY ON FINANCIAL CRISIS AND META ANALYSIS

Financial institutions have been facing a repetitive crisis in the recent decade, starting from the financial collapse due to the Great Depression3 in 1929, which was then revived through the Keynes and Minsky economic policy intervention (Crotty, 2009). However, the Keynes and Minsky theories were later replaced with more efficient financial market hypotheses. After the world faced the economic and financial turbulence of the 1970s and early 1980s, a new classical macro-economic theory arose, signifying a serious crisis of capital accumulation (Harvey, 2005). The tight financial regulations were justified by an efficient financial market theory, which then embarked on new globally-integrated deregulated neoliberal capitalism (Crotty, 2009). The financial formation began after the Great Depression in 1929 with Keynes and Minsky theories for economic recovery. The formation was stopped due to financial turbulence in 1970s

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3 It was not just America but spread to Great Britain (known as Great Slum).
and 1980s, which, through weakening the government supervisory mechanism, led to radical deregulation programs of financial institutions. The financial institutions were then blamed for the last two consecutive crises in 1997 and 2008. With incentive to accumulate profit, the financial institutions, particularly banks, were depicted like a financial bubble. A financial crisis first hit Thailand’s currency (baht), which was heavily tied to the speculative property market in 1997. The crisis then spread to Indonesia, Malaysia and the Philippines, and later reached countries such as Hong Kong, Taiwan, Singapore and South Korea (Harvey, 2005, p. 96).


Two conclusions can be derived from the crisis. First of all, it is clear that researchers have not been so helpful in making prediction to crisis. This is crucial because the crisis could diminish the welfare of the entire society, through last resorts methods such as government bailout (as was the case in Indonesia in 1997-1998 and Greece in 2007-2008). Secondly, similarly to United Kingdom in (2007-2008), poor policy research leads to weak government regulation, and thus the activities of the financial institutions in the country were not properly supervised. It is deeply worrying that United Kingdom, with its hundreds of years of experience in the financial industry and academic research, was not being able to foresee the crisis. It can be argued that perhaps people became a bit negligent because they are so used to living in a welfare state. The story of Prophet Yusuf, who advised the King of Egypt about anticipating “future risk” such as vulnerable conditions after a period of plentiful prosperity, may be relevant to this scenario (Qur’an Yusuf (12), verse 43-49).
Parashar and Venkatesh (2010) conclude that Islamic banks did suffer during crisis in terms of lowering of Capital Adequacy Ratio, Equity/Total Assets and Return on Average Equity although in some other years they tend to perform better than the conventional banks. In other research, Alqahtani, Mayes & Brown (2016) argue that the Islamic banks performed better in terms of capitalisation, profitability and liquidity in the early stage of the global financial crisis. However, they perform worse in later stages with the real economic downturn. This is to show that although Islamic banking and financial institutions could be resilient from the crisis, but it is unfair to say that “they are too holy to fail or too big to fail.” Looking at a specific need of Islamic banking and financial institutions, thus research on the area must be more informed and reliable.

III. METHODOLOGY

This research aims to prove whether research papers on Islamic banking and finance inform decision makers to make right decision that relates to prevention to financial crisis. The scope of this article covers research papers ranked in Academic Journal Guide, Association of Business School (ABS) 2015 version. The guide is specific on business school studies unlike Scopus List or Thomson & Reuters that index and rank papers form various disciplines. The ABS rank journals through six steps such as; 1. Assessing the need of business and management research community; 2. Ranking from 1 – 4* (read: star/s) after consulting at least three out of five international journal listings; 3. Classifying the journals through several reviews; 4. Drawing comprehensive coverage of research; 5. Finalizing process from editors; and 6. Stating justification from editors on the methodology.

The method of this research is first, the authors list down 1-4* journals published in ABS under the “Finance” heading then search the subject with keywords: “Islamic banking and finance.” There are 25 journals from 102 journals that have published papers on Islamic banking and finance including one Islamic finance journal (International Journal of Islamic and Middle Eastern Finance & Management/IJIMEFM), as follows:

1. Managerial Finance (MF), 1*, 16 papers
2. Applied Financial Economics (AFE), 2*, 6 papers
3. Journal of Banking Regulation (JBR), 2*, 8 papers
4. The Journal of Risk Finance (TJRF), 1*, 6 papers
5. Intl Journal of Islamic and Middle Eastern Finance & Mgt (IJIMEFM), 1*, 117 papers
6. Qualitative Research in Financial Markets (QRFM), 1*, 26 papers
7. Journal of Banking & Finance (JBF), 3*, 5 papers
8. Pacific-Basin Finance Journal (PBFJ), 2*, 18 papers
10. International Journal of Managerial Finance (IJMF), 2*, 2 papers
12. Research in International Business and Finance (RIBF), 2*, 17 papers
13. Review of Behavioral Finance (RBF), 1*, 1 paper
14. Journal of Financial Regulation and Compliance (JFRC), 1*, 3 papers
17. Finance Research Letters (FRL), 2*, 2 papers
18. Applied Economics (AE), 2*, 6 papers
19. Review of Finance (RF), 4*, 1 papers
20. Journal of Multinational Financial Management (JMFM), 2*, 2 papers
21. Journal of Asset Management (JAM), 2*, 4 papers
22. International Review of Financial Analysis (IRFA), 3*, 2 papers
23. Journal of Islamic Accounting and Business (JIABR), 1*, 71 Papers
24. The Geneva Papers on Risk (TGPR), 2*, 1 paper
25. The European Journal of Finance (TEJF), 3*, 1 paper
26. Finance Research Letters (FRL), 2*, 2 papers
27. Review of Finance (RF), 1*, 1 paper
28. Corporate Governance: An International Review (CG), 3*, 2 papers
29. Financial Markets, Institutions and Instruments (FMII), 3*, 2 papers
30. Physica: A Statistical Mechanics and its Applications (PSMA), 2*, 1 paper

Second, the authors read and summarize the papers and group them into several constructs such as shown on Table 1 below; and third, the authors discuss the constructs and conclude. The method to map the research papers refers to Beaver (1996) that talks about exogenous and endogenous factors. Exogenous factos according to Beaver (1996) are application from other disciplines, data availability, environmental changes while endogeneous factors are influence from academic community (journals, conferences, and policies) and theory and evidence of the research.

As for data availability, it derives from 34 years of publications from 1983 to 2017 that show Islamic finance and banking environment in Malaysia, Pakistan, Indonesia, UAE, and Saudi Arabia as five major countries under study. It also highlights what theory and method employed by the researchers.

IV. MAPPING OF ISLAMIC BANKING AND FINANCE RESEARCH

From 330 papers, the major issues lay on Islamic banking, Islamic capital market, Islamic insurance (takaful), general Islamic finance issues, unit trust fund, equity and endowment fund (waqf). Table 1 describes details of the mapping:

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of empirical studies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focus</strong></td>
<td></td>
</tr>
<tr>
<td>Banking</td>
<td>174</td>
</tr>
<tr>
<td>Takaful</td>
<td>13</td>
</tr>
<tr>
<td>General Finance</td>
<td>59</td>
</tr>
<tr>
<td>Islamic Capital Market</td>
<td>73</td>
</tr>
<tr>
<td>Unit Trust Fund</td>
<td>1</td>
</tr>
<tr>
<td>Pension</td>
<td>1</td>
</tr>
<tr>
<td>Equity</td>
<td>8</td>
</tr>
</tbody>
</table>

Table 1. Number of empirical research papers in Islamic banking and finance (1983-2017)
The above table indicates academics have preference to Malaysia, Pakistan, Indonesia and UAE (above 30 papers) as opposed to Argentina, Brazil, South Korea, KSA and Swiss, which are among the least that are selected by the academics. The following table shows how the papers are analyzed that starts from focus area of study to country being researched, sample, method and research paradigm. From the findings, this research concludes whether they have correlation with the anticipation of financial crisis that occur few years before and/or after the publication.

These are the financial crisis occurred during the period; LatAm sovereign debt crisis – 1982; Savings and loans crisis – 1980s; Stock market crash – 1987; and Junk bond crash – 1989. The journals papers within this period did not discuss anything about the financial crisis and its impact on Islamic banking and finance although the financial crisis between 1997-1998 that hit South East Asia in particular Thailand and Indonesia brought worries to the future of Islamic banking and financial industry. The research
theme and method are very much related to exogenous factors being the nature of journals.


