

**EFFECT OF ISLAMIC MICRO FINANCE ON FINANCIAL  
PERFORMANCE IN KENYA**

**BY**

**HASSAN NUNOW BARRE**

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## DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

Signature.....

Date.....

**HASSAN NUNOW BARRE**

**D63/10442/2018**

This research project has been submitted for examinations with my approval as the university supervisor.

Signed.....

Date.....

Dr. Kennedy Okiro  
Lecturer,  
School of Business,  
University of Nairobi.

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## **DEDICATION**

This project is dedicated to my parents for their continued support through our education journey.

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## **LIST OF ABBREVIATION AND ACRONYMS**

<b>AIM</b>	Amanah Ikhtiar Malaysia
<b>CAR</b>	capital adequacy ratio
<b>CBs</b>	Commercial Banks
<b>GAB</b>	Gulf African Bank
<b>GIFR</b>	Global Islamic Finance Report
<b>IB</b>	Islamic Banking
<b>IF</b>	Islamic Finance
<b>IMF</b>	Islamic Micro-Finance
<b>KCB</b>	Kenya Commercial Bank
<b>KIBs</b>	Kenyan Islamic Banks
<b>PLS</b>	Profit and Loss Sharing
<b>ROA</b>	Return on assets/investment
<b>ROE</b>	Return on Equity
<b>ROI</b>	Return on Investment
<b>SME's</b>	Small and Medium Enterprises
<b>SPSS</b>	Statistical Package for Social Sciences
<b>USD</b>	United States Dollars

## **ABSTRACT**

The objective of the study was to evaluate the effect of Islamic micro finance on financial performance. This study employed a descriptive research. The study utilized secondary data. Annual data on Islamic finance was sourced from the financial statements of the fully-fledged Islamic banks. The gathered covered a period of 10 years that is, 2009 – 2018. Data analysis was done using Statistical Package for Social Sciences (SPSS) to generate quantitative reports which were presented in the form of tabulations, percentages, mean and standard deviation in presenting a clear picture of the effects of Islamic finance on financial performance. To test the statistical significance the F test was used to test the overall importance of the whole model while the t – test was used to test the importance of the coefficients at 5% level of significance level. To ascertain this chi-square test and a comparative analysis of the trends in financial performance for the seven-year average of the financial performance using. There was a weak positive correlation between Islamic finance and financial performance. This is an indication of a strong correlation an indication that Islamic finance lead to improved financial performance. A regression model was applied to determine the relationship between Islamic finance and financial performance. From the regression model, the study found out that adoption of Islamic finance enhances financial performance. The independent variables that were studied explain a substantial 21.55% of the changes in financial performance. This therefore means that the independent variables contribute 25.5% of the financial performance while other factors and random variations not studied in this research contribute 74.5% of the financial performance. The study therefore, recommends that a legislative framework should be put in place to enhance the regulation of the industry as well as amendment of the Banking Act to incorporate Islamic Banking concepts.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Over the last few years, the banking sector has witnessed the rise and development of a new financial product. The Islamic banking has developed as a focus and reasonable substitute for conventional banking. The need to improve financial performance has accelerated introduction of new financial products such as Islamic micro finance (Godana, 2016). Islamic micro-finance (IMF) developed as a market niche for the underprivileged (Onakoya & Onakoya, 2013). It strives for quickening financial inclusion by providing facilitation for the factors of producing commodities and services by gain and loss, contribution to charity and sale while focusing attention to ethical standards in their operations. Further, it helps to facilitate business on the basis of profit and loss sharing (PLS) and interest prohibition, as well as gambling in business (Bhuiyan, Siwar, Ismail & Talib, 2011).

This research design will rely on profit and loss sharing theory, theory of Islamic banking and financial theory of intermediation. The profit and loss sharing theory is based on a risk-sharing agreement where members equally share the proceeds and losses generated on the Mudaraba ventures with its depositors (Nazari, 2008). Theory of Islamic banking refers to substituting interest in bank loaning through sharing of profit (Ismail, 2002). The financial theory of intermediation states the banks are just monetary connections, indifferent from other non-bank institutions of finance; they collect deposits and lend them out. Banks therefore have a loan from depositors who have short maturities and lend to long maturity borrowers Riordan (1993).

Islamic banking has greatly gained momentum in Kenya. In 2005, Barclays introduced a window for Islamic banking and two years on Gulf African Bank (GAB) and First Community Bank banks were started. Other banks for instance Standard Chartered and Kenya Commercial Bank (KCB) have also tailored products in line with Shariah law for their customers. Islamic banks in Kenya are under similar regulations as traditional banks for lack of specially tailored frameworks to regulate them. The perception of the market

that it is for Muslims and lack of adequate information on this system of banking, have limited its customer base (Godana, 2016). With Islamic banking investments are limited to non-profit making ventures and this causes excess liquidity. Although, facing challenges with regulation, wrong perception, and excess liquidity Islamic banking has resulted in stiff competition in banking sector. There was need to alleviate these challenges in order to foster but the full importance of Islamic banking can only be understood after understanding it's the extent of its impact on financial performance. This investigation therefore sought to determine the extent of the effect of IMF on financial inclusion in Kenya.

### **1.1.1 Islamic Micro Finance**

Islamic micro-finance (IMF) is a novelty in micro-finance to draw moral concern according to the principles of Islam of business undertakings (Akhter, Akhtar & Jaffri, 2009). IMF is a branch of IF, which bears its roots in the Quran and Sunnah (Prophet Muhammad's teachings, peace be upon him). IMF is a system of service that possibly was meaningfully molded by values, in what manner Muslim practice their way of life, particularly in handling business transactions (Onakoya & Onakoya, 2013). Micro finance enhance financial performance as a result of targeting micro-employment and local economic undertakings for instance SME's in agriculture, livestock keeping as well as facilitate products that bring about business clusters.

IMF is developed upon the conception of Islamic social justice that prohibits taking advantage but supports assistance to the deprived individuals (Onakoya & Onakoya, 2013). It utilizes PLS procedure in transactions owing to the perception that it results in more proficient resource apportionment between the businessperson and the investor (Rahman & Rahim 2007). GIFR (2012) has categorized the IMF products into (3), explicitly: micro-equity, micro- credit as well as charity. The micro-credit involves the utilization of corporate asset established on credit or lease. Among the concerns for this notion is capital inadequacy before a business opening. Micro-equity allows a corporate relation when one participant offer the capital whereas the other participant runs the establishment. In micro-equity, production factors are combined whereas profit/loss is shared in proportion to the

decided upon methods. The charity facet of IMF functions as a basis of extra liberation in the form of protection nets as well as for sustainability intentions.

