

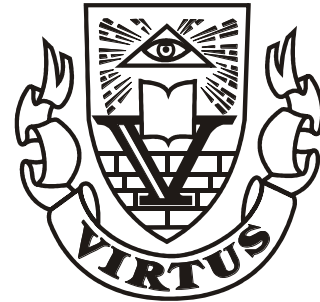
# RISK GOVERNANCE & CONTROL: Financial markets and institutions

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**HILLEL THE ELDER: A TALMUDIC PERSPECTIVE OF HIS LEADERSHIP INTELLIGENCE** 7

*Alexander Maune*

This article traces and reviews Hillel the Elder's leadership intelligence, which saw him rise from being a woodcutter to become the 'Nasi' (President) of Israel, from a Talmudic perspective. Relevant literature from the Babylonian Talmud, journal articles and other Jewish books was reviewed in order to bring to light some of the secrets behind Hillel the Elder's leadership intelligence. A number of leadership lessons were discovered and are discussed in this article. This article will go a long way in influencing leadership practices in the 21st century given the rampant corporate failures due to mismanagement, corruption and misappropriation of funds.

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**THE CLAIMS HANDLING PROCESS OF ENGINEERING INSURANCE IN SOUTH AFRICA** 15

*I C de Beer, F J Mostert, J H Mostert*

The authors embody the improvement of financial decision-making concerning the claims handling process of engineering insurance. Secondary as well as primary data were necessary to achieve the stated objective. The secondary data provided the background of the research and enabled the researchers to compile a questionnaire for the empirical survey. The questionnaire and a cover letter were sent to the top 10 short-term insurers in South Africa that are providing engineering insurance. Their perceptions should provide guidelines to other short-term insurers who are engaged in engineering insurance, as they are regarded as the market leaders of engineering insurance in South Africa.

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**DEBT FINANCING STRUCTURE WITHIN THE STATE-OWNED CORPORATIONS IN KENYA** 22

*Micah Odhiambo Nyamita, Nirmala Dorasamy, Hari Lall Garbharran*

This study examines the different types of debt financing strategies applied by the various state-owned corporations in Kenya, in comparison to those applied by state-owned corporations from developed and developing economies. The study specifically revealed that private debt financing, through bank loans and payables is commonly used amongst Kenyan state-owned corporations. While, most state-owned corporations from developed and developing economies, such as in America, Europe, Asia and

South Africa, use public debt financing, through financial securities, traded in both domestic and international capital markets.

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## **RISK GOVERNANCE: EXPERIENCE OF ISLAMIC BANKS**

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***Siti Rohaya Mat Rahim, Fauziah Mahat***

This article explores risk governance influence over the Islamic banks performances. Multivariate analysis techniques measure simultaneously via Structural Equation Modelling (SEM). This study employed cross-sectional sample of 200 Islamic banks across 21 countries for the year 2014. To examine risk governance and Islamic banks performance, the study captures seventeen variables developed from risk management and corporate governance (ROA, ROE, Profit Margin, CRO, Shariah committee member, CEO, board size, remuneration meeting, credit rating, external audit, accounting standard, loan loss provision, capital adequacy ratio, total deposit ratio, GDP, central bank lending rate and inflation). The simulation result reveals, risk governance act as mediating variables towards Islamic banks performance. This study has practical and significance contribution for Islamic banks to understand risk governance, aligning with the fundamental risk management and corporate governance.

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## **BELIEFS AND ACCOUNTABILITY IN AN ISLAMIC BANK**

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***Ahmadasri Alaudin, Paul Shantapriyan, Ralph Adler***

The paper was extracted from pages 41-51

The purpose of the paper is to help accounting academics and practitioners understand the language of Islam as well the notions of accountability that operate within the Islamic banking system. An understanding of the psychological and social implications of the key processes and structures underpinning Islamic banking, including an appreciation for its language and belief systems will be especially helpful for non-Islamic accountants – as well as general business practitioners – who wish to leverage the services of Islamic banks and the Islamic windows within existing commercial banks to create value of their organizations' customers and shareholders.

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## **MERGERS, LIQUIDATIONS AND BANKRUPTCIES IN THE EUROPEAN BANKING SECTOR**

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***Themistokles Lazarides, Evaggelos Drimpetas, George Kyriazopoulos***

The paper addresses the issue of inactivity and will try to detect its causes using econometric models. Six groups of indicators are examined: performance, size, ownership, corporate governance, capital adequacy or capital structure and loan growth. Three econometric methods (Probit, Logit, OLS) have been used to create a system that predicts inactivity.

The results of the econometric models show that from the six groups of indicators, four have been found to be statistically important (performance, size, ownership, corporate governance). Two have a negative impact (ownership, corporate governance) on the probability of inactivity and two positive (performance, size). The paper's value and innovation is that it has given a systemic approach to find indicators of inactivity and it has excluded two groups of indicators as non-statistically important (capital adequacy or capital structure and growth).

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## **SUBSCRIPTION DETAILS**

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