Although the first modern bank was established in 1963 (see 1983, Bashir: JBF, Appendix 1) Mit Ghamr Bank, Egypt), there was no evidence of any paper on Islamic banking and finance published ever since. The first paper was published twenty years after Mit Ghamr’s inauguration in 1983 (see and after that there is a big jump from 1983 to 1999 that indicates that there was no relevant paper published in Finance-ABS group.

There are two huge financial crisis during this period i.e. Dotcom bubble – 1999 to 2000 and Global financial crisis – 2007 to 2008 and these papers did not touch the issue of financial crisis within the period or events that occurred before year 2000 (see Appendix 1). Only one paper by Satkunasingam & Shanmugam (2004) analyzing risk exposure of Islamic banking that could be prevention to crisis. Managerial Finance with its quantitative characteristics has been dominating Islamic banking and finance publications from 1983 to 2005.


From these papers, the researchers maintain the perception that Islamic banking and financial institutions are resilient and will continue performing. However Picture 1 below shows that Islamic banking and finance growth experienced severe downturn in 2009-2010 which could be an impact of the financial crisis 2007-2008.
The growth that was increased for 28.6% from 2007 to 2008 and 26% from 2008 to 2009, lowered down to 9.9% from 2009-2010. The commendable growth during 2007-2008 was due to “60-70% floating mass” that claimed by AT Kearney (2012) where conventional customers “float” to Islamic banks. In response to the anticipation to crisis, some papers have indicated risks that the Islamic banking and financial institutions should adhere with, such as “Conventional and Islamic banking have differences level of risks” (Ariffin, Archer, Karim, 2008). Most important types of risk in Brunei is foreign-exchange risk, credit risk and operating risk. However the discussion on the financial crisis in 2007-2008 was not thoroughly discussed. The endogenous factors such as the influence from academic community is quite dominant. In this case, research themes set by the journal editors of Managerial Finance and International Journal of Islamic and Middle Eastern Finance & Management.

From Picture 1 above, the growth of Islamic banking and finance was not really significant which was from 19.1% to 20.2% from in 2011/2012. It then declined to 12.3% in 2012-2013, 9.3% in 2013-2014, and 7.3% in 2014-2015. It seems that the issue of money laundering and terrorism financing became the main topic as reported by IFSB (2016) that could be a threat to Islamic banking and finance. However, there is no paper
between 2011-2015 that discussed details about the money landering and terrorism. Only one paper under “General Finance” i.e. Ballard (2005) who discussed anti Money Laundering/Combat Finance Terrorism initiatives. There are 17 papers discussing about risks out of 74 papers above that could be the implication from 2008 financial crisis. However, the poin of discussion on the paper did not specifically mention the period of the crisis.

2. When will the next financial crisis?


However, year 2016-2017 papers shows more variety in discussing risks and financial crisis for instance The Islamic banks performed better in terms of capitalisation, profitability and liquidity in the early stage of the global financial crisis, they performed worse in later stages with the real economic downturn. However, it seems that the researchers have conflicting views; Islamic banks seem to be less stable than their conventional peers versus Islamic banks are relatively better in profitability, efficiency, risk and liquidity management. Overall, the issues such as the crisis of refugees fleeing Iraq and Syria should actually offer a major challenge to Islamic banking and finance but no paper has discussed it. There are some papers that discussed the effect of financial crisis to Islamic banking and finance, such as The impact of the current crisis on the Islamic finance industry is less marked than on conventional finance; Islamic mutual funds generally outperformed conventional funds in the riskiest asset class, equity, one year before and during the global financial crisis.;and the Islamic indexes seem to be more risky than their conventional. However, papers on mitigating risk for future financial crisis is missing, see Appendix 3.

Some papers are concerned on the risk and financial crisis such as; Islamic stock markets are not immune to the global financial crisis. During major crisis the Islamic stock index is not less risky but also significantly different from conventional stock market; Islamic CAPM is appropriate and applicable in investigating the linkage among risk and return in the Islamic stock market. It is shown from the findings that the capital market research put more concerns on mitigating risk of financial crisis as compared to Islamic banking research. From 2013 to 2017, the general finance topics tend to discuss framework and disclosure of risk (see Appendix 3 and 4).
This trend follows Islamic capital market topics presented in the previous table. However, there is no much discussion on anticipating financial crisis. Research in “Takaful” has not much addressed risks and financial crisis except on the paper that differentiates Islamic and conventional insurance demand. Overall, the papers are very much on strategy of developing Islamic insurance.

V. CONCLUSION AND RECOMMENDATION FOR FUTURE RESEARCH

5.1 Conclusion

After examining the 330 papers from 31 high ranking journals, the answer to the research question “Do research papers on Islamic banking and finance inform decision makers to issue on-time policies to anticipate financial crisis?” are as follows:

a. There are four major classification of studies from 330 papers within the period of 1983-2017, namely: Islamic banking, Islamic capital market, general Islamic finance issues, Islamic unit trust fund, Islamic insurance (takaful), with main focus on four countries; Malaysia (79 articles), Pakistan (46 articles), Indonesia (37 articles), UAE (34 articles), and Saudi Arabia (32 articles). This is quite interesting to find that Iran is not the focus although Iran has been ranked as number one country with the highest Islamic banking and finance growth (see G1FR, 2016). Iran in this study is recorded in 15 articles only. In the early years, the journal that published the highest number of Islamic banking and finance articles was Managerial Finance (19 articles) followed by Applied Economics (44 articles). In the later years, International Journal of Islamic and Middle Eastern Finance and Management published the highest number of articles (106 articles) followed by Journal of Islamic Accounting and Business Research (71 articles).

b. The papers under study are not timely to respond to the problems in reality, which are seen from number of papers that merely responded to what has happened. It is shown from the number of financial crises that are not predicted in the Islamic banking and finance studies.

c. Researchers have been so overwhelming in praising the growth of Islamic banking and finance Islamic banking and financial institutions, such as: “Islamic banking has made unprecedented progress over recent years” (Khan & Bhatti, 2008); “Foreign Islamic banks, on average, follow aggressive financing in host countries and enjoy
higher net profit margin” (Hassan, Sanchez & Safa, 2013). The research papers are not tally with growth trend in 2012 that has been slowing down till 2015 or did not predict as what has been stated by S&P Global Ratings that states year 2017 will be another difficult year for Islamic finance (S&P, 2017).

As proposed by Beaver (1996) exogeneous and endogenous factors are discussed in this study and found significant. Themes set by conference organizers and journal editors affect direction of theory and pattern in academic research. The caveat is on data availability for 23 years from 1984 to 2017 only from ABS ranking journals.

5.2 Recommendation for future research

It is clear that Kothari (2004) highlights the purpose of research which is to “to portray accurately the characteristics of a particular individual, situation or a group” that means the Islamic banking and finance research in the future should be “contribution” oriented that would benefit the development of and eventually to the sustainability of Islamic Islamic banking and financial institutions. Secondly, in terms of research methodology there should be more critical thinking adopted in the studies to ensure the adherence to Shariah is fulfilled, not only for pro-growth per se. Thirdly, this review motivates the researchers to publish high quality research policy papers authored by both academics and professionals with purpose to reduce gaps between theory and practice. Finally, from several events that have been happening, there is a need to conduct risk based research to anticipate future turbulence in the Islamic banking and finance industry.
REFERENCES


Beaver, William H. (1996). Directions in accounting research: NEAR and FAR. Accounting Horizons; Jun 1996; 10, 2; ABI/INFORM Global, 113


Note: 330 references are not included in the reference list for convinences purposes, data will be supplied by the auhors upon request.
## APPENDIX

### Table 1.
Empirical research papers in Islamic banking and finance (1983-1999)

<table>
<thead>
<tr>
<th>Yr/Author:Journal</th>
<th>Country, Sample, Method, Paradigm</th>
<th>Findings</th>
</tr>
</thead>
</table>

### Table 2.
Empirical research papers in Islamic banking and finance (1999-2005)

<table>
<thead>
<tr>
<th>Yr/Author:Journal</th>
<th>Country, Sample, Method, Paradigm</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999, Loqman: MF</td>
<td>Asia, Europe and Africa, Comparative and analytical methods, Interpretivism</td>
<td>Islamic banks and financial institutions should demonstrate their viability for the western world to cooperate with them.</td>
</tr>
<tr>
<td>1999, Hassan: MF</td>
<td>Bangladesh, Comparative and analytical methods, Interpretivism</td>
<td>Islamic bank's choice of financing instruments is not consistent with profit-loss-sharing principle.</td>
</tr>
<tr>
<td>2001, Choudhury &amp; Al-Hallaf: MF</td>
<td>Saudi Arabia, Self-referencing methodology and the IIE-model, Positivism</td>
<td>Interactive financial index could not be achieved as it contrasts the Islamic approach.</td>
</tr>
<tr>
<td>2003, Harahap: MF</td>
<td>Indonesia, Comparative and analytical methods, Interpretivism</td>
<td>The current disclosure system gives no indication of justness or fairness it is incompatible with Islamic values.</td>
</tr>
<tr>
<td>2003, Schramm &amp; Taube: IRFA</td>
<td>Literature review, Interpretivism</td>
<td><em>Hawala</em> system plays a central role in the shadow economy throughout the world.</td>
</tr>
</tbody>
</table>
2003, Makiyan: MF  
**Iran, 11 Period (1984-1994):** Average RoR, Total deposits in banks, Rate of inflation, Error Correction Model (ECM), Positivism  
The government intervention plays more important role of economic factors.