### **1.1.2 Financial Performance**

Financial performance (FP) is the measure of the overall financial health of an institution (Cantor & Frank, 2016). FP is a pointer of by what means profitable an establishment is compared with its overall assets. It is evaluated by Return on assets/investment (ROA) (Eljelly, 2014). This measure provides an understanding on administration's efficiency on the use of its assets for revenue generation (Rauch & Imbierowicz, 2014). It is the way toward evaluating the consequences of a company's approaches and processes in financial expressions.

Financial performance and profitability are normally used in substitute of each other so as to indicate the different measures utilized in assessing banking operation. Corporate entities are primarily formed to generate profits. Islamic bank which is one of the corporate entities offers a huge number of services and products for profit. To evaluate FP, indicators for instance profitability, productivity, management performance, liquidity, innovation as well as quality of products are used. According to Rauch and Imbierowicz (2014) organizations and their objectives appropriate are the major determinants of the performance measures. This may be seen as profitability, market share and cost cutting. Moreover, financial indicator for instance earning per share (EPS) return on investment (ROI) and return on equity (ROE) are frequently utilized by various corporate entities to measure performance. Given that today's world is so competitive, banks have to improve their services together with products so as to meet the ever changing clients' demands which in turn improves their financial performance. Islamic banks use the above performance measures to evaluate their progress.

### **1.1.3 Islamic Micro Finance and Financial Performance**

IMF and the products of finance that are the basis of Islamic banking are among the fastest growing sectors of the finance industry, running over 300 institutions in 75 countries (Celebi, Hassan, & Zirek, 2015). Despite the difficulty in isolating banking as an

exogenous variable, trials have been fruitful in yielding results that indicate financial performance of Islamic banks is enhanced by its products enhance Banks can establish a firm that is creditworthy, leverage savings, ROA for Islamic banks in Kenya provision, and transaction facilitations and pooling of risks, all of which facilitate growth of the economy. Banks also change savings allotment to different firms through loans and impact on growth by increasing the rates of domestic savings and attract foreign capital (Johnson, 2013).

The link between IMF products and FP is evident in the study findings of Hasan and Dridi (2010) where they ascertained that Islamic banking (IB) business structure protect them from adverse profit effects that of 2008 financial crisis. Irfan and Zaman (2014) conducted a study on Islamic bank product efficiency in South Asian States and found that IB products' return on asset was 91% and 77% for net income ration. Performance of Islamic banking products are also considered better than the traditional banks owing to its profitability, stability and its well capitalized.

#### **1.1.4 Islamic Banking in Kenya**

Since the birth of modern IB in the 1970s in Egypt, it has expanded rapidly across the globe in mostly, but not exclusively, countries that have larger Muslim populations. Many banks have expanded to establish Islamic windows that offer Islamic banking. This has expanded the industry from an insignificant beginning to above USD 1.6 trillion worth assets in 2012 with an expectation of growth to hit USD 6.1 trillion by the end of the decade (Imam & Kpodar, 2015). Kenya has not been left out in providing Islamic banking services. Conventional banking institutions have embraced Islamic banking through opening up of banking windows that offer Shariah compliant banking services targeting Muslim as well as non-Muslim clients.

The emergence of IB was a result of the launch of IB products by Barclays in Kenya in December 2005. Two years later there was introduction of the Pioneer Community Bank in 2007 then the Gulf African Bank (GAB) in 2008. The growth trend continued with other conservative banks for instance KCB offering products that are compliant with Shariah using particular Islamic prospects. Through the Finance Act of 2010 (Ndung'u, 2011). The

Islamic banking window was introduced by Standard Chartered in Kenya in 2013, increasing to an existing window and two fully qualified Kenyan Islamic banks. As of the end of 2013, IB accounted for two percent of the entire Kenyan banking industry (IMF, 2014). KCB has similarly since presented a Shariah compliant line of service known as *Sahl* banking.

These banks target both Muslim and non-Muslim customers. According to Kenya institute of bankers' newsletter, June 2009, in Kenya there are possible profitable markets for Islamic banking among the business community in Nairobi, Mombasa and other towns with sizeable Muslim communities (Mutua, 2017). Islamic banking however like any other new venture faces challenges. In Kenya, there are no unique frameworks by the government to regulate Islamic banking leaving it to be regulated as conventional banking. The problem of excess liquidity is also a challenge which results from the inability of Islamic banks to invest in any profit generating ventures such as government securities as other conventional banks do.

## **1.2 Research Problem**

Financial performance is crucial to all organizations since a firm's main objective is to maximize profit. Therefore, firms consider various factors that can enhance growth of FP which is indicated by ROA, ROI and ROE. One of the factors that can result in enhanced FP is introducing a wide range of products, in this case, IMF products. They enhance FP since is able to attract micro small and medium enterprises in agriculture, cattle rearing and support products that lead to business clusters (Rahman & Dean, 2013).

In Kenya, Islamic banking has developed since 2005 when the first window of Islamic banking was established. Fully fledged Islamic banks have also been opened: First Community Bank and Gulf African Bank. More banks including Kenya Commercial bank have continued to open windows that offer IB services to their customers. While grappling with challenges in regulation, wrong perception by customers and excess liquidity Islamic banking has expanded and resulted in a positive impact on the economy. There is need however to fully evaluate the extent of this impact in Kenya.

Various investigations have been undertaken pertaining to IB, financial development and industry competition both globally and locally. Globally, Setyawati, Kartini, Rachman and Febrian (2015) research aimed at scrutinizing the performance of Indonesian Islamic banks. Usman and Tasmin (2016) sought to verify the role of IMF in enhancing human development. Usman, Tasmin, Ulum and Abubakar (2017) undertook an investigation that sought to examine the structural aspects of IMF. Jan, Marimuthu, Pisol, Isa and Albinsson (2018) researched on the sustainability approaches and banks FP of IB industry in Malaysia. Locally, Ahmednoor (2013) evaluated IB products and FP of Kenyan Islamic banks (KIBs). Secondary data was essentially sourced from published accounts of those particular banks as well as data collection form for specific product information. Mon'gare (2015) sought to verify the bearing of risk management on the FP of the KIBs. (Yasmin, 2017). The bearing of operational risk controlling approaches on the FP in Kenyan Islamic Banks. Qamar (2018) conducted an investigation to ascertain the bearing of Islamic banking products on FP of Kenyan Islamic banks. From the studies above it was noted that there exists a knowledge gap study with regard to the effect of Islamic micro finance on financial performance Kenya. This creates a knowledge gap which this investigation strives to fill through answering the research question: what is the bearing of IMF on financial performance in Kenya?

### **1.3 Research Objectives**

The aim of the investigation was to bearing of Islamic micro finance on financial performance of Islamic banks in Kenya.

