

# Index

- Adjusted Sharpe ratio (ASR), 91, 94–95, 99
- Akaike Information Criterion (AIC), 114, 119–120, 122–123
- Ali, Muhammad, 283, 285
- Al-Ijarah Thumma Al-Bai (AITAB), 138, 141
- Allowances, 251, 335–336
- Asian market, 27–46
- Assets
- collateral, 31
  - return on, 49, 51, 58, 64, 111
  - risk-free, 87–89
  - securitised, 31–32
  - short-term, 107
  - total banking sector, 55
  - underlying, 29–32, 36, 46, 145
  - wakalah*, 39
- Athanasoglou, 63–65, 73, 76
- Augmented Dickey Fuller (ADF), 118–119
- Autoregressive Distributive Lag (ARDL), 106, 114, 120, 124
- Banking, 50–51, 76, 186, 225, 232, 272, 275–276, 279, 295, 312
- Banking products, knowledge of Islamic, 229–230
- Banking sector, 52–53, 60, 109, 189, 231
- Bank lending patterns, 189–190
- Bank Negara Malaysia (BNM), 86, 135–136, 144, 149–150, 225–226, 295
- Bank profitability, 60–61, 64, 72–73, 108, 122
- Bank purchases, 142, 144–145, 148, 154–155
- Banks credit portfolios, 186, 203
- Bank-specific determinants, 58–59, 69–72
- Banks profitability, 61, 74
- Bonds, conventional, 28, 30–32
- Businesses, global, 249, 253, 255–257, 259–260, 262
- Business ethics, 265, 275
- Business organizations, 341
- Business transactions, 298, 350
- Capital adequacy, 59, 63, 67, 76
- Capital adequacy ratio, 59, 69
- Capital Asset Pricing Model (CAPM), 84, 89–90, 96
- Cash flows, 27, 29, 33, 45, 348
- Commercial banks, 109, 112, 190, 203, 233
- Commodity, 132, 145–148, 151, 153–156, 263
- Commodity broker, 145–146
- Commodity murabahah, 145, 151, 153–154

- Commodity murabahah transactions, 145, 151, 153, 156
- Consumer awareness, 223, 290
- Consumer banking products, 137–138, 156
- Consumer behavior, 246, 256–257
- Consumerism, 214–215, 262, 265, 296
- Consumer products, 246, 256, 259–260, 287
- Contemporary themes, 214–215, 217, 219–221
- Control variable, 204–205, 342, 344, 348, 353, 355–356, 358–359
- Conventional banks, 52, 55, 58, 104, 109, 135, 185–188, 191–195, 199, 202–203, 207–208, 224, 226
- Conventional capital markets, 28, 44–45
- Conventional marketing, 249–250
- Conventional mutual fund (CMFs), 81–82, 84, 86–87, 91–94, 96–100
- Corporate financial performance, 347, 356, 359
- Corporate Social Responsibility (CSR), 341–349, 354–355, 359 and financial performance, 354–355 notion of, 344–345
- Correlation matrix, 67–69, 116, 118
- Corruption, 161, 163, 165, 167, 171, 175, 250, 343
- Counterparts, conventional, 58, 82, 85, 87, 94, 96–97, 99, 187
- Credit portfolios, impact of, 188–191, 205
- Credit risk, 55, 58–59, 62, 67, 69, 75, 108, 188
- CSR practices and financial performance, 342, 353–356, 358–359
- CSR Practices in Islamic Financial Institutions in Indonesia, 345, 347, 349, 351, 353, 355, 357, 359
- Customer promises, 139, 143–144, 149, 153, 156
- Data collection, 62–64
- Demographic Profile, 225, 231, 235–236, 239
- Demographics, 224–225, 231
- Department of Islamic Development Malaysia, 286, 296, 311
- Department of Standards Malaysia (DSM), 296, 312
- Department of Veterinary Services (DVS), 297
- Dependent variable, 58, 63, 65, 69, 75, 123, 203, 204, 256, 357–358
- Descriptive statistics, 65, 92, 116, 203, 235
- Determinants, macroeconomic, 60, 73
- Determinants of profitability, 58–62
- Developments of Islamic Banking in Bangladesh, 109
- Documentation, legal, 29, 36–39, 46
- Document Parties Involved, 37–40
- Dynamic GMM, 64–65