2004, Satkunasingam & Shanmgam, JIBR  
**Malaysia, Literature review, Interpretivism**  
Greater risk disclosure leads the patrons of Islamic banking to realise the extent of their risk exposure. 
Higher financial participation and higher quality of information will improve the quality of the banks and their customers.

2004, Muljawan, Dar & Hall: AFE  
**Critical thinking, Poststructuralism**  
Informal Value Transfer System reinforced Anti Money Laundering/Combat Finance Terrorism initiatives.

2005, Ballard: JIBR  
**Literature review, Interpretivism**  

2007, Abdullah, Hassun & Mohamad: MF  
**Malaysia, Indeces, Positivism**  
Islamic funds performed better than the conventional funds during bearish economic trends. 
These securities is the most significant market in attracting Foreign Portfolio Investment into the economy.

2008, Yusof & Majid: IJIMEFM  
**Malaysia, Time series data from 1999:Q1 to 2006:Q4, ARDL, Positivism**  
The constructing a zakah fund can take the role of issuing debt in financial market.

2008, Al-Zoubi, Maghyereh, Al-Zu‘bi & Bhatti: MF  
**General equilibrium model, Positivism**  
**Sukuk** market continues to generate strong interest by new issues.

2008, Jobs, Kunzel, Mills & Sy: IJIMEFM  
**Malaysia, Paper review, Interpretivism**  
Deposit yields in conventional banks were lower than ROE and Islamic banks’ deposit yield and ROEs do not reflect their risk-taking properties.

2008, Rosly & Zaini: MF  
**Malaysia, 13: RoE, ROMD, Financial ratio approach, Positivism**  
Differenc determinants on deposits at both Islamic and conventional banking systems. 
Islamic Banks tend to engage in little long-term project financing.

2008, Haron & Azmi: MF  
**Malaysia, 60: Month deposit levels, VAR-VECM, Positivism**  

2008, Siddiqui: MF  
**Pakistan, Comparative and analytical methods, Interpretivism**  

2008, Ariffin, Archer, Karim: JIBR  
**8 countries, 28: Islamic banks, Statistical analysis, Positivism**  
Conventional and Islamic banking have differences level of risks.
<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Khan &amp; Bhatti: MF</td>
<td>Middle East, South East and South East Asia, General review, Interpretivism</td>
</tr>
<tr>
<td>2008</td>
<td>Khan &amp; Bhatti: TJRF</td>
<td>Middle East, South Asia and Indian Subcontinent, General review, Interpretivism</td>
</tr>
<tr>
<td>2008</td>
<td>Benamraoui: IJIMEFM</td>
<td>Algeria, 18: Senior managers from banque Al-Baraka d’Algerie, Interview, statistical data and financial ratio, Interpretivism</td>
</tr>
<tr>
<td>2008</td>
<td>Dusuki: IJIMEFM</td>
<td>Malaysia, 1500: representing seven stakeholder groups, namely customers, depositors, local communities, Islamic banking managers, employees, banking regulatory officers and sharia advisers, Factor analysis, Positivism</td>
</tr>
<tr>
<td>2008</td>
<td>Hasan: IJIMEFM</td>
<td>Malaysia, Literature Review, Interpretivism</td>
</tr>
<tr>
<td>2008</td>
<td>Amin &amp; Isa: IJIMEFM</td>
<td>Malaysia, 440: Questionnaires distributed to two banks, Structural equation model (SEM), Positivism</td>
</tr>
<tr>
<td>2008</td>
<td>Obiyo: IJIMEFM</td>
<td>Nigeria, Literature Review, Positivism</td>
</tr>
<tr>
<td>2008</td>
<td>Fauziah, Taib, Ramayah &amp; Razak: IJIMEFM</td>
<td>Malaysia, 300: Post graduate students, Correlation &amp; regression, Positivism</td>
</tr>
</tbody>
</table>

**Islamic banking and finance industry** has become an alternative to conventional systems at the global level.

Islamic banking has made unprecedented progress over recent years.

Most of the Islamic financial products are short-term financing, the bank performance has improved.

Institution should uphold social objectives and promote Islamic value towards their staffs, clients and the general public.

Central banks will have to design new tools for credit control for Islamic banks.

High Muslim customers’ awareness of the Islamic banking products and services.

Implementation and success of Islamic banking in Nigeria would require: re-shaping the society, restructuring of the economic system and re-framing of the laws according to the dictates of Islam.

Many of risks associated with conventional money markets, including interest-rate risks.

Diminishing Partnership (DP) concept and religious and social influence are jointly responsible.
2008, Rosly & Zaini: MF
Malaysia, Financial Positivism
13: RoE, ROMD, Deposit yields in conventional banks were lower than ROE. Islamic banks' deposit yield and ROEs do not reflect their risk-taking properties.

Table 3.
Empirical research papers in Islamic banking and finance (After 2008)

<table>
<thead>
<tr>
<th>Yr/Author:Journal</th>
<th>Country, Sample, Method, Paradigm</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009, Archer &amp;</td>
<td>Literature review, Poststructuralism</td>
<td>Profit-sharing investment account holders is an equity investor without the governance rights of either creditors or shareholders.</td>
</tr>
<tr>
<td>Karim: JBR</td>
<td>Poststructuralism</td>
<td></td>
</tr>
<tr>
<td>2009, Sufian &amp;</td>
<td>MENA &amp; Asian countries, Data Envelopment Analysis (DEA), Positivism</td>
<td>More efficient banks with smaller market share and low non-performing loans ratio.</td>
</tr>
<tr>
<td>Noor: IJIMEFM</td>
<td>Brunei Darussalam, Method of RI and risk facing the sample banks, Positivism</td>
<td>Most important types of risk in Brunei are foreign-exchange risk, credit risk and operating risk.</td>
</tr>
<tr>
<td>2009, Hassan: TJRF</td>
<td>Middle East, 40: 11 OIC Banks, Data Envelopment Analysis (DEA), Positivism</td>
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2009, Alexakis & Tsikouras: IJIMEFM

General review, Interpretivism

Growth of the Islamic finance sector may be impacted by the involvement in Islamic finance by western regulators, credit rating agencies; accounting procedures, protection of stakeholders.

2010, Rosly: IJIMEFM

Literature Review, Poststructuralism

Four approaches must be applied in package in determining Shariah compliant status to avoid costly errors.

2010, Smolo & Mirakhor: IJIMEFM

Literature Review, Interpretivism

Although the crisis had limited impact on Islamic financial institutions, the major flaws of capitalist financial system are relevant to the development of the institutions.

2010, Karim, Kassim & Arip: IJIMEFM

5 countries, Time series data from February 2006 to December 2008, Time series of cointegration, Positivism

No evidence was found of cointegration among the Islamic stock markets in both periods.

2010, Ahmed: IJIMEFM

Critical thinking, Critical orientation

A new business model for the banking system based on non-interest-based transactions but profit and loss sharing should be in practice at the financial system.

2010, Kassim & Majid: IJIMEFM


Both the Islamic and conventional banking system are vulnerable to financial shocks.

2010, Ismal: IJIMEFM

Indonesia, 3: Returns of group Islamic bank financing, VAR, Positivism

Equity and debt-based financing produce sustainable returns of bank financing. The performance of service-based financing is very sensitive to the economic conditions.