#### **1.3.1 General objectives**

The general objective is to determine the effect of Islamic micro finance on financial performance of Islamic banks in Kenya.

#### **1.3.2 Specific objectives**

- i) To determines the effect of micro finance on performance of Islamic banks
- ii) To establish the effect of equity on performance
- iii) Charity on performance



#### **1.4 Value of Study**

To the management and employees of Islamic banks, the results of this study could be used to comprehend the effects of the IMF on financial inclusion in Kenya. This understanding was of great help in decision making in these banks in regard to formulation of strategy and day-to-day operations. An insight on the bearing banks have on the financial inclusion of the country would encourage better decisions in the banks.

Policy makers were guided by research findings that attempt to demystify certain concepts that they are concerned with. The findings of this research might therefore be used by policy makers in the formulation of more informed policies and mechanisms that would help foster the financial inclusion in Kenya.

To the scholarly field this investigation augments the works available on Islamic micro finance and its impacts on financial inclusion in Kenya. The study's findings might be used by scholars and academicians to understand Islamic banking and the extent of its bearing on financial inclusion in Kenya. The findings of this study might also be utilized by other investigators as a ground for their investigation or to identify areas for further research.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This part sought to conduct a presentation on a section of literatures. The literatures sought to underpin the bearing of Islamic micro-finance on financial performance of the KIBs. The chapter began with a short review on some of the theories underlined in the Islamic Banking principles and lastly empirical studies that support this study. The chapter then ended with a summary of the reviewed literatures, efforts that established a research gap that was addressed.

#### **2.2 Theoretical Review**

As established, this investigation heavily relied on the profit and loss sharing theory, the Theory of Islamic Banking and The Financial Theory of Intermediation.

##### **2.2.1 Profit and Loss Sharing Theory**

The paradigm's proponent's lies in the need for an equitable sharing of resources, a significant trajectory in the Islamic financing concept given that this model reflects the values held by the Muslim faithful's (Nazari, 2008). The profit and loss sharing model also known as Mudaraba and Musharaka are perceived to be a strong pillar in Islamic finance. The Mudaraba system mainly accepts funds from the different stakeholders known as depositors in a risk-sharing agreement. The Islamic financial institutions equally share the proceeds and losses generated on the Mudaraba ventures with its depositors. As established in the views of Jedidia and Hamza (2014) in the rules of Shariah, individuals are not allowed to make claims for any form of compensation without incurring an ex ante investment risks. In other words, the profits and loss sharing model exercised by the Islamic financing institution necessitate the need to comply with the Islamic Shariah laws. According to Iqbal (2013) the Islamic profit-sharing approach is considered as an important tool in fostering financial performance and development given the fact that this method encourages the equal distribution of resources, resulting into greater benefits.

Contrarily, the Musharaka financing approach necessitates the need for the clients to engage in the management of the affairs of the Musharaka business as established by (Iqbal, 2013). The clients and the Islamic banking institutions mutually share the profits as well as losses generated from the Musharaka investments. The bank then shares the accrued profits and takes liabilities of financial losses generated during the investment process (Iqbal, 2013). It was however essential to note that this paradigm within the Islamic context has primarily been flogged and faulted for the lack of proper measures used in the monitoring process especially in cases where the Mudaraba fails to provide control rights to the financiers.

Literature on the profit and loss sharing model dates back from 1986. As adduced in the views of Saleh (1986), there are rights and responsibilities of the financiers in any form of Mudaraba arrangement. Firstly, the financiers need to guarantee that the borrowers' compliance with the Islamic banking terms of contract, limited liabilities, and the sharing or profits as well as losses. The primarily responsibility of these measures lies on the need to ensure that the Mudaraba capital is handled effectively. Contrariwise, Saleh (1986) unravels that the borrowers equally have rights that may need to be observed. In other words, the rights of the borrowers include engaging in accounting processes of any Mudaraba arrangement and conducting business a higher level or degree of freedom. However, it is essential to note that a section of studies such as that conducted by Shingjergji and Idrizi (2014) accentuates that there are underlying factors that may hamper the implementation of the profit and sharing model in financing.

### **2.2.2 The Theory of Islamic Banking**

What could be considered as the 'theory' of IB was, until late nineteen-seventies, basically an appeal for substituting interest in bank loaning through sharing of profit. This brought about the transformation of the kind of financial intermediation, allowing the financiers plus the financial intermediaries divide the risks of venture with those using the funds (Ismail, 2002). Initial works' key weight was regarding fairness. Allowing the entrepreneur take all the business risks as well as the financier and bank have an entitlement to a scheduled profit was considered to be unfair. Hasan (2005) contended that the setting under

which productive venture was undertaken failed to guarantee an optimistic yield; hence there was lack of rationalization for money capital calling for a positive yield notwithstanding the outcomes of venture.

Mauudi (1961) claimed that greatest issues of capitalism were entrenched in the approach of loaning using interest. These issues entailed inflation, unemployment, deprivation in the midst of surging inequality as well as repeated business cycles. These issues may be addressed through elimination of interest and substituting it with division of profit. It was not up until the following decade that Islamic economists could strengthen these assertions through refined economic breakdown, particularly at the scope of macroeconomics. The attention at this level was basically regarding ascertaining the insufficiencies of capitalism besides relating them to the establishment of interest, and so on. This led to contentions indicating that it was imaginable to establish banking devoid of interest and that it would positively impinge on savings as well as investments. Certain individuals contended that eliminating interest would enhance investments resulting in amplified production (Mannan, 1999).

The key substantial improvement in the late nineteenth century was the introduction and spread cost-plus funding. Anything the entrepreneur received from the Islamic bank pertaining to this agreement is the product he wanted acquired through the bank at his call, with the assurance of buying it from the bank at a price exceeding its buying price, to be shelled out after some time period (Archer & Karim, 2002). Every *contract of murabahah* produced a debt. Relative to finances provided on the basis of profit-sharing, capitals invested in *murabahah* dealings were secure. In several years of *murabahah*'s establishment in late nineteen seventies, it dominated the Islamic finance landscape, conveying *mudarabah* (Hasan, 2005).

### **2.2.3 The Financial Theory of Intermediation**

The financial theory of intermediation states the banks are just monetary connections, indifferent from other non-bank institutions of finance; they collect deposits and lend them out. Banks therefore have a loan from depositors who have short maturities and lend to

long maturity borrowers. This theory has been highly publicized by well-known economists and high ranking economics journals. The initial promoters of this theory are Von Mises (1912), Tobin (1963), Sealey and Lindley (1977) and Riordan (1993).