- Earnings per share (EPS), 347–348, 360
- Economic foundations, 215, 220
- Economic overview, 52–58
- Emerging markets, 4–5, 82, 99
- Equity, 57, 59, 69, 105, 109, 138, 185–188, 192, 198–199, 202–208, 219, 247
- Error correction model (ECM), 114, 124–125
- Ethnicity, 232, 235, 332
- Financial crimes, 159, 161–165, 167–173, 175–178
- Financial literacy, 233
- Financial market development, 61
- Financial markets, conventional, 51, 56
- Financial performance, 342, 344, 347–349, 352–356, 358–360 better, 354–355, 358 of IFIs, 342–343
- Financial statements, 63, 203, 347–351
- Financing, 30–31, 33, 35, 51–52, 104–105, 107, 138, 141, 143, 228, 294, 349 non-PLS-based, 107–108, 126
- Financing portfolio, 104–105
- Foreign Direct Investment (FDI), 248
- Formation period, 12, 14, 16–17, 19, 22
- Fund managers, 37, 84–86, 88
- Fund performance, 88, 90
- Funds, 6, 34, 59, 81–86, 88, 95, 100, 111, 163, 173, 187, 325–327, 333, 346–347, 349 conventional, 86, 92, 94
- Global financial crisis (GFC), 40, 51, 87, 91, 93
- Globalization, 50, 255, 261, 265
- Government agencies, 291–292, 296–297, 346
- Gross domestic product (GDP), 52–53, 60–62, 64, 67, 73, 75, 189–190, 315 GDP growth rate, 60, 63, 67, 75, 112
- Gulf Cooperation Council (GCC), 6, 8, 10, 43, 49, 51–52, 55–56, 82, 279
- GCC countries, 14, 17, 49, 51–53, 55–57, 59, 61–63, 65, 67, 69, 71, 73, 75–77, 279, 298
- GCC regions, 50–53, 55–56, 61, 63, 67, 72, 74, 76–77
- Halal certification, 274–275, 281, 283–284, 286–288, 291, 316
- Halal cosmetics, 278, 287, 289, 292
- Halal economy, 272
- Halal food, 214, 272, 280, 311, 317
- Halal industry, 271–273, 275–276, 278, 280, 290–291, 295–298, 312–314, 316
- Halal ingredients, 313
- Halal Journal, 286
- Halal logistics, 309–311, 313–318
- Halal logo, 219, 280, 286–288
- Halal Marketing, 220, 271, 275, 277, 279, 281, 283, 285, 287, 289, 291–295, 297, 299 planning of, 299
- Halal product information, 290

