

Comparative Analysis of Industry Development of Islamic Banking System in Malaysia and Nigeria

Muhibat Ayoni Oladimeji¹
Muhammad Ridhwan Ab. Aziz²
Khairil Faizal Khairi³

ABSTRACT

Purpose: The purpose of the study is to critically evaluate the industry development of Nigerian Islamic banking system in terms of its establishment and operation using Malaysian experience as the base. The study also provides useful suggested recommendations as a way forward for the development and for the smooth running of the system.

Methodology: Qualitative research method was employed by the study which consists of documentary review and face to face in-depth interview. with regulatory officers, practitioners, academicians who are directly involved in the operations of Islamic banking system in two countries Malaysia and Nigeria. And secondary source inform of documentary review is also employed.

Findings: From the findings of this study, in terms of basic minimum things, most, but not all of the situations regarding shariah governance, in Nigeria are in line with footsteps of Malaysia. Thus, lots need to be done. The regulators should bear it in mind that in terms of shariah governance framework what they are have done are just the basic minimum required for

¹Lecturer, Crescent University Abeokuta, Ogun State. Nigeria and currently Phd. Student, Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM). Corresponding author: muhibat@yahoo.com

^{2, 3} Senior Lecturers, Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM).

the start, they should be prepared and ready for the comprehensive effective and efficient frameworks for the industry.

Practical Implication/ Value of the Study: the study will have policy implication to the CBN and other stakeholders in the area of Islamic banking system. Findings of this study will be a source of reference for Nigeria and other countries in formulating the similar concept of Islamic banking system. The findings of the study will also help the management of the Islamic bank operators in the industry on how they should direct their management policies towards strategic tools to use in order to be able to reap industry's potentials. The study will also add to the pool of available literature available on the subject matter.

Keywords: Comparative analysis, Industry development, Islamic banking system, Nigeria, Malaysia.

INTRODUCTION

Given the close interrelation between banking system soundness and macroeconomic policy implementation and performance, experience has shown that, a key element of financial system surveillance is effective prudential supervision of the banking system, Errico and Farahbaksh (1998); ISRA (2012). The increased globalization and interconnectedness of business and finance provides one set of motives for this effort. Therefore, a sound banking system is the pillar of any robust economy. International comparisons can reveal trends and norms that might be useful in debates about national banking and financial policies. Awareness of banking and financial systems in other countries can promote the realization that national financial policies are likely to have an impact across borders. Barth *et. al.* (2004); Siraj and Pillai (2012).

Furthermore, national and international policy makers and researchers have focus on the banking industry as a key actor in causing, and preventing, financial and economic crises (Mahmood Nathie, 2010). Drage et al. (1998) in ISRA (2013) argued that "the 1997 Asian banking crisis have in part, been a product of "the poorly regulated and often distorted financial sectors in these countries". In addition to normal banking crisis costs in conventional banking. There are other costs in the context of Islamic banking such as reputation damage to the nascent industry. A slowdown in new developments towards interest free alternatives for the people, and consequently a drag on realization of potential benefits for the society from Islamic finance, (Ali, 2007). Therefore, there is a need for urgent, effective and appropriate measure actions to be taken by the relevant stakeholders especially the regulators.

According to SudinHaron (2004) the task of developing a successful Islamic banking system by a nation is indeed not an easy one. The formulation of a sound plan and well-coordinated efforts from various stakeholders is required. The commitment and dedication from the relevant stakeholders especially the government and other regulators such as Central bank and Ministry of finance will result in introducing effective policies and guidelines for the industry player. The success of the players in the industry will depend on the conducive environment created by the appropriate regulators. Therefore, the current study tried to explore the past and current development and progress recorded so far in the industry, what are the necessary things that needed to be done and the way forward. Industry development of Islamic banking system in Nigeria was taken from the perspective of the operators in the industry. While that of Malaysian experience was considered in two ways, from the perspective of the pioneers and industry experts, and that of the operators. In order to achieve this objective, in-depth interview using semi-structure questions was conducted at the operators' level as well as that of pioneers and industry experts.