The writings of Von Mises states that the bank negotiators activities of credit is illustrated by other people's lending of borrowed money and that bankers are only those that lend money of those; those lending their own money are capitalists and not bankers. Mises believes that this only among the banks' functions; the argument of Keynes (1936) is that savings need to be gathered first for investments to occur. Harrod (1939) and Domar(1947) have mirrored this in the Keynesian model which are based on the financial banking intermediation theory though not modeling banks explicitly. The conclusions by Harrod and Domar have had a considerable impact in the policy of economy in the era before war and their work has been understood to the impact that developing nations could be assisted by global banks that could avail the lacking domestic savings via loaning from abroad so as to finance growth of the economy. This logic has led to increased foreign borrowing by underdeveloped countries from the time of the World War II. According to Riordan (1993) depositors lend to banks who in turn lend to investors. Investors have inadequate equity to fund their projects fully and as a result seek loans to finish the funding. Hence banks gather the deposits to make loans.

The financial intermediation theory of banking explains that banks, as other financial intermediaries, are key in a country, directing coffers from divisions in excess to those in need. Islamic banking is seen to clearly play this role through accumulation of deposits and lending of this money to borrowers for purposes of investment though at no interest. This paradigm is therefore useful to this investigation as it elucidates the role played by Islamic micro-finance influencing FP amongst KIBs.

### **2.3 Determinants of Financial Performance**

Various studies have researched on the elements essential to FP. Determining factors of FP embroil: capital adequacy, asset quality, liquidity management, management efficiency.

### **2.3.1 Capital Adequacy**

Funds available in supporting the business of a bank are termed as capital (Athanasoglou et al. 2005). In adverse situation it also acts as a cushion Diamond (2000). Because deposits are normally unstable and susceptible to bank runs, liquidity is normally created.

As stated by Dang (2011) capital adequacy ratio (CAR) decides capital adequacy. CAR is directly proportionate to the bank's flexibility to crisis circumstances. According to Sangmi and Nazir, (2010) through determining bank's growth to risky nevertheless gainful undertakings, it bears a direct influence on the banks' profitability.

### **2.3.2 Asset Quality**

Credit portfolio, fixed asset, current asset, and other investments comprises the bank asset. Banks need income to survive, they majorly earn income through provision of loans. Through loan, commercial banks generate income making it a major asset. Bank's profitability is influenced by the loan portfolio quality.

Losses derived from delinquent loans are the highest risk facing a bank (Dang, 2011). Every commercial bank strives to maintain the level of nonperforming loan lower. Portfolio good health is shown when the ratio of loans that are nonperforming to total loans is low. (Sangmi & Nazir, 2010).

### **2.3.3. Management Efficiency**

Various financial ratios are used to represent management efficiency. They embroil: earnings growth rate, loan growth rate and total asset growth. The management efficiency other ratio is the operational proficiency which deals with the working costs. Some financial ratios go about as management efficiency proxy. Financial ratios may be employed to assess the ability of the administration to convey its assets proficiently, wage expansion and decreasing working expenses. Operating profit to earnings ratio is normally employed to gauge administration quality (Sang.mi & Nazir, 2010).

The operating profit to total earnings is higher and the effective administration tends to have a positive relationship. This is in aspects income generation and operational efficiency. According to Athanasoglou et al. (2005). Operating expenses to total asset ratio and profitability have negative relationship.

#### **2.3.4. Liquidity Management**

Liquidity alludes to the bank's capacity to satisfy its debts, basically of depositors. Profitability of a bank is linked to adequate liquidity level (Dang, 2011). The most well-known financial ratio that mirrors the bank's liquidity state are aggregate loan to client deposits and client deposit to aggregate asset.

Various researchers utilize distinctive financial ratio to gauge liquidity. For example Ilhomovich (2009) utilized cash to deposit ratio to quantify the Malaysian banks' liquidity state. In any case, the research led in China and Malaysia ascertained that banks' liquidity state bears no association with banks performance (Said & Tumin, 2011).

#### **2.3 Empirical Literature Review**

Usman and Tasmin (2016) sought to verify the significance of IMF in enhancing social development. The investigation analyzed pertinent papers. The results of the investigation point out that IMF is a developing market position using a broad approach towards social empowerment, better earnings as well as well-being. The earnings made by the customers is used to enhance health situations as well as children's educational level. Zakat and Awqaf establishments are recovering their drive in the direction of socio-economic importance. These establishments are necessary for effective capacity building, producing community assets, wealth generation plus expertise that will increase the entrepreneur's practical capacity. This methodology of financial inclusion may possibly cause developments in education and capacities, human capital, providing physical capital as well as productive underprivileged broader access to micro-credit.

Usman, Tasmin, Ulum & Abubakar (2017) conducted an investigation examine the structural aspects of IMF and statistically categorize them into Products (Independent), Empowerment (Mediator) and Customers' welfare (dependent) paradigms. This will help hypothesize an IMF model in the direction of the Customers' welfare. Empirical material was sourced from the personnel of 8 branches of Amanah Ikhtiar Malaysia (AIM) in the Johor state, Malaysia. Data analysis was through EFA with IBM SPSS Statistics 21 that led to the drawing out of five aspects which upon classifying, described this investigation's variables. The outcomes pointed out a satisfactory factor loadings and efficient classification as per the hypothesized context. The Cronbach's alpha of  $\geq 0.7$  is a sign of satisfactory internal reliability of the five IMF concepts.

Setyawati, Kartini, Rachman and Febrina (2015) research aimed at assessing the IB performance in Indonesia. Six ratios used comprise of ROA, capital adequacy ratio, finance deposit ratio, non-financing earnings to total assets, non-performing funding as well as market share. The outcomes pointed out that capital adequacy ratio, finance deposit ratio, as well as non-performing funding according to the set goals, while ratio of non-financing income by aggregate assets plus market share is not consistent with the set goals.

Jan, Marimuthu, Pisol, Isa and Albinsson (2018) researched on the sustainability approaches and banks FP of the Malaysian IB industry. Sustainability practicing as well as reporting has gained narrow concern in the IB writings. The approach employed in evaluating sustainability approaches are similarly establish insufficient. This investigation changed the Global Reporting Initiative's GRI sustainability evaluation approach as per Shariah doctrines to allow its compatibility in evaluating sustainability approaches in the IB industry. The postulated approach explains the positive hypothetical link between sustainability approaches and banks FP from the Islamic standpoint. This investigation lends credibility proposed framework of creating a universal sustainability evaluation standard for the IB industry in time to come. This investigation may well act as a basis in the process of creating a universal sustainability evaluation standard for the IB industry.

