Commodity and Financial Market Trends and the Growth of Bank Assets: The Case of Equity-Based Banking

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Abstract
The current paper has empirically examined the role of commodity and financial market attributes in assessing the performance of the banking sector by using total assets of equity-based banks as the primary performance indicator. The commodity market is represented by the trends present in the prices of gold, oil and wheat, while the financial market is represented by the world stock index. The findings suggest that oil and gold prices have a positive impact on total bank assets, whereas wheat price and world stock index have negative effects. The study contributes to the literature of commodity and financial market trends identifying the factors that are responsible for enhancing the financial performance of the banking sector based on economic theories. Regression analysis has been used for testing the proposed hypotheses. It is hoped that an examination of the relationship between commodity, financial market attributes and performance of the banking sector will provide meaningful insights regarding the implementation of theoretical knowledge for enhancing banking performance. The study provides a comprehensive concept for understanding the overall wheel of relationships responsible for improving the world economy.

Keywords: Equity-Based Banking, Commodity Market, Financial Market.

Introduciton
As per the statistics provided by S&P Global, from the year 2018-2019, the area of Islamic finance has been anticipated to experience moderate growth rate. In 2017, Islamic finance underwent an expansion rate of approximately 5% primarily, as a result of the growth of the Sukuk market particularly, in the Gulf Cooperation Council nations. Financial professionals have estimated that the Islamic finance sector will experience single-digit growth rates over the next two years (Islamic Finance Outlook, 2019). Islamic banking has flourished exceptionally from 2000 to 2007, perhaps exceeding the growth of conventional banking at
a global level specifically, in the Muslim world. Islamic banking emphasizes the need for the financial system to be compliant with the *Shariah* and focuses on building an independent Islamic economic system. The significant growth of Islamic banking is, indeed, an outcome of the voluminous amount of research and innovation undertaken by scholars and practitioners in the concerned field. Currently, Islamic banks operate in 60 countries. The performance of Islamic banks has been phenomenal in comparison to the performance of the traditional banks. In the Asia-Pacific region, about top 40 Islamic banks have been reported to have achieved a 20.9 per cent asset growth (total assets worth $40 billion in 2005), more than three times the average growth of the region’s 300 largest banks (The Business Times Singapore, 2007). Mokhter *et al.* (2008) further confirmed that the total assets of Islamic banking in Malaysia surged from RM17.8 billion in 1997 to RM77.4 billion in 2003. In empirical research, it was also indicated that total assets alongside deposits and loans are regarded to be important determinants of the performance of the Islamic bank. As a result of such growth and expansion of the Islamic banks, it has been anticipated that customers confidence in the equity-based banking system will increase to a great extent in the future (Mokhter *et al.*, 2008).

Islamic banks in Malaysia currently offer more than 100 financial products and services alongside the Islamic Interbank Money Market. A comparative study was done by Wouters (2008) on the expansion of Islamic banking, in terms of the number of clients, the market share and amount of financial assets, provided a clear picture regarding this phenomenon. Islamic banks have a market share of 13% in Malaysia, 1.7% in Indonesia, 3.25% in Turkey and 3.2% in Pakistan. The values of the financial assets in these countries are estimated to be $34.54, $3.27, $12.90 and $2231 billion respectively. Gerred and Cunningham (1997) have also shown that 62.1 per cent of the Muslim population in Singapore intend to deposit in Islamic banks. They have also noted that there are several reasons responsible for the potential growth of Islamic banking in Singapore. The first reason is that neighbouring countries namely, Malaysia and Indonesia have already been successful in introducing Islamic banking. Secondly, the government of Singapore is facilitating the process and has put in place a five per cent concessionary tax on *Shariah*-compliant products. On the other hand, in Europe, the first full-fledged *Shariah*-compliant retail bank, the Islamic Bank of Britain, was launched in the United Kingdom in 2004, followed by the European Islamic Investment Bank. The biggest financial companies of the Middle-East are now offering *Shariah compliant* products in Europe, particularly in London. Total assets controlled by Islamic banks at the global level have been estimated to be $200-500 billion and is growing at a pace of 10-15% every year. Currently, there is one full-fledged Islamic bank and four Islamic investment banks in the UK.