2010, Rahman, Yahya & Nasir: IJIMEFM

Malaysia, 642: Companie listed on the Bursa Malaysia in 2006, Explanatory and descriptive in nature, Positivism

Kuala Lumpur Stock Exchange Shariah Index does not use both the criteria set by the Dow Jones Islamic Market as its measures during the screening process.

2010, Mansour, Abdelhamid, Masood & Niazi: United Kingdom, 156: Statistical study, Positivism

Low services charges is top customers’ criteria.

2010, Kamil, Abdullah, Shahimi & Ismail: IJIMEFM

Malaysia, Descriptive, analytical & comparative analyses, Interpretivism

Sukuk have significantly different underlying structures, provisions a shariah-compliant.
2010, Chazi & Syed, IJIMEFM  
27: Capital ratios, Positivism

2010, Norma, Majid, Kassim, Hamid and Yusof: IJMF  
Malaysia, 5: Islamic unit trusts companies, Data Envelopment Analysis (DEA), Positivism

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2010, Ismal: IJIMEFM  
Liquidity risk management (LRM), Postivism

2010, Taktak, Zouari & Boudriga: JIABR  
Various Muslim countries, 156: Islamic banks: Regression

2010, Haniffa & Hudaib: JIABR  
Universal, Islamic & Conventional banks: Literature review, Interpretivism

2010, Maali & Napier: JIABR  
Jordan, Jordan national bank, Descriptive and literature review, interpretivism

2010, Maurer: JIABR  
Universal, Sukuk, Literature review & descriptive, Interpretivism

2010, Archer, Karim & Sundararajan: JIABR  
Bahrain & Dubai, Islamic banks, descriptive & empirical research, Interpretivism

Islamic banks are maintaining better capital ratios than their conventional counterparts.

The efficiency of unit trust companies perform better than their conventional counterparts.

CSR is not of major concern for most Islamic banks.

The index produces a good grade for the liquidity management practices in the Indonesian Islamic banking industry.

The results provide evidence on an extensive use of income smoothing by Islamic banks.

The sacred intentions to help Muslims fulfill their religious economic obligations especially with regards to riba (usury) have been distorted with secular goals as a result of the intervention of political-economic and social events.

The paper shows that creating a new type of organisation – an Islamic bank – in Jordan required special legislation.

The role of sukuk in neoliberal reform and the privatization of state resources reveal a deeper potential conflict between Islamic standard-setting bodies and global neoliberal projects more broadly.

Characteristics of profit-sharing investment accounts can vary from being a deposit, displaced commercial risk (DCR) has a major impact on Islamic bank's economic and regulatory capital requirements, asset-liability management, and product pricing.
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US, 16: Time period from 1997-2013, Regression, Positivism
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Sharia stocks and sukuk do not seem to behave differently from their conventional stock. The finding implies investors should consider simultaneously the short and long-run co-movements.
North Africa & Asia, 78: Financial data from 72 banks, Regression, Positivism

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Tunisia, Tunisian customers: 1000, SEM, Positivism

2014, Hamza & Kachtouli: JIABR

MENA & Southeast Asia region, Islamic and conventional banks: 2004-2009, measure of the competition and market power, Positivism

The result show a consistent positive relationship between CG and financial performance metrics. This study concludes some risks that might appear in Islamic banks i.e., Shariah, credit, compliance, market and reputation risks.

Code for Shariah corporate governance is needed due to the widespread. The sharia compliance requirement has implication on the nature of Islamic banking operations. Most of the studies discussed the fundamental theories in jurisprudence.

The asset-based financing gives the Bangladeshi Islamic banks higher Islamic bank rent opportunity. Perception was positively associated with a Muslim account holder’s decision to patronize Islamic banking products. There are differences in the level of risk perception across funding modes. Also Islamic banks use extensively the traditional tools in mitigating risk. The results show that analysts are not able to make any value relevant recommendations for shariah-compliant firms, no significant value in analysts’ sell recommendations for non-shariah-compliant firms.

Tunisian customers are willing to adopt Islamic insurance services. Herfndahl-Hirschman index, both markets are low concentrated, while according to the concentration ratios, the Islamic market is considered as moderately concentrated.
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“ Marketable Islamic intermediation” provides easily more funds to finance the economic development and solve the problems of poverty and unemployment.

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True and Fair View Override is relevant and applicable in Islamic accounting and auditing and not contradictory to the rules of the Shari’ah.

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The determinants vary between Islamic and conventional banks.

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Ownership is at 49%, and for 41 banks from the full sample, the ultimate owner is institutional.

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Shariah compliance status of the Islamic banks in Bangladesh is poor.

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Enhancing transparency will prevent shadowing profit allocation practices and place investment account holders in a better position.

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Time deposit interest rates are related to Islamic bank rate of returns.

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Term-Deposit rates of three Participation banks’ are significantly cointegrated with those of Conventional banks.
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13 countries, 1997-2010 data period of profit margins/net interest, Model to gaps and NIMs & Integrated model of the net interest margin, Positivism
Malaysia, 10: well-educated & articulate individuals, Qualitative approach & phenomenological techniques, Interpretivism

Conventional banks have better assets quality of assets and liabilities with an optimum composition of profitable assets and low-costs liabilities.

The interviewers have exposure and awareness of the current criticisms of the Shariah compliance of Islamic banks.

The framework offers an improved tool to ameliorate Islamic stock market risk exposure and to reduce the costs of Islamic risk management.

Fator affecting the decision-making process are monthly expenses, age & marital status.

Differences and divergence of corporate governance structure in GCC countries and in Southeast Asia countries.

Weak and poor shariah supervisory resulted to various gaps in the current shariah supervisory practices.

Risk disclosure will vary across the Gulf Cooperation Council countries despite sociocultural and regulatory similarities.

Musyarakah mutanaqisah, ijarah thumma al-bai, ijarah rental swap use wa’dan in their product structure.

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Economic stability, financial inclusion, economic development and stabilization policies are needed.

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<td>No adverse effects on returns due to the application of Islamic and Environmental Social Governance screening: substantially higher performance results from the inclusion of good governance criteria in the post-subprime crisis period.</td>
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<tr>
<td>2015</td>
<td>Dewandaru, Bacha, Masih &amp; Masih: JMFM</td>
<td>10 countries, Daily stock indices of Islamic and conventional, Multi-scalces analysis, Positivism</td>
<td>The timescales are not statistically significant.</td>
</tr>
<tr>
<td>2015</td>
<td>Charles, Darne &amp; Pop: RIBF</td>
<td>USA, 14 years of daily data, GARCH models, Positivism</td>
<td>The Islamic indexes seem to be more risky than their conventional counterparts as well as exhibit a higher performance on the full period. Method combining Murabaha and Wa'ad is the most proper strategy in Iranian stock market.</td>
</tr>
<tr>
<td>2015</td>
<td>Ahmadvand, Dezfuli &amp; Sadelhvand: QRFM</td>
<td>Iran, Library method &amp; TOPSIS approach, Poststructuralism</td>
<td>Islamic banks are on average, more profitable, more liquid, better capitalized and have lower credit risk than conventional banks.</td>
</tr>
<tr>
<td>2015</td>
<td>Khederi, Charfedine &amp; Youssef: RIBF</td>
<td>6 countries, 62: 44 conventional banks &amp; 18 Islamic banks, Logistic regression, Positivism</td>
<td>Size and composition of the board have negative effect on bank performance.</td>
</tr>
<tr>
<td>2015</td>
<td>Bukair &amp; Rahman: IJIMEFM</td>
<td>6 countries, 40: Islamic banks, Generalized least-squares, Positivism</td>
<td>Islamic FOREX products are not different.</td>
</tr>
<tr>
<td>2015</td>
<td>Omar &amp; Jones: IJIMEFM</td>
<td>Collection data analysis, critical thinking, Critical orientation</td>
<td>Level of revenue efficiency on the domestic Islamic banks is higher than foreign Islamic bank counterparts. although the proposed product is still at an exploratory stage and not a definitive product acceptable to all Muslim society, it could be a successful Islamic financial product,</td>
</tr>
<tr>
<td>2015</td>
<td>Hassanat &amp; tawraneh: JIABR</td>
<td>Jordan, survey of the mood: 430 persons, Positivism</td>
<td></td>
</tr>
</tbody>
</table>
2015, Ismail, Kamarudin & Sarman: JIABR

2015, Asadov, Sori, Ramadilli, Anwer & Shamsudheen: JIABR
Malaysia, Interviews, Interpretivism

2015, Mroueh & Waal: JIABR
UAE, High Performance Organization & Evaluation analysis, Interpretivism

2015, Abbas & Shirazi: JIABR
Pakistan, Micro-entrepreneurs: 270, Regression, Positivism

2015, Majid & Kassim: JIABR
Malaysia, Post-1997 Economic turmoil, ARDL, VECM & VDCs, Positivism

2015, Farooq & AbdelBari: JIABR
MENA region, periodo 2005-2009, Regression, Positivism

2015, Clarke: JIABR
UK, Islamic funds, Critical analysis, critical orientation

2015, Saqib, Zafar, Khan, Roberts & Zafar: JIABR
Pakistan, Zarai Taraqiati Bank (Muslim farmers), Good Loan analysis, Positivism

2015, Yusof, Usman, Mahfudz & Arif: JIABR
Malaysia, ARDL, IRFs & FEVD, Positivism

2015, Ehsan, Hasan & Bhatti: JIABR
Pakistan, Regression, Positivism

Shariah-compliant companies have significantly higher earnings quality compared to other firms.