- Halal Product Research Institute (HPRI), 298
- Halal products, 214, 271, 273, 276, 279–281, 283, 286, 288–296, 298–299, 309–310, 313–315, 318  
awareness of, 289  
perception of, 291, 299
- Halal products sectors, 273
- Halal research centres, 298–299
- Halal standards, 295, 297, 311–312, 314
- Halal status, 291, 309, 311, 315
- Halal supply chains, 311, 313–315, 317–318
- Holy Quran, 164, 219–220, 274
- Home financing, 139, 142, 144–146, 227
- ICRs, 351
- Ijarah, 33–34, 36, 44, 46, 107, 141, 156, 227–228, 238, 282, 343
- Ijarah rental swap (IRS), 149, 153, 155–157
- IMF financial statistics (IFS), 63
- Income groups, 231, 233–234, 237, 239
- Independent variables, 58–59
- Indicators, macroeconomic, 60, 190
- Indonesian Council of Ulama (ICU), 281, 343
- Industry momentum, 3, 8–9, 13–20, 24
- Industry momentum analysis, 14
- Industry momentum profits, 9, 17
- Industry neutral momentum, 17–20
- Inflation, 49, 52–53, 60, 63, 67, 71, 73, 75–77, 114, 116, 118–119, 123, 125
- Inflation rate, 60–61, 64, 73, 75, 112
- Influence non-Muslim consumers, 246, 266
- Institute for Halal Research and Training (INHART), 298–299
- Institute of Halal Research and Management (IHRAM), 299
- Institute of Halal Research of University Malaya (IHRUM), 299
- Interest rate swap, 151
- International Centre for Education in Islamic Finance (INCEIF), 136
- International Halal Integrity Alliance (IHIA), 297
- International Islamic Financial Market (IIFM), 40–41
- International Islamic Liquidity Management Centre (IILMC), 136
- International Islamic University Malaysia (IIUM), 298
- Interviews, 137, 139–149, 161, 169–172, 286, 289, 333, 335
- Islam, principles of, 170, 247, 350
- Islami Bank Bangladesh Limited, 109
- Islamic Accounting, 343, 349–351
- Islamic Accounting Standards (IAS), 343, 349–353
- Islamic banking, 42, 50, 55–57, 104–106, 108–111, 113, 133, 135, 186–187, 223–227, 231–233, 240, 282, 285, 292

- Islamic Banking and Finance (IBF), 107, 136
- Islamic Banking and Finance Malaysia (IBFIM), 136
- Islamic Banking Bulletin (IBB), 111–112
- Islamic banking customers, 240
- Islamic banking in Malaysia, 136, 141, 223–224
- Islamic banking products, 131–132, 136–137, 223, 226, 229–231, 233–235, 237, 239–240, 290
- Islamic banking sector, 52, 55, 69, 76
- Islamic banking services, 253
- Islamic banking system, 105, 172, 185, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 223–224, 226
- Islamic bank profitability, 72–73
- Islamic banks (IBs), 49–53, 55–63, 69, 71–73, 75–77, 103–111, 113–115, 121–127, 135–137, 185–188, 191–195, 205, 207, 226–227, 231–233
- in Bangladesh, 109, 111
- data, 353
- full-fledged, 109, 226
- in GCC regions, 50, 51, 76–77
- in Malaysia, 136–137
- performance of, 49, 60, 69, 73, 106, 124
- profits of, 60, 69, 72–73
- Islamic beliefs, 253, 262
- Islamic bonds, 279, 292
- Islamic capital market (ICM), 27–28, 31, 33, 42, 44, 46, 296
- Islamic credit cards, 285, 290, 294
- Islamic cross currency swap (ICCS), 149, 153–154, 156–157
- Islamic Development Bank (IDB), 109, 292
- Islamic Economics, 160
- Islamic equities, 6, 7
- Islamic equity markets, 6–7
- Islamic ethics, 246, 253, 261, 263, 266
- Islamic finance, 6, 28, 42, 50–51, 55, 104, 112, 136, 149, 153, 214, 273, 276–279, 280, 281–283, 292, 295–296, 298–299
- and Halal products, 279–281, 283, 293, 299
- in India, 282
- in Malaysia, 135
- Islamic finance products, 271, 281–282, 285, 290, 292–296, 296, 299
- Islamic financial instruments (IFIIs), 42, 51, 105, 107–109, 295, 341–345, 347–353, 355–357, 359
- Islamic financial instruments (IFIIs) in Indonesia, 342–343, 347, 352, 355, 359
- financial performances of, 342, 344, 356, 359
- Islamic financial products, 112, 282–283
- Islamic Financial Services Board (IFSB), 51, 109–110, 136
- Islamic financial services industry, 43
- Islamic financial system, 29, 51, 82, 108, 186–187

