

Contents

Introduction	
Constructing Islamic Banking and Finance: Political Economy Perspectives	vii
<i>Mehmet Asutay and Abdullah Turkistani</i>	
1. The Political Economy of Islamic Banking and Finance in the Gulf Cooperation Council Countries	1
<i>Asbraf Mishrif</i>	
2. Internationalization of Islamic Banks	21
<i>Amr El-Husseini</i>	
3. Legal Environment for Islamic Banks: Status in Selected Gulf Cooperation Council Countries	47
<i>Habib Ahmed</i>	
4. Shari'ah Governance Regimes in the Gulf Cooperation Council Countries: A Comparative Study	63
<i>Humayon A. Dar and Wan Nursofiza Wan Azmi</i>	
5. Bridging the Gulf in Islamic Finance: The Role of Institutional Investors and Dubai in Development of Global Islamic Financial Services	79
<i>Harun Kapetanovic</i>	
6. Alternative Ways of Developing the Gulf Cooperation Council Islamic Funds Industry: Entrepreneurial Development	99
<i>Mehmet Asutay and Shehab Marzban</i>	
7. Shari'ah-compliant Sukuk Restructurings in the Gulf Cooperation Council Region	117
<i>Tayyab M. Ahmed</i>	

8. The Development of Offshore Financial Centres for Islamic Finance in the Gulf Cooperation Council: Competitive Positions and Challenges	133
<i>Salma Sairally, Marjan Muhammad and Shabana Hasan</i>	
9. Searching for the Hub of Ethical Finance: Islamic Financial Services and the World City Networks	167
<i>Abul Hassan</i>	
10. 10 The Maqasid and the Empirics: Has Islamic Finance Fulfilled Its Promise?	187
<i>Ercument Aksak and Mehmet Asutay</i>	
11. A Comparative Analysis of the Maqasid Shari'ah of Islamic Banks in Malaysia, Indonesia and the Gulf Cooperation Council Countries	221
<i>Siti Manisah Ngalim, Abdul Ghafar Ismail and Noor Inayah Yaa'kub</i>	
12. Understanding the Values and Attitudes in Islamic Finance and Banking	253
<i>Koji Muto, Nabil AlMaghrebi and Abdullah Turkistani</i>	
13. Islamic Finance and Higher Education in the Gulf Cooperation Council: An Analytical Comparative Study	281
<i>Ahmed Belouafi, Abderrazak Belabes and Karima Saci</i>	
14. Islamic Finance in the Gulf Cooperation Council Region: Human Capital Challenges and the Role of Universities	301
<i>Wafica Ali Ghoul</i>	
Glossary of Arabic Terms in Islamic Finance	323
About the Contributors	327

Contents

Introduction	1
<i>Mehmet Asutay and Abdullah Q. Turkistani</i>	
1 Islamic Banks and Financial Stability: Further Evidence	13
<i>Sayd Farook and Kabir Hassan</i>	
2 A Comparative Analysis of Financial Stability in Islamic and Commercial Banks of the GCC Region	55
<i>H. Saduman Okumus and Oksan Kabritci Artar</i>	
3 Financial Stability of Islamic and Conventional Banks in Saudi Arabia: Evidence using Pooled and Panel Models	81
<i>Hassan Belkacem Ghassan and Farid Bashir Taher</i>	
4 Predicting Banking Distress in GCC Countries Using the Emerging Market z-Score Model: A Comparative Study	115
<i>Jaizah Othman and Mohamad Asmady Shahadan</i>	
5 Mapping the Perceptions on Risk Exposure and Practices in Islamic Banks and Financial Institutions: A Survey Analysis	141
<i>Wael Eid and Mehmet Asutay</i>	
6 Risk Aspects of GCC Countries Compared to Developed and Emerging Markets: Evidence from Islamic and Non-Islamic Indices	169
<i>Mehmet Orhan and Harun Sencal</i>	
7 An Analysis of Value at Risk in the GCC Islamic Banks	191
<i>Hylmun Izhar</i>	
8 Credit Risk and Capital Structure of Islamic Banks in GCC Countries	221
<i>Roland Rulindo and Tika Arundina</i>	