Islamic financial institutions consider, revaluation of property’s value to its fair value especially during termination of MM contract and annual or agreed periodic review of the market value of the assets to determine the ‘rental’ payments by the customer.

Takaful companies in the UAE have to meet the highest international performance standards and sustain their high levels of performance.

Islamic banks do not encourage lower-income micro-entrepreneurs.

IBFIs in Malaysia has significant role in Malaysian economic

Shariah-compliant firms engage in lower earnings management than non-Shariah-compliant firms.

Major inconsistencies are highlighted after analysis of the quantitative screens.

Riba-free financing is essentially needed by poor Muslim farmers who, owing to prohibition of Riba, do not rely on interest (Riba)-based financing.

Macroeconomic shocks have different long-run and short-run effects on amount of home financing offered by conventional and Islamic banks.

Gender, income, and marital status wield some influence on this decision but demographic factors do not affect the decision.
<table>
<thead>
<tr>
<th>Year</th>
<th>Authors</th>
<th>Title</th>
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<tbody>
<tr>
<td>2015</td>
<td>Grais &amp; Rajhi</td>
<td>Malaysia &amp; Bahrain, Examination of existing literature, Interpretivism</td>
<td>In a crisis monetary policy and systemic liquidity management will be at the forefront of the stabilization efforts. A lack of effective risk management practices was found in relation to liquidity risk, displaced commercial risk and equity investment risk by Islamic banks. Poverty can be fought with commitment, faith and guided principles based on faith. Most of the authors reviewed acknowledged the technical mistakes put forth by many conventional analysts as causes of the crisis. However, they have showed that the adoption of the principles of Islamic finance would have prevented most of those mistakes. Practice of credit card in Malaysia is still controversial.</td>
</tr>
<tr>
<td>2015</td>
<td>Rosman &amp; Rahman</td>
<td>Universal, Non-parametric test, Positivism</td>
<td></td>
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<tr>
<td>2015</td>
<td>Senadjki &amp; Sulaiman</td>
<td>Malaysia, Households: 102, One-way ANOVA, Positivism</td>
<td></td>
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<tr>
<td>2015</td>
<td>DIAW</td>
<td>Universal, Literatur review &amp; critical analysis, critical orientation</td>
<td></td>
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<tr>
<td>2015</td>
<td>Bilal &amp; Meera</td>
<td>Malaysia, Descriptive research method, Poststructuralism</td>
<td></td>
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<tr>
<td>2015</td>
<td>Andrew &amp; Worthington</td>
<td>Libya, 385: Libyan retail consumers , Descriptive, factor &amp; discriminant analyses, Positivism</td>
<td>Resondents have at least some knowledge about some Islamic products. Conventional banks are more efficient in managing cost than Islamic banks. Small disadvantage of Islamic banks may have comparatively to the conventional ones can be severely exacerbated by positive assortive matching. Majority of Islamic banks use debt-based financing and avoid asset-based financing. Islamic banks are increasingly using concept of the Takaful &amp; Tabarru. GCC banks have known a productivity decline between 2006-2011. The productivity growth of MENA Islamic banks was mainly determined by bank-specific factors.</td>
</tr>
<tr>
<td>2015</td>
<td>Miah &amp; Sharmeen</td>
<td>Bangladesh, 10: Audited financial statement from period 2001-2011, Regression, Positivism</td>
<td></td>
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<tr>
<td>2015</td>
<td>Basov &amp; Bhaatii</td>
<td>Literature and model review, Interpretivism</td>
<td></td>
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<td>2015</td>
<td>Shahari, Zakaria &amp; Rahman</td>
<td>11 countries, 40: Islamic banks , VAR on Panel data, Positivism</td>
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<tr>
<td>2015</td>
<td>Maali &amp; Atmeh</td>
<td>Critical thinking, Critical orientation</td>
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<tr>
<td>2015</td>
<td>Bahrini</td>
<td>MENA countries, 33: Islamic banks operating during period 2006-2011, Panel data models used to investigate the determinants of TFP change, Positivism</td>
<td></td>
</tr>
</tbody>
</table>
The involvement of ethics in different procedures, operations and approaches of Islamic banking and how it is perceived by its many stakeholders.

The model is augmented with risk averse depositors to show that the emergence of asset side could be deterred by Islamic banks’ liability side. Privately owned Islamic banks attempt to safeguard shareholders by independently mitigating the effects of displaced commercial risk through higher capital buffers. Shariah supervision boards positively impact on Islamic banks performance when they perform a supervisory role.

The Islamic banking still lacks regulations and standards.

The derivation of underwriting returns through convolution of accumulated funds and claims paid views in the form insurance industry.

The lower income people are willing to contribute about RM5 per month.

Underpricing not only exist but also is among the highest in the world.

Profitability is affected by banks’ cost-effectiveness, asset quality and level of capitalization.

Court system provides main avenue for Islamic finance litigation.

Proposed rate rental-index is found to be more stable, having less fluctuation, resilient to macroeconomic and comparable to the conventional interest rates.
<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
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<th>Research Methodology</th>
<th>Findings</th>
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<td>2016</td>
<td>Ahmed: IJIMEFM</td>
<td>Pakistan, 370</td>
<td>Content analysis, Positivism</td>
<td>Islamic banks are not well stating their missions statements.</td>
</tr>
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<td>2016</td>
<td>Moshin: IJIMEFM</td>
<td>Malaysia, 2363</td>
<td>Data collected analysis, Critical orientation</td>
<td>Potential of cash waqf in financing not only religious areas but also financing different goods and services needed.</td>
</tr>
<tr>
<td>2016</td>
<td>Khir: IJIMEFM</td>
<td>MENA countries, Critical orientation</td>
<td>Deductive &amp;Inductive, Critical orientation</td>
<td>Bilateral rebate instead of unilateral rebate to be the best and fairest Islamic mechanism to overcome injustice in several events that may be impact the banks liquidity.</td>
</tr>
<tr>
<td>2016</td>
<td>Khasawneh: IJIMEFM</td>
<td>MENA countries, 34 Islamic banks &amp; 89 Conventional banks, Triple square model, NPL ratio, z-score, Positivism</td>
<td>MENA countries, Descriptive &amp; analytical approach, Interpretivism</td>
<td>Determinants of banks profitability and stability are different according to bank's type.</td>
</tr>
<tr>
<td>2016</td>
<td>Louati, Loubihi &amp; Boujelbene: MF</td>
<td>MENA countries, 34 Islamic banks, 89 Conventional banks, Triple square model, NPL ratio, z-score, Positivism</td>
<td>MENA countries, 34 Islamic banks &amp; 89 Conventional banks, Triple square model, NPL ratio, z-score, Positivism</td>
<td>The best capitalized western banks more engaged in the excessive risk-taking behavior, resulting in increased toxic-loan ratios and simultaneously a rather shaken stability.</td>
</tr>
<tr>
<td>2016</td>
<td>Gimigliano: IJIMEFM</td>
<td>Italy, Laws &amp; regulation analysis, Interpretivism</td>
<td>Italy, Laws &amp; regulation analysis, Interpretivism</td>
<td>No sharia-compliant institution has been authorised yet, but no legal obstacle is laid down.</td>
</tr>
<tr>
<td>2016</td>
<td>Ergec, Kaytanci &amp; Topra: IJIMEFM</td>
<td>Turkey, 500</td>
<td>Semi-structured survey, Positivism</td>
<td>Religiosity is not the most significant and leading factor in Islamic bank preference.</td>
</tr>
<tr>
<td>2016</td>
<td>Ahmed, Sabirzyanov &amp; Rosman: JIABR</td>
<td>Malaysia, Study review, Critical analysis</td>
<td>Malaysia, Study review, Critical analysis</td>
<td>IFRS-based financial reporting primarily focuses on economic consequences of financial instruments, AAOIFI further takes into consideration the legal structure of the instruments, which are based on Shari’ah precepts.</td>
</tr>
<tr>
<td>2016</td>
<td>Gharbi &amp; Khamoussi: JIABR</td>
<td>GCC, CBs: 40</td>
<td>20 from 2003-2011, Regression, Positivism</td>
<td>Empirical evidence shows that there is a significant change in dynamic volatility in GCC banking sector because of financial crisis 2008.</td>
</tr>
<tr>
<td>2016</td>
<td>Narayan &amp; Phan: PBFJ</td>
<td>United States, 532</td>
<td>Islamic stocks, Regression, Positivism</td>
<td>The market risk factors namely excess market returns, value, size and betting against beta factors and macroeconomic risk factor.</td>
</tr>
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</table>
2016, Balciilar, Cerci & Demirer, MF
United States, 468: weekly closing price, GARCH models, Positivism