- Islamic financing, 282, 296  
 Islamic funds, 6, 82–83, 86, 92, 100  
 Islamic Ideological Council, 159, 169–171  
 Islamic ideology, 111, 160–161, 176, 332  
 Islamic law, 159–160, 162–166, 168, 170–174, 176–178, 218, 225, 297, 341, 352  
 Islamic law and Public Policy, 161, 163, 165, 167, 169, 171, 173, 175, 177  
 Islamic marketing, 213–215, 218–220, 245–256, 261–265, 292  
 definition of, 218–219  
 do's and don'ts of, 252  
 use of, 261, 263–264, 266  
 Islamic marketing concepts, 251, 253  
 Islamic marketing in Muslim countries, 246, 254  
 Islamic marketing mix, 246, 266  
 Islamic market mechanism, 246, 256, 263, 265–266  
 Islamic markets, 254–255  
 Islamic mutual funds (IMFs), 56, 63, 81–87, 89, 91–97, 99–100, 164, 173  
 performance of, 81, 85, 91–92, 94, 96–97, 99  
 portfolio, 82, 91, 94, 97  
 risk of, 96  
 strong performance of, 85  
 Islamic principles, 175, 218, 250, 253, 259, 263, 296, 310, 318, 348, 351  
 Islamic products, 220, 225, 230, 239  
 Islamic profit rate swap (IPRS), 149–151, 153, 156–157  
 Islamic Religious Department, 327–328, 332  
 Islamic securitisation, 31  
 Islamic state, 164, 173–176  
 Islamic teachings, 250–251  
 Islamic trade financing products, 147  
 Islamic values, 252, 259, 283, 341, 349  
 JT individual stock momentum, 8  
 JT stock momentum, 11–13  
 Jurisdictions, 27, 29–30, 33, 42, 45–46, 51, 57, 311  
 Kazakhstan, 282, 292, 299  
 Khadijah Binti Mohd Khambali, 326, 328, 330, 332, 334, 336, 338  
 Klang Valley, 230, 283–284, 291  
 Kuwait Finance House (KFH), 55, 138–140  
 Liquidity management, 59  
 Long-run relationship, 114, 116, 122–124  
 Loser portfolio, 12, 19, 22  
 Macroeconomic determinants, 60, 73  
 Macroeconomic variables, 49, 58, 63, 65, 67, 69, 73, 75–76, 116  
 Malays, 232, 235–236  
 Malaysian banking sector, 223–224  
 Malaysian consumers, 286  
 Malaysian government, 136, 291  
 Malaysian Islamic, 60, 86, 133, 135, 156, 226  
 Malaysian Islamic Financial Centre (MIFC), 6, 136, 273, 275–276, 279, 295

- Malaysian market, 20, 86, 225, 295
- Management accounting, 166, 170
- Market benchmark, 82–83, 87–88
- Market capitalization, 61, 63, 67, 73, 75, 83
- Marketers, non-Muslim, 264
- Marketing
- contemporary themes in, 213–214, 217
  - criticisms of, 215
  - ethical, 215, 292, 294
  - green, 215, 217
- Marketing functions, 213, 215, 220
- Marketing mix, 217, 250, 293–294
- Marketing practices, 218, 247, 265
- Marketing strategies, 231, 246, 255, 257, 261–263, 265, 281, 286
- Marketing Theory, 265
- Market movement, 83, 92–93, 99
- Market portfolio, 87, 93–94, 99
- Market price, 37–38, 134
- Market return, 81, 83–84, 88, 91
- Markets
- bearish, 91, 94, 96–97, 99
  - bullish, 87, 91, 94, 96
- Marriage, 186, 332, 346
- Materialism, 213–214, 216
- Mean excess return, 88, 90–92, 96
- Measurements, risk-adjusted, 83, 88–89
- MG industry momentum, 8–9, 13–17
- Momentum
- neutral, 9, 18, 20, 23
  - stock level, 18
- Momentum effect, 11–14, 17–18, 23
- Momentum portfolios, 5, 14, 17–18, 20
- Momentum profitability, 4–24
- Momentum profitability assessment, 3, 4–7, 9, 11, 13, 15, 17, 19, 21, 23
- Momentum profits, 3, 5–9, 14, 17–18, 20, 23–24
- statistically significant, 17–18
- Momentum return, 4–7
- determinants of, 4–6
- Momentum strategies, 3–5
- Momentum trading strategies, 4, 7–12, 17–18, 20, 22–24
- Momentum, 4–24
- Money laundering, 161–162, 165, 168, 171, 174
- Money supply, 49, 57, 61–64, 67, 69, 73, 75–76
- Motivation of study, 51–52
- Murabahah home financing, 138, 142–144, 148
- Muslim community, 276, 326–327, 337
- Muslim consumers, 214, 218, 245–249, 251, 253–261, 263–265, 279, 286–288, 290, 310, 313, 316–317
- perception and purchase behavior of, 249, 254
  - perceptions of, 266, 284
- Muslim Consumers' Association of Malaysia, 297
- Muslim consumers in Bangladesh, 259, 261
- Muslim consumers in Klang Valley, 283–284
- Muslim consumers of Bangladesh, 260, 262