In light of the above discussion, the major objective of the present study is to analyze the influence of Islamic finance on the world economy. The analysis has been carried out through investigating the following issues:

(a) The relationship between Islamic finance (equity-based banking) and oil price
(b) The extent to which Islamic finance (equity-based banking) is influenced by the world commodity prices
(c) The relationship between the growth of equity-based banking and the performance of the world financial market

The rest of the paper is organized as follows. Section 2 presents a brief review of the literature. Section 3 describes the methodology of the study. Section 4 presents and analyzes the empirical results. Section 5 presents the concluding remarks.
Theoretical Background

**Dollar, Oil Price and Islamic/Equity-Based Financing (EBF)**

The relationship between oil as commodity and dollar exchange rates for oil for six economies during the period of global financial crises of 2008 was observed by Mensah et al. (2017). They discovered an inverse correlation between the two aspects. Furthermore, the research of Chen and Rogff (2003) further suggested that movements in commodity prices can explain the fluctuations in exchange rates. In major oil-producing regions, such as Middle Eastern countries, government revenue extensively depends on oil prices, expenditures and availability of liquidity reserves that circulate into the financial as well as banking system (Kandil and Markovski, 2018). Besides, macroeconomic conditions have also been indicated to positively influence the growth of equity-based banking or, in other words, Islamic banking. Studies have found that macroeconomic variables, such as inflation, unemployment and GDP, have inherent relation with the performance of Islamic banking (Ali et al., 2011; Abduh et al., 2011, Al-Qudah, Bashir, 2003, Haron and Azmi, 2004, Rasiah, 2010; Al-Tamimi, 2010; Zeitun, 2012, Jaradat, 2013; Kanwal and Nadeem, 2013). According to Poghosyan and Hesse, (2009) Islamic banks are highly interested to undertake further investments in the sukuk based as well as Shariah-compliant deposits. High oil price is associated with the increase of liquidity in Islamic banks, which in turn represents future funds to create strategic partnerships.

As per, economic theory, *ceteris paribus*, the immediate effect of the fall of foreign exchange rate leads to a fall in internal prices expressed in terms of stable or numeraire currency, but the prices remain unchanged when expressed in the domestic or devaluing currency (Zagoroff, 1934). Under such circumstances, a real depreciation of the US dollar, which is considered a stable monetary unit, leads to an increase in commodity market prices at the world level (Hua, 1998). According to Duncan (2004), because a real depreciation got translated into the commodity market, the U.S. balance of payment deficits undermined the Bretton Woods international monetary system and caused a dramatic rise in asset prices expressed in U.S. dollar. This state of turbulence has experienced rampant asset price inflation and eventually led to financial disasters. Similar views were also expressed by other researchers (Ridler and Yandle, 1972; Sachs, 1985; Dornbusch, 1985; Radetzki, 1985; Côté, 1987; Adams and Vial, 1988; Gilbert, 1989; and Hua and Collange, 1994).

Oil is the most widely traded resources all over the world. According to International Energy Outlook (2007), the world markets' energy consumption is projected to increase by 57 per cent from 2004 to 2030. From a historical perspective, during the 1970s, the OPEC countries established their full control over oil resources. The combined petroleum earnings of the oil exporters rose from $23 billion in 1972 to $140 billion in 1977. The 1973 oil shock discovered that there is a causal relationship between oil prices and the US macroeconomic aggregates (Barsky et al., 2004). After the collapse of the Britton Woods system, as the dollar became standardized, it started to influence the overall commodity prices and the world price of oil was expressed in dollars. Now if the dollar depreciates, like any other commodity the price of oil will be inflated in weaker currencies. Increases in oil prices have been held responsible for recessions, periods of excessive inflation, reduced productivity and lower economic growth ((Barsky et al., 2004).

In comparison to the record of inflation, in recent booms, the aggregate commodity index reached a peak due to the higher influence of energy price. The energy index, where the dominant category is oil, reaching almost 200 at its peak, inflicted a strong increase in commodity price (Radetzki, 2006). Oil price remained at very high levels until the first quarter of 2008, despite the full capacity utilization by OPEC. Oil price is also a major element in the quest for higher revenue. This analysis does not deny the importance of political efforts aimed at strengthening or sustaining the oil cartel. The international conflicts of interest are not exogenous and the sustainability of cartels are determined, to a great
extent, by the world macroeconomic environment (Banarjee, 2001). The oil-rich countries are prone to use increased oil prices as a way out to combat economic crises.