2016, Chen & Ngo: GFJ
United States, 1091: Index over 1999-2011, Panel data Debt ratio analysis, Positivism

2016, Bousalam & Hamzaoui: JFRC
Morocco, 36: month average market value equity, ARCH-EGARCH, Positivism

2016, Boo, Ee, Li & Rashid: PBFJ
Malaysia, 448: 131 Islamic mutual funds 317 conventional mutual funds, Modified Value at Risk (MVaR), Positivism

2016, Alouei, Hkri, Lau & Yarovaya: FRL
USA, 20: Equity indexes from period 1990-2010, Squared wavelet coherence, Positivism

2016, Ismail, Ghani & Zain: IJIMEFM
Malaysia, Review on the underlying contracts, Poststructuralism

2016, Kabir & Manahov: FMII
4 countries, 10: Daily price observation, VAR-VECM, Positivism
3 countries, Data set of daily yield-to-maturity series for sukuk, Daily returns stock market SPAS50 for conventional global market, Archimedean copulas, Positivism

2016, Naifar, Hammoudeh & Dohaiman: JIFMIM
US, 10: Years financial history, VAR, Positivism

2016, Narayan, Phan. Sharma & Westerlund: PBFJ
3 countries, 2577: Islamic stocks, Robustness test, Positivism
10: Dow Jones Islamic & conventional sector index pairs, GARCH models, Positivism

2016, Mensi, Hammoudeh, Sensoy & Yoon
USA, 200-2014, GARCH Model (DCC-FIAPARCH), Positivism

Low degree of association between Islamic bonds and global stock markets with episode of negative correlations observed, particularly during market crisis periods.

An increase in debt level bear a more severe decrease in liquidity and institutional ownership.

Screening process resulted in well-diversified universe of Shariah-compliant stocks to invest in.

Islamic mutual funds generally outperformed conventional funds in the riskiest asset class, equity, one year before and during the global financial crisis.

Time-varying nature of co-movement exists for both the Islamic and conventional indexes.

Deposit taking activities are characterized by principal guaranteed.

US Islamic equity index is the leader among three independent indices.

The finding indicates that some characteristics of Islamic are similar to those conventional bonds. Second issue, sukuk behavior is different from those conventional bonds.

Sukuk is important in the strategic asset allocation and hedging of portfolio fund mangers.

Evidence of predictability only when US stock returns are used as a predictor.

Significant time-varying conditional correlations for all pairs.

The DCC-FIAPARCH is the best model for conditional heteroscedasticity.
2016, Fakhfah, Hachicha, Ghorbel & Selmi: JAM
USA, January 1, 1996- March 17, 2014, daily data, FIEGARCH-EVT, Positivism

2016, Wasiuzzaman: JAM
Saudi Arabia, 9 years trading volume, ARMA GARCH, Positivism

2016, Saakti, Tareq & Mahdzir: QRFM
Malaysia & Singapore, Phenomenological techniques data analysis, Interpretivism

2016, Chatta & Archer: JIABR
UK, Cbs & ICBs, Two-stage process, Positivism

2016, Grassa: JIABR
GCC, Ibs: 43 during 2005-2012, Three-stage least square, Positivism

2016, Naim, Long, Bakar & Hussain: JIABR
Universal, content analysis, interviews, observations and descriptive analysis using fiqh muqaran, Interpretivism

2016, Shafii & Rahman: JIABR
Universal, study of documents and textual analysis of Shariah opinions of scholars and relevant accounting standards, Interpretivism

2016, Gungdogdu: JIABR
Universal, Critical realism, Critical orientation

The dependence structure proves to differ noticeably among the Islamic Dow Jones oil price and the conventional Dow Jones one. The returns are lower and volatility is higher during the hajj period.

Shariah scholars are aware of the Shariah issues surrounding Islamic derivatives.

The sensitivity of the CAR of an ICB with respect to the changes in the values of alpha and the proportion of unrestricted PSIA on the funding side.

Income structure influences the insolvency risk in Islamic banks with a concentrated ownership structure.

Shifting the burden of proof to the fiduciary is the weightier view and necessary to ensure that both sides are protected.

Classification and measurement of equity-based Islamic financial assets do not fit into the “default” classification category of amortised cost, as the future cash flow receivable does not constitute solely the payment of principal and interest (fixed rate payment).

Export Credit Agency export financing structures, or restricted Mudaraba if preferred, with an embedded supplier financing Wakala agreement can pave the way for Islamic Fis to support exporting companies. It is also concluded that development and support of the Takaful industry are vital for the success.
2016, Azmi, Aziz, Non & Muhamad: JIABR

Malaysia, Expert from different companies: 13, structured interviews with individuals involved in the preparation of annual reports of Sharia-compliant, Interpretivism

Sharia-compliant companies and professional users interviewed agree that the most relevant Sharia-related information is most commonly understood as the information found in the financial statement and its notes (accounting-related disclosures). Shariah-compliant firms underperform non-shariah-compliant firms.

2016, Farooq & Alahkm: JIABR

MENA, lbs: Periode 2005-2009, Pooled Least Square, Positivism

the use of reference rate obtained in non-Islamic financial system is inappropriate from the Islamic perspective, the authors suggest nominal gross domestic product (NGDP) growth rate as an alternative benchmark because Islamic finance, in its ideal sense, is based on and closely linked to the real sector.

2016, Gharbi: JIABR

Tunisia, Inductive methodology & Qualitative-narrative methods, Interpretivism

Significant moderating effects of Shariah compliance perception on the relation between service quality and customer satisfaction have been identified. The findings appear to suggest that although Macro Prudential Policies are useful, not all of them are equally effective in containing the potential build-up of financial stress.

2016, Saqib, Farooq & Zafar: JIABR

Pakistan, Account holders of lbs: 242, SERVQUAL model, Positivism

2016, Ghosh: JIABR

GCC countries, Islamic banks in GCC countries: 1996-2010, Dynamic panel data, Positivism

Islamic banks have a higher intermediation ratio, proportion on fee income-to-total operating income and are less efficient.

2016, Hardianto & Wulandari: IJIMEFM

Indonesia, 39: conventionl banks (31) & Islamic banks (8), Stochastic frontier approach and panel data regression, Positivism

Fairness to customer, country regulation, perceived business practicality and product characteristic affecting the contract agreement.