- Muslim countries, 108, 111–112, 176, 246, 249, 253–256, 259–260, 262, 264–265, 281–282, 286–287, 292, 298–299, 336–338, 341
- Muslim population, 254–256, 261, 263, 275–276, 310
- Muslims, 113, 162–163, 166–167, 214, 218, 229–230, 247, 252–253, 274–276, 280–282, 295, 327, 331–332, 336–337, 351
- Mutual funds, 85, 87–88, 96
- Net asset values (NAVs), 83, 86–87
- Net profit margins, 56–57
- Non-government agencies, 296–297
- Non-Muslim consumers, 230, 264, 272–273, 289
- Non-Muslim countries, 246, 258, 279–280, 288, 298
- Non-performing loans (NPLs), 54–55
- Non-Shari'ah compliant stocks, 10–11
- Obligor, 32
- Occupation, 224–225, 231, 233–234, 239
- Oil price, 61–63, 69, 73, 75
- Operating cost, 59, 67
- Operating efficiency, 59
- Operating Islamic windows, 191–192, 195, 205
- Ownership, 29–33, 36, 46, 142–143, 167, 172
- Pakistan, 6, 8, 10–11, 13–14, 18–21, 23–24, 111–112, 159, 163–165, 167–168, 170–173, 185, 188–189, 281–283, 298
- Pakistani consumers, 283, 285
- Pakistan Shari'ah Compliant Stocks, 11–12
- Panel data, 63–64, 203
- Peers, conventional, 85, 91, 96, 99–100
- Perception, 225, 230, 245–246, 254, 256–257, 261, 265–266, 271, 273, 279–280, 284–289, 291–295, 297, 299, 313–314
- consumer, 246, 287
- negative, 327, 333
- Performance, halal supply chain, 309, 311, 314
- PLS-based financing, 106–108, 126
- benefit of, 126
- Policies, economic, 160–161
- Population, total, 248, 256, 275
- Portfolios, 3, 6, 8–9, 11–12, 14, 16, 19–20, 22, 81, 83–84, 86–94, 96–97, 99–100, 114, 186–187
- conventional, 6, 86, 92–93
- neutral, 17–18
- Poverty, 327, 329–330, 332–333, 337
- Privatization, 164, 166–167, 172
- Producers, non-Muslim, 286, 296
- Product Disclosure Sheet (PDS), 137
- Product knowledge, 281, 299
- Products
- halal-labelled, 218–219
  - imported, 246, 258–260
  - non-halal, 310, 315, 318
  - treasury, 131, 137–138, 149
  - wa'd-based, 131–132, 156