This study is timely in view of the current government and individual initiatives to establish more Islamic bank and financial institutions in Nigeria. Central Bank of Nigeria (CBN) will be able to evaluate and get detail insight in to what have been done. The ways they have been done; and what are the other things need to be done and what are the ways they should have been done. Therefore, the study will have policy implication to the CBN and other stakeholders in the area of Islamic banking system. Findings of this study will be a source of reference for Nigeria and other countries in formulating the similar concept of Islamic banking system. It will also provide opportunities to identify and address existing and foreseeable problems that might cause failure for Islamic banking institutions. The findings of the study will also help the management of the Islamic bank operators in the industry on how they should direct their management policies towards strategic tools to use in order to be able to reap industry's potentials. The study will also add to the pool of available literature available on the subject matter. This paper is structured as follows: it consists of five sections, in section is the introduction and rationale for the study. Section two discusses research methodology applied by the study. Findings of the study are presented in section three. In section four is conclusion while section five consists of suggested recommendations.

RESEARCH METHODOLOGY

Qualitative research method was employed by the study which consists of documentary review and face to face in-depth interview. The in-depth interview was conducted with the aim of obtaining primary data making use of semi-structure research questions. Four (4) operators in the industry in Nigeria participated in the interview but only two of them were able to describe the true picture of the past and present situations, and the way forward because these two operators have been in the business for some few years. These two operators are: Jaiz Bank Plc., which is the only full-fledge Islamic bank in the country and it started its operations since January 2012. The second is Lotus Capital Limited (an Halal investment) the only Islamic Fund Manager in the country since 2004. On the other side the remaining two operators are conventional banks with the window operation of Islamic banking, the first one which is Sterling bank Plc. just commenced full Islamic window operation two months before the time of the interview conducted by this study.

The second bank is StanbicIBTC, it is yet to commence full operation as at the time of the interview. In essence only Jaiz bank was able to give true picture of the situation regarding Islamic banking and generally on Islamic financial industry. While Lotus capital was able to provide details regarding Islamic Fund manager and generally on Islamic financial industry in the country. From Malaysia side, there are two pioneers, industry experts those that are able to provide detailed information on the root history, establishment and operations of Islamic banking system in the country. In addition to these key personals is one of the operators in the industry, which is Bank Muamalat Malaysia Berhad the second full-fledge Islamic bank in Malaysia history, it has been in the industry since 1999.

FINDINGS OF THE STUDY

1.Licensing Requirements for the Establishment of Islamic Banking System from Nigeria Central Bank of Nigeria (CBN) Experience

From the responses of the respondents that are Nigerian operators' officers the licensing requirements are detailed enough. It is clearly true that the licensing requirements laid down by the regulator are comprehensive enough as compare to and like that of Malaysian experience. The reason for this might be traced to the current reform programs and measures in banking and financial industry in Nigeria.

2.Obstacles, Challenges, and Problems of Islamic Banking System in Nigeria

Respondents R17 and R22 identified the following two challenges in addition to ten problems and challenges identified by the governor of central bank of Nigeria MallamSanusi, challenge of being a pioneer in the industry and lack of investors awareness and education. Although, a lot has been done by the central bank of Nigeria as the regulator but the desired results are yet to be seen. As was mentioned by most of the Nigerian respondents, the regulator that is Central bank of Nigeria (CBN) is facing some constraints like lack of government support, misconception about the concept of Islamic banking system then religion and ethnic sentiment in the country. Most of Nigerian people and the government view this system as CBN's project especially the governor MallamSanusiLamidoSanusi. In general most of the people in the country both the Muslims and non-Muslims lack the basic knowledge about Islamic banking system. They need to create effective and efficient public awareness and education on a continuous basis, this is evidenced in the following quotations:

Christian groups have strongly opposed the move, accusing the CBN governor SanusiLamidoSanusi of favoring one religion above the other. ... The umbrella Christian Association of Nigeria threatened a legal action unless the CBN withdraws its license to Jaiz to launch Islamic banking services OnIslam.net February 02, 2012.