Ahmednoor (2013) sought to verify the bearing of IB products on the profitability of the KIBs. Annual reports of two established KIBs between 2008 and 2011 were sourced from



the CBK as well as Banks' annual statements. Data analysis was through linear regressions approach to evaluate the performance of major FP measures and funding agreements. This investigation utilized secondary data in the analysis of the link between IB product and FP of the two established KIBs approved by CBK. The secondary information was essentially sourced from available annual statements as well as from particular product information for things not shown in the financial reports. A series of statistical methods, Multiple R F-value,  $R^2$  and significance level, by investigator to verify the link between investigation variables. The outcomes point out a strong positive link between product size and the level of FP of the KIBs.

Mon'gare (2015) sought to assess the effect of risk management on the FP of the KIBs. The investigation used a descriptive research design. The population embroiled seven CBs offering Islamic Banking in Kenya. The researcher focussed on the two established KIBs and five CBs offering Islamic banking products. The investigation utilized census approach to include all the seven banks practicing Islamic banking. The researcher used secondary records which was sourced from the available annual accounts between 2010 and 2014 for the Islamic banks and traditional banks with Kenyan Islamic windows. The investigation employed descriptive statistics to analyze the quantitative. The multiple regression analysis was used to determine in what manner each investigation's independent variable impinges on the FP of the KIBs. The investigation also revealed that there existed a positive link between capital adequacy, size of the banks, operational effectiveness and FP of Islamic banks.

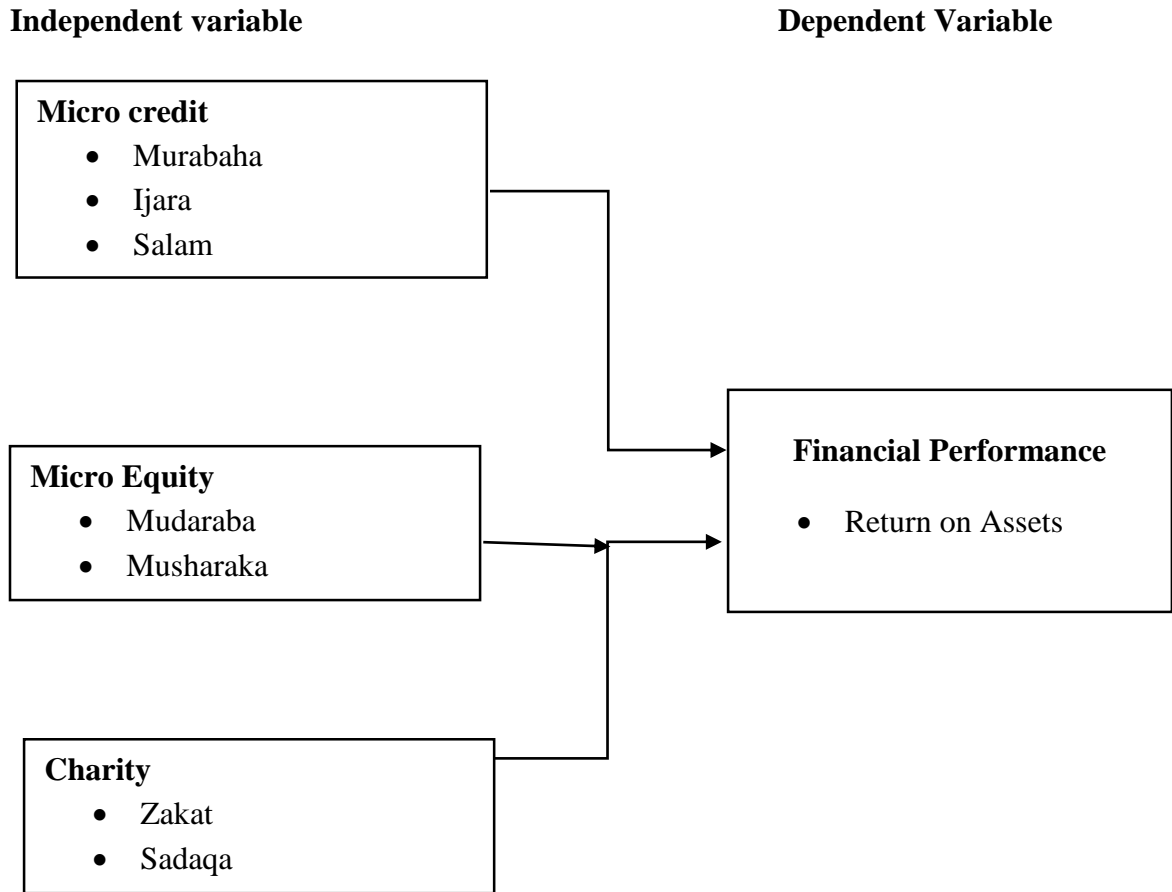
Qamar (2018) conducted a study to ascertain the bearing of IB products on FP of the KIBs. This study adopted a case study and adopted a descriptive research design. The investigation sourced material from GAB and First Community Bank. This study utilized secondary data. Secondary data as analyzed using inferential statistics, descriptive statistics, regression analysis and correlation. Inferential statistics such as multiple regressions and Pearson correlation was used. In establishing the link between IB products and FP of the KIBs as well as the significance /fitness of the model and descriptive and inferential statistics were adopted precisely with correlation, regression plus ANOVA. The

investigation ascertained a positive link between FP of IFIs and Islamic financial tools which include Musharakah financing, Mudaraba financing, Murabaha financing and Ijara financing, Thus the investigation ascertained that every Islamic financial instrument had a positive bearing on the performance of CBs in Kenya.

Yasmin (2017) aimed at evaluating the effects of Islamic banking profitability covering 5 years. SPSSv21 was used in the study to aid in data analysis to verify the association linking the variables under study. The ANOVA points out an F value of 3.776 as well as a P value  $< 0.05$  pointing out that the significance of the whole regression model for the control variables therefore it bears certain explanatory importance. Therefore, an existence of strong association linking ROA to various financing approaches. At 95 percent confidence interval P-value ( $p < 0.05$ ) pointing out that the variables jointly impinge on Islamic banks performance. In the full model constituting of predictors and the control variables, Ijarahad the most statistically significant coefficient. Thus, the existing Islamic products offered by the CBs in Kenya bore a strong direct association to ROA pointing out that the broadening and establishment of additional financing approaches will boost CBs performance that offer Islamic financial services.

## **2.4 Conceptual Framework**

Through assessing the literature review, conceptual framework aiding in understanding the connection between the examination variables can be developed. The independent variable was studied in terms of Islamic micro finance products (Murabaha, Ijara, Salam, Mudaraba, Musharaka, Zakat, Sadaqa) (Usman & Tasmin, 2016). On the other side, the dependent variable was majorly discussed with regards to Return on assets/investment.



**Figure 1: Conceptual Framework**

## 2.4 Summary of Literature Review

This part has reviewed three theories that relate Islamic banking products and financial performance. As established, this study will heavily rely on the PLS theory, the Theory of IB and The Financial Theory of Intermediation. Determinants of financial performance include: CAMEL.