- Profiling Islamic Banking  
Customers, 227, 229, 231, 233, 235, 237, 239
- Profitability, 7–8, 11, 58–60, 63, 65, 67, 72, 74, 77, 103–104, 108, 118–119, 123, 126, 355
- Profitability of Islamic banks, 49, 58, 69, 72–73, 77, 103, 106, 118, 122, 126
- Profit maximization, 175, 262–264
- Profit rates  
fixed, 150–151  
floating, 150–151
- Property financing, 138–140
- Proportion of assets, 192, 203, 205, 207–208
- Proportion of equity, 187, 192, 202, 205, 207–208
- Purchase behavior, 245–247, 249, 251, 253–257, 259, 261, 263, 265
- Purchase behavior of Muslim consumers, 245–246
- Purchase decisions, 245, 249, 258–260
- Random effect model, 73, 205, 206
- Regulations, 27–29, 31, 33, 35, 37, 39, 41–45, 52, 58, 126, 172, 219, 311, 316, 331
- Regulatory requirements, 30–33
- Religiosity, 253, 276, 282–283
- Religious conversion, 331–332
- Religious perception of consumers, 246, 263
- Researcher, 4, 136, 140–141, 144–145, 147, 149
- Return on Asset (ROA), 49, 51, 54–55, 58, 63–65, 69, 72, 76, 111, 205–206, 347–348, 353
- Return on Equity (ROE), 51, 54–56, 111, 205–206, 347–348, 353
- Return performance, 81–83, 85, 87, 89, 91, 93, 95–97, 99
- Risk and Return Performance, 83, 85, 87, 89, 91, 93, 95, 97, 99
- Risk Management, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 157
- Risk sharing paradigm of, 103–127
- Role of Wa'd in Risk  
Management, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 157
- Sale contract, 141–142, 227
- Sampled Islamic Banks, 76, 124
- Schwarz Bayesian Criterion (SBC), 114, 119–120, 122–123
- Shari'ah-compliant asset, 32
- Shari'ah compliant stocks, 3–24
- Shari'ah Advisory Council (SAC), 135–136
- Shari'ah Compliant Stocks, 3, 6–8, 10–14, 18–20, 23–24
- Sharpe ratio (SR), 88–89, 91, 94–95, 99
- Six Islamic Exchanges, 10
- Size neutral momentum, 9–10
- Size neutral momentum profitability, 20–23
- Stakeholder orientation, 213, 217, 219

- Stakeholders, 204, 219–220, 247, 249, 314, 344–345, 347, 353–354, 359
- Stock level, 7, 11, 14, 17–18
- Stock momentum, individual, 8–9, 13–14, 17–18, 24
- Sukuk  
asset-backed, 30  
legal infrastructure of, 30, 42, 46
- Sukuk ‘ijarah issuance, 33–34
- Sukuk holders, 29, 32, 34–35, 37–38
- Sukuk issuance, 29–30, 32–33, 35, 41–46, 292
- Sukuk market, 40, 42, 45
- Sukuk *mudarabah* issuance, 33–34, 37, 46
- Sukuk *murabahah* issuance, 33, 35, 38, 46
- Sukuk *musharakah* issuance, 33–35, 37, 46
- Sukuk structures, 27, 29–33, 35, 42, 44, 46
- Sukuk transactions, 29, 32
- Sukuk, 27–46
- Sustainable marketing, 213–215, 217, 220
- Trade financing products, 131, 137, 147
- Trust marketers, 260
- Unilateral promise, 33, 132–133, 139–140, 144, 149–151, 156
- Universiti Putra Malaysia (UPM), 298
- Universiti Sains Islam Malaysia (USIM), 299
- Variables, 59–63, 65, 67, 69–70, 73–75, 77, 114, 116, 118, 120, 122, 124–125, 203–204, 348, 353  
demographic, 223, 231, 234–235, 240  
independent, 58–59, 65, 93, 116, 204, 256
- Wa’d, 131–135, 137–141, 143–145, 147–151, 153, 157  
application of, 136–138, 141–142, 144, 147–148, 151, 156  
in risk management, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 157
- Wa’dan, 131–134, 141–142, 144, 150–151, 156–157
- Winner portfolio, 19, 22
- World Bank, 53, 112, 114, 167, 171
- World economy, 247–248, 255, 259
- Zakat, 326–331, 333, 335–337, 343, 345–347, 352–353
- Zakat funds, 326–327, 329–330, 332, 335–337, 346