"The initiative has also met with religious controversy. The prominent Anglican Bishop of Enugu, Reverend Emmanuel Chukwuma told media that 'a religious bank would pose a serious threat to the unity of the country, and that his church opposed the move due to its religious connotations'" A Nigerian National Newspaper, The Inside Edge issue of 29th June 2011, p.2.

3. Inception of Islamic Banking System in Malaysia

Respondents R6 and R8 being the pioneers and industry experts, they were able to provide detailed information about the root history, establishment and operation of Islamic banking system in Malaysia. Their information will serve as the source of reference for the regulators, operators, practitioners, academicians, researchers and students in the field. And these information plus others will be make use in draw recommendations by the study.

4. Products and services of Islamic banks

Breakthrough recorded by the Nigerian pioneer Islamic bank Jaiz bank Plc.

In fact in terms of products and services offer by the all Islamic banks around the world, this is a major breakthrough achievement recorded by the infancy operator that is Jaiz (Islamic) bank Plc., is able to go for the two fundamental Islamic banking products (Musharakah and Mudarabah) that other operator around world are running away from, due to the risk involved, SudinHaron in the study conducted by him in 1998 discovered

that all banks tend to concentrate in mark-up financing activities in support of this respondent **R10** speaks that....probably there is not much in terms of Musharakah; Islamic banks have not stress so much on Musharakah but I guess this is the way moving forward; probably there is no research on this, people are reluctant to take part in the business, In addition according to respondent **R16** ...today most banks focus more on Murarabah, Ijarah they are not in their financing aspects use to Musharakah partnership or Mudarabah as the case may be. If we really want to utilize fully, we have to clear eyes from the risk and then go fully into it, most risk, but they are going away from the risk in practices.....

The most surprising aspect of this is that this breakthrough achievement recorded by the newly operator happened to be in an environment or country where corruption and lack of trust has becomes the other of the day.

The scenario: Mudarabah and musharakah case at Jaiz bank:R16.....I always tell my people here, let us try this Musharakah we did one recently and the bank is getting a lot of money from it, reliably no any default,**Danjuman:** in two weeks we made about three million and two hundred thousand naira (3.2 million naira) profits. And then this month (March 2014) next week we expect to take minimum from our calculation like 6.4 million naira, **R16:** Is there any default? **Danjuman:** No default.

(Why are Islamic banks running away from risk/Musharakah/Mudarabah): **R16:** That is it, even with this customer we start with Murabahah so that you can ascertain integrity as well as performance. So we saw everything in the business is doing well and for integrity you have to spend time with that person we did this for one year, during that one year we found it to be somebody that is straightforward. So honestly, is something Insha Allah we hope to do more.....This one was define from Almighty Allah, you have to go for it, and if you can go for it, everybody is afraid of it, because of economic situation here, because of the risk. We are going for another one, Insha Allah, before the end of April this year Musharakah and Mudarabah, Because of our people, what you need to do is to try to assess the customers properly.Although, Jaiz bank has recorded a breakthrough achievement in the area of Islamic banking products, but the operators in Nigeria need to partner with some operators in Malaysia in this area.

5. Islamic Money Market and Liquidity Management Instruments

All the Nigerian operators' officers were of the same opinion about lack of Islamic liquidity instrument in the market. Even respondents R17 and R1 were of the same opinion that this lack of Islamic liquidity instrument is majorly responsible for the ₦ 1.07 billion loss recorded by the Jaiz bank for the year ended 2012. Respondent R17 was able to provide detailed explanation on this. According to Alhaji Umar Mutallab, the Chairman, Board of Directors of Jaiz bank, the loss recorded by Jaiz bank can be attributed to the lack of shariah-compliant liquidity management

instruments and hiccups experienced in joining the settlement and clearing. pmnews December 19, 2013. In addition respondent R17 also suggested that the Nigerian regulator should go and find out what countries like Malaysia, Pakistan etc. have done at their early stage like which allowed these countries to handle the situation successfully. Respondent R7 was able to shed light on how Malaysia was able to handle the situation successfully during its early period like this time in Nigeria.