2016, Wulandari, Putri, Kassim & Sulung, IJIMEFM

Indonesia, 32: bankers from 14 Islamic banks, Forum group discussion, literature review, Interpretivism

2016, Ashraf, Rizwan & L’Huillier: JFS

136: Islamic banks from 30 jurisprudentions, Pairwise correlation matrix, Positivism

Modified net stable funding ration has positive impact on the financial stability of Islamic banks.
<table>
<thead>
<tr>
<th>Year</th>
<th>Authors</th>
<th>Title</th>
<th>Methodology</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>Soedarmono, Pramono &amp; Tarazi: RIBF</td>
<td>1997-2012: Islamic bank around the world, Regression Model, Positivism</td>
<td></td>
<td>Loan loss provisioning in Islamic banks remains procyclical.</td>
</tr>
<tr>
<td>2016</td>
<td>Alqahtani, Mayes &amp; Brown: PBFJ</td>
<td>GCC countries, 101: Banks, CAMEL indicators</td>
<td></td>
<td>The Islamic banks performed better in terms of capitalisation, profitability and liquidity in the early stage of the global financial crisis, they performed worse in later stages with the real economic downturn.</td>
</tr>
<tr>
<td>2016</td>
<td>Bekele, Chowdhury &amp; Rao: RBF</td>
<td>UAE, 4799: individual borrowers, Box-Cx double hurdle model, Positivism</td>
<td></td>
<td>The profitability of default are not different between Islamic &amp; conventional banking borrowers.</td>
</tr>
<tr>
<td>2016</td>
<td>Wanke, Azad, Barros &amp; Hassan: JIFMIM</td>
<td>16 countries, 114: Islamic banks, Data Envelopment Analysis (DEA) &amp; TOPSIS, Positivism</td>
<td></td>
<td>Variables related to both country and cost structure have a prominent impact on efficiency. The Islamic banking market would benefit from higher level of competition between institution.</td>
</tr>
<tr>
<td>2016</td>
<td>Abdullah: IJIMEFM</td>
<td>United States, Qualitative document and content analysis, Interpretivism</td>
<td></td>
<td>Assessing economic substance over legal form, each of the three products involved risks-free transaction and interest.</td>
</tr>
<tr>
<td>2016</td>
<td>Kassi: GFJ</td>
<td>Malaysia, Quarterly data for the period 1998-2013, ARDL, Positivism</td>
<td></td>
<td>Islamic finance has started to make important contributions to the real economy.</td>
</tr>
<tr>
<td>2016</td>
<td>Hanif: IJIMEFM</td>
<td>Literature &amp; Legal review, Interpretivism</td>
<td></td>
<td>Process that legally contracts/products are line with theory.</td>
</tr>
<tr>
<td>2016</td>
<td>Abozaid: IJIMEFM</td>
<td>Literature review &amp; descriptive analysis, Interpretivism</td>
<td></td>
<td>Islamic banking and finance facing some internal challenges.</td>
</tr>
<tr>
<td>2016</td>
<td>Yungucu &amp; Saiti: QRFM</td>
<td>Past study review, Poststructuralism</td>
<td></td>
<td>Majority of these study have documented the negative effects.</td>
</tr>
<tr>
<td>Yr/Author: Journal</td>
<td>Country, Sample, Method, Paradigm</td>
<td>Findings</td>
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<td>2017, Azmi, Non &amp; Aziz: IJIMEFM</td>
<td>3 countries, 19: Shariah screener &amp; advisors, In-depth interview, semi-structured, Positivism</td>
<td>Companies still make Islamic-related disclosures on a voluntary basis.</td>
<td></td>
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<tr>
<td>2017, Darus, Shukri, Yusoff, Ramli, Zain &amp; Bakar: RIFB</td>
<td>Malaysia, 16 Islamic bank &amp; 8 Takaful organizations, CSR index, Positivism</td>
<td>Corporate waqfis viewed as a viable alternative to help address social issues of the community.</td>
<td></td>
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<tr>
<td>2017, Leon &amp; Weill: PBFJ</td>
<td>53 countries, 15309: Firms, Correlation &amp; regression, Positivism</td>
<td>Islamic banking development has no impact on credit constraints, while conventional banking development alleviate obstacle to financing.</td>
<td></td>
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<tr>
<td>2017, Rashid, Yousaf &amp; Khaleequzzaman: IJIMEFM</td>
<td>Pakistan, 20: 10 conventional banks, 4 full-fledge Islamic banks &amp; 6 Islamic branches from 2006-2012, Z-score &amp; Regression analysis, Positivism</td>
<td>Income diversity, profitability ratio, loan to asset ration, asset size and the market concentration ratio of banks have significant effects on the stability of banks.</td>
<td></td>
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<tr>
<td>2017, Sheikh &amp; Qureshi: IJIMEFM</td>
<td>Pakistan, 10: Annual reports from 2004-2014, Ordinary least square regression &amp; fixed effect and random effect, Positivism</td>
<td>Islamic commercial banks have relatively more fixed operating assets and growth in total assets.</td>
<td></td>
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<tr>
<td>2017, Nasir &amp; Farooq: JIABR</td>
<td>Pakistan, 15 Sukuk and 30 Term Finance Certificates, Delta normal approach, Positivism</td>
<td>Results revealed that Sukuk are less risky and more stable instrument as compared to conventional bonds.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017, Oladapo &amp; Rahman: JIABR</td>
<td>Nigeria, Muslim from Nigeria: 212 (Male) &amp; 172 (Female), Positivism</td>
<td>Individual factors such as social justice and human rights have effects on the factors of human development.</td>
<td></td>
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<tr>
<td>2017, Ahroum &amp; Achchab: JIABR</td>
<td>Gordon &amp; Shapiro model, Interpretivism</td>
<td>Negotiating only the profit and loss sharing ratio is not sufficient to have a fair price of Sukuk Musharakah when the underlying is a joint venture.</td>
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<tr>
<td>Year</td>
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<td>2017</td>
<td>Afou</td>
<td>JIABR</td>
<td>Tunisia, Organizations &amp; audit firms: 200, questionnaire survey based on the relevant literature, Positivism</td>
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<td>2017</td>
<td>Baki &amp; Uthman</td>
<td>JIABR</td>
<td>Dialectic analysis, Positivism</td>
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<td>2017</td>
<td>Zarrouk, El Ghak &amp; Haija</td>
<td>JIABR</td>
<td>UAE, Time series data: 1990-2012, Non-parametric approach, Positivism</td>
<td></td>
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<td>2017</td>
<td>Fakhfakh</td>
<td>JIABR</td>
<td>Bahrain, Bangladesh, Britain, Malaysia, Pakistan, Kingdom of Saudi Arabia, the Republic of the Sudan, Tunisia, Palestine, Jordan and Oman, 27 Auditing reports: 2012-2013, Comparative examination, Positivism</td>
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<td>2017</td>
<td>Megeid</td>
<td>JIABR</td>
<td>Egypt, CBs &amp; Ibs: 2004-2011, analyzing the financial statements, Positivism</td>
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<td>2017</td>
<td>Alswaidan, Daynes &amp; Pasgas</td>
<td>JIABR</td>
<td>UK, Meta-analysis, Interpretivism</td>
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<td>2017</td>
<td>Mukhlisin</td>
<td>JIABR</td>
<td>Indonesia, Meta analysis in IFRS issued 2005-2012, Interpretivism</td>
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<td>2017</td>
<td>Atmeh &amp; Maali</td>
<td>JIABR</td>
<td>Jordan, Review analysis, Interpretivism</td>
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Islamic banks’ performance in terms of their social ideals is misplaced, as the environment in which they currently operate does not support such goals. Direction of causality runs from financial development to economic growth and the reverse causality does not drive this relationship; however, the real gross domestic product (GDP) causes Islamic financial development with no reverse effect. Lack of harmonization in several elements related to the form of the auditor’s report and in all elements related to the content of the auditor’s report among the Islamic banks.

Egypt, CBs perform better in terms of liquidity risk management than IBS. Sukuk risk profiles are directly related to Sukuk structures. Literature emphasis not only on the technical matters related to financial reporting standardization but also on the complex arrangement in different country settings. In some products, the economic substance is presented in the financial reports, while in other cases, the legal form of the contract is reported.
2017, Sherif & Erkol: JIABR

2017, Shaikh: JIABR
Malaysia, Mathematical model, Positivism

2017, Nawaz & Haniffa: JIABR
UK, period 2007-2011, VAIC, Positivism

2017, Ahmed, Nawaz, Danish, usman & Shaukat: JIABR
Pakistan, Customers: 370, content analysis, Positivism

2017, Rafay, Sadiq & Ajmal: JIABR
Pakistan, Sunni madhaib: 4, Descriptive & Explanatory, Interpretivism

2017, Albassam & Ntim: JIABR
Saudi, Saudi-Listed firms: 75, Multivariate regression, Positivism

2017, Lusyana & Sherif: JIABR
Indonesia, Jakarta Index: -30 to 60 after 60+ days, Event study methodology, Positivism

2017, Hummel & Goud: JIABR
US, Ponamo Beach (Florida), Islamic financing approach to test for competitiveness to a conventional approach, Positivism

Only insignificant difference in reaction to Sukuk and conventional bond issuances for the overall period and pre-crisis period. Debt finance requires frequent repayments and indebtedness for financial inclusion. Conversely, the Islamic equity modes of financing in their current baseline structure suffer from high agency costs. Positive relationship between Value Added Intellectual Coefficient and accounting performance based on return on assets (ROA). Mission statements of Islamic banks working in Pakistan are not good at communicating the corporate goals clearly. Model acceptable to all madhab of Islamic Fiqh.