Dasgupta and Heal (1979) described this phenomenon from the natural resources’ viewpoint. They have explained that the rent extracted from oil (the underground natural resource) allows substituting the same with other forms of capital. If the proceeds of the sale of oil are invested in the capital market, it is only the return on this investment which can be used for consumption. The principal, which could be highly illiquid, is the direct translation of the underground oil into another form of capital. Since one can move from a class of liquid assets into another only at a given cost, which increases with the size of the transaction, it is not feasible at a global level to invest the ‘rent’ part of the proceeds of oil sales in truly liquid assets, and this liquid asset can be a great hedge for the banking liquidity risk in recent global crises of international banking transactions (Szego, 1983). A further element in OPEC’s price decisions is likely to be the exchange rates of dollar vis-à-vis other major currencies. Indeed, the depreciation of dollar was an important element in OPEC’s justification for higher oil prices in the 1970s (Terzian, 1985). To the extent that the dollar depreciates concerning European and Japanese currencies, goods denominated in these currencies become more expensive, and there will be an incentive to make up for the loss in OPEC purchasing power by increasing the price of oil in dollar terms. At the same time, a weaker dollar also will tend to stimulate demand for oil in rest of the world thereby, strengthening the cartel and driving up the price of oil (Banarjee 2001; Terzian 1985; Rotenberg and Saloner 1986). The growth of equity-based banking signifies the forthcoming success of the establishment of stable Islamic economics, which is, to a large extent, derived from the most demanded resource, “oil”.

Financial Market, Banking and Equity Based Financing (EBF)
The Global Islamic Finance Market Growth Trends and Forecast (2018-2024) has indicated that the Islamic and equity based financing industry's total worth, according to key industry stakeholder organizations, across its three main sectors (banking, capital markets, and takful), was estimated to be USD 2.05 trillion in 2017, marking a 8.3% growth in assets in USD terms, and reversing the preceding two years of assets' growth stagnation (2017: USD 1.89 trillion vs. 2016: USD 1.88 trillion). The relationship between the US dollar and commodities are generally accepted along with the stock market valuation, but gets lesser emphasis than it deserves. It has been identified that the value of US dollar can offer immediate support for commodity prices while a weaker dollar increases the overseas operations for US corporations that eventually influence positively on stocks. The relationship between common stock returns and other factors like inflation, money supply, industrial production and interest rate have been extensively researched (see, for example, Chan, Chen and Hsieh, 1985; Fama and Schwert, 1977; Rogalski and Vinos, 1977; Sweeny & Warga, 1986).

The next most crucial issue to investigate is the exchange rate and stock market return. Nakamura and Small (2007) established that the financial data are not independent of the irregular currency fluctuation. Aydemir and Demirhan (2009) conducted an empirical study which showed that there is a bi-directional causal relationship between the variables of exchange rate and all stock market indices as a whole. On the other hand, negative causality was observed to exist from financials and industrial indices to exchange rate, by there is a positive causal relationship between technology indices to exchange rate. Solnik (1984) found that foreign exchange rate has a nominal influence on common stock return. Levy (1987) demonstrated that the U.S dollar exchange rate is negatively related to stock market return. However, this impact varies in case of substantiality of the sector and sensitivity to exchange rate. A significant negative relation between the value of the U.S dollar and U.S stock market has also been found by Soenen and Hennigar (1988). Assuming that the stock market is efficient, the influence of exchange rates has been embedded in stock price. Fang and Loo
(1994), however, claimed that some of these above empirical results can be spurious due to the inclusion of anticipated exchange rate movement in the model(s).

According to Greenspan (2008) when dollar appreciated with economic boom along with lowest interest rate, many developing countries tied their currency at a fixed rate to avoid the foreign exchange risk. Investment in dollar leads to gambling in developing countries, as lending of dollar pays off better when converted into local currency while the interest rate continues to remain low. This tendency eventually results in central banks’ rapidly running out of their dollar reserves. The Asian Financial Crisis of 1997 is largely attributed to this tendency. The nation of two hundred million people like Indonesia imploded their currency and the stock market collapsed. According to Duncan (2003), the tendency of worldwide shortage of foreign currency reserves may lead to systematic bank failures. The consistent trade deficits of different countries in the post-Bretton Woods caused the monetary regimes to flood with worldwide liquidity. The surge in liquidity eventually created asset price bubbles. Therefore, the implosion of those bubbles exploded with banking failure. Dollar values have moved dramatically up recently, which may have an impact on the stock markets. Dollar fluctuations may enter into oil stock through oil trade and pricing, which may eventually affect the composite stock return.