6. Takaful Insurance and (Islamic) Deposit Insurance

According to respondent R17 currently there is lack of Islamic deposit insurance because Islamic banks are using the same deposit insurance for conventional banks. In essence any excess made on the Islamic banks premium are no going area because these excess are not halal that non-shariah compliance. Malaysian experience on this is provided by this study and this can be referred to in Appendix M of the study.

7. Islamic Banking Window Operation

The major thing that is lacking on this in Nigeria is the opportunity giving to the conventional banks with Islamic window operation to commence receiving deposits from customers without commencing financing aspect this can be referred to in the responses of respondents R19 and R20. The regulator that is CBN and CBN Shariah board should try to correct this situation.

8. Information Disclosure

In the areas of recording, accounting, and auditing, if there is proper and adequate implementation and follow up by the CBN, the guidelines and regulations issued by the CBN is adequate and even following the footsteps of Malaysia. But the CBN should try to make sure all the operators are well informed in black and white at appropriate time. In the area of Taxation much has been done but the result is yet to be seen the affected operators in the industry. Respondent R17 was able to provide detailed explanation on this and even he offered some valuable suggestion on this. Due to the religion sentiment in the country the regulator has no power to handle zakat issue. But individual operators can do this at their own levels.

9. Compliance to the Rules and Regulations and Documentary

It was cleared from the responses of respondents R15 and R17, especially R17 that the operators has zero tolerant for non-compliance but the regulator that is CBN lacks in documentary exercises, that is there is no full documentation of its services and programs. And this is not peculiar to Islamic banking only but in general practices. From the responses of regulator's officer respondent R3 the comprehensive documentary exercise like that of Malaysia is yet to be witnessed in Nigeria.

10. Human Capital Development and Training

All the respondents admitted that the lack of manpower in the industry is a global issue which requires efforts of the stakeholders in the industry to find a way out. According to respondents R16 and R17 the effective and efficient human capital development and training should not be based on two weeks or two to three days' workshop. The attention of both the regulator and operator is hereby called to effective and efficient staff development and training through partnership with the educational institutions in the country, to offer appropriate courses and programs starting from certificate, diploma, and bachelor to postgraduate degree levels.

11. Research and Development

Research and development is a new phenomenon in the country not only in the area of Islamic banking system but in general. Therefore, for the success of this new project or system, both the regulators and the operators should take the issue of research and development with seriousness. Partnership with other countries like Malaysia, UK and others is suggested by this study.

12. Lessons from Malaysian Experience and Suggestions

All the respondents were of the same opinion that Nigeria as a country has one thing or the other to learn from Malaysian experience and all the insight and valuable suggestions provided by the respondents of the study will be dealt with under conclusion and recommendations in chapter five of the study.

13. Information Technology

Information technology in Islamic banking and finance is a global issue and this required urgent attention from the relevant stakeholders especially from the regulators due to its capital intensive as individual private organization may find it difficult to embark upon it.

CONCLUSION

The broad objective of conducting in-depth interview by the study is to explore the situations in both countries Nigeria and Malaysia in order to draw conclusion on what Nigeria can learn from Malaysian experience in terms of Islamic banking system. Based on the verbatim responses of the Nigerian operators' officers, the study reveals that development of Islamic banking system in Nigeria is facing the following constraints: 1. Lack of government support, 2. Misconception about the concept of Islamic banking system, 3. Religion and ethnic sentiments. The identified challenges and the three constraints revealed from the findings of the study have been

hindering the progress and development of Islamic banking system. From the findings of this study, in terms of basic minimum things, most, but not all of the situations regarding shariah governance, in Nigeria are in line with footsteps of Malaysia. Thus, lots need to be done. The regulators should bear it in mind that in terms of shariah governance framework what they have done are just the basic minimum required for the start, they should be prepared and ready for the comprehensive effective and efficient frameworks for the industry.