9 Displaced Commercial Risk (DCR) and Value of Alpha (α %) for Islamic Banks in Bahrain	237
<i>Mohammad Omar Farooq and Sowmya Vivek</i>	
10 The Development of Islamic Securitization in the GCC Countries to Support Housing Finance Markets: An Assessment of Markets, Regulations and Policies	263
<i>Friedemann Roy and Zamir Iqbal</i>	
11 What Determines Islamic Financial Development? Empirical Evidence from GCC Countries	295
<i>Kaouthar Gazdar and Rihab Grassa</i>	
12 Do Islamic Banks Matter for Growth in GCC Countries? A Dynamic Panel Data Analysis	315
<i>Khaled Elmaswazini, Khiyar Abdalla Khiyar and Ahmad Al Galfy</i>	
13 What Factors Are Affecting the Development of Islamic Financial Institutions in the GCC?	325
<i>Issam Al-Tawari</i>	
Glossary of Arabic Terms in Islamic Finance	339
About the Contributors	343

Contents

Introduction	1
<i>Mehmet Asutay and Abdullah Q. Turkistani</i>	
1 Determining the Efficiency of Islamic and Conventional Commercial Banks in the GCC: Meta Frontier Analysis	11
<i>Maha Alandejani and Mehmet Asutay</i>	
2 The Profitability and Efficiency of Islamic Banking: A Comparative Study of Conservatives, Moderates and Liberals	51
<i>Khaled Aljifri and Sunil Kumar Khandelwal</i>	
3 Performance of Islamic Unit Trust Funds In 2005-2011 Period: A Regional Comparison	63
<i>Salina Kassim and Yasin Mohamoud Ibar</i>	
4 Investigation into the Managerial Investment Skills of Islamic and Conventional Equity Mutual Fund Managers in Saudi Arabia	107
<i>Saeed Binmahfouz and Habib Ahmed</i>	
5 Wavelet Analysis of Stock Price Behavior: Evidence from Dow Jones Islamic GCC Stock Index Returns	131
<i>AbdelKader el Alaoui, Ginanjar Diwandaru, Mansur Masih, Obiyathulla Bacha and Mustafa Musa</i>	
6 Efficiency and Stock Market Performance of Islamic Banks in GCC Countries	151
<i>Samir Srairi and Imen Kouki</i>	
7 Impact of Global Financial Crisis on Islamic and Conventional Stocks in the GCC Stock Markets: An Application of ARCH and GARCH Methods	173
<i>Raditya Sukmana and Sutan Emir Hidayat</i>	

8	Determinants of Sukuk Prices in the GCC Region from 2006-2011: Under the Prism of Risk Analysis	201
	<i>Badri Ahmed, Housseem Eddine Bedoui and Fabien Sommi</i>	
9	Factors Influencing the Excess Returns of Sukuk: An Empirical Analysis on USD Denominated Sukuk Issued by Corporations in the Gulf Cooperation Council Countries	233
	<i>Maya Puspa Rahman and Mohd Azmi Hj Omar</i>	
10	Bank Supervision, Regulation and Efficiency: Evidence from GCC Dual Banking	255
	<i>Nafis Alam</i>	
11	Factors Influencing Islamic Social Reporting (ISR): An Empirical Study in Islamic Banks in Indonesia, Malaysia and the GCC Countries	287
	<i>Priyesta Rizkiningsih and Miranti Kartika Dewi</i>	
12	Service Quality in Islamic and Conventional Banks in Kuwait: Analysis of Customers' Perceptions	309
	<i>Tabani S. Al-Adwani, Rashed S. Al-Ajmi and H. I. Hamdy</i>	
13	An Empirical Study of Perceived Service Quality of Islamic Banks: A Comparison between Malaysia and Kuwait	333
	<i>Ros Aniza Mohamad Shariff, Tabani Al-Adwani and Mehmet Asutay</i>	
14	Participants' Perceptions about Takaful Operators Disclosure System: An Empirical Study on Saudi Arabia	347
	Glossary of Arabic Terms in Islamic Finance	375
	About the Contributors	379