Dimitrova (2005) identified that the decrease in the exchange rate pushes the stock prices to fall; on the other hand, an increase in the exchange rate also positively influences the stock market. Brown and Yucel (2002) revealed the role played by oil prices in the labor, output, and financial markets. Similarly, Jones and Kaul (1996) analyzed the stock prices of the US, Canada, Japan and UK to observe the oil price shock by using standard cash flow dividend valuation model. The US the Canadian stock market reactions to oil price fluctuations were found to be statistically significant while the UK & Japanese markets did not show much of a response. Sadorsky (1999) found that oil price movements are significant for broad-based stock returns. Ewing and Thompson (2007) also observed a significant relationship between oil prices and financial market behaviors. Johnson and Soenen (2004) examined the relationship between US equity market performance and the US dollar. They further pointed out that international investors greatly suffer due to the compounding effect of exchange rate risk.

Geographical Potentiality by Oil Resources and Equity-Based Financing

The pieces of the overall industry of Islamic banks (for example shares in the complete residential financial resources) expanded at a rate of 19 onwards. Decreases of pieces of the overall industry were accounted for in six purvives. Islamic banking is classified as foundationally significant in 12 purvives where the pieces of the pie have achieved 15%. On the whole, they represented 92 per cent of the worldwide Islamic financial resources. Aside from two locales with pieces of the overall industry of 100 per cent (Iran, Sudan), the offers in a large portion of the ten purvives with double financial frameworks expanded, while it diminished in just a single nation (Qatar). By and large, these 12 purvives record for 92 per cent of the worldwide Islamic financial resources. The biggest is Iran (34.4% of worldwide Islamic financial resources), Saudi Arabia (20.4%), United Arab Emirates (UAE) (9.3%), Malaysia (9.1%), Kuwait (6.0%) and Qatar (6.0%). While the normal development rate of Islamic financial resources was in the moderate single digits, the greater part of the locales for which point by point information were accessible accomplished twofold digit development rates of benefits (8 of 15), financing (8 of 15), and stores (9 of 13). Most Asian nations detailed development rates to be between 10% and well above 20%. Then again, the Gulf Cooperation Council (GCC) economies felt the strain from steadily low oil costs, with most Islamic financial development rates underneath the normal rate of 4%. A few nations in North and sub-Saharan Africa are endeavouring endeavours to present Islamic financial administrations which would improve the business’ development prospects later on (Islamic Financial Services Industry solidness report, 2018).

Oil and gas assets are considered to be the ideal foundation to establish Islamic model through Shariah-compliant transactions. Especially, oil and gas operating revenue are agreed activities in which Muslims can invest without any doubt of prohibited sinful elements. As a result,
oil and gas asset fit Islamic model that has been preferred for investors to participate in the ownership for the underlying asset through banking operating (Richerdson, 2006). Yergin (2008) stated that the increases in the prices of oil resources have brought significant changes in the world economy and dramatic shifts in aggregate incomes. Trillions of dollars flowed to the oil-exporting countries, which shows the greatest transfer of income from one part to another part of the world. Accumulation of oil wealth made the geographically blessed exporter powerful in world economic sphere. Even this power has stepped in the bailout of the troubled banks in the United States and Europe. Money and the power of petroleum resources shift the balance of the economy in many different forms.

Despite geographical resource fortune, the cultural, community lifestyles and religious similarity shape the demand for the presumably ethical financial institutions to gain trust from the majority of the population in the zone of oil resources. Geographical aspects influence the social activity and the choice regarding financial transactions. In the case of oil-rich communities, the level of operations is multi-scalar, whereas they stand against each other often. Powerful communities with the Islamism are strong resolute, and they constitute in some profound ways, the concept of Foucauldian. The first is the relation between resources (things) and communities; the second is the relationship between territory, identity and community. The former has its reference to Foucault's notion of governing mentality (see Gordon 1980; Foucault, 2000; Mitchell 2002; Joyce 2003) for whom it implies an extraordinary way of thinking about governing through an exercise of modern power. Apart from the community and cultural factors, during the second oil crisis (1980), the oil-rich states of the Middle East, particularly Saudi Arabia, the UAE and Kuwait, emerged as major international financial powers. Not only was the Islamic banking experiment well established, but these countries had also begun dealing with the Western markets and felt quite comfortable investing and operating in other parts of the world. Due to many other socio-economic shifts and newer demand for the migrated generations, the world requires responding to the change and the hybrid of the financial mechanism.