SUGGESTED RECOMMENDATIONS

This section presents recommendations of the study and these recommendations were majorly based on the suggestions made by the respondents of the study and others from the literature reviewed by the study.

1. As lamented by all the operators' respondents the issue of providing Islamic liquidity instruments by the regulators especially central bank of Nigeria, DMO, Ministry of finance, for the effective and efficient operation of the industry should be handled as a matter of urgency. This has been the major cause of loss recorded by Jaiz bank in its financial report of 2012. From Malaysian experience central bank of Malaysia and ministry of finance had provided Islamic liquidity instruments for the operation of Islamic banks through the provision of Investment Act 1983. According to the one the Malaysian respondents for the study Ismail Mahayudin (which is respondent R6), for the first three months of the operation of the pioneer bank in Malaysia (Bank Islam) the bank transacts with the central bank of Malaysia (BNM) only.
2. It was revealed from the findings of the study that there is no Islamic or shariah compliance instruments for deposit insurance in the country. This issue should be handled together with that of issue of Islamic liquidity instruments. The concerned regulators should use Malaysian experience on this as a guide.
3. From the findings of the study revealed that in general there is no provision for comprehensive documentary exercise like that of Malaysia, this is not peculiar to Islamic banking system but to conventional banking also. Thus, this study hereby recommends that both the regulators and operators should establish a unit in their organization to handle the issue of comprehensive documentary like that of Malaysia. The researcher hopes that this study will serve as basis for the comprehensive documentary for the industry in Nigeria.
4. The regulators especially CBN should form a body which will include all the operators in the industry and the regulators plus Shariah board members at CBN. This body will be like a consultative forum in which all the operators will be able to share their experiences, to table all their challenges, problems, obstacles and discuss with the regulators in order

- for find the way out. This forum also will give the regulators the chance to rub mind with the operators on the new update in the industry.
5. CBN should lower liquidity requirements on the deposit accepted by Islamic banks until the appropriate time when Islamic liquidity instruments are available for the industry. For instance, Islamic banks in Bangladesh have been allowed to maintain their statutory liquidity requirement (SLR) at 11.5% of the total deposit liabilities while it is frequently fixed and re-fixed around 15 % to 20% for the conventional banks. This discriminating provision had facilitated the Islamic banks to hold more liquid funds for more investment and thereby generate more profit Abdul AwwalSarker (n.d). This is in line with the suggestion of respondent R17 of the study.
 6. From Malaysian experience, both the regulators and operators should foresee staff stealing in the nearest future in the industry so right from now appropriate mechanism to handle the situation should be developed by the regulators.
 7. The findings of the study revealed that the level of research and development in the industry and generally at the regulator's and operator's levels is very low. And a nation will not be able to develop if the issue of research and development is not handled as a matter of priority. Thus, this study recommends that a department which will be called research and development should be established in each of all arms of government that has one thing or the other to do with Islamic and conventional banking and financial systems and the activities of this department should be funded adequately. And as part of requirements all banks and other financial institutions should be mandated to establish a unit called research and development in their respective organizations. The activities of this department should be designed to follow footsteps of Malaysia and other developed countries like USA, UK, and Japan among others.
 8. All operators should partner with Malaysia operators especially in the area of products and services. For instance respondent R17 lamented on the issue of Islamic bank's products and services for agricultural produces he also admitted that Malaysian as a country has so far in this area. The only solution is for Islamic banks and other financial institutions Nigeria to partner with the appropriate operators in Malaysia on agricultural financing and other products and services. On this issue of partnership the individual operators in Nigeria may contact this e-mail for necessary assistance: muhzrotmuamalat@gmail.com
 9. Like that of Malaysia all the operators in Nigeria by now should anticipate for cooperation among all themselves in the industry.
 10. Regulators in Nigeria should learn from Malaysia on how the country Malaysia has developed Islamic deposit insurance for the industry.
 11. Government, Debt Management Office (DMO), Central bank of Nigeria (CBN), Ministry of finance Security Exchange Commission (SEC) among others should work together on how to issue supreme/sovereign