Empirical studies on Islamic micro finance and financial performance have also been reviewed. Usman and Tasmin (2016) sought to scrutinize the significance of Islamic micro-finance in enhancing social development; Usman, Tasmin, Ulum & Abubakar (2017) conducted an investigation to verify the structural aspects of IMF. Setyawati, Kartini, Rachman and Febrian (2015) research aimed at assessing the Islamic bank performance in Indonesia. Jan, Marimuthu, Pisol, Isa & Albinsson (2018) researched on the sustainability

approaches and banks FP of IB industry in Malaysia. Mon'gare (2015) sought to measure the bearing of risk controlling on the FP of the KIBs. Qamar (2018) conducted an investigation to scrutinize the effect of IB products on FP of the KIBs. Yasmin (2017) aimed at evaluating the effects of Islamic banking profitability covering 5 years. These studies do not however agree on the causality of IB and FP.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This part gave a detailed description of the study's approach mainly embraced by the researcher. The key fundamental components in this section include the study's design, the targeted population, the sampling methods and design, and the data collection as well as analysis instruments.

#### **3.2 Research Design**

It entailed the outline of an investigation. According to Lodico, Spaulding and Voegtle (2016), research designs are the glues that hold all the proponents and elements of a investigation procedure weaved as one. A research design was therefore, used in structuring a research process, revealing all the major components and parts of a research project will use in addressing a central research issue.

This study employed a descriptive research. The primary rationale for the use of this method in this study lies in the fact that quantitative research methods opens a window opportunity for the study to conduct and in-depth analysis on the subject by probing the respondents and answering the research questions based on their responses to understand the element of feelings and motivations (Lodico et al., 2016). Secondly, the rationale behind the use of this method is in the fact that it will help in defining the subject of study by exploring and measuring usability.

#### **3.3 Data Collection**

Levy and Lemeshow (2015) posit that data includes the facts that are presented to researchers from an environment of study which mainly include the secondary and primary data. The study utilized secondary data. Bless et al. (2016) posits that secondary data sources are data that are neither collected by a user nor specified for the users since they involve the collation and analysis of published information from different internet sources. Yearly data on Islamic micro finance and financial was sourced from the financial accounts of the fully-fledged Islamic banks in Kenya. The gathered information encompassed years between 2009 and 2018.

### 3.4 Data Analysis

Before the processing of the study's response, a preparation method was employed on collected data with the intent to edit, code enter, and clean the data from any errors. The data collected in the study was then analyzed through descriptive and inferential statistics method that involved the examination, identification, and the interpretation of a multiple regression. The model is a model adopted to ascertain the association of more than two variables. Analysis of data was through SPSS to produce quantitative information which were displayed with standard deviation, percentages, tabulations and mean.

#### 3.4.1 Analytical Model

$$Y = \alpha + X_1.\beta_1 + X_2.\beta_2 + X_3.\beta_3 + \varepsilon$$

Where; Y= Return on assets/investment was used as a measure of Financial performance

$\alpha$ = constant term (The Y intercept.)

Beta ( $\beta$ ) = Beta coefficients

$\varepsilon$ = Error term.

$X_1$  = Micro credit/asset financing to be measured as the natural log of total annual Micro credit/asset financing (Murabaha, Ijara, Salam)

$X_2$  = Micro Equity to be measured as the natural log of total annual micro equity (Mudaraba, Musharaka)

$X_3$  = Charity to be measured as the natural log of total annual amount towards charity (Zakat, Sadaqa)

#### 3.4.2 Tests of Significance

The F test was utilized to verify the overall importance of the entire model whiles the t – test was used to test the importance of the coefficients at significance level of 5%.

## CHAPTER FOUR

### DATA ANALYSIS, RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter provided the analysis of the collected data and also provided an interpretation of such analytical outcomes and turns the findings into useful research information that was used to make informed business decisions. The analytical process was guided by the research methodology outlined in chapter three. The research data was gathered exclusively through secondary data.

#### 4.2 Descriptive Statistics

The study sought to establish the effect of Islamic micro finance on financial performance. This was measured through correlation analysis between the study independent variables financial indicators which included growth in Micro credit/asset financing contracts, Micro equity and contribution to charity as a control variable as compared to Return on assets/investment with expenditure on charity being the control variable. Consequently, descriptive statistics of the collected data was analyzed using excel analysis tool Pack and the summary of the findings is presented in the in table 4.1 below

**Table 4.1: Summary of study variables**

	Return on assets/investmen t	Micro credit/asset financing	Micro equity	Contribution to charity
Mean	0.55	53.57	26.9	0.066
SD	0.205	6.55	3.62	0.13
SV	0.026	42.85	13.09	0.02
Kurtosis	-1.2	-1.81	-0.36	-2.22
Skewness	1.42	-0.25	0.42	-0.06
Range	0.15	15.93	15.39	0.788
Minimum	0.46	45.23	12.62	0.032
Maximum	0.61	61.16	28.01	0.82

The findings indicate that the average annual Micro credit/asset financing values by the Islamic banks in Kenya was 53.57 billion shillings with a standard deviation of 0.05, The average annual financing under micro equity for the Islamic banks in Kenya was 26.9 billion with a standard deviation of 3.62. The average annual amount contributed to charity by the Islamic banks in Kenya was 0.066 billion with a standard deviation of 0.13. The average Return on assets/investment was 0.55 with a standard deviation of 0.205.

A trend analysis of the growth rate of Islamic finance (both equity and asset finance) was undertaken in comparison with investment return indicators to establish the correlation between the two study variables. The variables measured included changes in the amount of Micro credit/asset financing contracts, total changes in the amount of Micro equity, and change in the amount of contribution to charity as a control variable.

The findings indicate that the mean annual growth rate in micro credit/asset financing values for the 10-year period was 8%. The mean annual growth rate in micro equity financing for the 10-year period was 15%. The mean annual growth rate in contribution to charity for the 10-year period was 5%, while the mean annual growth rate in return on assets/investment for the 10-year period was 5.5%.

### **4.3 Effect of Islamic Finance on Financial performance**

To ascertain this chi-square test and a comparative analysis of the trends in financial performance for the 10-year period was done using changes growth rate and total changes in average annual growth rate in Islamic Finance.

#### **4.3.1 Chi-square Test**

The study established the association between Islamic Finance and financial performance. The Chi-Square test is usually used to determine whether an association or a relationship between two study variables drawn from a sample is likely to reflect a real association between these two study variables or if there is a difference between the two variables. It thus test the probability (p-value) that the observed association between the two variables has occurred by chance, i.e. due to sampling error.