**Methodology**

From the literature review, it is clear that the growth of equity-based financing can be influenced by the commodity prices taking the US dollar as the unit of account. The channels of influence can be depicted as per the following diagram.

**Figure 1: Model of path influence between the dollar-world financial economy and equity-based financing**
As evident from the above diagram, the influence of dollar towards equity-based banking (EBF) is effected through the commodity and financial markets. For this statement to be true, the dollar index must be highly correlated with the commodity prices as well as indicators of the financial market. Gold, grain (proxyed by wheat) and oil are the three principal representatives of the world commodity market, while world inflation, world stock index and the US stock index can aptly represent the financial market. The dollar index is indeed highly correlated with these variables whereby, the correlation coefficient ranges between 0.58 to 0.74. Further, the world stock index, the US stock index and world inflation are also highly correlated with each other. Thus, the inclusion of all of these variables as determinants of total asset of equity-based financing may entail multicollinearity problem thereby, producing spurious regression results. To avoid multicollinearity, the dollar index, world inflation and US stock index were dropped from the list of the explanatory variables. These variables along with the lagged dependent variable qualify as instruments to the remaining explanatory variables. The study thus applied the two-stage least squares (2SLS) technique to the following model:

\[
LTA = \alpha_0 + \alpha_1 LGLDPR + \alpha_2 LWHTPR + \alpha_3 LOILPR + \alpha_4 LWINFL
\]

where,

\[
LTA = \text{Log of Total Assets of Equity-Based Banking};
LGLDPR = \text{Log of Gold Price};
LWHTPR = \text{Log of Grain Price};
LOILPR = \text{Log of Oil Price}; \text{ and}
LWINFL = \text{Log of World Inflation}
\]

LGLDPR and LOILPR are expected to have positive coefficients, while LOILPR and LWINFL are expected to have negative signs. The study considered 20 Islamic banks (Appendix-A) and used monthly data covering the period 1999 through 2010. Data have been compiled from various sources as mentioned in Appendix B.

**Results and Discussion**

Table 4.1 depicts the regression results obtained for the study. It shows that all the estimated coefficients have the correct signs and are statistically significant at one per cent level of significance or less. The coefficient of gold price variable suggests that ceteris paribus, a one per cent rise in gold price leads to a 1.59 per cent rise in total assets of the equity-based banking and vice versa. The coefficient of the oil price variable suggests that a one per cent rise in oil price leads to a 0.66 per cent rise in total assets and vice versa. The coefficients of the wheat price (-6.67) and the world stock variables (-0.17) imply that fluctuations in these variables have negative effects on the total assets of the equity-based banking. The sample of the study has been mainly drawn from the Middle-East countries. Based on the findings illustrated in Table 4.1, it can be explained that an increase in oil price adds to the wealth of the income recipients, thereby contributing to savings. A higher gold price reduces the demand for gold which results in additional monetary savings. Wheat is the staple food for most of the citizens of these countries. The price elasticity of demand for wheat is therefore low. An increase in the wheat price thus reduces peoples’ capacity to save. A higher world stock index provides an alternative opportunity to invest, rather than saving the money with the banking system. Therefore, the four explanatory variables together explain about 91% of the variations in total assets of the equity-based banks, as indicated by the value of the adjusted R-squared. An estimated F-value of 175.38, which is significant at 0.00 per cent, indicates that the estimated equation passes the goodness of fit test.
Table 4.1: Estimated Regression Results for Model 1 (without the instrumental variable)

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t-value</th>
<th>P-value</th>
<th>R-Squared</th>
<th>Adjusted R-Squared</th>
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<tbody>
<tr>
<td>Constant</td>
<td>30.67</td>
<td>8.32</td>
<td>0.00</td>
<td>0.84</td>
<td>0.83</td>
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<tr>
<td>LGLDPR</td>
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<td>1.59</td>
<td>8.46</td>
<td>0.00</td>
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<td>LWHTPR</td>
<td>-6.73</td>
<td>-1.31</td>
<td>-6.67</td>
<td>0.00</td>
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<td>LOILPR</td>
<td>1.74</td>
<td>0.66</td>
<td>5.23</td>
<td>0.00</td>
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<td></td>
</tr>
<tr>
<td>LSTOCK</td>
<td>-1.17</td>
<td>-0.17</td>
<td>-2.60</td>
<td>0.01</td>
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<td></td>
</tr>
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</table>