Islamic bonds (sukuk) for the country. These regulators should also set up a taskforce that will be responsible for promotion and encouragement to consider sukuk issuance as the best alternative to source of financing among state governments, government agencies and parastaters, private and corporations.

12. From the findings of the study this is the right time for the regulators to encourage partnership among the regulators, operators, and educational institutions for the establishment of Islamic banking and financial courses and programs in their programs and curriculum. This should be started from certificate, diploma, undergraduate, post-graduate diploma, masters to doctorate programs. Right now the educational institutions will only be able to do this by having a kind of Memorandum of Understanding (MOU) with institutions in a country like Malaysia due to the advanced level of Malaysia on this plus the cost, compare to other countries the cost of study in Malaysia is considered to be lower. This partnership in the area of education without benefit of doubt will provide the alternative and cheapest way of tackling the issue of shortage of human power in the industry and in our country Nigeria.
13. On the issue of taxation the regulator that is Federal Inland Revenue Service (FIRS) which the taxation authority in the country should provide level playground for Islamic banking operation in the country. FIRS should also provide incentive to the operators and customers this will not only enhance the competitiveness of the operators in the industry but it will also encourage the potential investors both the local and foreign to enter the industry.
14. The Nigerian government and regulators should work together to design effective and efficient mechanisms that will attract the foreign and international investors in the industry.
15. The operators should be aware of the danger of copying. They should be ready for proper and appropriate more innovation in the industry. Their services should be perfect and very good. They should be awaked and ready to find out the actual demands of the customers and they should response to these demands at the appropriate time and to provide the best services at all the time. They should be to balance their two objectives called balanced objective: 1. profitability and, 2. social-welfare of the society.
16. For the development of this industry there is a need for political will, will and participation of government and the individuals in the country. The researcher believes that awareness program will be able to take care of this. The success of Islamic banking system in Malaysia is majorly traced to the government's will, participation and supports.
17. From the findings of this study there is a new phenomenon in the industry Waqaf, this is a newly developed tool in Malaysia in the area of Islamic banking, this is major used in develop educational ad health sector in the country. The regulators and operators should develop

- interest on this and they should partner with the only pioneer operator on this in Malaysia which is Bank Muamalat Malaysia Berhad.
18. On the issue of zakat the individual operators should establish this service in their organizations. They should follow the suggestion of respondent R6 on this.
 19. The individual operators in Nigeria should bear it minds that one of their responsibilities is to try and eradicate individual poverty in the society. One way of doing this is, is that the operators have to engage themselves in providing required services to the poor through Islamic pawn broken as suggested by the respondent R6.
 20. According to respondent R8, the operators should be initiative; they must encourage their employees. The most important asset that any organization can possess in order to be successful is the human asset. Therefore, the organization needs to take care of its employees. The top management should not look down upon lower staff; sometimes lower officer can offer a valuable good suggestion. Most important is for the management to try and look every day for who among their staff are the good people. The management should try to give right instructions at the right time.
 21. In terms of courses and training design for the employees, the operators should try to encourage their staff like that of Bank Muamalat Malaysia Berhad. At the end of session each module for courses conducted for the bank employees, there is always be test, and whoever surpass certain marks will be given some allowances. All employs of the organization from the top management to the lowest level should be participating in these courses and programs.
 22. Operators should encourage their experienced staff to participate in part time job by providing practical Islamic banking and finance lectures at the educational institutions that are running programs or courses relating to Islamic accounting, economics, banking and finance, shariah related courses.
 23. All the operators in the industry in Nigeria should bear it in minds that internet banking and mobile banking are key competitiveness in the industry. Thus, these two issues should be handled and take care as matter of important priority and urgency.
 24. The regulators and operators should partner with the research institute and individual researchers in the area of products development, services quality, customers services and any other issues that having something to do with growth and development of the industry.
 25. In general and globally the operators in the industry should learn from the breakthrough achievement recorded by Jaiz bank Plc Nigeria (the pioneer and newly operator in the industry) in the area of Mudarabah and Musharakah financing that they are running away from.
 26. For proper, effective and efficient growth and development of the industry Nigerian regulators and operators should put the right person in the right place.