**Table 4.2 Chi Square-Tests**

	<b>Value</b>	<b>Df</b>	<b>Asymp. Sig. (2-sided)</b>
Pearson Chi-Square	24.000a	19	0.042
Likelihood Ratio	19.094	19	0.032
N of Valid Cases	7		

According to the findings in the above table, the significance figure was 0.042, which shows that there was a statistically significant the effect of Islamic Finance on financial performance. This is because the significance figure was less than 0.05 ( $p \leq 0.05$ ).

#### 4.3.2 Correlation Analysis

Correlation analysis assesses whether there exists a linear association between the variables. Correlation range between -1 and +1 thus, when the variables approaches +1, it shows that there is a strong direct association and the variables moves strongly in a straight line. If the correlation is approaching -1, the degree of indirect association between the variables is also strong but negative. If the correlation is approaching zero, it means that there is no/ (weak) association between the variables. A statistically significant correlation is indicated by a probability value of less than 0.05. This means that the probability of obtaining such a correlation coefficient by chance is less than five times out of 100, so the result indicates the presence of a relationship.

The study used Pearson correlation coefficient to show how well the variables move together in a straight-line fashion and the results were as shown below:-

**Table 4.3 Correlation Analysis**

	Return on Assets	Micro credit	Micro equity	Contribution to charity
Return on Assets	1			
Micro credit	0.9926	1		
Micro equity	0.8924	0.7754	1	
Contribution to charity	0.7833	0.7935	0.7718	1

Findings in the table 4.4 reflect the correlation between the variables. It indicates that there was a strong positive correlation between Return on assets and Micro credit (0.99); return on assets and micro equity (0.89); Return on assets and contribution to charity (0.78). There was also a strong positive correlation between Micro credit and and micro equity at (0.77); micro credit and contribution to charity at (0.79) while Micro equity and contribution to charity (0.77).

#### 4.4 Regression Analysis

A regression model was applied to determine the relationship between Islamic finance and Financial performance. The dependent variable is Return on assets/investment while the independent variable is Islamic finance. The analytical model used in analyzing the relationship between the dependent and independent variables is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where; Y= Return on assets/investment was used as a measure of Financial performance

$\alpha$ = constant term (The Y intercept.)

Beta ( $\beta$ ) = Beta coefficients

$\varepsilon$ = Error term.

$X_1$  = Micro credit/asset financing to be measured as the natural log of total annual Micro credit/asset financing (Murabaha, Ijara, Salam)

$X_2$  = Micro Equity to be measured as the natural log of total annual micro equity (Mudaraba, Musharaka)

$X_3$  = Charity to be measured as the natural log of total annual amount towards charity (Zakat, Sadaqa)

The dependent variable is Return on assets/investment whereas the independent variables are the Islamic finance. Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Return on assets/investment) that is explained by all the four independent variables (Islamic finance). The research used

statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions.

**Table 4.4: Model Summary**

<i>Regression Statistics</i>	
Multiple R	0.4643
R Square	0.2155
Adjusted R Square	0.2013
Standard Error	0.07

R-Squared is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted  $R^2$ , also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. 21.55% of the Return on assets/investment in could be attributed to the combined effect of the predictor variables (Micro credit/asset financing, Micro Equity and contribution charity).

**Table 4.5 Summary of One-Way ANOVA**

<b>ANOVA</b>					
	<i>Df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	8	0.00012	0.000025	1.4706	0.043
Residual	12	0.00035	0.000017		
Total	20	0.00047			

The study used One-way ANOVA to establish the significance of the regression model from which a probability value of 0.043 was established. This indicates that the regression relationship was highly significant in predicting how adoption of Islamic finance affects Financial performance. The F calculated at 5% level of significance was 1.4706. Since F calculated is greater than the F critical; this shows that the overall model was significant.

**Table 4.6 Regression Coefficients results**

	Coefficient	Standar			Lower	Upper
	s	d Error	t Stat	P-value	95%	95%
Intercept	-0.6194	0.1065	5.8177	0.0000	0.4013	0.8374
Micro credit	0.0720	0.0953	-0.7551	0.4565	-0.2672	0.1233
Micro equity	0.0693	0.0434	-1.5968	0.1215	-0.1581	0.0196
Charity	0.0048	0.6887	-0.2161	0.8304	-1.5595	1.2618

The established regression equation was;

$$Y = -0.6194 + 0.072X_1 + 0.069X_2 + 0.004X_3 + e$$

The regression equation above has established that holding all other factors constant (no Islamic finance) Return on assets/investment of would be -0.62. The findings presented also show that taking all other independent variables at zero, a unit increase in micro credit/asset financing contracts would lead to an increase in Return on assets/investment by 0.072. A unit increase in Micro equity would lead to an increase in Return on assets/investment by 0.06972. A unit increase in of contribution to charity as would lead to an increase in Return on assets/investment by 0.004. This therefore implies that Return on assets/investment is positively correlated to growth in Islamic finance and therefore we conclude that Islamic finance enhances financial performance.

#### 4.5 Discussion of the Findings

The findings indicate the effect of the Islamic micro finance on financial performance. The descriptive statistics reveal that the average annual Micro credit/asset financing values by the Islamic banks in Kenya was 53.57 billion shillings, micro equity for the Islamic banks in Kenya was 26.9 billion, average annual amount contributed to charity by the Islamic banks in Kenya was 0.066 billion while the average Return on assets/investment was 0.55.

Correlation between the variable indicates that there was a strong positive correlation between among the variable since the coefficient correlation between each variable was greater than 70% or 0.7. The overall relationship between the variable is reflected by coefficient of determination,  $R^2$ .  $R^2$  was found to be 21.55% meaning that Return on assets

was attributed to the combined effect of the predictor variables (Micro credit/asset financing, Micro Equity and contribution charity).

The significance of the model was tested by One-way ANOVA through F-test. The significance of the regression model from which a probability value of 0.043 was established. This indicates that the regression relationship was highly significant in predicting how adoption of Islamic finance affects Financial performance. The F calculated at 5% level of significance was 1.4706. Since F calculated is greater than the F critical; this shows that the overall model was significant.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presented a summary, conclusions, and recommendations of the study. Section 5.2 summarized the key results found, while section 5.3 drew the conclusions. Section 5.4 noted the recommendations from the findings of the study. Section 5.5 outlined the limitations of the study while section 5.6 gives suggestions for further research.

### **5.2 Summary and Findings**

The objective of the study aimed at establishing the nature of the relationship between Islamic finance and financial performance in Kenya. Descriptive and inferential statistics were employed specifically using correlation, regression and ANOVA to establish the significance /fitness of the model and also to establish the link between Islamic finance and financial performance in Kenya. The research findings indicate that that Islamic banking product enhances financial performance in Kenya.