Corporations that depict greater commitment towards incorporating Islamic values into their operations through high Islamic values disclosure index score engage in higher voluntary CG disclosures than those that are not. Inclusion of the ISSI has a positive impact on the financial performance of the included shares during the 41-day event window.

When incorporating a crowdsourced option along with an ijara and esham approach, the returns on investment are higher than for a conventional approach.
2017, Uddin, Chowdhury & Islam: IJIMEFM
Bangladesh, 25: 18 Conventional banks 7 Islamic banks, Dynamic GMM & Quatile Regression, Positivism

The statistical significance level of credit risk, capital adequacy ratio and efficiency ratio of conventional banks and Islamic banks differ at different percentile.

Islamic banks seem to be less stable than their conventional peers.

2017, Korbi, Bougatef: IJIMEFM
17 countries, 224: 68 Islamic banks 156 conventional banks, Z-Score, Positivism

Franchise value is an important determinant of Islamic bank risk-taking.

2017, Mili & Abid: IJIMEFM
Explanatory factor, Poststructuralism

Capital ratio, other operating income, GDP per capita, bank size, concentration and oil prices affected Islamic bank positively.

OIC countries, 110: Islamic banks from 25 countries, Unbalanced data fixed-effect regression model, Positivism

Islamic banks are relatively better in profitability, efficiency, risk and liquidity management.

2017, Alharbi: IJIMEFM
Pakistan, 24: conventional banks (19) Islamic banks (5), T-test & Logistic regression, Positivism

The result show heterogeneity of classification for Profit Sharing Investment Accounts.

2017, Khan, Khan & Tahir: IUMEF
Bangladesh, Pakistan, Sri Lanka, Brunei Darussalam, Indonesia, Malaysia, Thailand, Bahrain, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, UAE & Yemen, 63: Islamic banks, Literature review, Positivism

2017, Suandi: IJIMEFM
Ghana, 975: respondents, PLS-SEM, Positivism

The least influential factors were perceived religion effect (PRE) and perceived thermal of violence (PT). 

2017, Mbwuni & Nimako: IJIMEFM
Indonesia, 27: Islamic banks, Concentration ratio and Herfindal-Hirschman index & Panzar-Rosse-H statistics and Lerner index, Positivism

Islamic banking industry in Indonesia operating in a higher degree of market power which leads to a less competitive market.

2017, Cupian & Abduh: IJIMEFM
Saudi Arabia, 12: Conventional banks (6) Islamic banks (6), Panel-Regression, Positivism

Profitability, lagged dividends and leverage are all significant determinants of Islamic banks' dividend policy.

"Access to justice and "resolving disputes" are the most influencing factors affecting the intention use ODR among stakeholders.

2017, Kayed: IJIMEFM
Malaysia, 109: respondent in Malaysia, Multivariate statistical analysis, Positivism

Majority of the respondents lack an understanding of how Islamic banking works.

2017, Oseni & Omooala: JFRC
Indian, 290: Indian Muslim, Statistical analysis, Positivism

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<td>MENA, 129: Islamic (41) &amp; conventional (88) banks, Fishburn’s risk measure and Kendall’s t, Positivism</td>
<td>Islamic governance demonstrate that mainstream corporate governance is not a law of nature but a social construct. Bank above the target level tend to show risk aversion behavior, while the banks listed below tend to be risk-oriented. Quality and size of the advisory board to have the opposite effect on market value. Focus on new areas and quality of research. The larger the ShariahSupervisory Board (SSB) the better the financial performance. Predictive ability of the integrated model to differentiate healthy and non-healthy Islamic banks, thus reducing the expected cost of bank failure. Positive bidirectional relationship between capital and risk of Islamic banks. Challenges Islamic banks face in western countries in terms of perception, financial infrastructure, and regulatory constraints. Factors in efficiency between the two banks are the wide disparity from their respective best banks and technological constrains. The Islamic banking and finance is developing in line with its counterpart-the conventional banks. The Bai bithaman ajil is a convergence of conventional housing finance and does not fall in line with Shariah regulations.</td>
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2017, Rehman, Benamraou & Dad: JAM
Pakistan, 150: bank senior managers, In-depth interview analysis, Positivism

2017, Othman, Majid & Rahman: PBFJ
Malaysia & Indonesia, 26: 17 Malaysian 9 Indonesian banks, Frontier approach, Positivism

2017, Rejeb: RIBF
GARCH models, Positivism

2017, Narayan, Phan, Narayan & Bannigidadmath: PBFJ
US, Europe, Australia, Asia, 2000: stocks listed on multiple markets, Regression, Positivism

2017, Karabiyyik, Narayan, Phan & Weserlund: PBFJ
19 countries, 900: Islamic stocks, Vector Error Correction Model (VECM), Positivism

2017, Mahdzan, Zainudin, Hashim & Sulaiman: IJIMEFM
Malaysia, 751: Muslim working individuals, Probit regression model, Positivism

2017, Hammami & Oueslati: JIFMIM
GCC countries, 157: Mutual funds, Bootstrapping methodology, Positivism

2017, Ariff, Chazi, Shafiei & Zarei: JEMF
Malaysia, 9, monthly treasury bills, treasury bonds, government agency bonds & AAA-rates bonds, ARDL-ECM, Positivism

2017, Hikiri, Hammoudeh, Aloui & Yarovaya: PBFJ
4 countries and 2 zone areas, 12: Islamic & conventional indexes, VAR, Positivism

2017, Mwamba, Hammoudeh & Gupta: PBFJ
US, Europe, Asia, 4: Market indexes, VAR, Positivism

2017, Mbengue: RIBF
West Africa, 3: BRVM, GSE, NSE, S & P methodology, Positivism

2017, Trabelsi & Naifar: RIBF
US, Europe, UK & GCC, Sample Period: 2005 to 2015, GARCH models, Positivism

Risk identification, risk assessment and analysis, credit risk analysis and risk governance are efficient in explaining the risk management practices of Islamic banks.

Bank with partnership financing are more efficient than other banks.

Islamic stock markets are not immune to the global financial crisis.
High and low news sensitive stocks generates additional profit of 5.60% per year.

A mean variance investor makes annualized average profit of 4.91% compared to an average buy-and-hold profit of 2.97% per annum.

Islamic religiosity is insignificantly related to portfolio allocation.

Skilled managers exist in the Islamic mutual fund industry.

The average of sukuk treasury bonds are higher than conventional treasury bonds.

Global financial crisis strongly affect the cross-market volatility.

During major crisis the islamic stock index is not less risky but also significantly different from conventional stock market.

Financial sector reducing number of securities.

Systemic risk has adverse effect on Islamic indexes, with a lower level in GCC Countries.
2017, Derbali, Khaldi & Jouini: JAM

Malaysia, 10: sharia public-listed companies, CAPM regression, Positivism

2017, Alam, Akbar, Shahriar & Elahi: QRFM

Descriptive study, Interpretivism

2017, Sakti, Tareq, Saiti & Akhtar: QRFM

Theoretical & Empirical review, Positivism

2017, Sherif & Hussnain: IJIMEFM

MENA, 13: Annual data from period 2000-2013, Multivariate analysis, bootstrapping and generalised method, Positivism

2017, Akhter, Pappas & Khan: RIBF

ASEAN & Middle East, 14: Countries, Panel Regression, Positivism

Islamic CAPM is applicable in investigating the linkage among risk and return in the Islamic stock market.

Revisiting the norms laid down by Shariah and current global practices of Islamic stock market and indexes.

Literature on IB capital structure is largely theoretical than empirical.

Demand for family Takaful in MENA are affected by inflation, financial development and male life expectation.

Islamic and conventional insurance demand to be negatively affected by GDP/capita, albeit the Islamic showing a greater resilience during crisis.
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