27. The educational institutions that are interested in running courses or programs in the area of Islamic banking and finance should bear in mind these four demands by the industry in drawing up their curriculum: 1. Knowledge of banking, finance, economics, accounting, business and shariah; 2. Skills; 3. Attitude; and 4. Religiosity. In addition, a lot of seminars and workshops should be included in the programs. In taking care of the practical aspect of the programs, experienced industry experts should be employed on a part-time basis to lecture the students and students should be mandated to go for practical training. Furthermore, involvement of industry in drawing up curriculum for the programs is very important. The two major languages, English and Arabic, should be emphasized.
28. Ethics, morals and values in Islam should be made mandatory as a course to be attempted by all the regulators' officers (that will be involved in the operation of the industry) and all the employees of the operators (from the top management officers to the lowest level).

REFERENCES

- Ali, S.S. 2007. Financial Distress and Bank Failure: Relevance for Islamic Banks. In S.S. Ali & A. Ahmad (Eds.), *Islamic Banking and Finance: Fundamentals and Contemporary Issues*. Jeddah: Islamic Development Bank. pp. 99-120.
- Bank Negara Malaysia (BNM), 1999. *The Central Bank and The Financial System in Malaysia- A Decade of Change*. Kuala Lumpur: Bank Negara Malaysia (BNM).
- Bank Negara Malaysia (BNM), MIFC. 2012. *Future Finance: Malaysia, Your Business Connection to Global Islamic Finance*. Kuala Lumpur: Bank Negara Malaysia (BNM).
- Bank Negara Malaysia (BNM), 2012. *Overview of Development Financial Institutions (DFIs) in Malaysia*. Kuala Lumpur: Bank Negara Malaysia (BNM).
- Bank Negara Malaysia (BNM), MIFC. 2011. *Malaysia's Value Propositions & Pioneering Achievements*. Kuala Lumpur: Bank Negara Malaysia (BNM).
- Bank Negara Malaysia, <http://www.bnm.gov.my>, 28th October 2012.
- Barth, J. R., Caprio, G., Nolle, D. E. 2004. "Comparative International Characteristics of Banking, Economic and Policy Analysis". *Working Paper* 2004-1. January.