Regression analysis was used to determine the degree and nature of association within the independent and the dependent variable. The study findings indicate that the variables are statistically significant in influencing financial performance as indicated by the Regression analysis relationship coefficients. This implies that the Islamic finance can be relied upon to make conclusions about the financial performance in Kenya as shown by their strong relationship.

The study sought to establish the effect of Islamic micro finance on financial performance. This was measured through correlation analysis between the study independent variables financial indicators which include growth in Micro credit/asset financing contracts, Micro equity, and contribution to charity as a control variable as compared to Return on assets/investment. Consequently, descriptive statistics of the collected data was analyzed using excel analysis tool Pack,

A trend analysis of Islamic finance growth indicators for the study independent variables was undertaken to establish the change in financial performance as a result of introduction

of Islamic finance. The variables measured included changes the amount of Micro credit/asset financing contracts, total changes in the amount of Micro equity change in contribution to charity as a control variable as compared Return on assets/investment.

The findings indicate that the mean annual growth rate in Micro credit/asset financing values for the 10-year period was 8%. The mean annual growth rate in in Micro equity financing for the 10-year period was 15%. The mean annual growth rate in in Contribution to charity for the 10-year period was 5%. The mean annual growth rate in Islamic finance for the 10-year period was 8% while the mean annual growth rate in ROA for the 10-year period was 6.2%. This is an indication of a strong correlation an indication that Islamic finance lead to improved financial performance.

Findings indicate that there was a strong positive correlation between Return on assets/investment and Micro credit/asset financing. There was a strong positive correlation between Return on assets/investment and Micro equity Financing. There was a strong positive correlation between Return on assets/investment and Contribution to charity. This is an indication of a strong correlation an indication that Islamic finance lead to improved financial performance.

A regression model was applied to determine the relationship between Islamic finance and financial performance. 21.55% of the Return on assets/investment in could be attributed to the combined effect of the predictor variables. The study used One-way ANOVA to establish the significance of the regression model from which a probability value of 0.043 was established. This indicates that the regression relationship was highly significant in predicting how Islamic finance affects financial performance. The F calculated at 5% level of significance was 1.4706. Since F calculated is greater than the F critical; this shows that the overall model was significant.

From the above regression model, the study found out that adoption of Islamic finance enhances performance. The independent variables that were studied explain a substantial 21.55% of Return on assets/investment of as represented by adjusted  $R^2$  (0.2155). This therefore means that the independent variables contribute 21.55% of the changes in Return

on assets/investment while other factors and random variations not studied in this research contributes 78.45% of the changes in Return on assets/investment.

### **5.3 Conclusion**

Chi-square test was employed in evaluation of the degree and nature of association between independent variable and the dependent variable. The regression and the chi-square test implied that the variables under the model are key in determining the direction of Kenya's economy. The study concludes that Islamic finance lead to improved financial performance.

### **5.4 Recommendations for Policy and Practice**

In line with the objectives of this study, the following recommendations can be deduced from the conclusions of the research: In order to aid the development of Islamic Banking in Kenya and reap the most benefit for the country, a legislative framework should be put in place to enhance the regulation of the industry. This means both the Central Bank Act as well as Banking Act should be amended to incorporate Islamic Banking concepts.

A National Shari'ah Supervisory Board should be constituted to guide a process of Ijtihad led standardization and convergence of products, set qualification and certification of Banks' Shari'ah Board members and set rules for Shari'ah control. The Central Bank should constitute a Shari'ah Advisory Board that will add value to its regulatory relationship with the Islamic Banking industry. Active restructuring of the government public debt to include sukkuk components in order to allow for active participation of Islamic Banking industry in Kenya.

### **5.5 Limitation of the Study**

Data collection was extremely tedious and time consuming. The duration that the study was to be conducted was limited hence exhaustive and extremely comprehensive research could not be carried out. The study, however, minimized these by conducting in-depth analysis that significantly covers the shortcomings of the study. Further, the data was



tedious to collect and compute as it was in very raw form. Further the presentation of the data was varied which made the data computation even harder.

The researcher did not overlook the major limitation of descriptive research design which is that the design makes it difficult to explain phenomena that occur over time; hence the study's findings are only applicable to the study's time frame. This makes it difficult to explain phenomena that occur over time; hence the study's findings are only applicable to the study's period. It was difficult to access secondary data due to strict confidentiality exhibited by the banks under study. The annual financial statements are also prepared under the fundamental assumptions and concepts which are subjective and therefore not be uniformly applied especially in terms of provisions and estimates.

Lastly, most of the financial statements are reaffirmed in the preceding years meaning that material misstatements of firms' performance can create a window of opportunity for prior year's adjustments and this may not be brought to the attention of the public. This means the pattern depicted may affect the relationship established.

### **5.6 Suggestion for Further Research**

This study concentrated on the effect of Islamic micro finance on financial performance. There is therefore need to do more research on other factors that influence Return on assets/investment. The research therefore should be replicated in other conventional banks that have opened Islamic financing products.

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**APPENDIX I: DATA COLLECTION SCHEDULE**

1. Name of Bank.....

2. Year of Establishment.....

Year	ROA	Micro Credit	Micro Equity	Charity
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				

**APPENDIX II: DATA**

Year	ROA	Micro Credit	Micro Equity	Charity
2009	0.45	2,545,544.00	1,545,544.00	1,236,435.20
2010	0.51	21,058,521.00	2,158,521.00	1,726,816.80
2011	0.05	11,195,632.00	1,563,200.00	1,250,560.00
2012	0.02	26,586,000.00	2,658,600.00	2,126,880.00
2013	0.15	20,154,785.00	2,000,000.00	1,600,000.00
2014	0.75	25,154,212.00	4,000,000.00	3,200,000.00
2015	0.10	25,132,100.00	4,000,000.00	3,200,000.00
2016	0.05	2,051,411.00	800,000.00	592,000.00
2017	0.06	215,531.00	200,000.00	148,000.00
2018	0.07	2,155,245.00	200,000.00	148,000.00
2009	0.08	1,515,545.00	150,000.00	111,000.00
2010	0.45	511,255.00	100,000.00	74,000.00
2011	0.70	2,555,500.00	150,000.00	111,000.00
2012	0.25	654,856.00	120,000.00	88,800.00

2013	0.05	765,955.00	160,000.00	118,400.00
2014	0.84	5,554,884.00	500,000.00	370,000.00
2015	0.84	547,854.00	147,000.00	108,780.00
2016	0.64	1,455,885.00	210,000.00	155,400.00
2017	0.17	5,145,112.00	1,100,000.00	5,145,112.00
2018	.19	1,232,155.00	800,000.00	1,232,155.00