

# Accepted Manuscript

Title: A Contemporary Survey of Islamic Banking Literature

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PII: S1572-3089(17)30554-5  
DOI: <https://doi.org/10.1016/j.jfs.2017.11.006>  
Reference: JFS 591

To appear in: *Journal of Financial Stability*

Received date: 7-8-2017  
Revised date: 18-11-2017  
Accepted date: 30-11-2017

Please cite this article as: Kabir Hassan, M., Aliyu, Sirajo, A Contemporary Survey of Islamic Banking Literature. *Journal of Financial Stability* <https://doi.org/10.1016/j.jfs.2017.11.006>

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## A Contemporary Survey of Islamic Banking Literature

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\*This paper is based on the 2016 IDB Prize in Islamic Banking and Finance lecture given at Islamic Research and Training Institute (IRTI), Islamic Development Bank (IDB) on December 7, 2016. We want to thank the IRTI seminar participants specially Dr. Salman Syed Ali and Dr. Mohammed Ali Khalifa. We acknowledge the research assistance provided by Makeen Huda and Nicolas Duvernois at the University of New Orleans. We are grateful to two anonymous referees and the Editor Iftekhar Hasan for helpful suggestions and comments that improved the quality and readability of this survey paper.

### Abstract

This article reviews empirical studies on Islamic banking and concentrates on their main findings while highlighting future research directions. The earlier literature on Islamic banking built a foundation using normative judgment, descriptive analysis, theoretical development, and appraisal of country experiences. The paper discusses scholars' concerns that have led to a paradigm shift in the system and highlight practitioners' disquiet about recent practices. Subsequent research focuses on empirical investigations without extensive analytical and theoretical exploration in the area. Recent studies focus on the financial crisis, solvency, *maqasid*, disclosure and financial inclusion, and regulations. Even with the spillover effect on the Islamic banks after the crisis, a few pieces of evidence show that the system performs below its conventional counterpart. The paper discusses issues that are relevant to Islamic banking and identifies other avenues for future research.

Keywords: Islamic banking, Regulations, Social well-being

JEL Classification: G21, G28, I31

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