- Central Bank of Nigeria (CBN). 2012. *Liquidity Management Instruments for Non-Interest Financial Institutions (NIFIs) in Nigeria*. Abuja: CBN. July.
- Central Bank of Nigeria (CBN). 2011a. *Framework for the Regulation and Supervision of Institutions Offering Non-Interest Financial Services in Nigeria*, Fpr/Dir/Cir/Gen/01/010, Issued On January 13, 2011. Abuja: CBN.
- Central Bank of Nigeria (CBN). 2011b. *Guidelines on Non-Interest Window and Branch Operations of Conventional Banks and Other Financial Institutions*. Abuja: CBN.
- Central Bank of Nigeria (CBN). 2011c. *Guidelines for The Regulation And Supervision Of Institutions Offering Non-Interest Financial Services In Nigeria*. Issued on 21 June, 2011. Abuja: CBN.
- Central Bank of Nigeria (CBN). 2011d. *Regulation and Supervision of Non-Interest Banks in Nigeria*. A Presentation of the Financial Policy and Regulation Department of the Central Bank of Nigeria at the Two-Day NDIC FICAN Workshop 2011 Held Dutse, Jigawa, November 28, 29, 2011 Abuja: CBN..
- Central Bank of Nigeria (CBN). 2010b. *Guidelines on Non-Interest Window and Branch Operations of Conventional Banks and Other Financial Institutions (NIFIs) in Nigeria*. Abuja: Financial Policy & Regulation Department, CBN. December 31.
- Central Bank of Nigeria (CBN). 2010a. *Guidelines on Shariah Governance for Non-Interest Financial Institutions (NIFIs) in Nigeria*. Abuja: Financial Policy & Regulation Department, CBN. December 31.
- Central Bank of Nigeria (CBN). 2009. *Draft Framework for The Regulation and Supervision of Non-Interest Banks in Nigeria*. Bsd/Dir/Gen/Nib/01/008 issued on March 4, 2009. Abuja: CBN.
- Errico, L. and Farahbaksh, M. 1998. *Islamic Banking: Issues in Prudential Regulations and Supervision*. International Monetary Fund (IMF), *Working Paper* WP/98/30. Monetary and Exchange Affairs Department. March 1998.
- ISRA. 2012, *Islamic Financial System, Principles & Operations*. International Shariah Research Academy for Islamic Finance (ISRA). Kuala Lumpur: ISRA.

- ISRA.2013, *Islamic Financial System, Principles & Operations*.International Shariah Research Academy for Islamic Finance (ISRA). Kuala Lumpur: ISRA.
- Mahmood Nathie. 2010. "Islamic Bank Failure: A Case Study". *International Shariah Research Academy for Islamic Finance (ISRA) International Journal of Islamic Finance*.Vol. 2.No. 1. June. pp. 7-34.
- Muhibat, AyoniOladimeji, A.MuhammadRidhwan& K. F. Khairil. 2013a. Islamic Banking and Finance in Malaysia: Strategy and Current Performance. In Muhammad Ridhwan, A. (ed.) 2013.*Celebrating 30 Years of Islamic Banking and Financial Institutions in Malaysia 1983 – 2013*.NilaiNegeri Sembilan: UniversitiSains Islam Malaysia (USIM) Publisher. pp.19 – 43.
- Muhibat, AyoniOladimeji, A.MuhammadRidhwan& K. F. Khairil. 2013b. Developments of Islamic Banking System in Malaysia and Nigeria: An Analytical Review. *Proceedings of the 5th Islamic Economic System Conference (iECON 2013)*, Kuala Lumpur, Malaysia. 4 – 5 September.
- Muhibat, AyoniOladimeji, A.MuhammadRidhwan& K. F. Khairil. 2014. Regulatory and Prudential Supervision Framework of Islamic Banking System in Nigeria: Lessons from Malaysian Experience. *International Journal of Contemporary Applied Sciences*. Vol. 1 No. 1 September. pp. 93-105.
- OnIslam.net, Jaiz Islamic Bank Finally Starts in Kano, Kaduna, Abuja. Accessed on March 22, 2014. Posted 9:57am on February 2, 2012, Ahlul Bayt News Agency, by frosbel
- Siraj, K.K. and Pillai, P. S. 2012. "Comparative Study on Performance of Islamic Banks and Conventional Banks in GCC region".*Journal of Applied Finance & Banking*.Vol. 2.No. 3. 123-161.ISSN: 1792-6580 (print version), 1792-6599 (online) International Scientific Press, 2012.
- SudinHaron. 2004. *Towards Developing A Successful Islamic Financial System: A Lesson from Malaysia*.Working Paper Series 003.Kuala Lumpur. Creating Dynamic Leaders.
- The Inside Edge issue of 29th June 2011.*A Nigerian National Newspaper*.