

Document details

[< Back to results](#) | 1 of 1[Export](#) [Download](#) [Print](#) [E-mail](#) [Save to PDF](#) [Add to List](#) [More... >](#)[Full Text](#) [View at Publisher](#)Journal of Islamic Accounting and Business Research
Volume 9, Issue 3, 2018, Pages 378-400

Efficiency, stability and asset quality of Islamic vis-à-vis conventional banks: Evidence from Indonesia (Article)

Prima Sakti, M.R.^a [✉](#), Mohamad, A.^b [✉](#) [👤](#)^aMalaysia-Japan International Institute of Technology (MJIIT), Universiti Teknologi Malaysia – Kuala Lumpur Campus, Kuala Lumpur, Malaysia^bDepartment of Finance, Kulliyah of Economics and Management Sciences, International Islamic University Malaysia, Kuala Lumpur, Malaysia

Abstract

[View references \(32\)](#)

Purpose: This paper aims to examine how Indonesian Islamic banks differ from conventional banks in terms of their business model, asset quality, stability and efficiency. **Design/methodology/approach:** Based on data from 2008 to 2012, the authors use t-test, z-score and data envelopment analysis (DEA) to assess the business model, as well as the asset quality, stability and efficiency of both the Islamic and conventional banks. **Findings:** The results indicate that there are significant differences between the two – Islamic banks appear to not follow the conventional business model. Secondly, Islamic banks seem to have better asset quality and to be more stable than their conventional counterparts. **Originality/value:** Finally, the DEA results also indicate that Islamic banks are relatively more efficient than conventional banks, as shown by their higher overall efficiency, as well as technical efficiency. © 2018, Emerald Publishing Limited.

Author keywords

[Asset quality](#) [Efficiency](#) [Indonesia](#) [Islamic banks](#) [Stability](#)

ISSN: 17590817

Source Type: Journal

Original language: English

DOI: 10.1108/JIABR-07-2015-0031

Document Type: Article

Publisher: Emerald Group Publishing Ltd.

References (32)

[View in search results format >](#)
 All [Export](#) [Print](#) [E-mail](#) [Save to PDF](#) [Create bibliography](#)

- 1 Abduh, M., Azmi Omar, M.
Islamic banking and economic growth: the Indonesian experience

(2012) *International Journal of Islamic and Middle Eastern Finance and Management*, 5 (1), pp. 35-47. Cited 19 times.<http://www.emeraldgroupublishing.com/imefm.htm>

doi: 10.1108/17538391211216811

[View at Publisher](#)Metrics [?](#)

0 Citations in Scopus

0 Field-Weighted

Citation Impact

PlumX Metrics [v](#)

Usage, Captures, Mentions, Social Media and Citations beyond Scopus.

Cited by 0 documents

Inform me when this document is cited in Scopus:

[Set citation alert >](#)[Set citation feed >](#)

Related documents

Technical efficiency determinants within a dual banking system: A DEA-bootstrap approach

Hanen, H. , Emrouznejad, A. , Ouertani, M.N. (2014) *International Journal of Applied Decision Sciences*

The risk-capital-efficiency trilogy: A comparative study between Islamic and conventional banks

Louati, S. , Louhichi, A. , Boujelbene, Y. (2016) *Managerial Finance*

Comparative performance analysis between conventional and Islamic banks: Empirical evidence from OIC countries

Mobarek, A. , Kalonov, A. (2014) *Applied Economics*[View all related documents based on references](#)[Find more related documents in Scopus based on:](#)[Authors >](#) [Keywords >](#)

-
- 2 Abduh, M., Sukmana, R.
Deposit behaviour in Indonesia Islamic banking: do crisis and fatwa matter?
(2011) *Indonesia Islamic Banking Research Forum 2011, 16-17 December, 2011*
Padjajaran University, Bandung
-
- 3 Ascarya, A., Yumanita, D.
Comparing the efficiency of Islamic banks in Malaysia and Indonesia
(2008) *Buletin Ekonomi Moneter Dan Perbankan*, 11 (2), pp. 95-119. Cited 5 times.
-
- 4 Bacha, O.I.
(2004) *Dual banking systems and interest rate risk for Islamic Bank*. Cited 6 times.
Working Paper (March)
-
- 5 Banker, R.D., Charnes, A., Cooper, W.W.
SOME MODELS FOR ESTIMATING TECHNICAL AND SCALE INEFFICIENCIES IN DATA ENVELOPMENT ANALYSIS.
(1984) *Management Science*, 30 (9), pp. 1078-1092. Cited 6365 times.
doi: 10.1287/mnsc.30.9.1078
[View at Publisher](#)
-
- 6 Beck, T., Demirgüç-Kunt, A., Merrouche, O.
Islamic vs. conventional banking: Business model, efficiency and stability
(2013) *Journal of Banking and Finance*, 37 (2), pp. 433-447. Cited 235 times.
doi: 10.1016/j.jbankfn.2012.09.016
[View at Publisher](#)
-
- 7 Brooks, C.
(2008) *Introductory Econometric for Finance*. Cited 693 times.
Cambridge University Press, New York, NY
-
- 8 Cevik, S., Charap, J.
The behavior of conventional and Islamic bank deposit returns in Malaysia and Turkey
(2011) *IMF Working Papers*, 11 (156), p. 1. Cited 11 times.
-
- 9 Chong, B.S., Liu, M.-H.
Islamic banking: Interest-free or interest-based?
(2009) *Pacific Basin Finance Journal*, 17 (1), pp. 125-144. Cited 196 times.
doi: 10.1016/j.pacfn.2007.12.003
[View at Publisher](#)
-