Dependent Variable: LTA

Conclusions
The present study explored the quantitative relationship between the growth of the banking sector, product and money market indicators. The study has taken the total assets of equity-based banking as an indicator of the banking sector performance. The product market is represented by the three key commodities, namely, oil, gold and wheat. The financial market is represented by the world stock index. The exchange rate of the dollar in terms of SDR has been regarded as a conduit between the commodity and financial market performance and the banking sector performance. The paper also discussed the theoretical underpinnings and empirical evidence on the issue. The empirical results based on the application of the two-stage least squares technique provide evidence of the statistically significant influence of commodity and financial sector indicators on the growth of equity-based banking. The oil and gold prices contribute positively to the growth of bank assets while wheat price and world stock price appear to have negative impacts.

References


Appendix-A

<table>
<thead>
<tr>
<th>Name of Bank</th>
<th>Country of operation</th>
<th>Currency</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jordan Islamic Bank</td>
<td>Jordan</td>
<td>Jordanian Dollar</td>
<td>2002-2010</td>
</tr>
<tr>
<td>Albaraka Banking UK</td>
<td>United Kingdom</td>
<td>GBP</td>
<td>2003-2010</td>
</tr>
<tr>
<td>Kuwait Finance House</td>
<td>Kuwait</td>
<td>Kuwaiti Dinner</td>
<td>1980-2010</td>
</tr>
<tr>
<td>Bahrain Islamic Bank</td>
<td>Bahrain</td>
<td>Bahraini Dollar</td>
<td>2000-2010</td>
</tr>
<tr>
<td>Dubai Islamic Bank</td>
<td>Dubai</td>
<td>USD</td>
<td>2005-2010</td>
</tr>
<tr>
<td>Bank Islam Malaysia</td>
<td>Malaysia</td>
<td>Ringgit</td>
<td>1986-2010</td>
</tr>
<tr>
<td>Islami Bank BD Ltd.</td>
<td>Bangladesh</td>
<td>Taka</td>
<td>1986-2010</td>
</tr>
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<td>Al-Arafah Islami Bank</td>
<td>Bangladesh</td>
<td>Taka</td>
<td>2004-2010</td>
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<td>Shahjalal Islami Bank</td>
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<td>Taka</td>
<td>2004-2010</td>
</tr>
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<td>Bank Name</td>
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<td>Currency</td>
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<tr>
<td>---------------------------------</td>
<td>--------------</td>
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<td>Meezan Bank Pak’tan</td>
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<td>Rupee</td>
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<td>Faysal Bank Pakistan</td>
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<td>Malaysia</td>
<td>Ringgit</td>
<td>1999-2010</td>
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<tr>
<td>The Cmrc’al Bnk Qatar</td>
<td>Qatar</td>
<td>Riyals</td>
<td>2005-2010</td>
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</table>

Table: Data sample for measuring the Total Asset growth of Islamic banking

**Appendix-B**

<table>
<thead>
<tr>
<th>Name of the variable</th>
<th>Duration of data</th>
<th>Sources of data</th>
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<tbody>
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<td>1. Dollar</td>
<td>1999-2010</td>
<td>Website of Federal Reserve Bank of Atlanta</td>
</tr>
<tr>
<td>2. Gold Price Index</td>
<td>1999-2010</td>
<td>CBT database CD &amp; Wikiposit Time series data</td>
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<tr>
<td>3. Oil price Index</td>
<td>1999-2010</td>
<td>CBT database CD Wikiposit Time series data</td>
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<tr>
<td>4. Wheat price Index</td>
<td>1999-2010</td>
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<td>5. Rice price Index</td>
<td>1999-2010</td>
<td>CBT database CD</td>
</tr>
<tr>
<td>6. Financial Times World Composite index (FTSI)</td>
<td>1999-2010</td>
<td>Financial Times Index. Hong Kong</td>
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<td>7. World Wide Inflation</td>
<td>1999-2010</td>
<td>Website of Economic research and development</td>
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8. **Total Assets of Islamic Banks**
1999-2010
Quarterly and Yearly report of the respective banks

9. **Us composite Index**
1999-2010
Financial Times. Hong Kong

<table>
<thead>
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<th>Table: Sources of Data</th>
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<td><strong>8. Total Assets of Islamic Banks</strong></td>
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<td>Quarterly and Yearly report of the respective banks</td>
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<td><strong>9. Us composite Index</strong></td>
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<td>Financial Times. Hong Kong</td>
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